City Council Meeting
March 17, 2026

Notice is hereby given of a Regular Meeting of Nacogdoches City Council to be held on the above date in the City Council Chambers of City Hall, 202 E. Pilar Street, Nacogdoches, Texas, beginning at 5:30 p.m. for the purpose of considering the following agenda items.

Some City Council Members may attend via videoconference but a quorum of the City Council and the Presiding Officer will be present at the above-stated physical location. The meeting will be streamed live at: https://www.nactx.us/21. There will be an opportunity for the public to comment on agenda items in person in Council Chambers.

PLEASE LIMIT PRESENTATIONS TO THREE MINUTES
(UNLESS PRIOR APPROVAL IS OBTAINED)

1. CALL TO ORDER.

2. PLEDGE OF ALLEGIANCE.

3. OPEN FORUM. Open Forum is an opportunity for citizens to address the City Council about items listed on the agenda, as well as on matters that are not specifically listed on the agenda. Alternatively, a citizen may address the City Council about an agenda item when the item comes up for consideration during the meeting. In order to address the City Council, please complete the Public Comment Form and submit it to the City Secretary prior to the start of the meeting. In accordance with the Texas Open Meetings Act, the City Council will not discuss, deliberate, or make any decisions on items not listed on the agenda. Comments are limited to 3 minutes per person.

4. ITEMS TO BE REMOVED FROM CONSENT AGENDA.

5. CONSENT AGENDA: Items included under Consent Agenda require little or no deliberation by Council. Approval of Consent Agenda authorizes the City Manager or his designee to proceed with conclusion of each in accordance with staff recommendations as reflected in the minutes of this meeting.

   A. Consider approval of minutes for the Special Council Meeting and Regular Council meetings held on March 3, 2026. (City Secretary)

   B. Consider approval of Resolution 1412-03-26 regarding the submission of a 2024 Disasters Local Communities Program grant application by the City of Nacogdoches to the Texas General Land Office for storm water management system improvements. (Director of Public Works/City Engineer)

   C. Consider approval of Resolution 1413-03-26 regarding the submission of a Texas Community Development Block Grant Program 2026 Project Application (CDV25-0373) by the City of Nacogdoches to the Texas Department of Agriculture for storm water management system improvements. (Director of Public Works/City Engineer)

D. Consider approval of a resolution for street closures related to the annual Nacogdoches Wine Swirl Event hosted by the City of Nacogdoches Main Street Department in Downtown Nacogdoches. (Community Services Director)

E. Consider approval of a resolution for street closures related to the Nacogdoches Blueberry Festival hosted by the Nacogdoches Chamber of Commerce in Downtown Nacogdoches. (Community Services Director)

F. Consider approval of a contract by and between the City of Nacogdoches and Duplichain Contractors for Surface Water Treatment Plant blowers replacement (CIP Project WA-25-501) in the amount of $199,400.00. (Asst. Dir. of PW/Asst. City Engineer)

G. Consider approval of a contract by and between the City of Nacogdoches and Schaumburg & Polk Inc. for professional engineering services for Old Lufkin Road Sewer Line Replacement (CIP Project WW-26-203) in the amount of $51,400.00. (Asst. Dir. of Public Works/Asst. City Engineer)

H. Consider approval of the purchase of dumpsters from Wastequip Manufacturing Company LLC utilizing Sourcewell Cooperative Purchasing Contract No. 010825-WQI in the total amount of $44,662.00. (Director of Public Works/City Engineer)

I. Consider approval of the Revised Proposed Agreed Order from the Texas Commission on Environmental Quality for settlement of Docket No. 2024-1291-MWD-E; Enforcement Case No. 65995. (Director of Public Works/City Engineer)

6. REGULAR AGENDA: City Council will receive staff recommendations and public input on the following items, and may deliberate and take formal action on the item.

A. Receive and accept the Annual Financial Audit for the fiscal year ending September 30, 2025, prepared by independent auditors Pattillo, Brown & Hill, LLP. (Pattillo, Brown & Hill, LLP)

B. **Public Hearing:** Discuss and consider action on Specific Use Permit Case SUP2026-02 regarding a Specific Use Permit request for Stone, Sand, Gravel & Mineral Extraction in a R-4, Multi-Family district on one (1) parcel of land approximately 28.2 acres ± in size, more particularly described by Nacogdoches Central Appraisal District Parcel 85393; and generally located north of Powers Street between North Sanders Street and Old Tyler Road, Nacogdoches, Texas.

C. **Public Hearing:** Discuss and consider action on Historic Overlay Case HO2025-02 regarding a Historic Overlay designation on one (1) parcel of land approximately 0.18 ± acres in size, more particularly described by Nacogdoches Central Appraisal District Parcel 23796; and located at 515 Bailey Avenue, Nacogdoches, Texas.

D. **Public Hearing:** Discuss and consider action on Zoning Case ZON2026-01 regarding a zone change from B-2, General Business to R-4, Multi-Family and from R-1, Single

Family to R-4, Multi-Family, on one (1) parcel of land approximately 9.88 acres ± in size, more particularly described by Nacogdoches Central Appraisal District Parcel 26288, being Lots 19-A and 48, City Block 64; and located at 3607 East Main Street, Nacogdoches, Texas.

E. **Public Hearing:** Discuss and consider action on Specific Use Permit Case SUP2026-01 regarding a Specific Use Permit request for a Travel Trailer/RV Park in a R-4, Multi-Family district on one (1) parcel of land approximately 9.88 acres ± in size, more particularly described by Nacogdoches Central Appraisal District Parcel 26288, being Lots 19-A and 48, City Block 64; and located at 3607 East Main Street, Nacogdoches, Texas.

F. Consider approval of a contract by and between the City of Nacogdoches and SCS Engineers for professional engineering services for Phase II of Landfill Major Permit Amendment and Expansion (CIP Project SW-25-201) in the amount of $657,635.00. (Director of Public Works/City Engineer)

G. Consider approval of an Encroachment Agreement between the City of Nacogdoches and Fredonia Hospitality, LLC related to property located at 200 N. Fredonia Street. (City Attorney)

H. Consider approval and adoption of the Amended Bylaws for The City of Nacogdoches Development Corporation. (City Attorney)

I. Consideration and possible approval of a permit for the installation of a 30,000-gallon bulk above-ground liquefied petroleum (LP) gas storage tank. (Fire Marshal)

J. Discuss options regarding the appointment of Planning and Zoning Commission alternate members. (Executive Director of Development and Infrastructure)

7. EXECUTIVE SESSION: Executive Sessions are for City Council to receive information and deliberate on matters specified in Subchapter D of the Texas Open Meetings Act. Council may reconvene in open session to vote on the matter.

   A. Consultation with City Attorney - Pursuant to Texas Government Code Section 551.071, deliberation regarding attorney's advice concerning pending or contemplated litigation or a settlement offer, or on a matter in which the duty of the attorney to the governmental body under Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, clearly conflicts with this chapter. (City Attorney)

8. Open for action if any, on Executive Session item (s).

9. ADJOURN.

Karen Hadnot
City Secretary

This agenda is posted as required under G. C. Section 551.041. For more information or a copy of the Open Meetings Act, please contact Attorney General of Texas at 1-800-252-8011; City Secretary at (936) 559-2506 or visit City of Nacogdoches web site at www.nactx.us.

CERTIFICATION

This meeting will be conducted pursuant to Chapter 551 of the Texas Government Code. The Council reserves the right to adjourn into Executive Session at any time during the meeting to discuss any of the above posted agenda, as authorized by Texas Local Government Code Sections 551.071 [litigation and certain consultation with attorney], 551.072 [acquisition of interest in real property], 551.073 [prospective gift to city], 551.074 [certain personnel deliberations], 551.076 [deployment/implementation of security personnel or devices], or 551.087 [deliberations regarding economic development negotiations]. The City of Nacogdoches is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications may be provided upon request. Please contact the City Secretary at (936) 559-2506 for information. I certify the notice of meeting was posted in the directory outside of City Hall, 202 E. Pilar Street, Nacogdoches, Texas 75961, on March 11, 2026 by 5:30pm pursuant to Chapter 551 of the Texas Government Code.

_____
Karen Hadnot, City Secretary

PRESENTER: Karen Hadnot, City Secretary

ITEM/SUBJECT: Consider approval of minutes for the Special Council Meeting and Regular Council meetings held on March 3, 2026. (City Secretary)

SUMMARY/BACKGROUND: This item includes draft minutes for the City Council's Special Meeting and Regular Council meeting held on March 3, 2026.

FINANCIAL:

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES

CITY CONTACT:

ATTACHMENTS:
1. Special Council Meeting
2. Regular Council Meeting

City Council Special Meeting
Nacogdoches City Council
March 3, 2026 – 5:00 p.m.
Council Chambers
202 E. Pilar, Nacogdoches, TX

City Council present: Mayor Randy Johnson; Council Members, Kathleen Belanger**;** Blane Williams; Brad Maule; and Chad Huckaby

1. Called to order at 5:00 p.m.

2. Pledge of Allegiance.

3. **REGULAR AGENDA:**

Mayor Johnson called the next item on the Regular Agenda.

3A. Consider the Ordinance calling the Regular Election of the City Council Members for Southeast and Southwest Ward for the City of Nacogdoches, Texas.

Mayor Johnson opened the floor for comments. With no comments received, Mayor Johnson then closed the floor.

Council Member Huckaby made a motion to approve the ordinance calling for the regular election for the Southeast and Southwest Wards. Council Member Williams seconded the motion, and a unanimous affirmative vote was recorded.

4. **ADJOURNED:** 5:01p.m.

A full recording of the Regular City Council Meeting for March 3, 2026, may be viewed here: City Council Special Meeting – 20260303

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Randy Johnson, Mayor
City Council
City of Nacogdoches

ATTEST:

_____
Karen Hadnot, City Secretary

Regular Session
Nacogdoches City Council
March 3, 2026 – 5:30 p.m.
Council Chambers
202 E. Pilar, Nacogdoches, TX

City Council present: Mayor Randy Johnson; Council Members, Kathleen Belanger**;** Blane Williams; Brad Maule; and Chad Huckaby

1. Called to order at 5:30 p.m.

2. Pledge of Allegiance.

3. Open Forum:

Mayor Johnson opens the floor for public comments. There being none. The floor was closed

4. **ITEMS TO BE REMOVED FROM THE CONSENT AGENDA:**

There being no item removed for the consent agenda.

5. **CONSENT AGENDA:**

Council Member Huckaby made a motion to approve Consent Agenda Items. Mayor Johnson seconded the motion, which was unanimously approved.

6. **REGULAR AGENDA:**

Mayor Johnson called the next item on the Regular Agenda.

6A. **Public Hearing**: Final Public Hearing to encourage citizen participation, discuss, and answer any questions regarding TXCDBG Contract #CDV23-0190.

Case Opperman, the Director of Public Works and City Engineer, presented a request to the council. He used PowerPoint slides to provide detailed information about the project funded by the Community Development Block Grant (CDBG), which benefits approximately 270 residents.

Mr. Opperman explained that the Public Hearing is a final requirement from the Texas Department of Agriculture (TDA) for closing out the project, allowing for citizen input.

Brandi Cartwright, a resident of Nacogdoches, raised concerns regarding the sidewalks discussed and safety issues on Martin Luther King Jr. Drive.

In response, Mr. Opperman clarified that the current CDBG grant is specifically allocated for a waterline project and does not encompass the construction of sidewalks. He noted that the discussions about sidewalks pertain to a separate Revolving Loan Fund (RLF) through the TDA, which the city has been pursuing since 2017 but has encountered obstacles in securing the necessary funding.

Council Member Belanger remarked that CDBG funds are primarily designated for infrastructure projects such as water and sewer.

Mayor Johnson then closed the floor for discussion.

6B. Consider approval of an Ordinance canceling the General Election on May 2, 2026.

Motion was made by Mayor Johnson to cancel the General Election for May 2, 2026. Council Member Belanger seconded the motion with a unanimous affirmative vote being recorded.

6C. Consider approval and adoption of updated City Procurement Policy.

Drew Flores, the Purchasing Contract Specialist, presented a request to the Council, accompanied by a series of slides that he discussed in detail. He highlighted the need for updates to the previous version of the City Procurement Policy, which was last revised in January 2023, noting that significant changes had occurred since then. Mr. Flores outlined several key updates and changes, including improvements in formatting and consolidation, compliance, the Fleet Section, the IT Section, Vendor Registration, Purchasing Cards, the HUB Program Replacement, SB1173 Implementation, and Grant Eligibility.

He explained that the updated process began in September 2025, with intensive work continuing until the end of that year and into January 2026. This process involved collaboration between the Finance and Purchasing departments, weekly meetings, thorough proofreading, and feedback from Executive Staff.

Council Member Huckaby expressed deep appreciation for the staff's efforts to modernize and enhance city processes and policies, especially in financed procurement, and noted the substantial positive changes compared to previous years.

Council Member Huckaby then made a motion to approve and adopt the updated City Procurement Policy, which was unanimously adopted. Council Member Williams seconded the motion, and a unanimous affirmative vote was recorded.

7. **ADJOURNED:** 5:47p.m.

A full recording of the Regular City Council Meeting for March 3, 2026, may be viewed here: Regular City Council Meeting – 20260303

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Randy Johnson, Mayor
City Council
City of Nacogdoches

ATTEST:

_____
Karen Hadnot, City Secretary

PRESENTER: Case Opperman, Director of Public Works

ITEM/SUBJECT: Consider approval of Resolution 1412-03-26 regarding the submission of a 2024 Disasters Local Communities Program grant application by the City of Nacogdoches to the Texas General Land Office for storm water management system improvements. (Director of Public Works/City Engineer)

SUMMARY/BACKGROUND: The Local Communities Program (LCP) is being administered by the General Land Office (GLO) for activities allowed under CDBG-DR including drainage improvements projects, eligible planning studies and other related activities which: include one activity, one service area and address one national objective; address unmet needs or tie-back to the 2024 Disasters (Spring flood events and Hurricane Beryl); meet a HUD National Objective; and follow public participation process with a public comment period as outlined in the 2024 Disasters Local Communities Program Submission Guide. Main qualifiers for this program also include agreement from the City to a 5% match requirement, the ability to complete the project within two years and information regarding the City's audit must be provided within the submittal survey. Minimum and maximum project amounts with this program are $500,000 and $5,000,000, respectively.

As part of the City's efforts to obtain and utilize outside funding for needed projects, staff has identified potential storm drainage improvement needs and/or possibly a drainage study for low-to-moderate income (LMI) areas of town which could be applied for funding under this program. The Call for Projects is open until March 23, 2026. Staff requests a resolution of support for submission of projects under this grant program, as well as assigning signatories on behalf of the City.

FINANCIAL:
No financial impact associated with this item

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES
Infrastructure

CITY CONTACT: Case Opperman, PE – Director of Public Works/City Engineer
oppermanc@nactx.us
(936) 559-2515

ATTACHMENTS: 1. Resolution

RESOLUTION NO. 1412-03-26

A RESOLUTION OF THE CITY OF NACOGDOCHES, TEXAS, AUTHORIZING THE SUBMITTAL OF PROPOSED PROJECTS FOR FUNDING FROM THE TEXAS GENERAL LAND OFFICE (GLO) FOR ELIBILE ACTIVITIES ALLOWED UNDER THE 2024 DISASTERS LOCAL COMMUNITIES PROGRAM (LCP); DESIGNATING AUTHORIZED SIGNATORIES FOR RELATED CONTRACTUAL AND FINANCIAL DOCUMENTS; PROVIDING FOR FINDINGS OF FACT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Texas General Land Office (GLO) allocated $97,033,950 for the Local Communities Program (LCP), which provides funding for disaster relief, long-term recovery, and restoration of infrastructure or economic revitalization projects to help eligible communities recover from the 2024 Disasters (24D); and

WHEREAS, the Texas LCP supports projects that restore public infrastructure, strengthen local economies, and address long-term recovery needs in eligible disaster-impacted areas; and

WHEREAS, eligible applicants must be a local government (city or county) or Indian tribe located in one of the 92 counties designated as eligible by HUD as most impacted and distressed (MID) by 2024 Disasters including Texas Severe Storms, Straight-line Winds, Tornadoes, and Flooding (DR-4781) and Hurricane Beryl (DR-4798); and

WHEREAS, the City of Nacogdoches is a local government entity in Nacogdoches County, one of 65 Secondary MID Counties recognized by The U.S. Department of Housing and Urban Development (HUD), and is eligible for up to $5,000,000 in LCP funding assistance from the GLO; and

WHEREAS, the City of Nacogdoches wishes to propose two (2) eligible drainage improvement projects as part of the GLO Call for LCP Project Submissions, and the City Council finds that it is in the public's interest to submit projects for funding, as provided below.

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

SECTION 1. Findings. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. Authorized Signatories. The City Council of the City of Nacogdoches, Texas, authorizes the City Manager, Executive Director of Development and Infrastructure, and Assistant Director of Finance to submit and execute all required documents for the 2024 Disasters Local Communities Program application for funding from the Texas General Land Office for the purpose of drainage repair improvements, including the construction or rehabilitation of storm water management systems.

SECTION 3. Effective Date. This Resolution shall be and become effective from and after its adoption in accordance with the provisions of the Charter of the City of Nacogdoches.

APPROVED AND ADOPTED at a regular meeting of the Nacogdoches City Council on this 17th day of March 2026.

CITY OF NACOGDOCHES

_____
Randy Johnson, Mayor

ATTEST:

_____
Karen Hadnot, City Secretary

APPROVED AS TO FORM:

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Jerry Baker, City Attorney

PRESENTER: Case Opperman, Director of Public Works

ITEM/SUBJECT: Consider approval of Resolution 1413-03-26 regarding the submission of a Texas Community Development Block Grant Program 2026 Project Application (CDV25-0373) by the City of Nacogdoches to the Texas Department of Agriculture for storm water management system improvements. (Director of Public Works/City Engineer)

SUMMARY/BACKGROUND: The Texas Department of Agriculture offers a rural economic development grant known as the Community Development Block Grant (TxCDBG) Program for Rural Texas. The primary objective of this program is to develop viable communities by providing decent housing and suitable living environments, expanding economic opportunities principally for people in Census-designated Low and Moderate Income (LMI) areas. Most funds are used for public facilities including, but not limited to, water/wastewater infrastructure, street and drainage improvements and housing activities.

City Council Resolution No. 1376-11-24 previously authorized the submission of a Community Development Fund application (CDV25-0373) for this $750,000.00 grant. While the City did not receive an award under Phase I of the program, the City has been invited to apply for additional funds remaining under Phase II. Proposed projects would include two (2) storm sewer improvement areas at Sweetgum/Stewart Streets and at Railroad Street, respectively. The prior resolution also committed the City to provide a local match of $112,500.00 in conjunction with the $750,000.00 grant, and this remains in effect if awarded. Since local funding is included as part of the 2023 General Obligation Bonds designated for storm improvements, additional grant funding would allow the City to meet additional drainage project needs.

This proposed resolution designates City signatories for contractual and financial grant documents related to the Phase II application. City staff recommends approval.

FINANCIAL:
No financial impact associated with this item

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES
Infrastructure

CITY CONTACT: Case Opperman, PE – Director of Public Works/City Engineer
oppermanc@nactx.us
(936) 559-2515

ATTACHMENTS: 1. Resolution

RESOLUTION NO. 1413-03-26

A RESOLUTION OF THE CITY OF NACOGDOCHES, TEXAS, DESIGNATING AUTHORIZED SIGNATORIES FOR CONTRACTUAL AND FINANCIAL DOCUMENTS RELATED TO FUNDING FROM THE TEXAS DEPARTMENT OF AGRICULTURE UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM 2026 COMMUNITY DEVELOPMENT FUND; PROVIDING FOR FINDINGS OF FACT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the goal of the Texas Community Development Block Grant (TxCDBG) Program is to develop viable communities by providing decent housing and a suitable living environment, as well as by expanding economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, the Community Development fund is the largest fund category in the TxCDBG program and is available on a biennial basis for funding through a competition in each of the 24 state planning regions; and

WHEREAS, based on the Community Application (Phase 1) submission to the Texas Department of Agriculture (TDA) by the City of Nacogdoches for the 2025-2026 Community Development Fund, as authorized by City Council under Resolution No. 1376-11-24, the City is invited to submit a fully-developed 2026 Project Application (Phase 2); and

WHEREAS, by inviting the City to complete the Project Application, TDA is reserving up to $750,000.00 for the City's proposed project activities; and

WHEREAS, the City wishes to propose two (2) eligible drainage improvement projects as part of the Project Application, and the City Council finds that it is in the public's interest to submit projects for funding, as provided below.

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

SECTION 1. Findings. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. Authorized Signatories. The City Council of the City of Nacogdoches, Texas, authorizes the City Manager, Executive Director of Development and Infrastructure, and Assistant Director of Finance to submit and execute all required documents for the Community Development Fund 2026 Project Application for funding from the Texas Department of Agriculture for the purpose of drainage repair improvements, including the construction or rehabilitation of storm water management systems.

SECTION 3. Effective Date. This Resolution shall be and become effective from and after its adoption in accordance with the provisions of the Charter of the City of Nacogdoches.

APPROVED AND ADOPTED at a regular meeting of the Nacogdoches City Council on this 17th day of March 2026.

CITY OF NACOGDOCHES

_____
Randy Johnson, Mayor

ATTEST:

_____
Karen Hadnot, City Secretary

APPROVED AS TO FORM:

_____
Jerry Baker, City Attorney

PRESENTER: Jessica Sowell, Community Services Director

ITEM/SUBJECT: Consider approval of a resolution for street closures related to the annual Nacogdoches Wine Swirl Event hosted by the City of Nacogdoches Main Street Department in Downtown Nacogdoches. (Community Services Director)

SUMMARY/BACKGROUND: The City of Nacogdoches holds several annual fundraising, holiday, and community events in Downtown Nacogdoches. These events attract visitors from all over the state, city, and county and, in turn, boost our local economy in sales tax and hotel occupancy.

Several events, including the Nacogdoches Wine Swirl Event, require the closure of East Main Street. In order to close East Main Street (Highway 21), the City Council must pass a temporary closure resolution. If approved, a map of the street closures, the Agreement for Temporary Closure of State Right of Way with TxDOT, and the City Council resolution will all be sent to the regional TxDOT office for final approval.

This event is planned and hosted by a City of Nacogdoches Department and therefor meets the City Partner event requirement for closing streets.

FINANCIAL:

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES

CITY CONTACT: Jessica Sowell, Community Services Director
sowellj@nactx.us
936-559-2935

ATTACHMENTS:
1. Resolution
2. Wine Swirl - street closure map

RESOLUTION NO. 1411-03-26

WHEREAS, organizers of the 2026 Wine Swirl of event desire to have a safe and successful event for all vendors and participants and

WHEREAS, organizers of the Wine Swirl of event are requesting that the City of Nacogdoches close Main Street (SH 21) from its intersection with North Street eastward to its intersection at Mound Street from 12:00 p.m. Saturday, April 11, 2026, until 12:00 a.m. Sunday, April 12, 2026, in order to provide safety for the vendors and participants; and

WHEREAS, after duly considering such a request, it is the consent of the City Council that a resolution be adopted requesting the Texas Department of Transportation to allow the closing of Main Street for the 2026 Wine Swirl of the event.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Nacogdoches, Texas that this resolution be adopted requesting the Texas Department of Transportation to allow the closing of Main Street (SH 21) from its intersection with North Street eastwardly to its intersection at Mound Street from 12:00 p.m. Saturday, April 11, 2026, until 12:00 a.m. Sunday, April 12, 2026, for the 2026 Wine Swirl of event.

BE IT FURTHER RESOLVED that Rick Beverlin, City Manager, be authorized to execute an agreement with the Texas Department of Transportation for the closing of Main Street (SH 21).

PASSED AND APPROVED this 17th day of March 2026**.**

CITY OF NACOGDOCHES

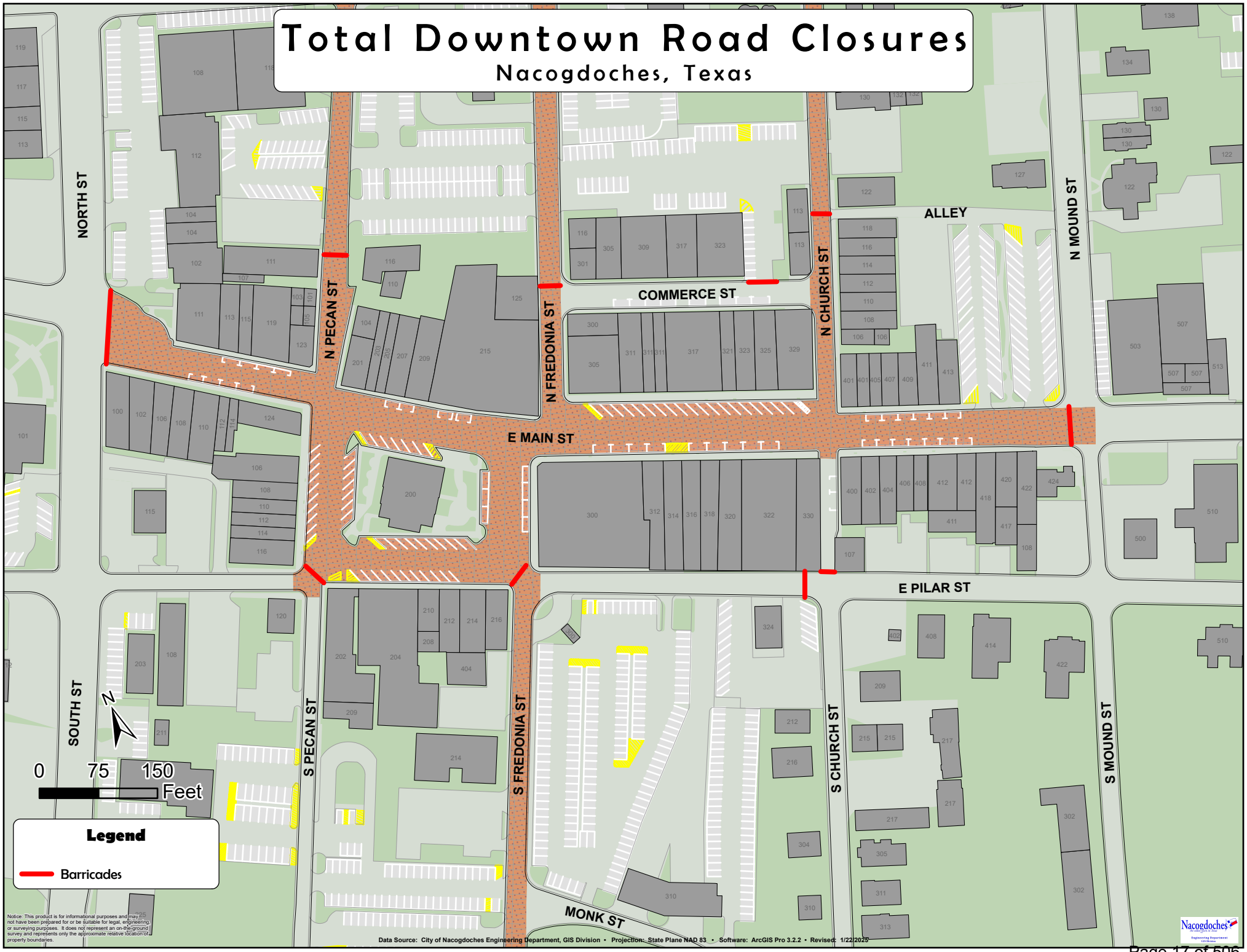
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Randy Johnson, Mayor

ATTEST:

_____

Karen Hadnot, City Secretary


Total Downtown Road Closures
Nacogdoches, Texas
NORTH ST
N PECAN ST
N FREDONIA ST
COMMERCE ST
N CHURCH ST
ALLEY
N MOUND ST
E MAIN ST
E PILAR ST
SOUTH ST
S PECAN ST
S FREDONIA ST
S CHURCH ST
S MOUND ST
MONK ST
N
0 75 150
Feet
Legend
Barricades
Notice: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.
Data Source: City of Nacogdoches Engineering Department, GIS Division • Projection: State Plane NAD 83 • Software: ArcGIS Pro 3.2.2 • Revised: 1/22/2025
Nacogdoches
Engineering Department

PRESENTER: Jessica Sowell, Community Services Director

ITEM/SUBJECT: Consider approval of a resolution for street closures related to the Nacogdoches Blueberry Festival hosted by the Nacogdoches Chamber of Commerce in Downtown Nacogdoches. (Community Services Director)

SUMMARY/BACKGROUND: The City of Nacogdoches holds several annual fundraising, holiday, and community events in Downtown Nacogdoches. These events attract visitors from all over the state, city, and county and in turn, boost our local economy in sales tax and hotel occupancy.

Several events, including the Nacogdoches Blueberry Festival, hosted by the Nacogdoches Chamber of Commerce, require the closure of East Main Street. In order to close East Main Street (Highway 21), the City Council must pass a temporary closure resolution. If approved, a map of the street closures, the Agreement for Temporary Closure of State Right of Way with TxDOT, and the City Council resolution will all be sent to the regional TxDOT office for final approval.

The Texas Blueberry Festival, hosted by the Nacogdoches Chamber of Commerce, was approved as a City Partnered event during the FY 25-26 Budget cycle by the Nacogdoches City Council.

FINANCIAL:

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES

CITY CONTACT: Jessica Sowell, Community Services Director
sowellj@nactx.us
936-559-2935

ATTACHMENTS:
1. Resolution
2. Blueberry Festival - street closure map

RESOLUTION NO. 1410-03-26

WHEREAS, organizers of the Texas Blueberry Festival desire to have a safe and successful event for all vendors and participants and

WHEREAS, organizers of the Texas Blueberry Festival are requesting that the city of Nacogdoches close Main Street (SH 21) from its intersection with North Street eastward to its intersection at Mound Street from 6:00 PM June 13, 2026, until 8:00 PM June 14, 2026 in order to provide safety for the vendors and participants; and

WHEREAS, after duly considering such a request, it is the consent of the City Council that a resolution be adopted requesting the Texas Department of Transportation to allow the closing of Main Street for the Texas Blueberry Festival.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Nacogdoches, Texas that this resolution be adopted requesting the Texas Department of Transportation to allow the closing of Main Street (SH 21) from its intersection with North Street eastward to its intersection at Mound Street from 6:00 PM June 13, 2026, until 8:00 PM June 14, 2026, in order to provide safety for the vendors and participants, for the Texas Blueberry Festival.

BE IT FURTHER RESOLVED that Rick Beverlin, City Manager, be authorized to execute an agreement with the Texas Department of Transportation for the closing of Main Street (SH 21).

PASSED AND APPROVED this 17th day of March, 2026.

CITY OF NACOGDOCHES

_____
Randy Johnson, Mayor

ATTEST:

_____
Karen Hadnot, City Secretary

Total Downtown + Festival Park Road Closures

Nacogdoches, Texas



PRESENTER: Jason Vickery, Assistant City Engineer

ITEM/SUBJECT: Consider approval of a contract by and between the City of Nacogdoches and Duplichain Contractors for Surface Water Treatment Plant blowers replacement (CIP Project WA-25-501) in the amount of $199,400.00. (Asst. Dir. of PW/Asst. City Engineer)

SUMMARY/BACKGROUND: There are two (2) blowers at the Surface Water Treatment Plant (SWTP), which support the facility's water treatment process. These blowers are original to the plant and have reached their intended life cycle. Budgeted in Fiscal Year 2026, Capital Improvements Program (CIP) Project No. WA-25-501 includes the replacement of both SWTP blowers. Replacement work consists of furnishing, delivering, and installing two (2) multistage centrifugal blowers, controls and accessories, including integration into the existing plant monitoring system, as required.

On March 10, 2026, the City received three (3) qualified bids for this work, as follows:

Duplichain Contractors, LLC	**$ 199,400.00**
MTS E-Tex Services, LLC	$ 244,550.00
McKinney & Moore of Texas, LLC	$ 246,318.88

Duplichain Contractors, LLC was found to be the lowest responsible bidder. They are an Alto, Texas-based company that has successfully completed many projects for the City in the past. It is recommended that the contract for this project be awarded to Duplichain Contractors, LLC in the amount of $199,400.00. This project is budgeted within the Utility Fund CIP.

FINANCIAL:
Item is budgeted:
Account No.: 30.36 680.97
Account Name: *Water Production - CIP*
Amount: $199,400.00

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES
Infrastructure

CITY CONTACT: Jason Vickery, PE
Asst. Dir. of PW/Asst. City Engineer
vickeryj@nactx.us
(936) 559-2518

ATTACHMENTS:
1. Bid Tab
2. Contract
3. Bid Form and Bond

BID TABULATION

				Contractor 1		Contractor 2		Contractor 3	
City of Nacogdoches 2026 SWTP Blower Replacement Project Bid Date: March 10, 2026 @ 11:00 AM				Duplichain Contractors		MTS E-TEX Services		McKinney & Moore	
ITEM	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
1	Delivery and Installation of Two (2) Multistage Centrifugal Blowers as per the Contract Documents including, but not limited to, removal and disposal of existing multistage centrifugal blowers, associated re-installation of valves and piping, equipment startup and coordination with manufacturer, protection of adjacent equipment and structures, site restoration, clean-up and disposal of all debris and all required appurtenances for a complete and operational blower assembly, including all materials & labor; complete, in place	1	LS	$183,900.00	$183,900.00	$212,550.00	$212,550.00	$246,318.88	$246,318.88
2	Programming and installation of Electrical Controls and Equipment as per the manufacturer's requirements as outlined in the submittal documents including, but not limited to, electrical equipment and controls, SCADA integration, wiring, conduit, electrical connections, equipment startup and all required appurtenances for a complete and operational electrical installationall materials & labor; complete, in place	1	LS	$15,500.00	$15,500.00	$32,000.00	$32,000.00	no bid	no bid
TOTAL BID AMOUNT				$199,400.00		$244,550.00		$246,318.88	

CITY OF NACOGDOCHES
CONSTRUCTION AGREEMENT

This Agreement is entered into by and between the **City of Nacogdoches**, a Texas home-rule municipal corporation (the "City") and **Duplichain Contractors, LLC** a limited liability corporation (the "Contractor"), for **Construction Services for 2026 SWTP Blower Replacement Project** located in Nacogdoches, Texas (the "Project").

1. DEFINITIONS

1.01. Calendar Day. A "calendar day" is any day of the week or month, no days being excepted.

1.02. City. Whenever the word "City" is used, it shall mean and be understood as referring to the City of Nacogdoches, Texas.

1.03. City's Representative. Whenever the words "City's Representative" or "Representative" are used, it shall mean and be understood as referring to the City Manager or his delegate, who shall act as City's agent. The City's Representative may inspect and issue instructions but shall not directly supervise the Contractor.

1.04. Contract Amount. The term "Contract Amount" shall mean the amount of Contractor's lump sum base bid proposal, together with all alternates, as accepted by the City in accordance with the Contractor's Proposal. In the case of a unit price contract, Contract Amount shall mean the sum of the product of all unit prices times the respective estimated final quantities of work, for all base bid and alternates, as accepted by the City.

1.05. Contract Documents. The term "Contract Documents" shall mean those documents listed in Paragraph 2.01.

1.06. Contractor. Whenever the word "Contractor" is used, it shall mean the person(s), partnership, or corporation who has agreed to perform the work embraced in this Agreement and the other Contract Documents.

1.07. Extra Work. The term "Extra Work" shall mean and include work that is **not** covered or contemplated by the Contract Documents but that may be required by City's Representative and approved by the City in writing ***prior*** to the work being done by the Contractor.

1.08. Final Completion. The term "Final Completion" shall mean that all the work has been completed, all final punch list items have been inspected and satisfactorily completed, all payments to materialmen and subcontractors have been made, all documentation and warranties have been submitted, and all closeout documents have been executed and approved by the City.

1.09. Interpretation of Phrases. Whenever the words "directed", "permitted", "designated", "required", "considered necessary", "prescribed", or words of like import are used, it is understood that the direction, requirement, permission, order, designation, or prescription of City's Representative is intended. Similarly, the words "approved", "acceptable", "satisfactory", or words of like import shall mean approved by, accepted by, or satisfactory to City's Representative.

1.10. Nonconforming work. The term "nonconforming work" shall mean work or any part thereof that is rejected by City's Representative as not conforming with the Contract Documents.

1.11. Parties. The "parties" are the City and the Contractor.

1.12. Project. The term "Project" shall mean and include all that is required to obtain a final product that is acceptable to the City. The term "work" shall have like meaning.

1.13. Subcontractor. The term "subcontractor" shall mean and include only those hired by and having a direct contact with Contractor for performance of work on the Project. The City shall have no responsibility to any subcontractor employed by a Contractor for performance of work on the Project, and all subcontractors shall look exclusively to the Contractor for any payments due.

1.14. Substantially Completed. The term "Substantially Completed" means that in the opinion of the City's Representative the Project, including all systems and improvements, is in a condition to serve its intended purpose but still may require minor miscellaneous work and adjustment. Final payment of the Agreement Price, including retainage, however, shall be withheld until Final Completion and acceptance of the work by the City. Acceptance by the City shall not impair or waive any warranty obligation of Contractor.

1.15. Work. The term "work" as used in this Agreement shall mean and include all that is required herein to obtain a final product that is acceptable to the City. The term "Project" shall have like meaning. This Project includes the following: **Construction Services for 2026 SWTP Blower Replacement Project** located in Nacogdoches, Texas.

1.16. Working Day. A "working day" means any day not including Saturdays, Sundays, or legal holidays.

2. CONTRACT DOCUMENTS

2.01. The Contract Documents and their priority shall be as follows:

2.01.01. This signed Agreement
2.01.02. Addendum to this Agreement
2.01.03. General Conditions
2.01.04. Special Conditions
2.01.05. Technical specifications
2.01.06. Drawings
2.01.07. Instructions to Bidders and any other notices to Bidders or Contractor
2.01.08. Performance bond, Payment bonds, Bid bonds and Special bonds
2.01.09. Contractor's Proposal

2.02. Where applicable, the Contractor will be furnished three (3) sets of plans, drawings, specifications, and related Contract Documents for its use during construction. Plans and specifications provided for use during construction shall be furnished directly to the Contractor only.

2.03. The Contractor shall distribute copies of the plans and specifications to suppliers and subcontractors as necessary. The Contractor shall keep one (1) copy of the plans and specifications accessible at the work

site with the latest revisions noted thereon. For proper execution of the work contemplated by this Agreement, additional sets of drawings, plans and specifications may be purchased by the Contractor.

2.04. All drawings, specifications, and copies thereof furnished by the City shall not be re-used on other work, and with the exception of one (1) copy of the signed Contract Documents, all documents, including sets of the plans and specifications and "as built" drawings, are to be returned to the City on request at the completion of the work. All Contract Documents, models, mockups, or other representations are the property of the City. In the event of inconsistencies within or between parts of the Contract Documents, the Contractor shall (1) provide the better quality or greater quantity of Work, or (2) comply with the more stringent requirement, either or both in accordance with the City's interpretation. The terms and conditions of this Clause 2.04, however, shall not relieve the Contractor of any of the obligations set forth in Paragraphs 8.01. and 8.02.

3. AWARD OF CONTRACT

3.01. Upon the award of the contract by the City Council, the parties shall execute this Agreement, and the Contractor shall deliver to City's Representative all documents, bonds, and certificates of insurance required herein.

3.02. **Time is of the essence in this Agreement.** Accordingly, the Contractor shall be prepared to perform the work in the most expedient and efficient possible manner in order to complete the work by the times specified in this Agreement for Substantial Completion and Final Completion. In addition, the Contractor's work on the Project shall be commenced on the date to be specified in the notice to proceed. The notice to proceed may be given by oral notification or set by City's Representative at the post-contract award conference. **The notice to proceed may not be given, nor may any work be commenced, until this Agreement is fully executed and complete, including all required exhibits and other attachments, particularly those required under Paragraphs 27 and 28 (Insurance & Bonds).**

3.03. **Contract Amount.** Except in the event of a duly authorized change order approved by the City as provided in this Contract, and in consideration of the Contractor's final completion of all work in conformity with this Contract, the City shall pay the Contractor an amount not to exceed **One Hundred Ninety-Nine Thousand Four Hundred and Zero/100 Dollars ($199,400.00).**

4. CITY'S REPRESENTATIVE

4.01. The Contractor shall forward all communications, written or oral, to the City through the City's Representative.

4.02. The City's Representative may periodically review and inspect the work of the Contractor.

4.03. The City's Representative shall appoint, from time to time, such subordinate supervisors or inspectors as City's Representative may deem proper to inspect the work performed under this Agreement and ensure that said work is performed in accordance with the plans and specifications.

4.04. The Contractor shall regard and obey the directions and instructions of City's Representative, any subordinate supervisors or inspectors appointed by the City provided such directions and instructions are consistent with the obligations of this Agreement.

4.05. Should the Contractor object to any orders by any subordinate supervisor or inspector, the Contractor may, within two (2) days from receipt of such order, make written appeal to City's Representative for his decision.

5. INDEPENDENT CONTRACTOR

5.01. In all activities or services performed hereunder, the Contractor is an independent contractor and not an agent or employee of the City. The Contractor, as an independent contractor, shall be responsible for the final product contemplated under this Agreement. Except for materials furnished by the City, the Contractor shall supply all materials, equipment and labor required for the execution of the work on the Project. The Contractor shall have ultimate control over the execution of the work under this Agreement. The Contractor shall have the sole obligation to employ, direct, control, supervise, manage, discharge, and compensate all of its employees and subcontractors, and the City shall have no control of or supervision over the employees of the Contractor or any of the Contractor's subcontractors except to the limited extent provided for in this Agreement.

5.02. The Contractor shall retain personal control and shall give its personal attention to the faithful prosecution and completion of the work and fulfillment of this Agreement. The subletting of any portion or feature of the work or materials required in the performance of this Agreement shall not relieve the Contractor from its obligations to the City under this Agreement. The Contractor shall appoint and keep on the Project during the progress of the work a competent Project Manager and any necessary assistants, all satisfactory to City's Representative, to act as the Contractor's representative and to supervise its employees and subcontractors. All directions given to the Project Manager shall be binding as if given to the Contractor. Adequate supervision by competent and reasonable representatives of the Contractor is essential to the proper performance of the work, and lack of such supervision shall be grounds for suspending the operations of the Contractor and is a breach of this Agreement.

5.03. Unless otherwise stipulated, the Contractor shall provide and pay for all labor, materials, tools, equipment, transportation, facilities, and drawings, including engineering, and any other services necessary or reasonably incidental to the performance of the work by the Contractor. It shall be the responsibility of the Contractor to furnish a completed work product that meets the requirements of the City. Any additional work, material, or equipment needed to meet the intent of this specification shall be supplied by the Contractor ***without*** claim for additional payment, even though not specifically mentioned herein.

5.04. Any injury or damage to the Contractor or the Project caused by an act of God, natural cause, a party or entity not privy to this Agreement, or other force majeure shall be assumed and borne by the Contractor.

6. DISORDERLY EMPLOYEES

The Contractor agrees to employ only orderly and competent employees skillful in the performance of the type of work required, and agrees that whenever City's Representative shall inform the Contractor in writing that any person or persons on the work are, in his opinion, incompetent, unfaithful, or disorderly, such person or person shall be discharged from the work and shall not again be re-employed on the site or the Project without City's Representative's written permission.

7. HOURS OF WORK

The Contractor may work Monday through Friday from 7 a.m. to 6 p.m., exclusive of Saturdays, Sundays, or legal holidays. The Contractor may work overtime, weekends, and holidays only when approved in advance by the City's Representative. The time for Substantial Completion shall not be affected in any way by inclusion of this section or by the City's consent or lack of consent to work outside of the times specified in this Agreement.

8. NATURE OF THE WORK

8.01. It is understood and agreed that the Contractor has, by careful examination, studied and compared the various Drawings and other Contract Documents, satisfied itself as to the nature and location of the work, the conditions of the ground and soil, the nature of any structures, the character, quality, and quantity of the material to be utilized, the character of equipment and facilities needed for and during the prosecution of the work, the time needed to complete the work, Contractor's ability to meet all deadlines and schedules required by this Agreement, the general and local conditions, including but not limited to weather, and all other matters that in any way affect the work under this Agreement. These obligations are for the purpose of facilitating construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, any errors, inconsistencies or omissions discovered, or which reasonably should have been discovered by the Contractor shall be reported promptly to the City as a request for information in such form as the City may require. However, the Contractor shall not perform any act or do any work on the Project that places the safety of persons at risk or potentially damages materials or equipment used in the Project, and the Contractor shall do nothing that would render any test or tests erroneous.

8.02. Any design errors or omissions noted by the Contractor during this review shall be reported promptly to the City, but it is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional unless otherwise specifically provided in the Contract Documents. The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, building codes, and rules and regulations, but any nonconformity discovered by or which reasonably should have been discovered or made known to the Contractor shall be reported promptly to the City.

8.03. If the Contractor fails to perform the obligations of Paragraphs 8.01. and 8.02., the Contractor shall pay such costs and damages to the City as would have been avoided if the Contractor had performed such obligations. The Contractor shall not be liable to the City for damages resulting from errors, inconsistencies or omissions in the Contract Documents or for differences between field measurements or conditions and the Contract Documents unless the Contractor recognized or reasonably should have recognized such error, inconsistency, omission or difference and knowingly failed to report it to the City.

9. POST-AGREEMENT AWARD MEETINGS

9.01. Prior to the commencement of the work, the parties shall meet and attend a post-agreement award meeting at the time and place determined by City's Representative. At the post-agreement award meeting, the parties shall meet, discuss, and finalize all schedules, including commencement date, and/or specifications submitted for review. No later than ten (10) days prior to the post-agreement award meeting, the Contractor shall submit to City's Representative the following documents:

(a) Schedules of work contemplated, including the starting and ending date, as well as an indication of the completion of stages of work hereunder.

(b) The names and addresses of all proposed subcontractors in writing.

(c) Schedules of the starting and ending dates of subcontractors and the scope of work contemplated for subcontractors.

(d) Name, local office, phone number and addresses and, home phone numbers for the Contractor and its Project Superintendent/Manager.

(e) For construction projects, four (4) copies of all shop and/or setting drawings or schedules for the submission thereof.

(f) Where applicable, materials procurement schedules and material supplier names, addresses and phone numbers.

9.02. The City's Representative, within five (5) working days after the initial post-agreement award conference or any other meetings, may submit minutes of the meeting to the Contractor. The Contractor shall thereafter have five (5) working days to review the minutes and make its objections, changes, or reductions thereto in writing. The Contractor shall thereafter sign the minutes and promptly return them to City's Representative. Where there is disagreement, City's Representative will make the final determination.

10. PROGRESS OF WORK

10.01. Unless otherwise specifically provided, the Contractor shall prosecute its work at such time and sessions, in such order of precedence, and in such manner as shall be most conducive to the economy of the Project; provided, however, that the order and time of prosecution shall be such that the Project shall be Substantially Completed in accordance with this Agreement, the plans and specifications, and within the time of completion designated in the schedules agreed upon by the parties.

10.02. Further, the parties shall be subject to the following:

(a) The Contractor shall submit a progress schedule and payment schedule of the work contemplated by this Agreement at the initial post-agreement award meeting and subsequent meetings.

(b) City's Representative shall be entitled to make objections to the Contractor's schedule submitted herein. The Contractor shall promptly resubmit a revised schedule to City's Representative.

(c) The Project Superintendent/Manager shall coordinate its activities with City's Representative. If required by the City, the Contractor shall provide a weekly schedule of planned activities, which may be reviewed on a daily basis.

(d) The Contractor shall submit, at such time as may reasonably be requested by City's Representative, additional schedules that shall list the order in which the Contractor proposes to carry on the work with dates at which the Contractor will start the several parts of the work and the estimated dates of completion of the several parts.

(e) The Contractor shall attend additional meetings called by City's Representative upon twenty-four (24) hours written notice unless otherwise agreed in writing by the parties.

(f) When the City is having other work done, either by agreement or by its own force, City's Representative may direct the time and manner of work done under this Agreement so that conflicts will be avoided and the various work being done by and for the City shall be coordinated.

(g) In the event that it is determined by the City that the progress of the work is not in accordance with the approved progress and payment schedule, the City may so inform the Contractor and require the Contractor to take such action as is necessary to insure completion of the Project within the time specified.

10.03. The process of approving Contractor's schedules and updates to Contractor's schedules shall not constitute a warranty by the City that any non-Contractor milestones or activities will occur as set out in the Contractor's schedules. Approval of a contractor's schedules does not constitute a commitment by the City to furnish any City-furnished information or material any earlier than the City would otherwise be obligated to furnish that information or material under the Contract Documents. Failure of the Work to proceed in the sequence scheduled by Contractor shall not alone serve as the basis for a Claim for additional compensation or time. In the event there is interference with the Work which is beyond its control, Contractor shall attempt to reschedule the Work in a manner that will hold the additional time and costs beyond its control to a minimum. The Contractor shall monitor the progress of the Work for conformance with the requirements of the construction schedules and shall promptly advise the City of any delays or potential delays. In the event any schedule indicates any delays, the Contractor shall propose an affirmative plan to correct the delay. In no event shall any schedule constitute an adjustment in the Contract Time, any Milestone Date or the Contract Sum unless any such adjustment is agreed to by the City and authorized pursuant to Change Order.

10.04. **Work Stoppage.** If in the judgment of either the City or City's Representative any of the work or materials furnished is not in strict accordance with this Agreement or any portion of the work is being performed so as to create a hazardous condition, they may, in their sole discretion, order the work of the Contractor or any sub contractor wholly or partially stopped until any objectionable person, work, or material is removed from the premises. Such stoppage or suspension shall neither invalidate any of the Contractor's performance obligations under this Agreement, including the time of performance and deadlines therefore, nor will any extra charge be allowed the Contractor by reason of such stoppage or suspension.

11. SITE CONDITIONS AND MANAGEMENT

11.01. Where the Contractor is working around or in existing structures, it shall verify conditions at the site, including but not limited to, door openings and passages. Any items constructed or manufactured off-site or outside of buildings shall be done so that they are not too bulky for existing facilities. The Contractor shall provide special apparatus as required to handle any such items. All special handling equipment charges shall be at the Contractor's expense. Further, Contractor shall include in its price for the Work, all labor, materials, equipment and/or engineering services required to protect the adjacent properties and/or structures from damage due to performance of the Work.

11.02. The Contractor shall be responsible for all power, light, and water required to perform the work.

11.03. Throughout the progress of the work, the Contractor shall keep the working area free from debris of all types, and remove from premises all rubbish, resulting from any work being done by him. At the

completion of the work, the Contractor shall leave the premises in a clean and finished condition. Any failure to do so may be remedied and charged back to the Contractor.

11.04. **Layout of Work.** Except as specifically provided herein, the Contractor shall lay out all work in a manner acceptable to City's Representative in accordance with applicable City of Nacogdoches codes and ordinances. City's Representative will review the Contractor's layout of all structures and any other layout work done by the Contractor at the construction meeting, or at the Contractor's request, but this review does not relieve the Contractor of the responsibility of accurately locating all work in accordance with the plans and specifications.

11.05. **Lines and Grades.** All lines and grades shall be furnished by the Contractor. Benchmarks and control stakes have been provided by the City's Representative. All benchmarks and control stakes shall be carefully preserved by the Contractor. In case of destruction or removal of the same by the Contractor, its subcontractors, or employees, such stakes, marks, etc. shall be replaced by the Contractor at the Contractor's expense. If the Contractor fails to do so, the City may do so and charge back the Contractor. Additional construction staking as needed for the work, including lines and grades, shall be the sole responsibility of the Contractor, and the Contractor shall receive no extra time or compensation therefor.

11.06. **Contractor's Structures.** The building or locating of structures for housing men or the erection of tents or other forms of protection will be permitted only at such places as City's Representative shall permit. The Contractor shall not damage the property where such structures are allowed and shall at all times maintain sanitary conditions in and about such structures in a manner satisfactory to the City. The City may charge the Contractor for any damage or injury to the City, its property, or third persons as a result of the location or use of such structures.

11.07. The Contractor and any entity over whom the Contractor has control shall not erect any sign on the Project site without the prior written consent of the City.

11.08. City may have other work related to the Project performed at the Project site during the time the Work is performed. Contractor should schedule its Work to coordinate with the work of other contractors and utilities with the understanding that some of that work may be performed at times other than as set out in the Contract Documents or as otherwise anticipated. City will endeavor to have such other work performed so as not to unduly interfere with Contractor's performance when Contractor notifies City of specific reasonable needs well in advance of those needs and where it is possible to do so. Although Contractor should anticipate some delays and interference to its sequence of Work because of work by other contractors and utilities, and will not be entitled to either an extension of time or additional compensation because of them, in the event of substantial delay caused by another contractor or a utility, after advance notice of its needs by Contractor, Contractor will be entitled to make a claim for an extension of time as provided herein.

11.09. When two or more contractors, including Contractor, are employed on related or adjacent work or obtain materials from the same material source, or when work must be completed by one contractor before another can begin, each shall conduct his operations in such a manner as not to cause any unnecessary delay or hindrance to the other. Each contractor, including Contractor if applicable, shall be responsible to the other for all damage to work, to persons, or to property caused to the other by his operations, and for loss caused the other due to unreasonable or unjustified delays or failure to finish the work or portions thereof, or furnish materials within the time requested. Should Contractor cause damage to the work or property of any separate contractor at the Project site, or should any claim arising out of Contractor's separate contractor at the Project site, or should any claim arising out of Contractor's performance of the Work at the Project site

be made by any separate contractor against Contractor, City or other consultants, or any other person, Contractor shall promptly attempt to settle with such other contractor by agreement, or to otherwise resolve the dispute. **Contractor shall, to the fullest extent permitted by applicable laws, indemnify and hold City harmless from and against all claims, damages, losses and expenses (including, but not limited to, fees of architects, attorneys and other professionals and court costs) arising directly, indirectly or consequentially out of any action, legal or equitable, brought by any separate contractor against City to the extent based on a claim arising out of Contractor's negligence.**

12. MATERIALS

12.01. Materials or work described in words that when so applied have well-known technical or trade meaning shall be held to refer to such recognized standards. All work shall be done and all materials furnished in strict conformity with this Agreement, the other Contract Documents, and recognized industry standards. When specific products, systems or items of equipment are referred to in the Contract Documents, any ancillary devices necessary for connecting the products, systems or items of equipment shall also be provided. When standards, codes, manufacturer's instructions and guarantees are required by the Contract Documents, the current edition at the time of Contract execution shall apply, unless another edition is specified in the Contract Documents. References to standards, codes, manufacturer's instructions and guarantees shall apply in full, except (1) they do not supersede more stringent standards set out in the Contract Documents, and (2) any exclusions or waivers that are inconsistent with the Contract Documents do not apply.

12.02. All materials shall be approved by the City prior to purchase by the Contractor. Unless otherwise specified herein, the Contractor shall purchase all materials and equipment outright and shall not subject the materials and equipment utilized in the Project to any conditional sales agreement, bailment, lease, or other agreement reserving unto seller any right, title, or interest therein. Title to all materials, but not risk of loss, shall pass to the City upon delivery to the Project.

12.03. Where the City deems it necessary to supply materials, it may furnish to the Contractor the list of materials set forth in the attached "List of City Furnished Materials". Upon receipt of said materials, the Contractor shall immediately furnish to the City a written receipt. Moreover, the Contractor shall, on behalf of the City, accept delivery of the materials set forth in the attached "List of Materials Ordered by the City". Under such circumstances, the Contractor shall promptly forward to the City for payment the supplier's invoice together with the Contractor's receipt in writing for such materials.

(a) Upon acceptance of the materials furnished or ordered by the City, the Contractor warrants that it shall properly handle, transport, store and safeguard the materials.

(b) Further, the Contractor shall repair, repaint or replace any and all materials or any part thereof damaged or stolen while in its possession. Such materials are considered to be in the Contractor's possession from the moment the Contractor either accepts delivery of the materials or signs a receipt accepting delivery of said materials until the Project is accepted by the City's Representative.

(c) Before transporting any of the materials furnished or ordered by the City, the Contractor shall establish to the City's satisfaction that it has obtained insurance against losses, theft, damage, equal to or greater than the amounts spent by the City in securing said materials. It shall be incumbent upon the Contractor to verify the cost of materials.

(d) The City shall not be obligated to furnish materials in excess of the quantities, size, kind, and type set forth in the attached List of City Furnished Materials and List of Materials Ordered by the City. If the City furnishes, and the Contractor accepts, materials in excess thereof, the values of such excess materials shall be their actual cost as stated by the City.

(e) Upon delivery, the Contractor shall promptly receive, unload, transport, and handle all materials and equipment on the List of Materials Ordered by the City at its expense and shall be responsible for all shipping costs.

12.04. **Materials and supplies shall be new and of good quality.** Upon request, the Contractor shall supply proof of quality and manufacturer. No refurbished, reconditioned, or other previously utilized materials or supplies will be used without the prior signed authorization of City's Representative. The Contractor may utilize substitutes of equal quality and function only upon the prior written authorization of the City's Representative. The City's Representative may require documentation as to quality and function, including manufacturer's specifications, to insure that the proposed substitute is equal to the required material or supply. The City's Representative shall have sole discretion over the use of substitute materials and supplies. Contractor shall bear the risk of any delay in performance caused by submitting substitutions.

12.05. Only materials and equipment which are to be used directly in the Work shall be brought to and stored on the Project site by the Contractor. After equipment is no longer required for the Work, it shall be promptly removed from the Project site. Protection of construction material and equipment stored at the Project site from weather, theft, damage and all other perils is solely the responsibility of the Contractor.

13. ENTRY, OBSERVATION, TESTING & POSSESSION

13.01. The City reserves the right to enter the Project site or sites by such employee(s) or agent(s) as it may elect for the purpose of inspecting the work. The City further reserves the right to enter the Project site or sites for the purpose of performing such collateral work as the City may desire.

13.02. The City's Representative shall have the right, at all reasonable times, to observe and test the work. The Contractor shall make necessary arrangements and provide proper facilities and access for such observation and testing at any location where the work or any part thereof is in preparation or progress. The Contractor shall ascertain the scope of any observation that may be contemplated by City's Representative and shall give ample notice as to the time each part of the work will be ready for observation.

13.03. The City's Representative may require Contractor to remove, dismantle, or uncover completed work. If the work is not in accordance with the plans, specifications, or other Contract Documents, the Contractor shall pay the costs of repair and restoration of the work required to be removed, dismantled, or uncovered. Unless Contractor is obligated to provide advance notice of inspection, prior to covering up the work, and fails to do so, if the work is in accordance with the plans, specifications, and other Contract Documents, the City shall pay the costs of repair and restoration of the work.

13.04. City shall have the right to take possession of and use any completed or partially completed portions of the Project prior to the time for completing the entire Project or such portions which may not have expired. The parties agree and understand that possession and use shall not constitute an acceptance of any work not completed in accordance with this Agreement**.** Further, insurance changes required to keep Contractor's insurance in effect shall be the responsibility of Contractor.

14. REJECTED WORK

14.01. All work deemed not in conformity with this Agreement as determined by the City in its sole discretion, may be rejected by the City. City's Representative may reject any work found to be defective or not in accordance with the Contract Documents, regardless of the stage of the work's completion or the time or place of discovery of such defects or inconsistencies and regardless of whether City's Representative has previously accepted the work through oversight or otherwise. Neither observations nor inspections, tests, or approvals made by City's Representative, or other persons authorized under this Agreement to make such observations, inspections, tests, or approvals, shall relieve the Contractor from the obligation to perform the work in accordance with the requirements of this Agreement and the other Contract Documents.

14.02. If the work or any part thereof is rejected by the City, it shall be deemed by City's Representative as not in conformity with this Agreement. Any remedial action required, as set forth herein, shall be at the Contractor's expense, as follows:

(a) The Contractor may be required, at the City's option, after notice from City's Representative, to remedy such work so that it shall be in full compliance with this Agreement. All rejected work or materials shall be immediately replaced in order to conform with this Agreement.

(b) If the City deems it inexpedient to correct work damaged or not done in accordance with this Agreement, an equitable deduction from the agreed sum may be made by the City at the City's sole discretion.

15. SUBCONTRACTING & SUBCONTRACTORS

15.01. The Contractor agrees that it will retain personal control and will give its personal attention to the fulfillment of this Agreement. The Contractor further agrees that subletting of any portion or feature of the work or materials required in the performance of this Agreement shall not relieve the Contractor from its full obligation to the City as provided by this Agreement.

15.02. Subcontractors must be approved by City's Representative prior to hiring or beginning any work on the Project. If City's Representative judges any subcontractor to be failing to perform the work in strict accordance with the drawings and specifications, the Contractor, after due notice, shall discharge the same, but this shall in no way release the Contractor from its obligations and responsibility under this Agreement. Every subcontractor shall be bound by the terms and provisions of this Agreement and the Contract Documents as far as applicable to their work. The Contractor shall be fully responsible to the City for the acts and omissions of its subcontractors. Nothing contained herein shall create any contractual or employment relations between any subcontractor and the City.

16. PAYMENT

16.01. The City stipulates that it is an exempt organization as defined by the Limited Sales, Excise and Use Tax Act and, as such, is exempt from the payment of the sales tax on materials and supplies used in the performance of this Contract. The Contractor shall issue exemption certificates to its suppliers and Subcontractors in lieu of said sales tax for all such materials and supplies, and said exemption certificates must comply with the State Comptroller's Ruling No. 95-0.07 and shall be subject to the provision of the State Comptroller's Ruling No. 95-0.09, effective October 1, 1969.

16.02. **Progress Payment Applications.** The Contractor shall submit applications for payment as provided for herein. Applications for payment will be processed by the City's Representative. Before the first Application for Payment, the Contractor shall submit to the City a schedule of values allocated to various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as the City may require. This schedule, unless objected to by the City, shall be used as a basis for reviewing the Contractor's Applications for Payment. On or before the 15th day of each month, the Contractor shall submit to City's Representative, for approval or modification, a statement showing as completely as practicable the total value of the actual work performed by the Contractor and accepted by the City up to and including the last day of the ***preceding*** month. The statement shall also include the value of all materials not previously submitted for payment which have been delivered to the site but have not yet been incorporated into the work.

16.03. **Progress Payments.** On or before the **30th** calendar day following the City's receipt of a progress payment application made in conformity with Paragraph 16.02, the City shall pay to the Contractor the approved amount of the progress payment based on the Contractor's applications for payment, and the recommendation and approval of City's Representative. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage of work completed by the Contractor and approved by the City, but in each case less the aggregate of payments previously made, less retainage, and less amounts as City's Representative shall determine and the City may withhold in accordance with this Agreement. Upon Final Completion, including the delivery of all close out documents, such as "as built" drawings, warranties, guarantees, required additional materials, releases, operation and maintenance manuals, and acceptance of the work in accordance with this Agreement, the City shall pay the remainder of the balance due under this Agreement, less any sums withheld under other terms of this Agreement and less the retainage, which shall be retained for a period of thirty (30) calendar days from the date of Final Completion. Acceptance of retainage by Contractor shall constitute a Waiver and Release of all claims by Contractor.

16.04. **Retainage.** From each approved statement, the City shall retain until final payment, ten percent (10%), where the full contract amount is less than $400,000.00, and five percent (5%), where the full contract amount is $400,000.00 or more. The City may also retain from each approved statement any other sums authorized under the terms of this Agreement.

16.05. If the actual amount of work to be done and the materials to be furnished differ from estimates and where the basis for payment is the unit price method, then payment shall be for the actual amount of accepted work done and materials furnished on the Project.

16.06. Reduction in the scope or quantity of work on unit price items shall merely reduce the number of units. In the event that materials have been delivered prior to notice of such reduction, the City will have the option either to pay freight & transportation costs and any re-stocking charges actually incurred by the Contractor or to purchase the materials. The Contractor shall never be entitled to anticipated or lost profits on the deleted or reduced portion of a job, whether bid on a unit price or lump sum basis.

16.07. The Contractor shall have the sole obligation to pay any and all charges or fees and give all notices necessary to and incidental to the lawful prosecution of the work hereunder. The Contractor shall not and shall have no authority whatsoever to obligate the City to make any payments to another party nor make any promises or representation of any nature on behalf of the City, without the specific written approval of the City.

16.08. The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the City may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

16.09. Unless otherwise provided in the Contract Documents:

(a) allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;

(b) Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Amount but not in the allowances;

(c) whenever costs are more than or less than allowances, the Contract Amount shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Paragraph 16.9(a) and (2) changes in the Contractor's costs under Paragraph 16.9(b).

16.10. **Suspension of Payments.** The City, at any time, may suspend monthly progress payments on the work if it determines that the projected liquidated damages may exceed retainage. The City, at any time, may suspend monthly progress payments if it believes that the Contractor will not complete the work due to actual default or that the Contractor has represented or done some act that indicates that it will not complete the work in accordance with this Agreement or within the time period submitted in its bid. Provided, however, City is in no way obligated to Contractor's surety to withhold payment pursuant to the provisions of this Paragraph.

16.11. **Withhold Funds.** Regardless of any bond, the City may, on account of subsequently discovered evidence and in addition to the retainage withheld under Paragraph 16.04, withhold funds or nullify all or part of any acceptance or certificate to such extent as may be necessary to protect itself from loss on account of any of the following, or as otherwise provided in this Agreement:

(a) Defective work.

(b) Claims made or reasonable evidence indicating probable filing of claims by unpaid vendors or other third parties.

(c) Failure of the Contractor to make prompt payments to subcontractors for labor or material or materialmen.

(d) Claims made or reasonable evidence indicating claims will be made for damage to another by the Contractor.

(e) Claims made or reasonable evidence indicating claims will be made for damage to third parties, including adjacent property owners.

(f) Claims made or reasonable evidence indicating claims will be made for unremedied damage to property owned by the City.

(g) City's determination of an amount of liquidated damages.

(h) Charges made for repairs to the Contractor's defective work or repairs made by the City to correct damage to other property.

(i) Other amounts authorized under this Agreement or under any other agreement made between City and Contractor.

Provided, however, City is in no way obligated to Contractor's surety to withhold payment pursuant to the provisions of this Paragraph.

16.12. The Parties agree that the City or the state auditor, if state funds are used to fund this contract, may conduct an audit or investigation of any entity receiving funds from the City directly or indirectly through a subcontract under the contract. The acceptance of funds under the contract or subcontract acts as acceptance of the authority of the City or the state auditor to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the Cit or the state auditor with access to any information the City or the auditor considers relevant to the investigation.

17. EXTRA WORK CHARGES

17.01. No changes shall be made, nor will bills for changes, alterations, modifications, deviations, and extra orders be recognized or paid for except upon the written order from authorized personnel of the City.

17.02. For "Extra Work", as defined in Paragraph 1.07 and authorized through written change orders, and pursuant to Section 252.048(d) of the Texas Local Government Code, the original contract price may not be increased by more than ***twenty-five percent (25%)***. Written change orders that do not exceed ***twenty-five percent (25%)*** of the original contract amount may be made or approved by the City Manager or his delegate if the change order is less than **Fifty Thousand Dollars *($50,000.00)***. Changes in excess of ***Fifty Thousand Dollars ($50,000.00)*** must be approved by the City Council prior to commencement of the services or work. **Any requests by the Contractor for a change to the Contract Amount shall be made prior to the beginning of the work covered by the proposed change or the right to payment for Extra Work shall be waived.** No course of conduct or dealings between the parties, nor implied acceptance of alterations or additions to the Work or changes to the Contract schedule shall be the basis for any claim for an increase in compensation or change in time. Any cost incurred by Contractor in connection with any Extra Work shall be included in Contractor's requested change order and Contractor's failure to include any such cost shall act to Waive and Release any claim for such non included cost.

17.03. The Contractor shall complete all work as specified or indicated in the Contract Documents. The Contractor shall complete all Extra Work in connection therewith. All work and materials shall be in strict conformity with the specifications. The Substantial Completion of the work shall not excuse the Contractor from performing all the work undertaken, whether of a minor or major nature, and thereby completing the Project in accordance with the Contract Documents. In the event that the Contractor fails to perform the work as required for Substantial Completion or Final Completion, the City may contract with a third party to complete the work and the Contractor shall assume and pay the costs of the performance of the work as contracted.

(a) It is agreed that the Contractor shall perform all Extra Work under the direction of City's Representative when presented with a written work order signed by City.

(b) **No claim for Extra Work of any kind will be allowed unless ordered in writing by the City.** In case any orders or instructions appear to the Contractor to involve Extra Work for which it should receive compensation or an adjustment in the construction time, it shall make written request to City's Representative for a written order from City authorizing such Extra Work.

(c) Should a difference of opinion arise as to what does or does not constitute Extra Work, or as to the payment therefor, and the City insists upon its performance, then the Contractor shall proceed with the work after making written requests for written orders in a change order and shall keep adequate and accurate account of the actual field costs therefor, as provided under Method C.

(d) It is also agreed that the compensation to be paid to the Contractor for performing Extra Work shall be determined by one or more of the following methods:

Method A - By agreed unit prices, or
Method B - By agreed lump sum, or
Method C - If neither Method A nor Method B is agreed upon before the Extra Work is commenced, then the Contractor shall be paid the actual field cost of the work.

(e) **Method A - Unit Prices**. The Contractor agrees to perform Extra Work for the unit prices in the Contractor's Proposal. The Contractor also agrees and warrants that when it is necessary to construct units not shown in the Contract Documents, it shall construct such units for a price arrived at as follows:

(1) The cost of materials shall be determined by the invoices;

(2) The cost of labor shall be the reasonable cost thereof, as determined by the City, but in no event shall it exceed an amount determined by calculating the ratio of the total labor costs to the total costs to the total material costs in the section of the Proposal involved, and multiplying the cost of materials for the unit in question by this ratio. Provided, however, that the ratio shall be calculated for only those units that are similar to the new unit for which a price is to be determined.

(f) **Method B - Lump Sum**. The lump sum shall be reasonably close to the amount for similar work previously done or combinations of similar units. Invoices for materials used shall be provided in support of the agreed lump sum.

(g) **Method C - Actual Field Costs.** The actual field cost is hereby defined to include the cost of all applicable workmen and laborers, as well as materials, supplies, teams, trucks, rentals on machinery and equipment, for the time actually employed or used for such Extra Work, plus actual transportation charges necessarily incurred, together with other costs reasonably incurred directly on account of such Extra Work, including social security, old age benefits, maintenance bonds, public liability, property damage, worker's compensation, and all other insurance as may be required by law or ordinances or required and agreed to by the City or City's Representative. City's Representative may direct the form in which accounts of the actual field costs shall be kept and records of these accounts shall be made available to City's Representative. Unless otherwise agreed upon, the prices for the use of machinery and equipment shall be determined by using one hundred percent (100%), unless otherwise specified, of the latest schedule of equipment and ownership expenses adopted by the Associated General Contractors of America. Where practical, the terms and prices for the use of machinery and equipment shall be incorporated in the written Extra Work order. Actual field costs shall not exceed the prevailing market price therefor within reasonable tolerances as determined by City's Representative. The amount due to Contractor for costs other than actual field costs shall be calculated in accordance with the following standards:

(1) No indirect or consequential damages will be allowed.

(2) All costs must be directly and specifically shown to be caused by a proven wrong. No recovery shall be based on a comparison by planned expenditures to total actual

expenditures or on estimated losses of labor efficiency, or on a comparison of planned manloading to actual manloading, or any other analysis that is used to show damages indirectly.

(3) Damages are limited to extra costs specifically shown to have been directly caused by a proven wrong.

(4) The maximum daily limit on any recovery for delay shall be the amount established by the Contractor for job overhead costs, defined in the pay applications, divided by the total number of days specified for completion called for in the original Contract. Absent an overhead amount in the Schedule of Values, the amount estimated by Contractor for job overhead cost shall be used.

18. TIME OF COMPLETION

18.01. The date of beginning, the time for Substantial Completion and Final Completion of work as specified in this Agreement are of the essence in this Agreement.

18.02. The work embraced by this Agreement shall be commenced on the date specified in the notice to proceed. Said notice to proceed will be given in written form or set by the City's Representative at the post-award conference.

18.03. The work shall be Substantially Completed within the time bid, which shall run from the date when the notice to proceed is given by City's Representative. The Contractor has bid **60 calendar days** for the time within which it shall reach Substantial Completion of the Project.

18.04. The work shall reach Final Completion and be ready for final payment within **thirty (30) calendar days** from the date of Substantial Completion.

19. SUBSTANTIAL COMPLETION

19.01. The Contractor shall notify City's Representative when, in the Contractor's opinion, the contract is Substantially Completed. Within ten (10) calendar days after the Contractor has given City's Representative written notice that the work has been Substantially Completed, City's Representative shall inspect the work for the preparation of a final punch list.

(a) If City's Representative and the City find that the work is not Substantially Completed, then they shall so notify the Contractor who shall then complete the work. City's Representative shall not be required to provide a list of unfinished work.

(b) If the City Representative and City find that the work is Substantially Completed, the City shall issue to the Contractor its certificate of Substantial Completion.

19.02. The Substantial Completion of the work shall not excuse the Contractor from performing all of the work undertaken, whether of a minor or major nature, and thereby completing the Project in accordance with the Contract Documents.

20. FINAL COMPLETION

20.01. Contractor shall notify the City's Representative when it believes that the work has reached Final Completion as defined in Paragraph 1.08. If the City's Representative and the City accept and deems such work Finally Complete, then Contractor shall be so notified and certificates of completion and acceptance, as provided herein, shall be issued. A complete itemized statement of this Agreement account, certified by the City's Representative as correct, shall then be prepared and delivered to Contractor. Contractor or City, as the case may be, shall pay the balance due as reflected by said statement within thirty (30) calendar days.

20.02. The Contractor shall procure all required certificates of acceptance or completions issued by state, municipal, or other authorities and submit the same to the City. The City may withhold any payments due under this Agreement until the necessary certificates are procured and delivered.

20.03. Neither the final payment nor any acceptance nor certificate nor any provision of this Agreement shall relieve the Contractor of any responsibility for faulty workmanship or materials. At the option of the City, the Contractor shall remedy any defects and pay for any damage to other work which may appear after final acceptance of the work.

21. DELAYS

21.01. The Contractor, in undertaking to complete the work within the times herein fixed, has taken into consideration and made allowance for all hindrances and delays incident to such work, whether growing out of delays in securing material or workmen or delays arising from inclement weather or otherwise.

21.02. The City may, in its sole discretion, delay the work during inclement weather in order to preserve the Project, insure safety of work forces, and the preservation of materials and equipment. In such event and upon a written request from the Contractor, the City may grant an extension of time pursuant to Paragraph 22 to offset for such stoppage of the work.

21.03. In the event of delays resulting from changes ordered in the work by the City or other delays caused by the City or for the City's convenience, the Contractor may apply to the City for recovery of incidental expenses resulting from increased storage costs or other costs necessary to protect the value of the work. In no event shall any consequential or other damages be allowed or any other charges or claims be made by the Contractor for hindrances or delays resulting from any other cause.

22. EXTENSIONS OF TIME

The Contractor has submitted its proposal in full recognition of the time required for the completion of this Project, taking into consideration all factors including, but not limited to the average climatic range and industrial conditions. The Contractor has considered the liquidated damage provision of this Agreement and understands and agrees that it shall not be entitled to, nor will it request, an extension of time for either Substantial Completion or Final Completion, except when the work has been delayed by one or more of the following:

(1) an act or neglect of the City, the City's Representative, employees of the City, or other contractors employed by the City;
(2) by changes ordered in the work, or reductions thereto approved in writing;

(3) by "rain days" (days with rainfall in excess of one-tenth of an inch) during the term of this Agreement that exceed the average number of rain days for such term for this locality, both as determined by the Texas A&M University weather service; or

(4) by other causes that the City and the Contractor agree may reasonably justify delay and that were beyond the Contractor's reasonable control and ability to estimate, predict, or avoid, such as delays caused by unforeseen labor disputes, fire, natural disasters, acts of war, and other rare and unpredictable events. This term does **not** include normal delays incident to the delivery of materials, tools, or labor that reasonably could have been predicted and/or accounted for in the Contractor's proposal or decision to bid.

If one or more of the foregoing conditions is present, the Contractor may apply in writing for an extension of time, within thirty (30) days of the occurrence of the event causing the delay, submitting therewith all written justification as may be required by the City's Representative. Within ten (10) calendar days after receipt of a written request for an extension of time, which is supported by all requested documentation, the City shall, in writing and in its sole discretion, grant or deny the request. Under no circumstances shall any extension of time by the City be valid and binding unless it is in writing and in conformity with the other terms of this Agreement.

23. LIQUIDATED DAMAGES

23.01. The time for the Substantial and Final Completion of the work described herein are reasonable times for the completion of each, taking into consideration all conditions, including but not limited to the average climatic conditions and usual industrial conditions prevailing in this locality. The amount of liquidated damages for the Contractor's failure to meet the deadlines for Substantial and/or Final Completion are fixed and agreed on by the Contractor because of the impracticability and extreme difficulty in fixing and ascertaining the actual damages that the City would in such an event sustain. The amounts to be charged are agreed to be damages the City would sustain and shall be retained by the City from current periodic estimates for payment or from final payment.

23.02. As a result of the difficulty in estimation, calculation and ascertainment of City's damages due to a failure of Contractor to achieve timely completion of the Work, if the Contractor should neglect, fail, or refuse to either Substantially Complete or Finally Complete the work within the time herein specified, or any proper extension thereof granted by the City's Representative pursuant to the terms of Paragraph 22 of this Agreement, then the Contractor does hereby agree as part of the consideration for the awarding of this Agreement that the City may permanently withhold from the Contractor's total compensation the sum of **Five Hundred and no/100 DOLLARS ($500.00)** for each and every calendar day that the Contractor shall be in default after the time stipulated for Substantial Completion and/or Final Completion, not as a penalty, but as liquidated damages for the breach of this Agreement. It being specifically understood that the assessment of liquidated damages may be made for any failure to meet either or both of the deadlines specified for Substantial Completion and/or Final Completion.

24. CHARGES FOR INJURY OR REPAIR

24.01. The Contractor shall be liable for any damages incurred or repairs made necessary by reason of its work and/or caused by it. Repairs of any kind required by the City will be made and charged to the Contractor by the City.

24.02. The Contractor shall take the necessary precautions to protect any areas adjacent to its work.

24.03. The work specified consists of all work, materials, and labor required by the City to repair any damage to the property of the City, including but not limited to structures, roadways, curbs, parking areas, and sidewalks.

25. WARRANTY

25.01. Upon issuance of a certificate of Final Completion, the Contractor warrants for a period of one (1) year as follows:

> **The Contractor warrants that all labor and materials provided to the City under this Agreement shall be new unless otherwise approved in advance by City's Representative and that all work will be of good quality, free from faults and defects, and in conformance with this Agreement, the other Contract Documents, and recognized industry standards.**

25.02. All work not conforming to these requirements, including but not limited to unapproved substitutions, may be considered defective.

25.03. This warranty is in addition to any rights or warranties expressed or implied by law and in addition to any consumer protection claims arising from misrepresentations by the Contractor.

25.04. Where more than a one (l) year warranty is specified for individual products, work, or materials, the longer warranty shall govern.

25.05. This warranty obligation shall be covered by any performance or payment bonds tendered in compliance with this Agreement.

25.06. **Defective Work Discovered During Warranty Period.** If any of the work is found or determined to be either defective, including obvious defects, or otherwise not in accordance with this Agreement within one (l) year after the date of the issuance of a certificate of Final Completion of the Work or a designated portion of the Work, whichever is longer, or within one (l) year after acceptance by the City of designated equipment, or within such longer period of time as may be prescribed by law or by the terms of any applicable special warranty required by this Agreement, the Contractor shall promptly correct the defective work at no cost to the City.

25.07. After receipt of written notice from the City to begin corrective work, the Contractor shall promptly begin the corrective work. The obligation to correct any defective work shall survive the termination of this Agreement. The guarantee to correct the defective work shall not constitute the exclusive remedy of City, nor shall other remedies be limited to the terms of either the warranty or the guarantee.

25.08. If within ten (10) calendar days after the City has notified the Contractor of a defect, failure, or abnormality in the work, the Contractor has not started to make the necessary corrections or adjustments, the City is hereby authorized to make the corrections or adjustments, or to order the work to be done by a third party. The cost of the work shall be paid by the Contractor or its surety.

25.09. The cost of all materials, parts, labor, transportation, supervision, special instruments, and supplies required for the replacement or repair of parts and for correction of defects shall be paid by the Contractor or by the surety.

25.10. The guarantee shall be extended to cover all repairs and replacements furnished, and the term of the guarantee for each repair or replacement shall be one (l) year after the installation or completion. The one (l) year warranty shall cover all work, equipment, and materials that are part of this Project, whether or not a warranty is specified in the individual section of the Contract Documents that prescribe that particular aspect of the work.

26. PAYMENT OF EMPLOYEES, SUBCONTRACTORS & SUPPLIERS

26.01. **Wage Rates.** Pursuant to Section 2258.023(a) of the Texas Government Code, wage rates paid by the Contractor and any subcontractor on this Project shall be not less than the general prevailing rate of per diem wages for work of a similar character in this locality as specified in the schedule of general prevailing rates of per diem wages attached hereto as Exhibit A.

26.02. **Statutory Penalty.** Pursuant to Section 2258.023(b) of the Texas Government Code, if the Contractor or any subcontractor violates the requirements of Paragraph 26.01, the Contractor or subcontractor as the case may be shall pay the City **Sixty Dollars** (**$60.00**) for each worker employed for each calendar day or part of the day that the worker is paid less than the stipulated wage rates.

26.03. The Contractor and each subcontractor shall pay all of their employees engaged in work on the Project in full (less mandatory legal deductions) in cash or by check readily cashable, without discount, no less than once each week.

26.04. No later than the seventh (7th) calendar day following the payment of wages, the Contractor must file with City's Representative a certified, sworn, legible copy of such payroll. This shall contain the name of each employee, their classification, the number of hours worked on each day, rate of pay, and net pay. The affidavit shall state that the copy is a true and correct copy of such payroll and that no rebates or deductions (except as shown) have been made or will be made in the future from the wages therein shown.

26.05. **Payment of Subcontractors.** The Contractor shall be solely and exclusively responsible for compensating any of the Contractor's employees, subcontractors, materialmen and/or suppliers of any type or nature whatsoever and for insuring that no claims or liens of any type arising out of or incidental to the performance of any services performed pursuant to this Agreement are filed against any property owned by the City. In the event a statutory lien notice is sent to the City, the Contractor shall, where no payment bond covers the work, upon written notice from the City, immediately obtain a bond at its expense and hold the City harmless from any losses that may result from the filing or enforcement of any said lien notice. In the event that the Contractor defaults in the provision of the bond, the City may withhold such funds as are necessary to assure the payment of such claim until litigation determines to whom payment shall be made.

26.06. **Affidavit of Bills Paid.** Prior to Final Acceptance of the Project, the Contractor shall provide a notarized affidavit, attached as Exhibit E, stating that all bills for labor, materials, and incidentals incurred have been paid in full, that any claims from manufacturers, materialmen, and subcontractors have been released, and that there are no claims pending of which the Contractor has been notified.

27. INSURANCE

27.01. The Contractor shall procure and maintain at its sole cost and expense for the duration of this Agreement insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, volunteers, employees or subcontractors. The policies, coverages, limits and endorsements required are as set forth in Exhibit B.

28. BOND PROVISIONS

28.01. Pursuant to Section 2253.021 of the Texas Government Code, for all public works contracts with governmental entities, a payment bond is required if the Contract Amount exceeds $50,000, and a performance bond is required if the Contract Amount exceeds $100,000. Below those amounts, the City *may* require payment and/or performance bonds. In the event a performance or payment bond or both is required either by law or in the City's discretion, such bonds shall be executed in accordance with all requirements of Article 7.19-1 of the Texas Insurance Code, all other applicable law, and the following:

(a) The Contractor shall execute performance and payment bonds for the full Contract Amount.

(b) The bond surety shall be authorized under the laws of the State of Texas to provide a performance and payment bond and shall have attached proof of authorization of the surety to act in the performance and payment of bonds.

(c) The Contractor shall provide original, sealed, and complete counterparts of the executed bonds in the forms required by the Contract Documents, which are attached as Exhibit C, together with valid original powers of attorney, **at the time of execution of this Agreement and prior** to the commencement of work. Copies of the executed bonds shall be attached hereto as **Exhibit C.**

(d) The performance and payment bonds shall remain in effect for a period of one (1) year after Final Completion of the work and shall be extended for any warranty work to cover the warranty period.

(e) If at any time during the execution of this Agreement in the required period thereafter, the bond or bonds become invalid or ineffective for any reason, the Contractor shall promptly supply within ten (10) days such other bond or bonds, which bond or bonds shall assure performance or payment as required.

28.02. The Contractor may make such changes and alterations as the City may require in the work or any part thereof without affecting the validity of this Agreement and any accompanying bond. If such changes or alterations diminish the quantity of the work to be done, they shall not constitute the basis for any claim for damages or anticipated profits. If the City makes changes or alterations that render useless any work already done or material already used in said work, then the City shall compensate the Contractor for any material or labor so used, and for any actual loss occasioned by such change due to actual expenses incurred in preparation for the work as originally planned, in accordance with the provisions of Article 17.

29. SURETY

29.01. If the Contractor has abandoned the Project or the City has terminated the contract for cause and the Contractor's Surety, after notice demanding completion is sent, fails to commence the completion of the work

in compliance with this Agreement, then the City at its option may provide for completion of the work in either of the following manners:

29.01.01. The City may employ such force of men and use of instruments, machinery, equipment, tools, materials, and supplies as said the City may deem necessary to complete the work and charge the expense of such labor, machinery, equipment, tools, materials, and supplies to said the Contractor, and the expense so charged shall be deducted and paid by the City out of such monies as may be due or that may thereafter at any time become due to the Contractor and Surety.

29.01.02. The City may, after notice published as required by law, accept sealed bids and let this Agreement for the completion of the work under substantially the same terms and conditions that are provided in this Agreement. In case of any increase in cost to the City under the new agreement as compared to what would have been the cost under this Agreement, such increase together with all of the City's damages due to Contractor's abandonment and/or default, including liquidated damages, as provided pursuant to Paragraph 38, entitled "TERMINATION FOR CAUSE" shall be charged to the Contractor and the surety shall be and remain bound therefor. However, should the cost to complete such new agreement prove to be less than that which would have been the cost to complete the work under this Agreement, the Contractor shall be credited therewith after all deductions are made in accordance with this Agreement.

29.02. Should the cost to complete the work exceed the Contract Amount and the Contractor fails to pay the amount due to the City within the time designated and there remains any machinery, equipment, tools, materials, or supplies on the site of the work, notice thereof, together with an itemized list of such equipment and materials, shall be mailed to the Contractor at its respective address designated in this Agreement; provided, however, that actual written notice given in any manner shall satisfy this condition. After mailing, or otherwise giving such notice, such property shall be held at the risk of the Contractor subject only to the duty of City's Representative to exercise ordinary care to protect such property. After fifteen (15) calendar days from the date of said notice, City's Representative may sell such machinery, equipment, tools, materials, or supplies and apply the net sum derived from such sale to the credit of the Contractor. Such sale may be made at either public or private sale, with or without notice, as City's Representative may elect. City's Representative shall release any machinery, equipment, tools, materials, or supplies which remain on the job site and belong to persons other than the Contractor to their proper owners.

29.03. In the event the account shows that the cost to complete the work is less than that which would have been the cost to City had the work been completed by the Contractor under the terms of this Agreement, or when the Contractor shall pay the balance shown to be due by them to the City, then all machinery, equipment, tools, materials, or supplies left on the site of the work shall be turned over to the Contractor.

30. COMPLIANCE WITH LAW

30.01. The Contractor's work and materials shall comply with all state and federal laws, municipal ordinances, regulations, codes, and directions of inspectors appointed by proper authorities having jurisdiction.

30.02. The Contractor shall perform and require all subcontractors to perform the work in accordance with applicable laws, codes, ordinances, and regulations of the State of Texas and the United States and in compliance with OSHA and other laws as they apply to its employees. In the event any of the conditions of the specifications violate the code for any industry, then such code conditions shall prevail.

30.03. The Contractor shall follow all applicable state and federal laws, municipal ordinances, and guidelines concerning soil erosion and sediment control throughout the Project and warranty term.

30.04 The Immigration Reform and Control Act (IRCA). The Contractor may not knowingly obtain the labor or services of an undocumented worker. The Contractor, not the City, must verify eligibility for employment as required by IRCA;

30.05 In accordance with Section 2155.4441 of the Texas Government Code, Contractor agrees that during the performance of this contract it shall purchase products and materials produced in Texas when they are available at a price and time comparable to products and materials produced outside this state;

31. SAFETY PRECAUTIONS

31.01. All safety measures, policies and precautions at the site are a part of the construction techniques and processes for which the Contractor shall be solely responsible. The Contractor is solely responsible for handling and use of hazardous materials or waste, and informing employees of any such hazardous materials or waste. The Contractor shall provide copies of all hazardous materials and waste data sheets to the Nacogdoches Fire Department marked "Attn.: Assistant Chief".

31.02. The Contractor has the sole obligation to protect or warn any individual of potential hazards created by the performance of the work set forth herein. The Contractor shall, at its own expense, take such precautionary measures for the protection of persons, property, and the work as may be necessary.

31.03. The Contractor shall be held responsible for all damages to property, personal injuries and/or death due to failure of safety devices of any type or nature that may be required to protect or warn any individual of potential hazards created by the performance of the work set forth herein; and when any property damage is incurred, the damaged portion shall immediately be replaced or compensated for by the Contractor at its own cost and expense.

31.04. Contractor agrees that it shall not transport to, use, generate, dispose of, or install at the Project site any Hazardous Substance (as defined in Paragraph 31.07, except in accordance with applicable Environmental Laws. Further, in performing the Work, Contractor shall not cause any release of Hazardous Substances into, or contamination of, the environment, including the soil, the atmosphere, any water course or ground water, except in accordance with applicable Environmental Laws (as hereafter defined at Paragraph 31.07). **In the event Contractor engages in any of the activities prohibited in this Paragraph 31.04 to the fullest extent permitted by law, Contractor hereby indemnifies and holds City and all of its respective officials, agents and employees harmless from and against any and all claims, damages, losses, causes of action, suits and liabilities of every kind, including, but not limited to, expenses of litigation, court costs, punitive damages and attorneys' fees, arising out of, incidental to or resulting from the activities prohibited in this Paragraph 31.04.**

31.05. In the event Contractor encounters on the Project site any Hazardous Substance, or what Contractor may reasonably believe to be a Hazardous Substance, and which is being introduced to the Work, or exists on the Project site, in a manner violative of any applicable Environmental Laws, Contractor shall immediately stop work in the area affected and report the condition to City in writing. The Work in the affected area shall not thereafter be resumed except by written authorization of City if in fact a Hazardous Substance has been encountered and has not been rendered harmless. In the event Contractor fails to stop the Work upon

encountering a Hazardous Substance at the Project site, **to the fullest extent permitted by law, Contractor hereby indemnifies and holds City and all of its officials, agents and employees harmless from and against any and all claims, damages, losses, causes of action, suits and liabilities of every kind, including, but not limited to, expenses of litigation, court costs, punitive damages and attorneys' fees, arising out of, incidental to or resulting from Contractor's failure to stop the Work.**

31.06. City and Contractor may enter into a separate agreement and/or Change Order for Contractor to remediate and/or render harmless the Hazardous Substance, but Contractor shall not be required to remediate and/or render harmless the Hazardous Substance absent such agreement. Contractor shall not be required to resume work in any area affected by the Hazardous Substance until such time as the Hazardous Substance has been remediated and/or rendered harmless.

31.07. For purposes of this Agreement, the term "Hazardous Substance" shall mean and include any element, constituent, chemical, substance, compound, or mixture, which are defined as a hazardous substance by any local, state or federal law, rule, ordinance, by-law, or regulation pertaining to environmental regulation, contamination, clean-up or disclosure, including, without limitation, The Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), The Resource Conservation and Recovery Act ("RCRA"), The Toxic Substances Control Act ("TSCA"), The Clean Water Act ("CWA"), The Clean Air Act ("CAA"), and the Marine Protection Research and Sanctuaries Act ("MPRSA"), The Occupational Safety and Health Act ("OSHA"), The Superfund Amendments and Reauthorization Act of 1986 ("SARA"), or other state superlien or environmental clean-up or disclosure statutes including all state and local counterparts of such laws (all such laws, rules and regulations being referred to collectively as "Environmental Laws"). It is the Contractor's responsibility to comply with this Paragraph 31.07 based on the law in effect at the time its services are rendered and to comply with any amendments to those laws for all services rendered after the effective date of any such amendments.

32. TRENCH SAFETY

The Contractor must comply with Texas law regarding trench excavation exceeding five feet in depth and in accordance with the following items:

32.01 The Contractor must comply with the requirements of Tex. Health & Safety Code Ann. §756.022-023 (Vernon 1992), as amended, and the requirements of 29 C.F.R., Sections 1926.650 through 1926.653 inclusive, "Excavation, Trenching and Shoring," of the Occupational Safety and Health Administration Standards, as amended.

32.02 The Contractor must include a separate pay item for trench safety complying with trench safety requirements, stating a unit price per linear foot of trench safety systems, as measured along the centerline of trench including manholes and other line structures.

32.03 Before beginning work on this project, the Contractor must submit to the City a complete trench safety program that complies with state and federal regulations. It is the sole duty, responsibility and prerogative of the Contractor, not the City, to determine the specific applicability of the designed trench safety systems to each field condition encountered on the project.

32.04 The Contractor must provide the City the name of the "competent person" required by OSHA standards to perform the trench safety inspections. The Contractor must make daily inspections to ensure that the systems comply with all applicable laws and regulations, and must maintain a permanent record of daily inspections available for examination by the City or other government authority.

32.05 If evidence of possible cave-ins or slides is apparent, the Contractor must cease all work in the trench and surrounding area until the necessary precautions have been taken by the Contractor to safeguard personnel entering the trench.

33. INDEMNITY

33.01. CONTRACTOR SHALL PROTECT, DEFEND, HOLD HARMLESS AND INDEMNIFY THE CITY AND/OR ITS OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND OR/OR DESIGNEES FROM ANY AND ALL CLAIMS, DEMANDS, EXPENSES, LIABILITY, SUITS OR CAUSES OF ACTION, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES FOR INJURY TO ANY PERSON, INCLUDING DEATH, AND FOR DAMAGE TO ANY PROPERTY, TANGIBLE OR INTANGIBLE, OR FOR ANY BREACH OF CONTRACT ARISING OUT OF OR IN ANY MANNER CONNECTED WITH THE WORK DONE BY ANY PERSON UNDER THIS CONTRACT. IT IS THE INTENT OF THE PARTIES THAT THIS PROVISION SHALL EXTEND TO, AND INCLUDE, ANY AND ALL CLAIMS, CAUSES OF ACTION OR LIABILITY CAUSED BY THE CONCURRENT, JOINT AND/OR CONTRIBUTORY NEGLIGENCE OF THE CITY, AN ALLEGED BREACH OF AN EXPRESS OR IMPLIED WARRANTY BY THE CITY OR WHICH ARISES OUT OF ANY THEORY OF STRICT OR PRODUCTS LIABILITY.

33.02 The defense of any claim shall be coordinated by Contractor with the City Attorney of the City of Nacogdoches, Texas when the City is named Defendant in any lawsuit and Contractor may not agree to any settlement without first obtaining the concurrence from the City Attorney. The Parties agree to furnish timely written notice to each other of any such claim.

33.03. The indemnifications contained in paragraphs 33.01 shall include but not be limited to the following specific instances:

(a) In the event the City is damaged due to the act, omission, mistake, fault or default of the Contractor, then the Contractor shall indemnify and hold harmless and defend the City for such damage.

(b) The Contractor shall indemnify and hold harmless and defend the City from any claims for payment for goods or services brought by any material suppliers, mechanics, laborers, or other subcontractors.

(c) The Contractor shall indemnify and hold harmless and defend the City from any and all injuries to or claims of adjacent property owners caused by the Contractor, its agents, employees, and representatives.

(d) The Contractor shall be responsible for any damage to the floor, walls, etc., caused by the Contractor's personnel or equipment during installation.

(e) The Contractor shall also be responsible for the removal of all related debris.

(f) The Contractor shall also be responsible for subcontractors hired by it.

(g) The Contractor shall indemnify, hold harmless, and defend the City from any liability caused by the Contractor's failure to comply with applicable federal, state, or local regulations, that touch upon or concern the maintenance of a safe and protected working environment and the safe use and operation of machinery and equipment in that working environment, no matter where fault or responsibility lies.

33.04. The indemnification obligations of the Contractor under this section shall not extend to include the liability of any professional engineer, the architect, their consultants, and agents or employees of any of them arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, Change Orders, designs or specifications, or (2) the giving of or the failure to give directions or instructions by the professional engineer, the architect, their consultants, and agents and employees of any of them, provided such giving or failure to give is the primary cause of the injury or damage.

33.05. It is agreed with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification obligation under Paragraph 33.01, such legal limitations are made a part of the indemnification obligation and shall operate to amend the indemnification obligation to the minimum extent necessary to bring the provision into conformity with the requirements of such limitations, and as so modified, the indemnification obligation shall continue in full force and effect.

34. RELEASE

The Contractor assumes full responsibility for the work to be performed hereunder, and hereby releases, relinquishes, and discharges the City, its officers, agents, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to or death of any person (whether employees of either party or other third parties) and any loss of or damage to any property (whether property of either of the parties hereto, their employees, or of third parties) that is caused by or alleged to be caused by, arising out of, or in connection with the Contractor's work to be performed hereunder. This release shall apply regardless of whether said claims, demands, and causes of action are covered in whole or in part by insurance, and in the event of injury, death, property damage, or loss suffered by the Contractor, any subcontractor, or any person or organization directly or indirectly employed by any of them to perform or furnish work on the Project, this release shall apply regardless of whether such injury, death, loss, or damage was caused in whole or in part by the negligence of the City.

35. PERMITS AND LICENSES

The Contractor shall secure and pay for all necessary permits and licenses, governmental fees, and inspections necessary for the proper execution and completion of the work. During this Agreement term and/or period during which the Contractor is working, it shall give all notices and comply with all laws, ordinances, rules, regulations, and lawful orders of any public authority bearing on the performance of the work.

36. ROYALTIES AND LICENSING FEES

The Contractor shall pay all royalties and licensing fees. The Contractor shall hold the City harmless and indemnify the City from the payment of any royalties, damages, losses or expenses including attorney's fees for suits, claims or otherwise, growing out of infringement or alleged infringement of patents, materials and methods used in the Project. It shall defend all suits or claims for infringement of any patent rights. Further, if the Contractor has reason to believe that the design, service, process, or product specified is an infringement of a patent, it shall promptly give such information to City's Representative.

37. BREACH OF CONTRACT & DAMAGES

37.01. The City shall have the right to declare the Contractor in breach of this Agreement for cause when the City determines that this Agreement is not being performed according to its understanding of the intent and meaning of this Agreement. Such breach shall not in any way invalidate, abrogate, or terminate the Contractor's obligations under this Agreement.

37.02. Without prejudice to any other legal or equitable right or remedy that the City would otherwise possess hereunder or as a matter of law, the City upon giving the Contractor five (5) calendar days prior written notice shall be entitled to damages for breach of contract, upon but not limited to the following occurrences:

(a) If the Contractor shall fail to remedy any default after written notice thereof from City's Representative, as City's Representative shall direct; or

(b) If the Contractor shall fail for any reason other than the failure by City's Representative to make payments called upon when due; or

(c) If the Contractor commits a substantial default under any of the terms, provisions, conditions, or covenants contained in this Agreement.

38. TERMINATION FOR CAUSE

Without prejudice to any other legal or equitable right or remedy that the City would otherwise possess hereunder or as a matter of law, the City upon giving the Contractor five (5) calendar days prior written notice shall be entitled to terminate this Agreement in its entirety at any time for any of the following:

38.01. If the Contractor becomes insolvent, commits any act of bankruptcy, makes a general assignment for the benefit of creditors, or becomes the subject of any proceeding commenced under any statute or law for the relief of debtors and, after notice, fails to provide adequate assurance that it can remedy all of its defaults; or

38.02. If a receiver, trustee, or liquidator of any of the property or income of the Contractor shall be appointed; or

38.03. If the Contractor shall fail to prosecute the work or any part thereof with diligence necessary to insure its progress and completion as prescribed by the time schedules; or

38.04. If the Contractor shall fail to remedy any default within ten (10) calendar days after written notice thereof from City's Representative, as City's Representative shall direct; or

38.05. If the Contractor shall fail for any reason other than the failure by City's Representative to make payments called upon when due; or

38.06. If the Contractor abandons the Work.

38.07. If the Contractor commits a substantial default under any of the terms, provisions, conditions, or covenants contained in this Agreement.

39. TERMINATION FOR CONVENIENCE

39.01. The performance of the work may be terminated at any time in whole or, from time to time, in part, by the City for its convenience. Any such termination shall be effected by delivery to the Contractor of a written notice (notice of termination) specifying the extent to which performance of the work is terminated, and the date upon which termination becomes effective.

39.02 In the event of termination for convenience, the Contractor shall only be paid the reasonable value of the Work performed prior to the effective date of the termination notice and shall be further subject to any claim the City may have against the Contractor under other provisions of this Agreement or as a matter of law. In the event of termination for convenience, Contractor Waives and Releases any claim for lost profit, other than profit on Work performed prior to the effective date of such termination.

40. RIGHT TO COMPLETE

If this Agreement is terminated for cause, the City shall have the right but shall not be obligated to complete the work itself or by others; and to this end, the City shall be entitled to take possession of and use such equipment, without rental obligation therefor, and materials as may be on the job site, and to exercise all rights, options, and privileges of the Contractor under its subcontracts, purchase orders, or otherwise; and the Contractor shall promptly assign such rights, options, and privileges to City. If the City elects to complete the work itself or by others, pursuant to the foregoing, then the Contractor and/or Contractor's surety will reimburse City for all costs incurred by the City (including, without limitation, applicable, general, administrative expenses, field overhead, the cost of necessary equipment, materials, field labor, additional fees paid to architects, engineers, attorneys or others to assist the City in connection with the termination and liquidated damages) in completing and/or correcting work by the Contractor that fails to meet any requirement of this Agreement or the other Contract Documents.

41. CLOSE OUT

41.01. After receipt of a notice of termination, whether for cause or convenience, unless otherwise directed by City's Representative, the Contractor shall, in good faith and to the best of its ability, do all things necessary in the light of such notice to assure the efficient and proper closeout of the terminated work (including the protection of City's property). Among other things, the Contractor shall, except as otherwise directed or approved by City's Representative, do the following:

(a) Stop the work on the date and to the extent specified in the notice of termination;

(b) Place no further orders or subcontracts for services, equipment, or materials, except as may be necessary for completion of such portion of the work as is not terminated;

(c) Terminate all orders and subcontracts to the extent that they relate to the performance of the work terminated by the notice of termination;

(d) Assign to City's Representative, in the manner and to the extent directed by it, all of the right, title, and interest of the Contractor under the orders or subcontracts so terminated; in which case, City's Representative shall have the right to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

(e) With the approval of City's Representative, settle all outstanding liabilities and all claims arising out of such termination, orders, and subcontracts;

(f) Deliver to City's Representative, when directed by City's Representative, all documents and all property, which if the work had been completed, Contractor would have been required to account for or deliver to City's Representative, and transfer title to such property to City's Representative to the extent not already transferred.

42. TERMINATION CONVERSION

Upon determination of Court of competent jurisdiction that termination of the Contractor pursuant to Paragraph 38 was wrongful and/or otherwise improper, such termination will be deemed converted to a termination for convenience pursuant to Paragraph 39 and Contractor's remedy for such termination shall be limited to the recovery of the payments permitted for termination for convenience as set forth in Paragraph 39.

43. HIRING

During the term of this Agreement and for a period of one (1) year thereafter, the Contractor agrees not to solicit for hire any employee or employees of the City that were associated with work specified under this Agreement. In the event that this provision is breached by the Contractor, the Contractor agrees to pay the City damages in the amount equal to twelve (12) months of the employee's total compensation plus any legal expenses associated with enforcement of this provision.

44. ASSIGNMENT

This Agreement and the rights and obligations contained herein may not be assigned by the Contractor without the prior written approval of the City.

45. EFFECTIVE DATE

The effective date of this contract shall be the date of award of the contract.

46. OTHER TERMS

46.01. **Invalidity.** If any provision of this Agreement shall be held to be invalid, illegal or unenforceable by a court or other tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties shall use their best efforts to

replace the respective provision or provisions of this Agreement with legal terms and conditions approximating the original intent of the parties.

46.02. **Written Notice.** Unless otherwise specified, written notice shall be deemed to have been duly served if delivered in person to the individual or to a member of the firm or to any officer of the corporation for whom it is intended or if it is delivered or sent certified mail to the last business address as listed herein. Each party will have the right to change its business address by at least thirty (30) calendar days written notice to the other parties in writing of such change.

46.03. **Entire Agreement.** It is understood that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, or understandings between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally. No verbal agreement or conversation with any officer, agent or employee of the City, either before or after the execution of this Agreement, shall affect or modify any of the terms or obligations hereunder.

46.04. **Amendment.** No amendment to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of both parties.

46.05. **Mediation.** After receipt of a Notice of Claim, the City may elect to refer the matter to the Architect, City's Representative or another party for review. Contractor will attend meetings called to review and discuss the Claims and mitigation of the problem, and shall furnish any reasonable factual backup for the Claim requested. The City may also elect to defer consideration of the Claim until the Work is completed, in which case the same review options shall be available to the City at the completion of the Work. At any stage, the City, at its sole discretion, is entitled to refer a Claim to mediation under the Construction Industry Mediation Rules of the American Arbitration Association, and, if this referral is made, Contractor will take part in the mediation process. The filing, mediation or rejection of a Claim does not entitle Contractor to stop performance of the Work. The Contractor shall proceed diligently with performance of the Contract during the pendency of any claim, excepting termination or under City's direction to stop the Work. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof. The parties shall share the Mediator's fee and any filing fees equally and the Mediation shall be held in Nacogdoches, Texas.

46.06. **Arbitration.** In the event of a dispute and upon the mutual written consent of both parties, the parties may agree to arbitration without waiving any of their other rights hereunder.

46.07. **Choice of Law and Place of Performance.** This Agreement has been made under and shall be governed by the laws of the State of Texas. Performance and all matters related thereto shall be in Nacogdoches County, Texas, United States of America.

46.08. **Authority to do business.** The Contractor represents that it has a certificate of authority, authorizing it to do business in the State of Texas, a registered agent and registered office during the duration of this contract.

46.09. **Authority to Contract.** Each party has the full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The persons executing this Agreement hereby represent that they have authorization to sign on behalf of their respective corporations.

46.10. Contractor Affirmations: If this contract is funded in whole or in part by money from the State of Texas, State law requires the following certifications, representations and/or warranties. Regardless of funding by the State, by signature hereon affixed, the Contractor hereby certifies that:

(a) Contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract

(b) Contractor represents and warrants that it has no actual or potential conflicts of interest in the goods and or services described in the scope of work to this contract.

(c) **Antitrust**. Pursuant to 15 U.S.C. §1, et seq. and Tex. Bus. & Comm. Code §15.01, et seq. neither the contractor nor the firm, corporation, partnership, or institution represented by the contractor, or anyone acting for such a firm, corporation or institution has violated the antitrust laws of this state, federal antitrust laws, nor communicated directly or indirectly the bid made to any competitor or any other person engaged in such line of business.

(d) **Child Support.** Pursuant to §231.006(d), Texas Family Code, regarding child support, the Contractor certifies that the individual or business entity named in this Contract is not ineligible to receive the specified payment and acknowledges that the contract may be terminated, and payment may be withheld if this certification is inaccurate. Furthermore, any Contractor subject to §231.006, Gov't Code, must include names and Social Security numbers of each person with at least 25% ownership of the business entity submitting the bid. This information must be provided prior to award. Enter the Name & Social Security Numbers for each person below:

Name:	Social Security Number:
Name:	Social Security Number:
Name:	Social Security Number:

(e) **Debarment**. Contractor certifies that Contractor and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Contractor is in compliance with the State of Texas statutes and rules relating to procurement. Entities ineligible for state procurement are listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts and the System for Award Management (SAM) maintained by the General Services Administration. Entities ineligible for federal procurement are listed at http://www.sam.gov/content/exclusions.

(f) **Terrorism Watch List.** Contractor represents and warrants that it does not do business with Iran, Sudan or a foreign terrorist organization as prohibited by Texas Government Code 2252.152. Contractor certifies that it is not listed on the federal government's terrorism watch list as described in Executive Order 13224.

(g) **Critical Infrastructure**. If Contractor will be granted direct or indirect access to a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility, Contractor certifies that neither it or its parent company, is (1) majority owned by

citizens or governmental entities of China, North Korea, Russia or any other country designated by the Governor under Government Code 2274.0103, or (2) headquartered in any of those countries.

(h) **Convictions**. Under Sections 2155.006, 23155.0061 and 2261.053 of the Texas Government Code, Contractor certifies that it is not ineligible to receive the specified contract and may be terminated and payment withheld if this certification is inaccurate. These sections prohibit contracts that include proposed financial participation by an individual or business entity who has been convicted in the past five years of (a) violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by §418.004, Gov't Code, occurring after September 24, 2005; and (b) of any offense related to the direct support or promotion of human trafficking.

(i) **COVID Vaccinations**. Contractor certifies that it does not require its customers to provide any documentation certifying the Customer's COVID-19 vaccination or post-transmission recovery on entry to, or to receive service from the Contractor's business.

(j) **Boycotts.** (1) To the extent this Contract is considered a Contract for goods or services subject to § 2270.002 Texas Government Code, Contractor verifies that it: (i) does not boycott Israel; and (ii) will not boycott Israel during the term of this Contract. (2) To the extent this Contract has a value of $100,000 or more and Contractor is an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit that employs 10 or more full time employees, Contractor certifies that it: (i) does not and will not boycott energy companies during the term of the contract (*See Texas Government Code 2274.002, et seq.*); and (ii) does not and will not discriminate against a firearm entity or firearm trade association (*See Texas Government Code 2274.002, et seq.*).

46.11. **Waiver.** Failure of any party, at any time, to enforce a provision of this Agreement shall in no way constitute a waiver of that provision nor in any way affect the validity of this Agreement, any part hereof, or the right of the City thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived or breach excused unless the waiver shall be in writing and signed by the party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach.

46.12. **Headings, Gender, Number.** The article headings are used in this Agreement for convenience and reference purposes only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement and shall have no meaning or effect upon its interpretation. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

46.13. **Agreement Read.** The parties acknowledge that they have had opportunity to consult with counsel of their choice, have read, understand and intend to be bound by the terms and conditions of this Agreement.

46.14. **Multiple Originals.** It is understood and agreed that this Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

46.15. **Notice of Indemnification. City and Contractor hereby acknowledge and agree that this Agreement contains certain indemnification obligations and covenants.**

DUPLICHAIN CONTRACTORS, LLC

By:_____

Printed Name:_____

Title:_____

Date:_____

CITY OF NACOGDOCHES

By:_____

Printed Name_____
City Manager

Date: _____

APPROVED AS TO FORM:

_____
City Attorney
Date: _____

Exhibit A
DAVIS BACON WAGE RATES

{Insert Appropriate Classification of Wage Rates From https://www.wdol.gov/dba.aspx}

Exhibit B
INSURANCE REQUIREMENTS

During the term of this Agreement Contractor's insurance policies shall meet the following requirements:

I. Standard Insurance Policies Required:

A. Commercial General Liability
B. Business Automobile Liability
C. Umbrella / Excess Liability – required for contract amounts exceeding $1,000,000
D. Workers' Compensation
E. Builder's Risk – provides coverage for contractor's labor and materials for a project during construction that involves a structure such as a building or garage. builder's risk policy shall be written on "all risks" form.

II. General Requirements Applicable to All Policies:

A. Only Insurance Carriers licensed and admitted to do business in the State of Texas will be accepted.

B. Deductibles shall be listed on the Certificate of Insurance and are acceptable only on a per occurrence basis for property damage only.

C. "Claims Made" policies are not accepted.

D. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City of Nacogdoches.

E Upon request, certified copies of all insurance policies shall be furnished to the City of Nacogdoches.

F. The City of Nacogdoches, its officials, employees and volunteers, are to be named as "Additional Insured" to the Commercial General, Umbrella and Business Automobile Liability policies. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees or volunteers.

G. Waiver of subrogation in a form at least as broad as ISO form 2404 shall be provided in favor of the City on all policies obtained by the Contractor in compliance with the terms of this Agreement.

III. Commercial General Liability

A. General Liability insurance shall be written by a carrier with a "A:VIII" or better rating in accordance with the current Best Key Rating Guide.

B. Limit of $500,000.00 per occurrence for bodily injury and property damage with an annual

aggregate limit of $1,000,000.00 which limits shall be endorsed to be per Project.

C. Coverage shall be at least as broad as ISO form GC 00 01.

D. No coverage shall be excluded from the standard policy without notification of individual exclusions being attached for review and acceptance.

E. The coverage shall include but not be limited to the following: premises/operations with separate aggregate; independent contracts; products/completed operations; contractual liability (insuring the indemnity provided herein) Host Liquor Liability, Personal & Advertising Liability; and Explosion, Collapse, and Underground coverage.

IV. Business Automobile Liability

A. Business Automobile Liability insurance shall be written by a carrier with a "A:VIII" or better rating in accordance with the current Best Key Rating Guide.

B. Minimum Combined Single Limit of $1,000,000.00 per occurrence for bodily injury and property damage.

C. Coverage shall be at least as broad as Insurance Service's Office Number CA 00 01.

D. The Business Auto Policy must show Symbol 1 in the Covered Autos Portion of the liability section in Item 2 of the declarations page.

E. The coverage shall include owned autos, leased or rented autos, non-owned autos, any autos and hired autos.

F. Pollution Liability coverage shall be provided by endorsement MCS-90, with a limit of $1,000,000.00.

V. Excess Liability

Umbrella form excess liability coverage following the form of the underlying coverage with a minimum limit of $5,000,000.00 or the total value of the contract, whichever is greater, per occurrence/aggregate when combined with the lowest primary liability coverage, is required for contracts exceeding $1,000,000 in total value.

VI. Those policies set forth in Paragraphs III, IV, and V shall contain an endorsement naming the City as Additional Insured and further providing that the Contractor's policies are primary to any self-insurance or insurance policies procured by the City. The additional insured endorsement shall be in a form at least as broad as ISO form GC 2026. Waiver of subrogation in a form at least as broad as ISO form 2404 shall be provided in favor of the City on all policies obtained by the Contractor in compliance with the terms of this Agreement. Contractor shall be responsible for all deductibles which may exist on any policies obtained in compliance with the terms of this Agreement. All coverage for subcontractors shall be subject to the requirements stated herein. All Certificates of Insurance and endorsements shall be

furnished to the City's Representative at the time of execution of this Agreement, attached hereto as Exhibit D, and approved by the City before work commences.

VII. Workers Compensation Insurance

A. Pursuant to the requirements set forth in Title 28, Section 110.110 of the Texas Administrative Code, all employees of the Contractor, all employees of any and all subcontractors, and all other persons providing services on the Project must be covered by a workers compensation insurance policy: either directly through their employer's policy (the Contractor's or subcontractor's policy) or through an executed coverage agreement on an approved Texas Department of Insurance Division of Workers Compensation (DWC) form. Accordingly, if a subcontractor does not have his or her own policy and a coverage agreement is used, contractors and subcontractors must use that portion of the form whereby the hiring contractor agrees to provide coverage to the employees of the subcontractor. The portion of the form that would otherwise allow them not to provide coverage for the employees of an independent contractor may not be used.

B. Workers compensation insurance shall include the following terms:

1. Employer's Liability minimum limits of $1,000,000.00 for each accident/each disease/each employee are required.

2. "Texas Waiver of Our Right to Recover From Others Endorsement, WC 42 03 04" shall be included in this policy.

3. Texas must appear in Item 3A of the Workers Compensation coverage or Item 3C must contain the following: All States except those listed in Item 3A and the States of NV, ND, OH, WA, WV, and WY.

C. Pursuant to the explicit terms of Title 28, Section 110.110(c) (7) of the Texas Administrative Code, the bid specifications, this Agreement, and all subcontracts on this Project must include the following terms and conditions in the following language, without any additional words or changes, except those required to accommodate the specific document in which they are contained or to impose stricter standards of documentation:

"A. Definitions:

Certificate of coverage ("certificate") – An original certificate of insurance, a certificate of authority to self-insure issued by the Division of Workers Compensation, or a coverage agreement (DWC-81, DWC-83, or DWC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - includes the time from the beginning of the work on the project until the Contractor's/person's work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractors" in § 406.096 [of the Texas Labor Code]) - includes all persons or entities performing all or part of the services the Contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the Contractor and regardless of whether that person has employees. This includes, without limitation, independent Contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

B. The Contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Contractor providing services on the project, for the duration of the project.

C. The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.

D. If the coverage period shown on the Contractor's current certificate of coverage ends during the duration of the project, the Contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.

E. The Contractor shall obtain from each person providing services on a project, and provide to the governmental entity:

(1) a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and

(2) no later than seven calendar days after receipt by the Contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

F. The Contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.

G. The Contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 calendar days after the Contractor knew or should have known, or any change that materially affects the provision of coverage of any person providing services on the project.

H. The Contractor shall post on each project site a notice, in the text, form and manner prescribed by the Division of Workers Compensation, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

I. The Contractor shall contractually require each person with whom it contracts to provide services on a project, to:

(1) provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;

(2) provide to the Contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;

(3) provide the Contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(4) obtain from each other person with whom it contracts, and provide to the Contractor:

(a) A certificate of coverage, prior to the other person beginning work on the project; and

(b) A new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

(5) retain all required certificates of coverage on file for the duration of the project and for one year thereafter;

(6) notify the governmental entity in writing by certified mail or personal delivery, within 10 calendar days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and

(7) Contractually require each person with whom it contracts to perform as required by paragraphs (a) - (g), with the certificates of coverage to be provided to the person for whom they are providing services.

J. By signing this contract, or providing, or causing to be provided a certificate of coverage, the Contractor is representing to the governmental entity that all employees of the Contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project; that the coverage will be based on proper reporting of classification codes and payroll amounts; and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the Commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

K. The Contractor's failure to comply with any of these provisions is a breach of contract by the

Contractor that entitles the governmental entity to declare the contract void if the Contractor does not remedy the breach within ten calendar days after receipt of notice of breach from the governmental entity."

VIII. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent, and shall contain the following provisions and warranties:

A. The company is licensed and admitted to do business in the State of Texas.

B. The insurance policies provided by the insurance company are underwritten on forms that have been provided by the Texas State Board of Insurance or ISO.

C. All endorsements and insurance coverages according to requirements and instructions contained herein.

D. The form of the notice of cancellation, termination, or change in coverage provisions to the City of Nacogdoches.

E. Original endorsements affecting coverage required by this section shall be furnished with the certificates of insurance.

Exhibit C
PERFORMANCE AND PAYMENT BONDS

PERFORMANCE BOND Project No._____

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
THE COUNTY OF NACOGDOCHES §

THAT WE, **_____,** as Principal, hereinafter called "Contractor" and the other subscriber hereto _____, as Surety, do hereby acknowledge ourselves to be held and firmly bound to the City of Nacogdoches, a municipal corporation, in the sum of **One Hundred Ninety Nine Four Hundred Dollars and Zero/100 ($199,400.00)** for the payment of which sum, well and truly to be made to the City of Nacogdoches and its successors, the said Contractor and Surety do bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:

WHEREAS, the Contractor has on or about this day executed a Contract in writing with the City of Nacogdoches for **Construction Services for 2026 SWTP Blower Replacement Project** all of such work to be done as set out in full in said Contract Documents therein referred to and adopted by the City Council, all of which are made a part of this instrument as fully and completely as if set out in full herein.

NOW THEREFORE, if the said Contractor shall faithfully and strictly perform Contract in all its terms, provisions, and stipulations in accordance with its true meaning and effect, and in accordance with the Contract Documents referred to therein and shall comply strictly with each and every provision of the Contract, including all warranties and indemnities therein and with this bond, then this obligation shall become null and void and shall have no further force and effect; otherwise the same is to remain in full force and effect.

It is further understood and agreed that the Surety does hereby relieve the City of Nacogdoches or its representatives from the exercise of any diligence whatever in securing compliance on the part of the Contractor with the terms of the Contract, including the making of payments thereunder and, having fully considered its Principal's competence to perform the Contract in the underwriting of this Performance Bond, the Surety hereby waives any notice to it of any default, or delay by the Contractor in the performance of his Contract and agrees that it, the Surety, shall be bound to take notice of and shall be held to have knowledge of all acts or omissions of the Contractor in all matters pertaining to the Contract. The Surety understands and agrees that the provision in the Contract that the City of Nacogdoches shall retain certain amounts due the Contractor until the expiration of thirty days from the acceptance of the Work is intended for the City's benefit, and the City of Nacogdoches shall have the right to pay or withhold such retained amounts or any other amount owing under the Contract without changing or affecting the liability of the Surety hereon in any degree.

It is further expressly agreed by Surety that the City of Nacogdoches or its representatives are at liberty at any time, without notice to the Surety, to make any change in the Contract Documents and in the Work to be done thereunder, as provided in the Contract, and in the terms and conditions thereof, or to make any change in, addition to, or deduction from the work to be done thereunder; and that such changes, if made, shall not in any way vitiate the obligation in this bond and undertaking or release the Surety therefrom.

It is further expressly agreed and understood that the Contractor and Surety will fully indemnify and hold harmless the City of Nacogdoches from any liability, loss, cost, expense, or damage arising out of or in connection with the work done by the Contractor under the Contract. In the event that the City of Nacogdoches shall bring any

suit or other proceeding at law on the Contract or this bond or both, the Contractor and Surety agree to pay to the City the actual amounts of attorneys' fees incurred by the city in connection with such suit.

This bond and all obligations created hereunder shall be performable in NACOGDOCHES County, Texas. This bond is given in compliance with the provisions of Chapter 2253 of the Texas Government Code, as amended, which is incorporated herein by this reference. However, all of the express provisions hereof shall be applicable whether or not within the scope of said statute.

Notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third day following deposit in a United State Postal Service post office or receptacle, with proper postage affixed (certified mail, return receipt requested), addressed to the respective other party at the address prescribed in the Contract Documents, or at such other address as the receiving party may hereafter prescribe by written notice to the sending party.

IN WITNESS THEREOF, the said Contractor and Surety have signed and sealed this instrument on the respective dates written below their signatures and have attached current Power of Attorney.

ATTEST and SEAL: (if a corporation) (SEAL)
WITNESS: (if not a corporation)

By: _____
Name:
Title:

_____
(Name of Contractor)

By: _____
Name:
Title:
Date:

ATTEST/WITNESS (SEAL)

By: _____
Name:
Title:
Date:

_____
(Full Name of Surety)

_____
(Address of Surety for Notice)

_____

By: _____
Name:
Title:
Date:

REVIEWED:

_____
City Attorney's Office

THE FOREGOING BOND IS ACCEPTED
ON BEHALF OF
THE CITY OF NACOGDOCHES, TEXAS:

_____
City Manager

NOTE: Date of bonds must be equal to or after the date of execution by City.

TEXAS STATUTORY PAYMENT BOND Project No._____

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
THE COUNTY OF NACOGDOCHES §

THAT WE, _____, as Principal, hereinafter called "Principal" and the other subscriber hereto _____, a corporation organized and existing under the laws of the State of _____, licensed to business in the State of Texas and admitted to write bonds, as Surety, herein after called "Surety", do hereby acknowledge ourselves to be held and firmly bound to the City of Nacogdoches, a municipal corporation, in the sum of _____ _____ **and xx/100 ($xxx,xxx.xx)** for payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns jointly and severally.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:

WHEREAS, Principal has entered into a certain contract with the City of Nacogdoches, dated the _____ day of _____, 20___, for **Construction Services for 2026 SWTP Blower Replacement Project** which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW THEREFORE, the condition of this obligation is such that if Principal shall pay all claimants supplying labor and material to him or a subcontractor in the prosecution of the work provided for in said contract, then, this obligation shall be null and void; otherwise to remain in full force and effect;

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Chapter 2253 of the Texas Government Code and all liabilities on this bond shall be determined in accordance with the provisions, conditions and limitations of said Code to the same extent as if it were copied at length herein.

IN WITNESS THEREOF, the said Principal and Surety have signed and sealed this instrument on the respective dates written below their signatures.

ATTEST and SEAL: (if a corporation) (SEAL)
WITNESS: (if not a corporation)

_____
(Name of Contractor)

By: _____
Name:
Title:

By: _____
Name:
Title:
Date:

ATTEST/WITNESS (SEAL)

_____
(Full Name of Surety)

By: _____
Name:
Title:
Date:

_____
(Address of Surety for Notice)

_____

By: _____
Name:
Title:
Date:

REVIEWED:

THE FOREGOING BOND IS ACCEPTED
ON BEHALF OF
THE CITY OF NACOGDOCHES, TEXAS:

_____
City Attorney's Office

_____
City Manager

NOTE: Date of bonds must be equal to or after the date of execution by City.

Exhibit D
CERTIFICATES OF INSURANCE AND ENDORSEMENTS

Exhibit E
FINAL AFFIDAVIT OF ALL BILLS PAID

FINAL BILLS PAID AFFIDAVIT
BY CONTRACTOR

BEFORE ME, the undersigned authority, personally appeared as

_____, known to me to be a credible person, and after
(Name)

being by me duly sworn, upon oath stated and affirmed that: "My name is

_____ and I am the _____
(Name) (Title)

of _____", hereafter referred to in this affidavit as
(Firm)

"Contractor". Contractor's business address is _____,
(Address)

Texas, _____ . The undersigned Contractor has personal knowledge of the facts
(Zip)

stated herein and has full authority to make the agreements in this affidavit on behalf of Contractor.

Pursuant to and in accordance with a written contract between Contractor and

_____ , collectively referred to as Owner, Contractor furnished
(Owner)

materials and labor for the construction, renovation, installation or repair of certain improvements (the "Improvements"), being City of Nacogdoches contract for

_____.
(Project Name)

All work provided for under said written construction contract, together with all changes and supplements thereto, has been fully completed in accordance with the terms and provisions of said contract.

Contractor has paid each of its subcontractors, laborers, suppliers and materialmen in full for all labor and materials provided to Contractor for or in connection with the construction, renovation or repair of the Improvements.

Contractor is not aware of any unpaid bills, claims, demands or causes of action by any of its subcontractors, laborers, manufacturers, suppliers or materialmen for or in connection with the furnishing of labor materials, or both, for the construction, renovation or repair of the Improvements.

Contractor further understands that this Final Bills Paid Affidavit is being given pursuant to and in accordance with Section 53.085 of the Texas Property Code and that the

intentional, knowing or reckless making of a false or misleading statement in this Affidavit constitutes an offense under said Section and is a Class A misdemeanor.

Contractor hereby indemnifies and holds harmless the City of Nacogdoches from any and all claims, demands or causes of action, and any costs, expenses and attorney's fees incurred in connection therewith, arising from or connected with, the statements and representations contained herein.

EXECUTED this ____ day of _____ , 20____.

CONTRACTOR:

By: _____

Name: _____

Title: _____

Notary's Acknowledgement

Before me, the undersigned authority, on this day personally appeared_____ _____, who first being duly sworn by me to be the person whose name is subscribed to the foregoing Final Bills Paid Affidavit, acknowledged that he/she has the authority to make this Final Bills Paid Affidavit, and further acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the_____ day of_____ _____ , 20____.

_____

Exhibit F
PLANS, SPECIFICATIONS AND DRAWINGS

ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL

Bid (Addendum 2)

1. 1 LS Delivery and Installation of Two (2) Multistage Centrifugal Blowers as per the Contract Documents including, but not limited to, removal and disposal of existing multistage centrifugal blowers, associated re-installation of valves and piping, equipment startup and coordination with manufacturer, protection of adjacent equipment and structures, site restoration, clean-up and disposal of all debris and all required appurtenances for a complete and operational blower assembly, including all materials & labor; complete, in place

$ 183,900.00 $ 183,900.00

One hundred eighty-three thousand nine hundred no cents

per LS (written in words)

2 1 LS Programming and installation of Electrical Controls and Equipment as per the manufacturer's requirements as outlined in the submittal documents including, but not limited to, electrical equipment and controls, SCADA integration, wiring, conduit, electrical connections, equipment startup and all required appurtenances for a complete and operational electrical installationall materials & labor; complete, in place

$ 15,500.00 $ 15,500.00

Fifteen thousand five hundred no cents

per LS (written in words)

BID SUMMARY

BASE BID TOTAL (Items 1-2) 199,400.00

One hundred ninety-nine thousand four hundred 00/100 BASE BID TOTAL (written in words)

TOTAL CALENDAR DAYS TO SUBSTANTIAL COMPLETION see add. #1

BY: Greg Duplichain

Greg Duplichain, President
Printed Name Title

COMPANY: Duplichain Contractors LLC Phone No. (936)858-4100

P.O. BOX 637 Alto TX 75925
Address City State Zip

Addendums 1-3 received

RLI SURETY

P.O. BOX 3967 PEORIA, IL 61612-3967
P: (800)645-2402 E: contract.surety@rlicorp.com
RLISURETY.COM

BID BOND

KNOW ALL MEN BY THESE PRESENTS,

That We, Duplichain Contractors, LLC
of Alto, Texas
as Principal, and RLI Insurance Company, of Peoria, Illinois, as Surety, an Illinois corporation duly licensed to do business in the State of Texas, are held and firmly bound unto City of Nacogdoches, as Obligee, in the penal sum of Five Percent of Greatest Amount Bid (Five (5%) pct gab), for the payment of which the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas the Principal has submitted, or is about to submit, a proposal or a bid to the Obligee on a contract for SWTP Blower Replacement Project | Bid # 26-10-111.

NOW, THEREFORE, if the aforesaid principal shall be awarded the contract, the said principal will within the period specified therefore, or if no period be specified, within ten (10) days after the notice of such award enter into a contract and give bond for the faithful performance of the contract, then this obligation shall be null and void, otherwise the principal and the surety will pay unto the obligee the difference in money between the amount of the bid of said principal and the amount for which the obligee may legally contract with another party to perform the work if the latter amount be in excess of the former, in no event shall the liability hereunder exceed the penal sum hereof.

PROVIDED AND SUBJECT TO THE CONDITION PRECEDENT, that any suits at law or proceedings in equity brought or to be brought against the Surety to recover any claim hereunder must be instituted and service had upon the Surety within ninety (90) days after the acceptance of said bid of the Principal by the Obligee.

SIGNED, SEALED AND DATED this 10 th day of March, 2026.

Duplichain Contractors, LLC
Principal

By: Greg Duplichain

RLI INSURANCE COMPANY CORPORATE SEAL ILLINOIS

RLI Insurance Company

By: Robbie Doughty
Attorney in Fact

ADDRESS ALL CORRESPONDENCE TO:

RLI Insurance Company
P.O. Box 3967
Peoria, IL 61612-3967
800-645-2402

C0006304-10.0

POWER OF ATTORNEY

RLI Insurance Company
Contractors Bonding and Insurance Company

9025 N. Lindbergh Dr. Peoria, IL 61615
Phone: 800-645-2402

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, each an Illinois corporation, (separately and together, the "Company") do hereby make, constitute and appoint:

Don Jones, Robert Stovall, Robbie Doughty, Amanda Goff, jointly or severally

in the City of Rusk, State of Texas its true and lawful Agent(s) and Attorney(s) in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, in general, any and all bonds and undertakings in an amount not to exceed **Twenty Five Million** Dollars (**$25,000,000.00**) for any single obligation.

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon the Company as if such bond had been executed and acknowledged by the regularly elected officers of the Company.

RLI Insurance Company and/or **Contractors Bonding and Insurance Company**, as applicable, have each further certified that the following is a true and exact copy of a Resolution adopted by the Board of Directors of each such corporation, and is now in force, to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, as applicable, have caused these presents to be executed by its respective Vice President with its corporate seal affixed this 8th day of November, 2021.

CONTRACTORS BONDING AND INSURANCE COMPANY CORPORATE SEAL ILLINOIS

RLI INSURANCE COMPANY CORPORATE SEAL ILLINOIS

RLI Insurance Company
Contractors Bonding and Insurance Company

By: _____
Barton W. Davis — Vice President

State of Illinois
County of Peoria } SS

On this 8th day of November, 2021, before me, a Notary Public, personally appeared Barton W. Davis, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

By: _____
Catherine D. Glover — Notary Public

CATHERINE D. GLOVER
OFFICIAL SEAL
Notary Public - State of Illinois
My Commission Expires
March 24, 2024

CERTIFICATE

I, the undersigned officer of **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company**, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** and/or **Contractors Bonding and Insurance Company** this 5th day of March, 2026.

RLI Insurance Company
Contractors Bonding and Insurance Company

By: _____
Jeffrey D Fick — Corporate Secretary

4268831020212

A0058D19

RLI Insurance Company
P.O. Box 3967 Peoria, IL 61612-3967
Phone: 309-692-1000 Fax: 309-683-1610

TEXAS COMPLAINT NOTICE

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call **RLI Insurance Company**'s toll free telephone number for information or to make a complaint at 800-645-2402.

You may also write to **RLI Insurance Company** at:

9025 N. Lindbergh Drive
Peoria, IL 61615
FAX # 309-683-1610

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at 1-800-252-3439.

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
FAX # (512) 475-1771
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim, you should contact **RLI Insurance Company** first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

PRESENTER: Jason Vickery, Assistant City Engineer

ITEM/SUBJECT: Consider approval of a contract by and between the City of Nacogdoches and Schaumburg & Polk Inc. for professional engineering services for Old Lufkin Road Sewer Line Replacement (CIP Project WW-26-203) in the amount of $51,400.00. (Asst. Dir. of Public Works/Asst. City Engineer)

SUMMARY/BACKGROUND: City staff have identified a failing 6-inch sewer line on Old Lufkin Road. The project generally includes the replacement of an existing 6-inch sewer line with a new 8-inch sewer line between Old Lufkin Road and Highway 59 (Segment 45), which is in need of replacement. The section in need of replacement is approximately 1,000 feet long. Schaumburg & Polk (SPI) has provided the City with a proposal for design services related to this project, which would include design surveying, preliminary and final design, bidding, and construction phase services for improvements.

The fee breakdown is as follows:

Design Survey	$ 4,500.00
Engineering Design	$ 25,600.00
Bidding Phase	$ 6,400.00
Construction Phase	$ 14,900.00 (Hourly)
Total	$ 51,400.00

Funds are available for this contract in the Fiscal Year 2026 Utility Fund CIP as part of the Old Lufkin Road Sewer Line Replacement CIP Project WW-26-203.

FINANCIAL:
Item is budgeted:
Account No.: 30.39 680.97
Account Name: *Wastewater Treatment - CIP*
Amount: $ 51,400.00

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES
Infrastructure

CITY CONTACT: Jason Vickery – Asst. Dir. of Public Works/Asst. City Engineer
(936) 559-2518
vickeryj@nactx.us

ATTACHMENTS: 1. Contract

CITY OF NACOGDOCHES
ARCHITECTURAL & ENGINEERING
PROFESSIONAL SERVICES CONTRACT

This Contract is between the **City of Nacogdoches**, a Texas home-rule municipal corporation, (the "City") and **Schaumburg & Polk, Inc.** (the "Consultant"), whereby the Consultant agrees to provide the City with certain professional services as described herein and the City agrees to pay the Consultant for those services.

ARTICLE I
Scope of Services

1.01 In consideration of the compensation stated in paragraph 2.01 below, the Consultant agrees to provide the City with the professional services as described in **Exhibit A,** the Scope of Services, which is incorporated herein by reference for all purposes, and which services may be more generally described as follows: **2026 Old Lufkin Road to Hwy 59 Sewer Line Replacement Project (Segment 45)** (the "Project").

ARTICLE II
Payment

2.01 In consideration of the Consultant's provision of the professional services in compliance with all terms and conditions of this Contract, the City shall pay the Consultant according to the terms set forth in **Exhibit B**. Except in the event of a duly authorized change order, approved by the City as provided in this Contract, the total cost of all professional services provided under this Contract may not exceed **Fifty-One Thousand Four Hundred and 00/100 Dollars ($ 51,400.00)**.

ARTICLE III
Time of Performance and Construction Cost

3.01 The Consultant shall complete the professional services within the times set forth in **Exhibit B**. Consultant expressly agrees that such times are as expeditious as is prudent considering the ordinary professional skill and care of a competent engineer or architect.

3.02 **Time is of the essence of this Contract.** The Consultant shall be prepared to provide the professional services in the most expedient and efficient manner possible in order to complete the work by the times specified. Promptly after the execution of this Contract, the Consultant shall prepare and submit for the City t approve in writing, a detailed schedule for the performance of the Consultant's services to meet the City's project milestone dates which are included in this Contract. The Consultant's schedule shall include allowances for periods of time required for the City's review and for approval of submissions by authorities having jurisdiction over the Project. The schedule will also specify payment milestones associated with design tasks.

3.03 The Consultant's services consist of all of the services required to be performed by Consultant, Consultant's employees and Consultant's sub-consultants under the terms of this Contract. Such services include normal civil, structural, mechanical and electrical engineering services, plumbing, food service, acoustical and landscape services, and any other design services that are normally or customarily furnished and reasonably necessary for the Project. The Consultant shall contract and employ at its expense sub-consultants necessary for the design of the Project, and such sub-consultants shall be licensed as required by the State of Texas and approved in writing by the City.

3.04 The Consultant shall designate a principal of the firm reasonably satisfactory to the City who shall, for so long as acceptable to the City, be in charge of Consultant's services to be performed hereunder through to completion, and who shall be available for general consultation throughout the Project. Any replacement of that principal shall be approved in writing (which shall not be unreasonably withheld) by the City, prior to replacement.

3.05 Consultant shall be responsible for the coordination of all drawings and design documents relating to Consultant's design and used on the Project, regardless of whether such drawings and documents are prepared by Consultant. Consultant shall be responsible for the completeness and accuracy of all drawings and specifications submitted by or through Consultant and for its compliance with all applicable codes, ordinances, regulations, laws and statutes.

3.06 Consultant's evaluations of the City's project budget and the preliminary estimates of construction cost and detailed estimates of construction cost represent the Consultant's best judgment as a design professional familiar with the construction industry.

ARTICLE IV
Conceptual Design

4.01 Consultant shall meet with the City for the purpose of determining the nature of the Project. The Consultant shall inquire in writing as to the information it believes the City may have in its possession that is necessary for the Consultant's performance. The City shall provide the information within its possession that it can make available to the Consultant. The City shall designate a representative to act as the contact person on behalf of the City.

4.02 The Consultant shall determine the Project needs, including, but not limited to, tests, analyses, reports, site evaluations, surveys, comparisons with other municipal projects, review of budgetary constraints and other preliminary investigations necessary for the Project. Consultant shall verify the observable existing conditions of the Project and verify any existing as-built drawings. Consultant shall confirm that the Project can be designed and constructed within the time limits outlined in this Contract. Consultant shall prepare a detailed design phase schedule which includes all review and approval periods during the project phases from Conceptual Design to Construction, design development and construction document phases. Consultant shall confirm that the Project can be designed and constructed for the dollar amount of the Project budget, if applicable. Consultant shall generally review the City's available budget for the Project and provide an early opinion of the adequacy of funds for the intended scope of work.

4.03 The Consultant shall prepare a Conceptual Design that shall include preliminary schematic layouts, alternative ideas, surveys, sketches and exhibits demonstrating the considerations involved in the Project. The Conceptual Design shall contemplate compliance with all applicable laws, statutes, ordinances, codes and regulations. Upon the City's request, the Consultant shall meet with City staff and/or City Council to make a presentation of its report.

ARTICLE V
Preliminary Design

5.01 The City shall direct the Consultant to commence work on the Preliminary Design by sending to the Consultant a letter of authorization to begin work on the Preliminary Design pursuant to this Contract. Upon receipt of the letter of authorization to commence Preliminary Design, the Consultant shall meet with the City for the purpose of determining the extent of any revisions to the Conceptual Design.

5.02 The Consultant shall prepare the Preliminary Design of the Project, including, but not limited to, the preliminary drawings and specifications and other documents to fix and describe the size and character of the Project as to civil, architectural, structural, mechanical and electrical systems, materials and such other elements as may be appropriate. The Consultant shall submit to the City a detailed estimate of the construction costs of the Project, based on current area, volume, or other unit costs. This estimate shall also indicate costs for allowances, contingencies, fees, permits, and all other costs involved in constructing the Project and the time required for construction of the Project from commencement to final completion.

5.03 Upon completion of the Preliminary Design of the Project, the Consultant shall so notify the City. Upon request the Consultant shall provide a Preliminary Engineering Report and meet with the City staff and/or City Council to make a presentation of its Preliminary Design of the Project. The Consultant shall provide an explanation of the Preliminary Design and cost estimate and shall verify that, to the best of Consultant's belief, the Project requirements and construction can be completed within the Project budget and schedule.

ARTICLE VI
Final Design

6.01 The City shall direct the Consultant to commence work on the Final Design of the Project by sending to the Consultant a letter of authorization to begin work on the Final Design phase of the Project. Upon receipt of the Letter of Authorization to proceed with Final Design of the Project, the Consultant shall immediately prepare the Final Design, including, but not limited to, the bid documents, contract, drawings, and specifications, to fix and describe the size and character of the Project as to civil, structural, mechanical, and electrical systems, materials, and such other elements as may be appropriate. The Final Design of the Project shall comply with all applicable laws, statutes, ordinances, codes and regulations.

6.02 Notwithstanding the City's approval of the Final Design, the Consultant warrants that the Final Design will be sufficient and adequate to fulfill the purposes of the Project. Additionally, Consultant will provide technical criteria, written descriptions and design data for the City's use in filing applications for permits from other governmental authorities or entities. Consultant shall assist the City in the preparation of permits and consultations with other entities having jurisdiction over the Project.

6.03 The Consultant shall prepare and separately seal the special provisions, the technical specifications, and bid proposal form(s) in conformance with the City's ***current*** pre-approved, "Standard Form of Construction Agreement" for the construction contract between the City and the construction contractor. The Consultant hereby agrees that no changes, modifications, supplementations, alterations, or deletions will be made to the City's standard form without the prior written approval of the City.

6.04 The Consultant shall provide the City with complete construction design plans and contract documents sufficient to be advertised for bids by the City. The contract documents shall include the design and specifications and other changes that are required to fulfill the purpose of the Project. Upon completion of the Final Design of the Project, with the submission of the complete contract documents, and upon request of the City, the Consultant shall meet with City staff and/or the City Council to present the Final Design of the Project. The Consultant shall provide an explanation of the Final Design and cost estimate.

ARTICLE VII
Bid Preparations & Evaluation

7.01 The Consultant shall assist the City in advertising for and obtaining bids or negotiating proposals for the construction of the Project. Upon request, the Consultant shall meet with City staff and/or the City Council to present, and make recommendations on, the bids submitted for the construction of the Project.

7.02 The Consultant shall review the construction contractors' bids, including subcontractors, suppliers, and other persons required for completion of the Project. The Consultant shall

evaluate each bid and provide these evaluations to the City along with a recommendation on each bid. The Consultant shall also review the qualifications and references of the lowest responsible bidder. A written evaluation of the bids shall be provided to the City by Consultant and shall include any bidding irregularities subject to waiver. If the lowest bid for the construction of the Project exceeds the final cost estimate set forth in the Final Design of the Project, then the Consultant, at its sole cost and expense, shall revise the construction documents so that the total construction costs of the Project will not exceed the final cost estimate contained in the Final Design of the Project.

7.03 Where substitutions are requested by a construction contractor, the Consultant shall review the substitution requested and shall recommend approval or disapproval of such substitutions.

ARTICLE VIII
Construction Administration

8.01 The Consultant shall be a representative of, and shall advise and consult with, the City (1) during construction, and (2) at the City's direction from time to time during the correction or warranty period described in the construction contract. The Consultant shall have authority to act on behalf of the City only to the extent provided in this Contract unless modified by written instrument.

8.02 The Consultant shall make visits to the site, with a frequency appropriate to the scope of the Project, to inspect the progress and quality of the executed work of the construction contractor and its subcontractors and to determine if such work is proceeding in accordance with the contract documents. Consultant shall periodically review the as-built drawings for accuracy and completeness, and shall report its findings to the City.

8.03 ~~Resident Project Representative (RPR): The Consultant shall provide the services of an RPR to support more frequent and extensive observations of the contractor's work. The presence of the RPR will not diminish the responsibilities of the Consultant's design professionals to provide site visits to monitor the progress of the project. Duties and responsibilities of the RPR include:~~

~~a. The RPR will generally deal directly with the contractor and report to the Consultant, who in turn will report to the City. The RPR works under the direction of the Consultant. The RPR may communicate directly with the City, but only with the knowledge of the Consultant.~~

~~b. The RPR will not normally direct the work of the contractor but shall observe its compliance with the plans and specifications and report such directly to the Consultant. The RPR can communicate any concerns directly to the contractor, but all observed conditions will always be given to the Consultant as well.~~

~~c. If the RPR observes unsafe conditions, or other potentially hazardous conditions that might risk life and safety to anyone, he/she will immediately report such to the~~

~~contractor, Consultant and City. In such circumstances, the RPR will have the authority to stop the work of the contractor until the issue can be resolved.~~

~~d. The RPR shall, on behalf of the Consultant, make and keep as-built drawings in the field to record any variances from the original designs shown in plans and specifications.~~

~~e. The RPR shall keep and maintain inspection reports for each day he/she is present on the project site. These reports shall be made available to the City at the end of the project. The daily reports shall include times of observations, activities observed, materials used or delivered to the job, problems encountered and solutions or adjustments made in the field.~~

~~f. The RPR shall review pay estimates from the contractor, on behalf of the Consultant, to verify the quantity and quality of work requested for payment. At no time will the RPR approve pay estimates, contract addendums, modifications, or change orders involving changes in the contract price.~~

~~g. The RPR shall be present to observe and witness all testing of on-site equipment and installed materials under the direction of the Consultant.~~

8.04 The Consultant shall keep the City informed of the progress and quality of the work through periodic project meetings and written monthly status reports. The Consultant shall employ the professional skill and care ordinarily provided by competent engineers or architects practicing in the same or similar locality and under the same or similar circumstances and professional license in discovering and promptly reporting to the City any defects or deficiencies in such work and shall disapprove or reject any work failing to conform to the contract documents.

8.05 The Consultant shall review and approve shop drawings and samples, the results of tests and inspections, and other data that each construction contractor or subcontractor is required to provide. The Consultant's review and approval shall include a determination of whether the work complies with all applicable laws, statutes, ordinances and codes and a determination of whether the work, when completed, will be in compliance with the requirements of the contract documents.

8.06 The Consultant shall determine the acceptability of substitute materials and equipment that may be proposed by construction contractors or subcontractors. The Consultant shall also receive and review maintenance and operating instruction manuals, schedules, guarantees, and certificates of inspection, which are to be assembled by the construction contractor in accordance with the contract documents.

8.07 The Consultant shall issue all instructions of the City to the construction contractor as well as interpretations and clarifications of the contract documents pertaining to the performance of the work. Consultant shall interpret the contract documents and judge the performance thereunder by the contractor constructing the Project, and Consultant shall,

within a reasonable time, render such interpretations and clarifications as it may deem necessary for the proper execution and progress of the work. Consultant shall receive no additional compensation for providing clarification of the drawings and specifications.

8.08 The Consultant shall review the amounts owing to the construction contractor and recommend to the City, in writing, payments to the construction contractor of such amounts. The Consultant's recommendation of payment, being based upon the Consultant's on-site inspections, observations, and its experience and qualifications as a design professional, shall constitute a recommendation by the Consultant to the City that the quality of such work is in accordance with the contract documents and that the work has progressed to the point reflected in Consultant's recommendation for payment.

8.09 Upon notification from the construction contractor that the Project is substantially complete, the Consultant shall conduct an inspection of the site to determine if the Project is substantially complete. The Consultant shall prepare a checklist of items that shall be completed prior to final acceptance. Upon notification by the construction contractor that the checklist items designated by the Consultant for completion have been completed, the Consultant shall inspect the Project to verify final completion.

8.10 The Consultant shall not be responsible for the work of the construction contractor or any of its subcontractors, except that the Consultant shall be responsible for the construction contractor's schedules or failure to carry out the work in accordance with the contract documents if such failures result from the Consultant's negligent acts or omissions. This provision shall not alter the Consultant's duties to the City arising from the performance of the Consultant's obligations under this Contract.

8.11 The Consultant shall conduct at least one on-site inspection during the warranty period and shall report to the City as to the continued acceptability of the work.

8.12 The Consultant shall recommend and prepare change orders, work directives and clarification notices on behalf of the City but shall not execute and issue such documents or otherwise alter the financial scope of the Project without an advance, written authorization from the City.

8.13 The Consultant shall perform all of its duties under this Article VIII so as to not cause any delay in the progress of construction of the Project.

8.14 The Consultant shall assist the construction contractor and City in obtaining a Certificate of Occupancy by accompanying governing officials during inspections of the Project if requested to do so by the City.

ARTICLE IX
Change Orders & Documents & Materials

9.01 No changes shall be made, nor will invoices for changes, alterations, modifications, deviations, or extra work or services be recognized or paid to Consultant except upon the

prior written order from authorized personnel of the City. The Consultant shall not execute change orders on behalf of the City or otherwise alter the financial scope of the Project, except upon the prior written approval from authorized personnel of the City.

9.02 a. When the original contract amount plus all change orders is less than $50,000, the City Manager or his delegate may approve the written change order provided the change order does not increase the total amount set forth in the contract to more than $50,000. For such contracts, when a change order results in a total contract amount that exceeds $50,000, the City Council must approve such change order prior to commencement of the services or work.

b. When the original contract amount plus all change orders is equal to or greater than $50,000, the City Manager or his delegate may approve the written change order. For such contracts, when a change order exceeds $50,000, the City Council must approve such change order prior to commencement of the services or work.

c. **Any request by the Consultant for an increase in the Scope of Services and an increase in the amount listed in paragraph two of this Contract shall be made and approved by the City prior to the Consultant providing such services or the right to payment for such additional services shall be waived.** If there is a dispute between the Consultant and the City respecting any service provided or to be provided hereunder by the Consultant, including a dispute as to whether such service is additional to the Scope of Services included in this Contract, the Consultant agrees to continue providing on a timely basis all services to be provided by the Consultant hereunder, including any service as to which there is a dispute.

9.03 The Consultant shall furnish the City **One** (**1**) digital set of plans and specifications. It is hereby agreed that additional copies shall be provided to the City at the City's expense. The Consultant shall provide the City **One** (**1**) set of reproducible, ~~mylar~~ record drawings that clearly show all the changes made during the construction process, based upon the marked-up prints, drawings, and other data furnished by the construction contractor to the Consultant. The Consultant shall provide copies of documents, computer files if available, surveys, notes, and tracings used or prepared by the Consultant. The foregoing documentation, the Consultant's work product, and other information in the Consultant's possession concerning the Project shall be the property of the City from the time of preparation. The Consultant shall furnish one set of digital files representing the final record drawings.

ARTICLE X
Warranty, Indemnification & Release

10.01 Pursuant to Section 271.904(d) of the Texas Local Government Code, the Consultant shall perform the services with the professional skill and care ordinarily provided by competent engineers or architects practicing under the same or similar circumstances and professional license and as expeditiously as is prudent considering the ordinary skill and care of a competent engineer or architect. The Consultant warrants that the information provided

by the Consultant, the design, the preparation of drawings, the designation or selection of materials and equipment, the selection and supervision of personnel, and the performance of all other services under this Contract are performed with the professional skill and care ordinarily provided by competent engineers or architects practicing in the same or similar circumstances and professional license. Approval of the City shall not constitute, or be deemed, a release of the responsibility and liability of the Consultant, its employees, agents, or associates for the exercise of skill and diligence to promote the accuracy and competency of their designs, information, plans, specifications or any other document, nor shall the City's approval be deemed to be the assumption of responsibility by the City for any defect or error in the aforesaid documents prepared by the Consultant, its employees, associates, agents, or subcontractors.

10.02 The Consultant shall promptly correct any defective designs or specifications furnished by the Consultant at no cost to the City. The City's approval, acceptance, use of, or payment for, all or any part of the Consultant's services hereunder or of the Project itself shall in no way alter the Consultant's obligations or the City's rights hereunder.

10.03 In all activities or services performed hereunder, the Consultant is an independent contractor and not an agent or employee of the City. The Consultant and its employees are not the agents, servants, or employees of the City. As an independent contractor, the Consultant shall be responsible for the professional services and the final work product contemplated under this Contract. Except for materials furnished by the City, the Consultant shall supply all materials, equipment, and labor required for the professional services to be provided under this Contract. The Consultant shall have ultimate control over the execution of the services it is to provide under this Contract. The Consultant shall have the sole obligation to employ, direct, control, supervise, manage, discharge, and compensate all of its employees or subcontractors, and the City shall have no control of or supervision over the employees of the Consultant or any of the Consultant's subcontractors.

10.04 The Consultant must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of its officers, employees, agents, subcontractors, licensees, and other persons, as well as its personal property, while in the vicinity of the Project or any of the work being done on or for the Project. It is expressly understood and agreed that the City shall not be liable or responsible for the negligence of the Consultant, its officers, employees, agents, subcontractors, invitees, licensees, and other persons.

10.05 INDEMNITY. THE CONSULTANT SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES AND/OR DESIGNEES (SEPARATELY AND COLLECTIVELY REFERRED TO IN THIS PARAGRAPH AS "INDEMNITEE"), FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS OR SUITS, AND ALL RELATED DAMAGES, COSTS, ATTORNEY FEES, AND EXPENSES CAUSED BY, ARISING OUT OF, OR RESULTING FROM ANY ACTS OF NEGLIGENCE, INTENTIONAL TORTS, WILFULL MISCONDUCT, PERSONAL INJURY OR DAMAGE TO PROPERTY AND OTHERWISE RELATED TO CONSULTANT'S PERFORMANCE, AND/OR

FAILURES TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY THE CONSULTANT OR ITS AGENTS, EMPLOYEES, SUB-CONTRACTORS, ORDER FULFILLERS, OR CONSULTANTS UNDER CONTRACT TO CONSULTANT, OR ANOTHER ENTITY OVER WHICH THE CONSULTANT EXERCISES CONTROL, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT.

10.06 CONSULTANT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS AND/OR IN CONNECTION WITH OR ARISING FROM: (1) THE PERFORMANCE OR ACTIONS OF CONSULTANT PURSUANT TO THIS CONTRACT; (2) ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR THE CITY'S AND /OR CONSULTANT'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO THE CITY BY CONSULTANT OR OTHERWISE TO WHICH THE CITY HAS ACCESS AS A RESULT OF CONSULTANT'S PERFORMANCE UNDER THE CONTRACT.

10.07 CONSULTANT AND THE CITY AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM UNDER 10.05 OR 10.06. CONSULTANT SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES. THE DEFENSE OF ANY LAWSUIT SHALL BE COORDINATED BY THE CONSULTANT WITH THE CITY ATTORNEY WHEN THE CITY IS NAMED DEFENDANT IN ANY LAWSUIT AND CONSULTANT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE CITY ATTORNEY. IF THE CITY DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF CONSULTANT OR IF THE CITY IS REQUIRED BY LAW TO SELECT SEPARATE COUNSEL, THE CITY WILL BE PERMITTED TO SELECT SEPARATE COUNSEL AND THE CONSULTANT WILL PAY ALL REASONABLE COSTS OF THE CITY'S COUNSEL.

10.08 Release. The Consultant releases, relinquishes, and discharges the City, its officers, agents, employees, and volunteers from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to, sickness or death of the Consultant or its employees and any loss of or damage to any property of the Consultant or its employees that is caused by or alleged to be caused by, arises out of, or is in connection with the Consultant's work to be performed hereunder. Both the City and the Consultant expressly intend that this release shall apply regardless of whether said claims, demands, and causes of action are covered, in whole or in part, by insurance and in the event of injury, sickness, death, loss, or damage suffered by the Consultant or its employees, but not otherwise, this release shall apply regardless of whether such loss, damage, injury, or death was caused in

whole or in part by the City, any other party released hereunder, the Consultant, or any third party.

10.09 It is agreed with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification, release or other obligations under Paragraphs 10.05, 10.06, 10.07 and 10.08 such legal limitations are made a part of the obligations and shall operate to amend same to the minimum extent necessary to bring the provision(s) into conformity with the requirements of such limitations, and as so modified, the obligations set forth therein shall continue in full force and effect.

ARTICLE XI
Insurance

11.01 The Consultant shall procure and maintain at its sole cost and expense for the duration of this Contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, volunteers, employees or subcontractors. The policies, limits and endorsements required are as set forth on **Exhibit C.**

ARTICLE XII
Use of Drawings, Specifications and Other Documents

12.01 The drawings, specifications and other documents prepared by the Consultant and Consultant's sub-consultants for this Project shall become the property of the City whether the Project is completed or not. The City shall be furnished and permitted to retain reproducible copies and electronic versions of Consultant's drawings, specifications and other documents.

12.02 The documents prepared by Consultant may be used as a prototype for other facilities by the City. The City may elect to use the Consultant to perform the site adaptation and other architectural or engineering services involved in reuse of the prototype. If so, the Consultant is obligated to perform the work for an additional compensation that will fairly compensate the Consultant and its sub-consultants only for the additional work involved. It is reasonable to expect that the fair additional compensation will be significantly less than the fee provided for under this Contract. If the City elects to employ a different architect or engineer to perform the site adaptation and other architectural or engineering services involved in reuse of the prototype, that architect or engineer will be entitled to use Consultant's sub-consultants on the same basis that Consultant would have been entitled to use them for the work on the reuse of the prototype, and such architect or engineer will be entitled, to the extent allowed by law, to duplicate the design and review and refer to the construction documents, approved shop drawings and calculations, and change order drawings in performing its work. The Consultant will not be responsible for errors and omissions of a subsequent architect or engineer. The Consultant shall commit its sub-consultants to the terms of this subparagraph. The provisions of this section shall survive termination of this Contract.

12.03 In the event of termination of this Contract for any reason, the City shall receive all original documents prepared to the date of termination and shall have the right to use those documents and any reproductions in any way necessary to complete the Project.

12.04 Only the details of the drawings relating to this Project may be used by the Consultant on other projects, but they shall not be used as a whole without written authorization by the City. The City-furnished forms, conditions, and other written documents shall not be used on other projects by the Consultant.

ARTICLE XIII
Termination

13.01 The City may terminate this Contract at any time upon **thirty (30)** calendar days' written notice. Upon the Consultant's receipt of such notice, the Consultant shall cease work immediately. To the extent of funds appropriated or otherwise legally available for such purposes, the Consultant shall be compensated only for the services satisfactorily performed prior to the termination date.

13.02 If, through any cause, the Consultant fails to fulfill its obligations under this Contract, or if the Consultant violates any of the agreements of this Contract, the City has the right to terminate this Contract by giving the Consultant **five (5)** calendar days written notice to the Consultant. The Consultant will be compensated for the services satisfactorily performed prior to the termination date.

13.03 No term or provision of this Contract shall be construed to relieve the Consultant of liability to the City for damages sustained by the City because of any breach of contract and/or negligence by the Consultant. The City may withhold payments to the Consultant for the purpose of setoff until the exact amount of damages due the City from the Consultant is determined and paid.

ARTICLE XIV
Miscellaneous Terms

14.01 This Contract has been made under and shall be governed by the laws of the State of Texas. The parties agree that performance and all matters related thereto shall be in Nacogdoches County, Texas.

14.02 The City, or if State funds are used to pay any part of this contract, the State Auditor, may conduct an audit or investigation of any entity receiving funds directly under this contract or indirectly through a subcontract under the contract. Acceptance of funds under the contract or through a subcontract under the contract acts as acceptance of the authority of the City or the State Auditor to conduct an audit or investigation. Consultant agrees to cooperate and must provide the City and/or State Auditor with access to any information the City and/or State Auditor considers relevant to the investigation or audit. The Consultant agrees to refund to the City any overpayments disclosed by any such audit.

14.03 The Consultant shall retain all such records for a period of four (4) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Consultant are resolved, whichever is longer.

14.04 Consultant hereby assigns to the City any and all claims for overcharges associated with this Agreement which arise under the antitrust laws of the United States, 15 USCA Section 1 et seq., and/or which arise under the antitrust laws of the State of Texas, Business and Commerce Code Ann., Section 15.01, et seq.

14.05 Notices shall be mailed to the addresses designated herein or as may be designated in writing by the parties from time to time and shall be deemed received when sent postage prepaid U.S. Mail to the following addresses:

City of Nacogdoches
Attn: City Manager
202 East Pilar Street
P.O. Box 635030
Nacogdoches, Texas 75961

Consultant:
Schaumburg & Polk, Inc.
320 S. Broadway, Suite 200
Tyler, Texas 75702

14.06 No waiver by either party hereto of any term or condition of this Contract shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

14.07 This Contract represents the entire and integrated agreement between the City and the Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. This Contract may only be amended by written instrument approved and executed by the parties.

14.08 This Contract and all rights and obligations contained herein may not be assigned by the Consultant without the prior written approval of the City.

14.09 If any provision of this Contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court of competent jurisdiction finds that any provision of this Contract is invalid or unenforceable, but that by limiting such provision it may become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

14.10 The Consultant, its agents, employees, and subcontractors must comply with all applicable federal and state laws, the charter and ordinances of the City of Nacogdoches, and with all applicable rules and regulations promulgated by local, state, and national boards, bureaus, and agencies. The Consultant must obtain all necessary permits and licenses required in completing the work and providing the services required by this Contract.

14.11 **Contractor Affirmations:** If this contract is funded in whole or in part by money from the State of Texas, State law requires the following certifications, representations and/or warranties. Regardless of funding by the State, by signature hereon affixed, the Contractor hereby certifies that:

(a) Contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract.

(b) Contractor represents and warrants that it has no actual or potential conflicts of interest in the goods and or services described in the scope of work to this contract.

(c) **Antitrust**. Pursuant to 15 U.S.C. §1, et seq. and Tex. Bus. & Comm. Code §15.01, et seq. neither the contractor nor the firm, corporation, partnership, or institution represented by the contractor, or anyone acting for such a firm, corporation or institution has violated the antitrust laws of this state, federal antitrust laws, nor communicated directly or indirectly the bid made to any competitor or any other person engaged in such line of business.

(d) **Debarment**. Contractor certifies that Contractor and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Contractor is in compliance with the State of Texas statutes and rules relating to procurement. Entities ineligible for state procurement are listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts and the System for Award Management (SAM) maintained by the General Services Administration. Entities ineligible for federal procurement are listed at http://www.sam.gov/content/exclusions .

(e) **Terrorism Watch List.** Contractor represents and warrants that it does not do business with Iran, Sudan or a foreign terrorist organization as prohibited by Texas Government Code 2252.152. Contractor certifies that it is not listed on the federal government's terrorism watch list as described in Executive Order 13224.

(f) **Convictions**. Under Sections 2155.006, 2155.0061 and 2261.053 of the Texas Government Code, Contractor certifies that it is not ineligible to receive the specified contract and may be terminated and payment withheld if this certification is inaccurate. These sections prohibit contracts that include proposed financial participation by an individual or business entity who has been convicted in the past five years of (a) violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by §418.004, Gov't Code, occurring after September 24, 2005; and (b) of any offense related to the direct support or promotion of human trafficking.

(g) **COVID Vaccinations**. Contractor certifies that it does not require its customers to provide any documentation certifying the Customer's COVID-19 vaccination or post-transmission recovery on entry to, or to receive service from the Contractor's business.

(h) **Boycotts.** (a) To the extent this Contract is considered a Contract for goods or services subject to § 2270.002 Texas Government Code, Contractor verifies that it: (i) does not boycott Israel; and (ii) will not boycott Israel during the term of this Contract.

(b) To the extent this Contract has a value of $100,000 or more and Contractor is an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit that employs 10 or more full time employees, Contractor certifies that it: (i) does not and will not boycott energy companies during the term of the contract (*See Texas Government Code 2274.002, et seq.*); and (ii) does not and will not discriminate against a firearm entity or firearm trade association (*See Texas Government Code 2274.002, et seq.*).

14.12 The parties acknowledge that they have read, understood, and intend to be bound by the terms and conditions of this Contract. If there is a conflict between a provision in any documents provided by Consultant made a part of this Contract and any other provision in this Contract, the latter controls.

14.13 This Contract will be effective when signed by the last party whose signing makes the Contract fully executed. The parties may execute this Contract in duplicate originals, each of equal dignity.

14.14 **Notice of Indemnification. City and Consultant hereby acknowledge and agree that this Contract contains certain indemnification obligations and covenants.**

SCHAUMBURG & POLK, INC.
320 S. Broadway, Suite 200
Tyler, Texas 75702

By: _____
Printed Name: Travis Reed
Title: Vice President
Date: 3/9/2026
Firm Registration No.: F-000520

CITY OF NACOGDOCHES
P. O. Box 635030
Nacogdoches, Texas 75963-5030

By: _____
Printed Name: _____
Title: City Manager
Date: _____

APPROVED AS TO CONTENT:

_____
Director of Public Works

APPROVED AS TO FORM:

_____
City Attorney

Exhibit A
Scope of Services

SCHAUMBURG & POLK, INC.
ENGINEERING A BETTER FUTURE

City of Nacogdoches
Old Lufkin Rd to 59 Sewer Improvements
Specific Scope of Work
February 3, 2026

Items of work specified below shall be included as Exhibit A to the EJCDC Form of Agreement between Owner and Engineer for Professional Services.

This project is a sewerline replacement project based on pipe condition that generally includes the replacement of the existing 6" sewer line with new 8" sewer line between Old Lufkin Rd and Highway 59 totaling up to 1,000 LF. Engineering services include design, bidding, and construction.

BASIC SERVICES

1. Preliminary Design
   - A. Field data collection for design, including any needed topographic survey of selected sites and areas of upgrade.
   - B. Coordinate with the Owner to determine needs for the project.
   - C. Utility locations and coordination with franchise utilities.
   - D. Schematic design of upgrades
   - E. Prepare updated preliminary cost opinions and review with City.
   - F. Geotechnical borings are not anticipated and are excluded from this Scope of Work.

2. Final Design
   - A. Prepare final signed and sealed plans and specifications for upgrades and rehabilitation.
   - B. Include consideration of alternate bids as recommended by Engineer or requested by City.
   - C. Review final plans and specifications with City and revise as necessary to address any comments or questions.
   - D. Submit final plans and specs to TxDOT, TCEQ and any other required regulatory review, and respond to questions or comments..
   - E. Prepare a final updated preliminary cost opinions and review with City.

3. Bidding
   - A. Provide contract documents and assist City in bidding project.
   - B. Advertise in on-line planrooms
   - C. Print and distribute Plans and Specs to responsive contractors.
   - D. Conduct bid opening, evaluate and tabulate bids, and recommend award to City.

4. Construction Phase

   A. Conduct a Pre-Construction Conference prior to commencement of Work at the Site.
   B. Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to Engineer, including Progress Schedule, Schedule of Submittals, and Schedule of Values.
   C. As appropriate, establish baselines and benchmarks for locating the Work which in Engineer's judgment are necessary to enable Contractor to proceed.
   D. Make visits to the Site at intervals appropriate to the various stages of construction, as Engineer deems necessary, to observe the progress and quality of the Contractor's executed Work. The Scope of Work is based on 8 hours per week for 8 weeks.
   E. Issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of the Contractor's work.
   F. Recommend and prepare Change Orders and Work Change Directives to Owner, as appropriate.
   G. Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit.
   H. Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor.
   I. Require such special inspections or tests of Contractor's work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents.
   J. Process pay applications from Contractor.
   K. In company with Owner and Contractor, conduct an inspection to determine if the Work is substantially complete. If Engineer considers the Work substantially complete, Engineer shall deliver a certificate of Substantial Completion to Owner and Contractor.
   L. Conduct a final inspection to determine if the completed Work of Contractor is acceptable so that Engineer may recommend, in writing, final payment to Contractor.
   M. Engineer shall assemble and provide a final set of as-built drawings based on Contractors field plan set, Engineer's working plan set, and the Resident Representatives field set of plans. These plans will be provided to the Owner in both paper and digital format.

PROJECT DELIVERABLES

1. 60% Design Phase Plans, Specifications, Budgets
2. Final Signed and Sealed Plans and Specifications.
3. Contract Documents – Recommendation of Award
4. Construction Record Drawings – including digital files.

RESPONSIBILITIES OF OWNER

1. The Owner is responsible for any and all fees required for any permits.

END OF 2-PAGE SPECIFIC SCOPE OF WORK

Exhibit B
Payment Terms and Schedule

Compensation for services shall be as outlined below:

Schedule of Payment for each phase:

Topographic Design Survey	$ 4,500
Engineering Design	$ 25,600
Bid Phase Services	$ 6,400
Construction Admin Services	$ 14,900 (Hourly)
Total	$ 51,400 (Not to Exceed)

Unless amended by a duly authorized written change order, the total payment for all invoices on this job, including both salary and non-salary expenses, shall not exceed the amount set forth in paragraph 2.01 of this Contract ($51,400).

The Consultant must submit ***monthly*** invoices to the City, accompanied by an explanation of charges, professional fees, services, and expenses. The City will pay such invoices according to its normal payment procedures.

Exhibit C
Insurance Requirements

During the term of this Contract all Consultants' insurance policies shall meet the following requirements:

I. Standard Insurance Policies Required:

A. Commercial General Liability
B. Business Automobile Liability
C. Workers' Compensation
D. Professional Liability

II. For each of these policies, the Consultant's insurance coverage shall be primary insurance with respect to the City, its officials, agents, employees and volunteers. Any self-insurance or insurance policies maintained by the City, its officials, agents, employees or volunteers, shall be considered in excess of the Consultant's insurance and shall not contribute to it. No term or provision of the indemnification provided by the Consultant to the City pursuant to this Contract shall be construed or interpreted as limiting or otherwise affecting the terms of the insurance coverage. All Certificates of Insurance and endorsements shall be furnished to the City's Representative at the time of execution of this Contract, attached hereto as **Exhibit D,** and approved by the City before any letter of authorization to commence planning will issue or any work on the Project commences.

III. General Requirements Applicable to All Policies

A. Only insurance carriers licensed and authorized to do business in the State of Texas will be accepted.
B. Deductibles shall be listed on the Certificate of Insurance.
C. "Claims made" policies will not be accepted, except for Professional Liability insurance.
D. Coverage shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) calendar days prior written notice has been given to the City of Nacogdoches.
E. The Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent on the most current State of Texas Department of Insurance-approved forms.
F. The City of Nacogdoches, its officials, employees and volunteers, are to be named as "Additional Insured" to the Commercial General, Umbrella and Business Automobile Liability policies. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees or volunteers.
G. Waiver of subrogation in a form at least as broad as ISO form 2404 shall be provided in favor of the City on all policies obtained by the Contractor in compliance with the terms of this Agreement.

IV. Commercial (General) Liability requirements:

A. Coverage shall be written by a carrier rated "A:VIII" or better in accordance with the current A. M. Best Key Rating Guide.
B. Minimum Limit of $1,000,000 per occurrence for bodily injury and property damage with a $2,000,000 annual aggregate.
C. No coverage shall be excluded from the standard policy without notification of individual exclusions being attached for review and acceptance.
D. The coverage shall not exclude premises/operations; independent contracts, products/completed operations, contractual liability (insuring the indemnity provided herein), and where exposures exist, Explosion Collapse and Underground coverage.
E. The City shall be included as an additional insured and the policy shall be endorsed to waive subrogation and to be primary and non-contributory.

V. Business Automobile Liability requirements:

A. Coverage shall be written by a carrier rated "A:VIII" or better in accordance with the current. A. M. Best Key Rating Guide.
B. Minimum Combined Single Limit of $1,000,000 per occurrence for bodily injury and property damage.
C. The Business Auto Policy must show Symbol 1 in the Covered Autos portion of the liability section in Item 2 of the declarations page.
D. The coverage shall include owned autos, leased or rented autos, non-owned autos, any autos and hired autos.

VI. The worker's compensation insurance requirements:

1. Employer's Liability shall be no less than the required statutory minimum limits for each accident, each disease and cover all employees of Consultant, the Consultant, and all employees of any and all subconsultants or subcontractors of Consultant providing services on the Project.

2. "Texas Waiver of Our Right to Recover From Others Endorsement, WC 42 03 04" shall be included in this policy.

3. Texas must appear in Item 3A of the Workers Compensation coverage or Item 3C must contain the following: All States except those listed in Item 3A and the States of NV, ND, OH, WA, WV, and WY.

VII. Professional Liability requirements:

A. Coverage shall be written by a carrier rated "A:VIII" or better in accordance with the current A.M. Best Key Rating Guide.
B. Minimum of $1,000,000 per claim and $2,000,000 aggregate, with a maximum deductible of $100,000.00. Financial statements shall be furnished to the City of Nacogdoches when requested.

C. Policy must include availability of a two-year extended reporting period.
D. Retroactive date must be shown on certificate.

Exhibit D
Certificates of Insurance

Client#: 161799 SCHAUPOL

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 5/29/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Amanda Carter
USI Southwest 9811 Katy Freeway, Suite 500 Houston, TX 77024 713 490-4600	PHONE (A/C, No, Ext): 713 490-4600 FAX (A/C, No): 713-490-4700 E-MAIL ADDRESS: amanda.carter@usi.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Arch Insurance Company	11150
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Schaumburg & Polk Inc.
8865 College Street
Beaumont, TX 77707-2898

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	CLAIMS-MADE OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?	N / A					E.L. EACH ACCIDENT	$
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Professional Liability Claims Made			PAAEP0149404	06/10/2025	06/10/2026	$2,000,000 per claim $2,000,000 annl aggr.	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

City of Nacogdoches
Attn: City Manager
202 East Pilar Street
P.O. Box 635030
Nacogdoches, TX 75961

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Client#: 3207 SCHPOL

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 03/10/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
J. S. Edwards & Sherlock
Insurance Agency, LLP
P. O. Box 22237
Beaumont, TX 77720

CONTACT NAME: Brenda K Horton
PHONE (A/C, No, Ext): 409 832-7736 **FAX (A/C, No):** 409-833-1721
E-MAIL ADDRESS: brenda@edwardsandsherlock.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : American Casualty Co. of Reading, PA	20427
INSURER B : Continental Insurance Company	35289
INSURER C : Service Lloyds Insurance Co	43389
INSURER D : Spinnaker Insurance Company	24376
INSURER E : Continental Casualty Company	20443
INSURER F :	

INSURED
Schaumburg and Polk, Inc.
8865 College Street
Beaumont, TX 77707

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			4034942640	04/13/2025	04/13/2026	EACH OCCURRENCE	$1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$300,000
							MED EXP (Any one person)	$15,000
							PERSONAL & ADV INJURY	$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$2,000,000
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$2,000,000
	OTHER:							$
E	AUTOMOBILE LIABILITY			4034942833	04/13/2025	04/13/2026	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
B	X UMBRELLA LIAB X OCCUR			4034942685	04/13/2025	04/13/2026	EACH OCCURRENCE	$2,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$2,000,000
	DED X RETENTION $10000							$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N	N/A		SLICWC11492601	04/13/2025	04/13/2026	X PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? N						E.L. EACH ACCIDENT	$1,000,000
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000
D	Cyber Liability			FLYCBA9JQ7X4YQ	07/25/2025	07/25/2026	$1,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The General Liability and Auto Liability policies include blanket automatic additional insured endorsements that provide additional insured status to the certificate holder only when there is a written contract between the named insured and the certificate holder that requires such status. The General Liability policy includes a primary & non-contributory endorsement that requires a written contract between the named insured and the certificate holder. Waiver of Subrogation automatic status endorsements are provided in (See Attached Descriptions)

CERTIFICATE HOLDER

City of Nacogdoches Attn:
City Manager
P. O. Box 635030
Nacogdoches, TX 75961

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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DESCRIPTIONS (Continued from Page 1)

favor of the certificate holder for General Liability, Auto Liability and Worker's Compensation only when there is a written contract between the named insured and the certificate holder that requires such status.
Umbrella is follow form. Applicable forms attached.
30 Day Notice of Cancellation, 10 days for non-payment.

PRESENTER: Case Opperman, Director of Public Works

ITEM/SUBJECT: Consider approval of the purchase of dumpsters from Wastequip Manufacturing Company LLC utilizing Sourcewell Cooperative Purchasing Contract No. 010825-WQI in the total amount of $44,662.00. (Director of Public Works/City Engineer)

SUMMARY/BACKGROUND: The Sanitation Collection Division of Public Works periodically has to purchase new steel dumpsters when old dumpsters get rust or other damage, as well as to provide dumpsters for new accounts. Dumpsters are provided by Wastequip Manufacturing Company, LLC, a Tyler-based company which is under a Sourcewell cooperative purchasing contract (Sourcewell Contract #010825-WQI) which is exempt from the competitive bidding process under Texas Local Government Code Section 252.022(a)(12)(D). The current need is for fourteen (14) 3 CY dumpsters, for twenty (20) 6 CY dumpsters and fourteen (14) 8 CY dumpsters in the total amount of $44,662.00 after shipping. Budget is available for these purchases in the Sanitation Collection operating budget.

FINANCIAL:
Item is budgeted:
Account No.: 31.40 610.90
Account Name: *Sanitation Collection - Other Materials & Supplies*
Amount: $ 44,662.00

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES
Not Applicable

CITY CONTACT: Case Opperman, PE – Director of Public Works/City Engineer
oppermanc@nactx.us
(936) 559-2515

ATTACHMENTS: 1. Quote

WASTEQUIP

Sourcewell
Awarded Contract
Contract #010825-WQI

8521 FM 850, Tyler, TX, 75705
PHONE: 903-405-4475
WQ-10373045

Sell To:

Contact Name	Kimberly Garner-Rodgers	Ship To Name	City of Nacogdoches
Bill To Name	City of Nacogdoches	Ship To	3812 NW Stallings Dr Nacogdoches, TX 75964-1412 USA
Bill To	PO Box 635070 Nacogdoches, TX 75963-5070 USA	Quick Ship	☐
Email	garnerk@nactx.us		
Phone	(936) 559-2580		

Quote Information

Salesperson	Chance Hennig	Expiration Date	2/15/2026
Salesperson Email	chennig@wastequip.com	Quote Number	WQ-10373045 Please Reference Quote Number on all Purchase Orders
Salesperson Phone	(361) 362-4485		

Product	Product Description	Quantity	Sales Price	Total Price
Container - TT - 125543	3 Cubic Yard Standard Duty Slant Nestable Front Load Container - Floor: 10 gauge, Walls: 12 gauge , Pockets: Heavy Duty with Three Way Fork Entry Guide, Top Channels: Interlocking, Bottom Runners: 2 1/2" Tall Formed, Primed and Painted Any Standard Color	14.00	$631.00	$8,834.00
Container - TT - 125534	6 Cubic Yard Standard Duty Slant Front Load Container - Floor: 10 gauge, Walls: 12 gauge, Pockets: Heavy Duty with Three Way Fork Entry Guide, Interlocking Top Channels with formed 10 gauge Bottom Runners, Primed and Painted Any Standard Color	20.00	$894.00	$17,880.00
Container - TT - 125535	8 Cubic Yard Standard Duty Slant Front Load Container - Floor: 10 gauge, Walls: 12 gauge, Pockets: Heavy Duty with Three Way Fork Entry Guide, Interlocking Top Channels with formed 10 gauge Bottom Runners, Primed and Painted Any Standard Color	14.00	$1,056.00	$14,784.00

Payment Terms	Net 30 Days if credit has been established	Subtotal	$41,498.00
Shipping Terms	FOB Origin	Shipping	$3,164.00
		Tax	$0.00
		Grand Total	$44,662.00

Special Instructions

Special Instructions: Customer is responsible for off-loading containers

Additional Information

Additional Terms: Our Quote serves as an offer to provide Products and/or services at the quantities and prices shown and is a good faith estimate, based on our understanding of your needs. By signing below, you indicate your acceptance of our offer which is expressly subject to the Wastequip Terms & Conditions of Sale (“Wastequip’s Terms””) located at: https://www.wastequip.com/terms-conditions-sale, as of the date set forth in Section 1(b) of the WQ T&C, which are made

8521 FM 850, Tyler, TX, 75705
PHONE: 903-405-4475
WQ-10373045

Sourcewell Awarded Contract
Contract #010825-WQI

	a part of this Quote. Wastequip's Terms may be updated from time to time and are available by hard copy upon request. Any changes or deviations to the terms of this Quote, including any different terms in an Order submitted by you, must be agreed upon in writing by both parties.
Additional Information	Pricing is based on your acceptance prior to the expiration of this Quote, including product specifications, quantities, and timing. Any differences to your Order may result in different pricing, freight or other costs. Due to volatility in petrochemical, steel and related Product material markets, actual prices and freight, are subject to change. We reserve the right, by providing notice to you at any time before beginning Product manufacturing, to increase the price of the Product(s) to reflect any increase in the cost to us which is due to any factor beyond our control (such as, without limitation, any increase in the costs of labor, materials, or other costs of manufacture or supply). Unless otherwise stated, materials and container sizes indicated on sales literature, invoices, price lists, quotations and delivery tickets are nominal sizes and representations – actual volume, Products and materials are subject to manufacturing and commercial variation and Wastequip's practices, and may vary from nominal sizes and materials. All prices are in US dollars; this Quote may not include all applicable taxes, brokerage fees or duties. If customer is not tax exempt, final tax calculations are subject to change. Pursuant to California Section 26275 of the Health and Safety Code, certain trash receptacles and storage containers must be marked with reflectors. Customers must disclose if such receptacles and containers are intended for use in California – if not disclosed, the receptacles and containers are not intended for use in California.
Special Contract Information	Sourcewell-Pricing & Product offerings are based on the Sourcewell Co-Operative Contract with Wastequip Manufacturing Company LLC (#010825-WQI, eff. 05/29/2025) and such Contract terms & conditions are incorporated herein by reference. Pricing & Product (& related) changes may occur at any time with proper documentation, & subject to Sourcewell approval; therefore, offerings may change without written prior notice. Wastequip Product Limited Warranties, Disclaimers, Limitation of Liability & Remedies, & Limited Warranty Provisions apply to all purchases thereunder.

Signatures

Accepted By: _____

Company Name: _____

Date: _____

Purchase Order: _____

Please Reference Quote Number on all Purchase Orders

City Council Meeting

Date: March 17, 2026

Agenda Item: 5.I.

PRESENTER: Case Opperman, Director of Public Works

ITEM/SUBJECT: Consider approval of the Revised Proposed Agreed Order from the Texas Commission on Environmental Quality for settlement of Docket No. 2024-1291-MWD-E; Enforcement Case No. 65995. (Director of Public Works/City Engineer)

SUMMARY/BACKGROUND: The Texas Commission on Environmental Quality (TCEQ) conducts periodic inspections of our water production and wastewater treatment facilities and systems. A 2024 inspection of the City's wastewater treatment facility generated several action items. Staff has since corrected all but a couple of these items which staff is currently working to address. TCEQ allows for an application for Supplemental Environmental Projects (SEP) to offset fines accrued if the proposed project addresses specific allegations mentioned in the report. One of the allegations stated in the 2024 inspection was excessive sludge buildup in a wastewater plant digester. Since receipt of the original report in 2025, the digester was cleaned out as part of a planned City capital project. Staff submitted these completed actions to TCEQ in July 2025 under an SEP proposal, and it was accepted and incorporated into TCEQ's Agreed Order, offsetting all penalties.

This Agreed Order was received by staff on March 11, 2026, and it must be executed and returned to TCEQ's Enforcement Division by March 25, 2026.

FINANCIAL:
No financial impact associated with this item

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES
Infrastructure

CITY CONTACT: Case Opperman, PE – Director of Public Works/City Engineer
oppermanc@nactx.us
(936) 559-2515

ATTACHMENTS: 1. Revised Proposed Agreed Order

Brooke T. Paup, *Chairwoman*
Catarina R. Gonzales, *Commissioner*
Tonya R. Miller, *Commissioner*
Kelly Keel, *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 11, 2026

The Honorable Randy Johnson
Mayor of Nacogdoches
P.O. Box 635030
Nacogdoches, Texas 75963

Via email

Re: Revised Proposed Agreed Order
City of Nacogdoches
RN101611283; Account No. W0010342004
Docket No. 2024-1291-MWD-E; Enforcement Case No. 65995
FOR SETTLEMENT PURPOSES ONLY

Dear Mayor Johnson:

In the cover letter for the proposed agreed order mailed to City of Nacogdoches on June 30, 2025, City of Nacogdoches was given an opportunity to propose a Supplemental Environmental Project ("SEP") to offset the payable penalty. Your proposed SEP has been reviewed and incorporated in the enclosed revised proposed agreed order.

If you agree with the order as proposed, please sign and return this order with an original signature to:

Ms. Kadrienn Woodard, Program Coordinator
Houston Regional Office, MC R-12
Texas Commission on Environmental Quality
5425 Polk Street, Suite H
Houston, Texas 77023-1452

Once you agree and we are in receipt of the signed proposed agreed order, City of Nacogdoches may begin implementing the SEP. **If the signed order is not mailed and postmarked within two weeks of the date of this letter**, we will assume that you have elected to participate in the more extended enforcement process described in previous correspondence, and we will proceed accordingly. Your case will be forwarded to the Litigation Division and this settlement offer, including the penalty deferral and possibly the SEP, will no longer be available.

If you have any questions regarding these matters, please contact Ms. Woodard of my staff at (713) 767-3602.

Sincerely,

Melissa Cordell

Melissa Cordell, Special Assistant
Office of Compliance and Enforcement
Texas Commission on Environmental Quality

MC/kw

Enclosures: Revised Proposed Agreed Order, SEP Attachment A, Penalty Calculation Worksheet

cc: Case Opperman, Director of Public Works / City Engineer, City of Nacogdoches, Via email

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN	**§**	**BEFORE THE**
ENFORCEMENT ACTION	**§**	
CONCERNING	**§**	**TEXAS COMMISSION ON**
CITY OF NACOGDOCHES	**§**	
RN101611283	**§**	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2024-1291-MWD-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding the City of Nacogdoches (the "Respondent") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a wastewater treatment facility located at 3628 Rayburn Drive in Nacogdoches, Nacogdoches County, Texas (the "Facility"). The Facility is near or adjacent to water in the state as defined in TEX. WATER CODE § 26.001(5).

2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. WATER CODE ch. 26 and the rules of the TCEQ.

3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

4. An administrative penalty in the amount of $73,160 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The amount of $14,632 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions of this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms and conditions contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

   Pursuant to TEX. WATER CODE § 7.067, $58,528 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.

6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.

7. This Order represents the complete and fully integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.

8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.

9. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Facility:

   a. By March 14, 2024, the Respondent repaired the Oxidation Ditch Aerator 1A Rotors and replaced the missing discs on the Oxidation Ditch Aerator; and

   b. March 14, 2024, the Respondent removed and properly disposed of the sludge from the walkways of Digester B.

II. ALLEGATIONS

During a record review for the Facility conducted on March 1, 2024, an investigator documented that the Respondent:

1. Caused, suffered, allowed, or permitted the collection, handling, storage, processing, or disposal of industrial solid waste in a manner as to cause the discharge or imminent threat of discharge of industrial solid waste into or adjacent to the waters in the state, in violation of 30 TEX. ADMIN. CODE § 335.4(1) and TEX. WATER CODE § 26.121(a). Specifically, the hydraulic oils storage shed had oil stains in the soil surrounding the perimeter of the building.

2. Failed to ensure the Facility and all of its systems of collection, treatment, and disposal are properly operated and maintained, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and (5) and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. W0010342004, Operational Requirements No. 1. Specifically, one of the two influent pumps was inoperable.

3. Failed to ensure the Facility and all of its systems of collection, treatment, and disposal are properly operated and maintained, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and (5) and TPDES Permit No. W0010342004, Operational Requirements No. 1. Specifically, both grit removal units were inoperable.

4. Failed to ensure the Facility and all of its systems of collection, treatment, and disposal are properly operated and maintained, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and (5) and TPDES Permit No. W0010342004, Operational Requirements No. 1. Specifically, Aerator Nos. 9, 10, 15, 17, and 20 were inoperable. Additionally, the Orbal unit had one rotor unit that was only half operable.

5. Failed to ensure the Facility and all of its systems of collection, treatment, and disposal are properly operated and maintained, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and (5) and TPDES Permit No. W0010342004, Operational Requirements No. 1. Specifically, the oxidation ditch Aerator 1A rotor was inoperable and missing most of the disks. Additionally, another aerator rotor was noted as missing several disks.

6. Failed to ensure the Facility and all of its systems of collection, treatment, and disposal are properly operated and maintained, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and (5) and TPDES Permit No. W0010342004, Operational Requirements No. 1. Specifically, Clarifier No. 4 was offline for rehabilitation.

7. Failed to ensure the Facility and all of its systems of collection, treatment, and disposal are properly operated and maintained, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and (5) and TPDES Permit No. W0010342004, Operational Requirements No. 1. Specifically, Digester A contained excessive sludge buildup which exceeded the mixed liquor level and had a missing rotor unit. Additionally, Digester B had one aerator out of operation, and sludge was splashing out onto and up on to the catwalk.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph No. 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: City of Nacogdoches, Docket No. 2024-1291-MWD-E" to:

   Financial Administration Division, Revenue Operations Section
   Attention: Cashier's Office, MC 214
   Texas Commission on Environmental Quality
   P.O. Box 13088
   Austin, Texas 78711-3088

2. The Respondent shall implement and complete the SEP as set forth in Section I, Paragraph No. 4. The amount of $58,528 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.

3. The Respondent shall undertake the following technical requirements:

a. Within 30 days after the effective date of this Order:

i. Remove and properly dispose of the contaminated soil around the perimeter of the hydraulic oils storage shed and replace it with new material;

ii. Replace the inoperable influent pumps and bring into operation;

iii. Complete the rehabilitation of Clarifier No. 4 and bring it back into operation; and

iv. Remove and properly dispose of the excessive sludge from Digester A.

b. Within 45 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 3.a.i through 3.a.iv, in accordance with Ordering Provision No. 3.f.

c. Within 60 days after the effective date of this Order:

i. Repair/replace both grit removal chambers and bring them into operation;

ii. Replace the rotor unit for Digester A;

iii. Repair/replace the inoperable aerator in Digester B; and

iv. Install a sludge splash guard on Digester B.

d. Within 75 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 3.c.i through 3.c.iv, in accordance with Ordering Provision No. 3.f.

e. Within 90 days after the effective date of this Order:

i. Repair/replace Aerator Nos. 9, 10, 15, 17, and 20 and bring them back into operation; and

ii. Repair/replace the rest of the Orbal rotor unit and bring it back into operation.

f. Within 105 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 3.e.i and 3.e.ii. The certification shall be signed by the Respondent and shall include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached

documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Water Section Manager
Beaumont Regional Office
Texas Commission on Environmental Quality
3870 Eastex Freeway
Beaumont, Texas 77703-1830

4. All relief not expressly granted in this Order is denied.

5. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Facility operations referenced in this Order.

6. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director. Extension requests shall be sent to the Enforcement Division at the address listed above.

7. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

8. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be

copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

9. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____ _____
For the Commission Date

_____ _____
For the Executive Director Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this Order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the OAG for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the OAG of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

_____ _____
Signature Date

_____ _____
Name (Printed or typed) Title
Authorized Representative of
City of Nacogdoches

☐ *If mailing address has changed, please check this box and provide the new address below:*

Instructions: Send the original, signed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Ordering Provision 1 of this Order.

Attachment A

Docket Number: 2024-1291-MWD-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	City of Nacogdoches
Penalty Amount:	$58,528
SEP Offset Amount:	$58,528
Type of SEP:	Compliance
Project Name:	*Sludge Removal*
Location of SEP:	Nacogdoches County

The Texas Commission on Environmental Quality ("the Commission" or "TCEQ") agrees to offset the administrative Penalty Amount assessed in this Agreed Order in exchange for Respondent's performance of a Supplemental Environmental Project ("SEP").

Respondent is a Local Government that qualifies under Texas Water Code § 7.067 to apply the SEP Offset Amount set forth above to correct violations at its wastewater treatment facility (the "Facility") which are described in this Agreed Order.

1. Project Description

A. Project

Respondent hired a contractor to remove and properly dispose of accumulated sludge from Digester A at the Facility. Specifically, the SEP Offset Amount was used for materials, supplies, and equipment for the removal and disposal of sludge (the "Project"). Respondent hired qualified contractors to perform the Project. The SEP was performed in accordance with all federal, state, and local environmental laws and regulations.

Respondent used the SEP Offset Amount only for the direct cost of implementing the Project, including supplies, materials, and equipment rentals, as listed below in Subsection C. Expenses. No portion of the SEP Offset Amount was spent on administrative costs, including operating costs, reporting expenses, handling of expenses, project coordination, liability, or equipment breakdowns.

Respondent's signature affixed to the attached Agreed Order certifies that Respondent had no prior commitment to perform this Project and that the SEP was performed solely as part of the terms of settlement in this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by improving the quality of wastewater effluent being released into the environment. Inadequately treated effluent can carry bacteria, viruses, protozoa (parasitic organisms), helminths (intestinal worms), and bioaerosols (inhalable molds and fungi). The diseases they may cause range in severity from mild gastroenteritis to life-threatening ailments such as cholera, dysentery, infectious hepatitis, and severe gastroenteritis. Additional risks include occurrences of low dissolved oxygen, fish kills, algal bloom, and bacterial contamination in waterways.

C. Expenses

Respondent spent at least the SEP Offset Amount to complete the project described in Section 1.A, above, and complied with all other provisions of this SEP. Respondent understood that it may have cost more than the SEP Offset Amount to complete the Project.

Expenses

Item	Total
Sludge Removal, Hauling, and Disposal	$317,199.38
Total	**$317,199.38**

2. Records

As of July 31, 2025, Respondent provided TCEQ the following documentation as proof of completion of the proposed SEP:

A. An itemized list of expenditures and total cost of the Project;

B. Copies of invoices or receipts corresponding to the itemized list in paragraph 2.A., above;

C. Copies of cleared checks or payment records corresponding to the itemized list in paragraph 2.A., above;

D. A certified statement of SEP completion and document authentication;

E. Manifest sufficient to show proof of proper disposal of sludge;

F. A detailed map showing the specific location of the project site(s); and

G. Dated photographs of the completed Project.

3. Additional Information and Access

Respondent shall provide additional information as requested by TCEQ staff and shall allow immediate (i.e., within 24 hours) access to all records related to the SEP Offset Amount. Respondent shall also allow representatives of TCEQ access to the site of any work being financed in whole or in part by the SEP Offset Amount. This provision shall survive the termination of this Agreed Order.

4. Failure to Fully Perform

If Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the Executive Director ("ED") may require immediate payment of all or part of the SEP Offset Amount as set forth in the attached Agreed Order.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to the SEP Coordinator at the address provided below:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this Project made by or on behalf of Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by TCEQ**. Such statements include advertising, public relations, and press releases.

6. Recognition

Respondent may not seek recognition for this project in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with TCEQ or any other agency of the state or federal government.

Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021) — *PCW Revision February 11, 2021*

DATES						
	Assigned	7-May-2024				
	PCW	10-May-2026	**Screening**	7-May-2024	**EPA Due**	

RESPONDENT/FACILITY INFORMATION

Respondent	City of Nacogdoches		
Reg. Ent. Ref. No.	RN101611283		
Facility/Site Region	10-Beaumont	**Major/Minor Source**	Major

CASE INFORMATION

Enf./Case ID No.	65995	**No. of Violations**	7
Docket No.	2024-1291-MWD-E	**Order Type**	1660
Media Program(s)	Water Quality	**Government/Non-Profit**	Yes
Multi-Media		**Enf. Coordinator**	Kadrienn Woodard
		EC's Team	Enforcement Team BB

Admin. Penalty $ Limit Minimum $0 **Maximum** $25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — ***Subtotal 1*** **$69,250**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **7.0%** Adjustment — ***Subtotals 2, 3, & 7*** **$4,847**

Notes: Enhancement for one month of self-reported effluent violations and one NOV with the same similar violations.

Culpability No **0.0%** Enhancement — ***Subtotal 4*** **$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments — ***Subtotal 5*** **-$937**

Economic Benefit **0.0%** Enhancement* — ***Subtotal 6*** **$0**

Total EB Amounts $60,064
Estimated Cost of Compliance $178,723

**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 — ***Final Subtotal*** **$73,160**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** — ***Adjustment*** **$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **$73,160**

STATUTORY LIMIT ADJUSTMENT — ***Final Assessed Penalty*** **$73,160**

DEFERRAL **20.0%** Reduction — ***Adjustment*** **-$14,632**

Reduces the Final Assessed Penalty by the indicated percentage.

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY **$58,528**

Screening Date	7-May-2024	**Docket No.** 2024-1291-MWD-E	**PCW**
Respondent	City of Nacogdoches		*Policy Revision 5 (January 28, 2021)*
Case ID No.	65995		*PCW Revision February 11, 2021*
Reg. Ent. Reference No.	RN101611283		
Media	Water Quality		
Enf. Coordinator	Kadrienn Woodard		

Compliance History Worksheet

>> Compliance History *Site* Enhancement (Subtotal 2)

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (*number of NOVs meeting criteria*)	1	5%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (*number of judgments or consent decrees meeting criteria*)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were submitted)*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	0	0%
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 7%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for one month of self-reported effluent violations and one NOV with the same similar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 7%

>> Final Compliance History Adjustment

Final Adjustment Percentage ****capped at 100%*** 7%

Screening Date	7-May-2024	**Docket No.** 2024-1291-MWD-E	**PCW**
Respondent	City of Nacogdoches		*Policy Revision 5 (January 28, 2021)*
Case ID No.	65995		*PCW Revision February 11, 2021*
Reg. Ent. Reference No.	RN101611283		
Media	Water Quality		
Enf. Coordinator	Kadrienn Woodard		

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 335.4(1) and Tex. Water Code § 26.121(a)

Violation Description Caused, suffered, allowed, or permitted the collection, handling, storage, processing, or disposal of industrial solid waste in a manner as to cause the discharge or imminent threat of discharge of industrial solid waste into or adjacent to the waters in the state. Specifically, the hydraulic oils storage shed had oil stains in the soil surrounding the perimeter of the building.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

Percent 30.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes: Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $17,500

$7,500

Violation Events

Number of Violation Events 1 — 67 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $7,500

One quarterly event is recommended from the March 1, 2024 record review date to the May 7, 2024 screening date.

Good Faith Efforts to Comply

0.0% Reduction $0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	

Notes: The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal $7,500

Economic Benefit (EB) for this violation

Estimated EB Amount $1,890

Statutory Limit Test

Violation Final Penalty Total $8,025

This violation Final Assessed Penalty (adjusted for limits) $8,025

Economic Benefit Worksheet

Respondent City of Nacogdoches
Case ID No. 65995
Reg. Ent. Reference No. RN101611283
Media Water Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment				0.00	$0	$0	$0
Buildings				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Engineering/Construction				0.00	$0	$0	$0
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Training/Sampling				0.00	$0	n/a	$0
Remediation/Disposal	$10,000	20-Oct-2022	31-Jul-2026	3.78	$1,890	n/a	$1,890
Permit Costs				0.00	$0	n/a	$0
Other (as needed)				0.00	$0	n/a	$0
Notes for DELAYED costs	Estimated Remediation/Disposal cost to remove and properly dispose of the contaminated soil around the storage shed and replace with new material. The Date Required is the initial investigation date, and the Final Date is the estimated date of compliance.						
Avoided Costs	ANNUALIZE avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.00	$0	$0	$0
Personnel				0.00	$0	$0	$0
Inspection/Reporting/Sampling				0.00	$0	$0	$0
Supplies/Equipment				0.00	$0	$0	$0
Financial Assurance				0.00	$0	$0	$0
ONE-TIME avoided costs				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance $10,000

TOTAL $1,890

Screening Date	7-May-2024	**Docket No.** 2024-1291-MWD-E	**PCW**
Respondent	City of Nacogdoches		*Policy Revision 5 (January 28, 2021)*
Case ID No.	65995		*PCW Revision February 11, 2021*
Reg. Ent. Reference No.	RN101611283		
Media	Water Quality		
Enf. Coordinator	Kadrienn Woodard		

Violation Number	2
Rule Cite(s)	30 Tex. Admin. Code § 305.125(1) and (5) and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. W0010342004, Operational Requirements No. 1
Violation Description	Failed to ensure the Facility and all of its systems of collection, treatment, and disposal are properly operated and maintained. Specifically, one of the two influent pumps was inoperable.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	**Harm** Major	Moderate	Minor
Actual			
Potential		x	

Percent 15.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes: Human health or the environment will or could be exposed to significant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $21,250

$3,750

Violation Events

Number of Violation Events: 1 — 67 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $3,750

One quarterly event is recommended from the March 1, 2024 record review date to the May 7, 2024 screening date.

Good Faith Efforts to Comply

0.0% Reduction $0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	

Notes: The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal $3,750

Economic Benefit (EB) for this violation

Estimated EB Amount $14,747

Statutory Limit Test

Violation Final Penalty Total $4,013

This violation Final Assessed Penalty (adjusted for limits) $4,013

Economic Benefit Worksheet

Respondent City of Nacogdoches
Case ID No. 65995
Reg. Ent. Reference No. RN101611283
Media Water Quality
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment	$55,723	20-Oct-2022	31-Jul-2026	3.78	$702	$14,045	$14,747
Buildings				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Engineering/Construction				0.00	$0	$0	$0
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Training/Sampling				0.00	$0	n/a	$0
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)				0.00	$0	n/a	$0
Notes for DELAYED costs	Estimated Equipment cost to repair/replace the inoperable influent pump and return it back to an operational status. The Date Required is the initial investigation date, and the Final Date is the estimated date of compliance.						
Avoided Costs	ANNUALIZE avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.00	$0	$0	$0
Personnel				0.00	$0	$0	$0
Inspection/Reporting/Sampling				0.00	$0	$0	$0
Supplies/Equipment				0.00	$0	$0	$0
Financial Assurance				0.00	$0	$0	$0
ONE-TIME avoided costs				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance $55,723

TOTAL $14,747

Screening Date	7-May-2024	**Docket No.** 2024-1291-MWD-E	**PCW**
Respondent	City of Nacogdoches		*Policy Revision 5 (January 28, 2021)*
Case ID No.	65995		*PCW Revision February 11, 2021*
Reg. Ent. Reference No.	RN101611283		
Media	Water Quality		
Enf. Coordinator	Kadrienn Woodard		

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 305.125(1) and (5) and TPDES Permit No. W0010342004, Operational Requirements No. 1

Violation Description Failed to ensure the Facility and all of its systems of collection, treatment, and disposal are properly operated and maintained. Specifically, both grit removal units were inoperable.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential	x		

Percent 30.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes: Human health or the environment will or could be exposed to pollutants that would exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $17,500

$7,500

Violation Events

Number of Violation Events 3 — 67 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $22,500

Three monthly events are recommended from the March 1, 2024 record review date to the May 7, 2024 screening date.

Good Faith Efforts to Comply

0.0% Reduction $0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	

Notes: The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal $22,500

Economic Benefit (EB) for this violation

Estimated EB Amount $2,647

Statutory Limit Test

Violation Final Penalty Total $24,075

This violation Final Assessed Penalty (adjusted for limits) $24,075

Economic Benefit Worksheet

Respondent City of Nacogdoches
Case ID No. 65995
Reg. Ent. Reference No. RN101611283
Media Water Quality
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment				0.00	$0	$0	$0
Buildings				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Engineering/Construction	$10,000	20-Oct-2022	31-Jul-2026	3.78	$126	$2,521	$2,647
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Training/Sampling				0.00	$0	n/a	$0
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)				0.00	$0	n/a	$0
Notes for DELAYED costs	Estimated Engineering/Construction cost to repair/replace both grit removal units and bring them into operation. The Date Required is the initial investigation date, and the Final Date is the estimated date of compliance.						
Avoided Costs	ANNUALIZE avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.00	$0	$0	$0
Personnel				0.00	$0	$0	$0
Inspection/Reporting/Sampling				0.00	$0	$0	$0
Supplies/Equipment				0.00	$0	$0	$0
Financial Assurance				0.00	$0	$0	$0
ONE-TIME avoided costs				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance $10,000

TOTAL $2,647

Screening Date	7-May-2024	**Docket No.** 2024-1291-MWD-E	**PCW**
Respondent	City of Nacogdoches		*Policy Revision 5 (January 28, 2021)*
Case ID No.	65995		*PCW Revision February 11, 2021*
Reg. Ent. Reference No.	RN101611283		
Media	Water Quality		
Enf. Coordinator	Kadrienn Woodard		

Violation Number	4
Rule Cite(s)	30 Tex. Admin. Code § 305.125(1) and (5) and TPDES Permit No. W0010342004, Operational Requirements No. 1
Violation Description	Failed to ensure the Facility and all of its systems of collection, treatment, and disposal are properly operated and maintained. Specifically, Aerator Nos. 9, 10, 15, 17, and 20 were inoperable. Additionally, the Orbal unit had one rotor unit that was only half operable.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	**Harm** Major	Moderate	Minor
Actual			
Potential	x		

Percent 30.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes: Human health or the environment will or could be exposed to pollutants that would exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $17,500

$7,500

Violation Events

Number of Violation Events: 3 — 67 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $22,500

Three monthly events are recommended from the March 1, 2024 record review date to the May 7, 2024 screening date.

Good Faith Efforts to Comply

0.0% Reduction $0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	

Notes: The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal $22,500

Economic Benefit (EB) for this violation

Estimated EB Amount $32,325

Statutory Limit Test

Violation Final Penalty Total $24,075

This violation Final Assessed Penalty (adjusted for limits) $24,075

Economic Benefit Worksheet

Respondent City of Nacogdoches
Case ID No. 65995
Reg. Ent. Reference No. RN101611283
Media Water Quality
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment				0.00	$0	$0	$0
Buildings				0.00	$0	$0	$0
Engineering/Construction	$50,000	26-Jun-2018	31-Jul-2026	8.10	$1,350	$27,005	$28,355
Engineering/Construction	$15,000	20-Oct-2022	31-Jul-2026	3.78	$189	$3,781	$3,970
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Training/Sampling				0.00	$0	n/a	$0
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)				0.00	$0	n/a	$0

Notes for DELAYED costs

Estimated Engineering/Construction cost to repair/replace the rest of the Orbal rotor unit and bring it back into operation. The Date Required is the initial investigation date, and the Final Date is the estimated date of compliance.

Estimated Engineering/Construction cost to repair/replace Aerator Nos. 9, 10, 15, 17, and 20 and bring them back into operation. The Date Required is the initial investigation date, and the Final Date is the estimated date of compliance.

Avoided Costs	ANNUALIZE avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.00	$0	$0	$0
Personnel				0.00	$0	$0	$0
Inspection/Reporting/Sampling				0.00	$0	$0	$0
Supplies/Equipment				0.00	$0	$0	$0
Financial Assurance				0.00	$0	$0	$0
ONE-TIME avoided costs				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0

Notes for AVOIDED costs

Approx. Cost of Compliance $65,000

TOTAL $32,325

Screening Date	7-May-2024	**Docket No.** 2024-1291-MWD-E	**PCW**
Respondent	City of Nacogdoches		*Policy Revision 5 (January 28, 2021)*
Case ID No.	65995		*PCW Revision February 11, 2021*
Reg. Ent. Reference No.	RN101611283		
Media	Water Quality		
Enf. Coordinator	Kadrienn Woodard		

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code § 305.125(1) and (5) and TPDES Permit No. W0010342004, Operational Requirements No. 1

Violation Description Failed to ensure the Facility and all of its systems of collection, treatment, and disposal are properly operated and maintained. Specifically, the oxidation ditch Aerator 1A rotor was inoperable and missing most of the disks. Additionally, another aerator rotor was noted as missing several disks.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm Major	Moderate	Minor
Actual			
Potential		x	

Percent 15.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes: Human health or the environment will or could be exposed to significant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $21,250

$3,750

Violation Events

Number of Violation Events 1 — 13 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $3,750

One quarterly event is recommended from the March 1, 2024 record review date to the March 14, 2024 compliance date.

Good Faith Efforts to Comply

25.0% Reduction $937

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		

Notes: The Respondent achieved compliance by March 14, 2024.

Violation Subtotal $2,813

Economic Benefit (EB) for this violation

Estimated EB Amount $294

Statutory Limit Test

Violation Final Penalty Total $3,076

This violation Final Assessed Penalty (adjusted for limits) $3,076

Economic Benefit Worksheet

Respondent City of Nacogdoches
Case ID No. 65995
Reg. Ent. Reference No. RN101611283
Media Water Quality
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment	$3,000	20-Oct-2022	14-Mar-2024	1.40	$14	$280	$294
Buildings				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Engineering/Construction				0.00	$0	$0	$0
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Training/Sampling				0.00	$0	n/a	$0
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)				0.00	$0	n/a	$0
Notes for DELAYED costs	Estimated Equipment cost to repair both oxidation ditch rotors and replace the missing discs. The Date Required is the initial investigation date, and the Final Date is the date of compliance.						
Avoided Costs	ANNUALIZE avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.00	$0	$0	$0
Personnel				0.00	$0	$0	$0
Inspection/Reporting/Sampling				0.00	$0	$0	$0
Supplies/Equipment				0.00	$0	$0	$0
Financial Assurance				0.00	$0	$0	$0
ONE-TIME avoided costs				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance $3,000

TOTAL $294

Screening Date	7-May-2024	**Docket No.** 2024-1291-MWD-E	**PCW**
Respondent	City of Nacogdoches		*Policy Revision 5 (January 28, 2021)*
Case ID No.	65995		*PCW Revision February 11, 2021*
Reg. Ent. Reference No.	RN101611283		
Media	Water Quality		
Enf. Coordinator	Kadrienn Woodard		

Violation Number	6
Rule Cite(s)	30 Tex. Admin. Code § 305.125(1) and (5) and TPDES Permit No. W0010342004, Operational Requirements No. 1
Violation Description	Failed to ensure the Facility and all of its systems of collection, treatment, and disposal are properly operated and maintained. Specifically, Clarifier No. 4 was offline for rehabilitation.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			x

Percent 7.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes: Human health or the environment will or could be exposed to insignificant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $23,250

$1,750

Violation Events

Number of Violation Events: 1 — 67 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $1,750

One single event is recommended.

Good Faith Efforts to Comply

0.0% Reduction $0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	

Notes: The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal $1,750

Economic Benefit (EB) for this violation

Estimated EB Amount $2,647

Statutory Limit Test

Violation Final Penalty Total $1,873

This violation Final Assessed Penalty (adjusted for limits) $1,873

Economic Benefit Worksheet

Respondent City of Nacogdoches
Case ID No. 65995
Reg. Ent. Reference No. RN101611283
Media Water Quality
Violation No. 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment				0.00	$0	$0	$0
Buildings				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Engineering/Construction	$10,000	20-Oct-2022	31-Jul-2026	3.78	$126	$2,521	$2,647
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Training/Sampling				0.00	$0	n/a	$0
Remediation/Disposal				0.00	$0	n/a	$0
Permit Costs				0.00	$0	n/a	$0
Other (as needed)				0.00	$0	n/a	$0
Notes for DELAYED costs	Estimated Engineering/Construction cost to complete the rehabilitation of Clarifier No. 4 and return it back to an operational status. The Date Required is the initial investigation date, and the Final Date is the estimated date of compliance.						
Avoided Costs	ANNUALIZE avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.00	$0	$0	$0
Personnel				0.00	$0	$0	$0
Inspection/Reporting/Sampling				0.00	$0	$0	$0
Supplies/Equipment				0.00	$0	$0	$0
Financial Assurance				0.00	$0	$0	$0
ONE-TIME avoided costs				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance $10,000

TOTAL $2,647

Screening Date	7-May-2024	**Docket No.** 2024-1291-MWD-E	**PCW**
Respondent	City of Nacogdoches		*Policy Revision 5 (January 28, 2021)*
Case ID No.	65995		*PCW Revision February 11, 2021*
Reg. Ent. Reference No.	RN101611283		
Media	Water Quality		
Enf. Coordinator	Kadrienn Woodard		

Violation Number 7

Rule Cite(s) 30 Tex. Admin. Code § 305.125(1) and (5) and TPDES Permit No. W0010342004, Operational Requirements No. 1

Violation Description Failed to ensure the Facility and all of its systems of collection, treatment, and disposal are properly operated and maintained. Specifically, Digester A contained excessive sludge buildup which exceeded the mixed liquor level and had a missing rotor unit. Additionally, Digester B had one aerator out of operation, and sludge was splashing out onto and up on to the catwalk.

Base Penalty $25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

Percent 30.0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes: Human health or the environment has been exposed to insignificant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $17,500

$7,500

Violation Events

Number of Violation Events 1 — 67 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $7,500

One quarterly event is recommended from the March 1, 2024 record review date to the May 7, 2024 screening date.

Good Faith Efforts to Comply

0.0% Reduction $0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	

Notes: The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal $7,500

Economic Benefit (EB) for this violation

Estimated EB Amount $5,514

Statutory Limit Test

Violation Final Penalty Total $8,025

This violation Final Assessed Penalty (adjusted for limits) $8,025

Economic Benefit Worksheet

Respondent City of Nacogdoches
Case ID No. 65995
Reg. Ent. Reference No. RN101611283
Media Water Quality
Violation No. 7

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment	$12,000	20-Oct-2022	31-Jul-2026	3.78	$151	$3,025	$3,176
Buildings				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0
Engineering/Construction				0.00	$0	$0	$0
Land				0.00	$0	n/a	$0
Record Keeping System				0.00	$0	n/a	$0
Remediation/Disposal	$1,000	20-Oct-2022	14-Mar-2024	1.40	$70	n/a	$70
Remediation/Disposal	$12,000	20-Oct-2022	31-Jul-2026	3.78	$2,268	n/a	$2,268
Permit Costs				0.00	$0	n/a	$0
Other (as needed)				0.00	$0	n/a	$0

Notes for DELAYED costs

Estimated Engineering/Construction cost to repair/replace the aeration equipment for Digesters A and B and install a sludge splash guard on Digester B. The Date Required is the initial investigation date, and the Final Date is the estimated date of compliance.

Estimated Remediation/Disposal cost to remove and properly dispose of the sludge from the catwalk of Digester B. The Date Required is the initial investigation date, and the Final Date is the date of compliance.

Estimated Remediation/Disposal cost to remove and properly dispose of the excessive sludge from Digester A. The Date Required is the initial investigation date, and the Final Date is the estimated date of compliance.

Avoided Costs	ANNUALIZE avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.00	$0	$0	$0
Personnel				0.00	$0	$0	$0
Inspection/Reporting/Sampling				0.00	$0	$0	$0
Supplies/Equipment				0.00	$0	$0	$0
Financial Assurance				0.00	$0	$0	$0
ONE-TIME avoided costs				0.00	$0	$0	$0
Other (as needed)				0.00	$0	$0	$0

Notes for AVOIDED costs

Approx. Cost of Compliance $25,000

TOTAL $5,514

PRESENTER: Pattillo Brown & Hill LLP

ITEM/SUBJECT: Receive and accept the Annual Financial Audit for the fiscal year ending September 30, 2025, prepared by independent auditors Pattillo, Brown & Hill, LLP. (Pattillo, Brown & Hill, LLP)

SUMMARY/BACKGROUND: Council will receive a presentation on the Annual Financial Audit for the fiscal year ending September 30, 2025, prepared by the independent auditors, Pattillo, Brown & Hill, LLP.

FINANCIAL:
No financial impact associated with this item.

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES
Not Applicable

CITY CONTACT: Todd Simoneaux, Interim Finance Director
simoneauxt@nactx.us
(936) 559-2506

ATTACHMENTS:
1. DRAFT Annual Comprehensive Financial Report 2025
2. DRAFT Required Communication with Governance 2025

Nacogdoches
the oldest town in Texas

CITY OF NACOGDOCHES, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2025

DRAFT

As Prepared By:
Finance Department
City of Nacogdoches, Texas

CITY OF NACOGDOCHES, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

SEPTEMBER 30, 2025

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DRAFT

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INTRODUCTORY SECTION

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March 17, 2026

To the Honorable Mayor, members of the City Council,
and the Citizens of the City of Nacogdoches, Texas

The annual comprehensive financial report of the City of Nacogdoches, Texas, for the fiscal year ended September 30, 2025, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Nacogdoches issue an annual report on its financial position and activities in conformity with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Pattillo, Brown & Hill, LLP, Certified Public Accountants, have issued an unmodified opinion on the City of Nacogdoches, Texas' financial statements for the fiscal year ended September 30, 2025. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Nacogdoches' MD&A can be found immediately following the report of the independent auditors.

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Profile of the Government

The City of Nacogdoches, incorporated in 1929, is located in Texas Forest Country at the intersections of U.S. Highway 59, State Highway 21, and State Highway 7. The City of Nacogdoches is 70 miles south of Interstate 20 and is located approximately 140 miles northeast of Houston, Texas, 100 miles southwest of Shreveport, Louisiana, and 180 miles southeast of Dallas, Texas. It also serves as the county seat for Nacogdoches County. The city currently has a land area of 25.3 square miles and a population of 32,147 according to the 2020 census. It is empowered to levy a property tax on both real and personal property located within its boundaries and has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The city operates under a council-manager form of government and is home-rule. Policymaking and legislative authority are vested in the City Council, which consists of a mayor, elected at large, and four council members, elected by ward. Council members and the mayor are elected on a non-partisan basis, for two-year staggered terms with two councilmen elected on even years and two councilmen and the mayor elected on odd years. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-today operations, and appointing the City department directors. The City of Nacogdoches provides a full range of services, including: police and fire protection, planning and zoning, the construction and maintenance of streets and drainage, water and sewer utilities, and solid waste disposal and recycling, and parks and community services.

The annual budget serves as the foundation for the City of Nacogdoches' financial planning and control over spending. All city departments are expected to submit a request for appropriation to the city beginning in April of each year. The City Manager uses these requests as a starting point for developing a proposed budget. The City Manager presents the proposed budget to the City Council for review prior to September 1. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than the September date set by state statute before the close of the City of Nacogdoches' fiscal year. The appropriated budget is prepared by fund (e.g. General Fund), function (e.g., public safety), and department (e.g., police). The City Manager may make transfers of budgeted amounts within a department. The City Council must approve any revisions that alter the total appropriated budget of any department. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements. For governmental funds, other than the General Fund, with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules.

Local economy

The city currently enjoys a stable economy with stable sales tax revenue in 2025. The area's employment is concentrated in education, healthcare, hospitality, manufacturing, poultry and wood processing. The city is also the home of Stephen F. Austin State University, which had an enrollment of 11,327 as of fall 2023. Stephen F. Austin State University is the top employer in the city, followed closely by Pilgrim's Pride whose parent company, JBS S.A., is the world's largest meat processing company.

Long-Term Financial Planning

City Council established the following goals and objectives to be carried out during the next several years.

- Recruitment of key positions critical to effective bond and non-bond project implementation.
- Recruitment and retention of Police and other First Responders (i.e., one vacant FTE remaining in Police).
- Recognize, protect, and celebrate the city's historic areas.
- Beautify city parks, entryways, trails and creeks.
- Prudent and responsible focus on critical use of General Fund and Utility Fund capital projects.
- Continue efforts with SFA University to address anticipated student growth and building plans (i.e., housing, utility infrastructure, traffic management, etc.).
- Continue pursuit of primary jobs and commerce.
- Advance implementation strategies in Downtown Plan (i.e., letters of intent with partners, grant funding, etc.).
- Advance improvements to support Airport expansion (i.e., terminal, runway, aprons, entrances, tower, etc.)
- Leverage and utilize city assets (i.e., next phase for Festival Park improvement, Hotel/Motel study, etc.).
- Maintain reserve requirements for continued operations.

Financial Policies

The City has adopted a set of financial policies to guide the financial operations of the City. Included in the policies are guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. The City shall accumulate and maintain an operating position in all proprietary funds such that annual expenses shall not exceed annual resources, including working cash balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater. The City has also adopted a policy to maintain an uncommitted cash balance reserve in an amount equal or greater than 25% of the annual operating budget for the General Fund, Utility Fund and Sanitation Fund.

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At September 30, 2025, the City of Nacogdoches has accumulated the following amounts in support of these policies:

Fund	Policy Amount	Reserve Total
Governmental Funds		
General Fund – 25%	$ 7,788,067	$ 13,232,227
Proprietary Funds:		
Utility Fund – 25%	$ 3,646,436	$ 7,126,390
Sanitation Fund – 25%	$ 1,515,979	$ 5,578,327

Major initiatives:

On December 12, 2025, the Mayor, City Council (Council), and staff of the City of Nacogdoches met for a discussion of their governance model and a planning session. The purpose of this meeting was twofold.

- Establish a governance model including discussions of leadership, communication, expectations and identify the key elements of the Council's vision and mission for Nacogdoches.
- Confirm and prioritize the 2025 – 2026 work program and priorities, which supports the strategic plan.

The Mayor, Council and staff freely worked together, and their work was exemplary in all respects.

2026 Operational Priorities

- Downtown Plan/Implementation Strategies.
  - Move forward with parking structure funding, partnership, and development objectives.
- Coordinate with SFASU on new location and sustained public funding for Old Stone Fort.
- US 59/69 Plan
  - Meet with TxDOT to confirm I-69 access plan as ROW acquisition and overall design develops.
- Initiate development of an updated Comprehensive Plan
- North Street/Corridor Analysis (working with TxDOT)
  - Determine opportunities for utility line relocations, access management and IT enhancements.
  - Support TxDOT oversight and funding of City's Active Transportation Plan.
- Determine extent of proactiveness in code enforcement.
- Establish a beautification plan for major corridors including entryways and corridors.
- Review the feasibility of acquiring tax delinquent properties for productive housing development opportunities.
- Land Bank (Residential) – Establish a land bank for residential development from the delinquent property acquisitions.
- Land Bank (Commercial/NEDCO) – Identify properties prime for commercial development and work with the NEDCO for acquisition, utility development and full development.
- Continue pursuit of drainage improvement funding, study other known or suspected areas of vulnerability.

2026 Legislative Priorities

- Hospital District/Economic Development provision (work with Hospital District, County, and Delegation).
- Analyze equity in taxation, ad valorem property tax assessments citywide (work with taxing districts).
- Review potential for Municipal Management District in Downtown area to fund long-term improvements.

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Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Nacogdoches for its annual financial report for the fiscal year ended September 30, 2024. This is the sixteenth consecutive year that the city has received the award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance department. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. We would also like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Rick Beverlin
City Manager

Todd Simoneaux, CPA
Finance Director

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

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Presented to

City of Nacogdoches
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

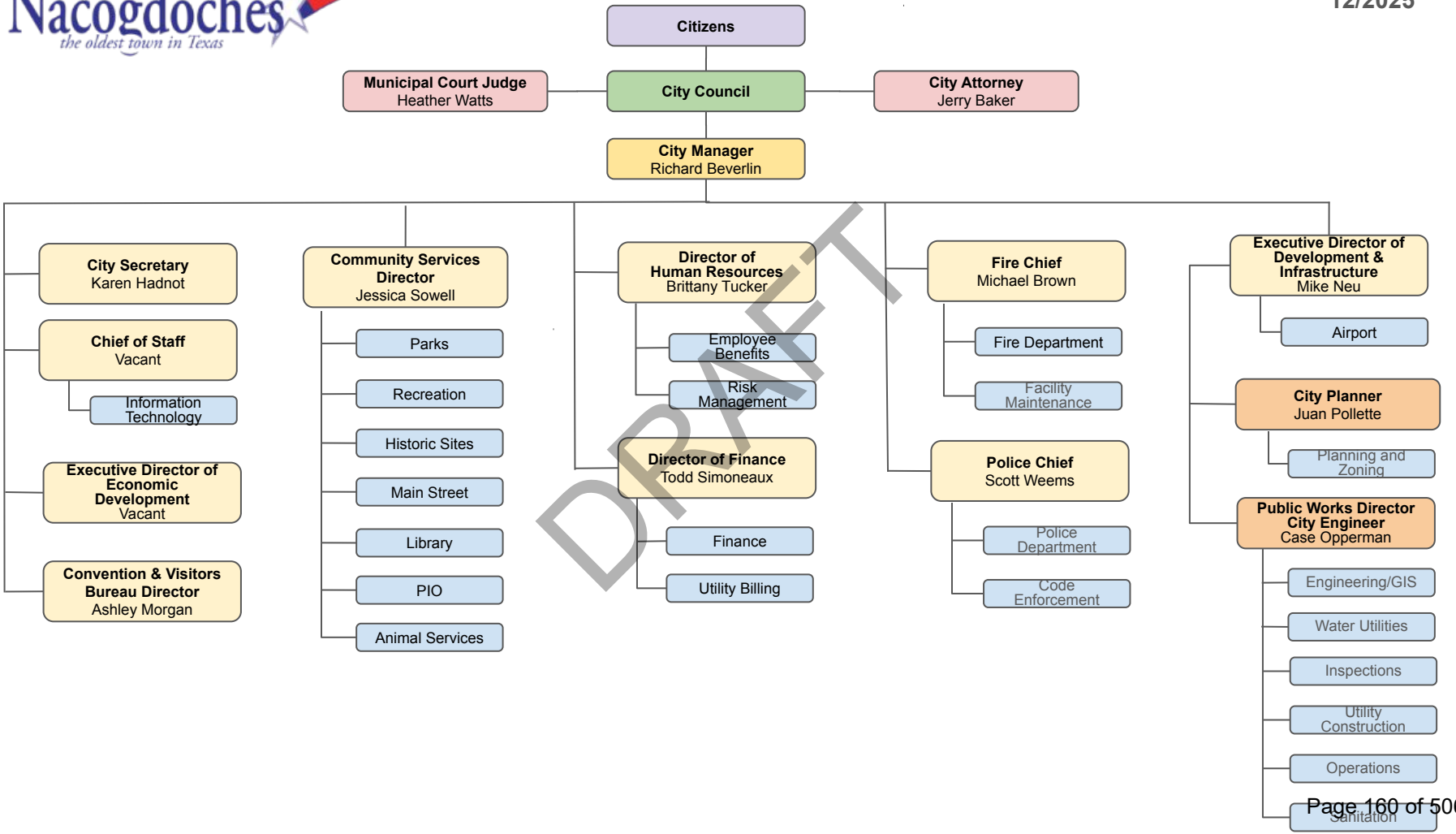
September 30, 2024

Christopher P. Morrill

Executive Director/CEO

Nacogdoches
the oldest town in Texas

12/2025



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CITY OF NACOGDOCHES, TEXAS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2025

Elected Officials

Name	Office
Randy Johnson	Mayor
Kathleen Belanger	Council Member
Brad Maule	Council Member
Chad Huckaby	Council Member
Blane Williams	Council Member

Appointed Officials

Name	Position
Rick Beverlin	City Manager
Karen Hadnot	City Secretary
Todd Simoneaux	Interim Director of Finance

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FINANCIAL SECTION

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PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
and Members of City Council
City of Nacogdoches, Texas

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

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Supplementary Information

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

The combining and individual fund statements and schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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Waco, Texas
March 17, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the City of Nacogdoches (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $197,170,611 (net position). Of this amount, $20,810,523 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $8,812,195 for the year ended September 30, 2025 from operations, compared to an increase of $12,406,183 for the year ended September 30, 2024. The primary cause of this increase is increased property tax revenues and utility charges for services.

- As the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $55,085,137. This represents an increase of $13,634,983 from the prior year; the primary cause of this increase was the receipt of proceeds from long term debt, intergovernmental revenues, and transfers from enterprise funds.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $16,806,543 or 52% of total General Fund expenditures.

- The City's total long-term debt increased by $45,054,918 during the current fiscal year. This was mainly due to the issuance of new bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, community development, culture and recreation, highways and streets. The business-type activities of the City include a water and sewer operation, a sanitation collection and disposal operation, airport fuel operations.

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Fund financial statements — A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental, proprietary, and fiduciary funds. The fund financial statements for these funds can be found in the financial section of this report, immediately following the government-wide financial statements.

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

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

The City maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, and the special grants fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds — The City maintains two different types of proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operation, for its sanitation collection and disposal operation, and for its airport fuel operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the city's various functions. The City uses internal service funds to account for its purchase of equipment for the general fund and its self-funded health insurance plan. Because this service benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operation and for the sanitation collection and disposal operation, both of which are considered to be major funds of the City. Conversely, the internal service fund is a single, aggregated presentation in the proprietary fund financial statements. Data for the internal service fund is provided in the form of combining statements elsewhere in this report.

Fiduciary funds – This fund type is used to account for resources held for the benefit of parties outside the City. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations. The City is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

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

Combining statements — The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of the City's Financial Position —

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2025, the City's assets and deferred outflows exceeded liabilities and deferred inflows by $197,170,611.

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The largest portion of the City's net position (59%) reflects its investment in capital assets (e.g., land, building, machinery, and equipment), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position

	Governmental Activites		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 64,895,336	$ 51,904,165	$ 102,231,621	$ 73,098,991	$ 167,126,957	$ 125,003,156
Capital assets	44,939,000	40,139,204	89,019,718	85,552,076	133,958,718	125,691,280
Total assets	109,834,336	92,043,369	191,251,339	158,651,067	301,085,675	250,694,436
Total deferred outflows of resources	3,194,088	5,645,243	712,098	1,168,568	3,906,186	6,813,811
Long-term liabilities	44,952,743	32,491,079	49,890,042	22,240,220	94,842,785	54,731,299
Other liabilities	4,412,058	3,996,788	4,890,409	4,386,959	9,302,467	8,383,747
Total liabilities	49,364,801	36,487,867	54,780,451	26,627,179	104,145,252	63,115,046
Total deferred inflows of resources	2,762,649	2,213,586	913,349	788,985	3,675,998	3,002,571
Net position:						
Net investments in capital assets	41,668,126	41,679,918	75,382,934	69,362,536	117,051,060	111,042,454
Restricted	9,613,301	6,372,067	49,695,727	36,198,823	59,309,028	42,570,890
Unrestricted	9,619,547	10,935,174	11,190,976	26,842,112	20,810,523	37,777,286
Total net position	$ 60,900,974	$ 58,987,159	$ 136,269,637	$ 132,403,471	$ 197,170,611	$ 191,390,630

A portion of the City's net position (30%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $20,810,523, may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The most significant changes in assets and liabilities related to the issuance of approximately $13.8 million of new debt in the governmental activities and $28.7 in business type activities; this increased long-term liabilities and current assets (i.e. cash).

Analysis of the City's Operations—

Governmental activities – Governmental activities increased the City's net position by $4,514,901. Significant reasons for this increase, and for significant year-over-year changes, are as follows:

Revenues:

- Transfers from business-type activities for franchise fees and administrative cost recovery.
- Property tax revenues increased due to an increase in the tax rate.
- An increase in investment earnings due to increased cash and investment balances.

Expenses:

- Debt service expenses increased due to new bonds issued in the current year.
- Salary expenses increased due to salary increases across the board.

The following table provides a summary of the City's operations for the years ended September 30, 2025, and 2024.

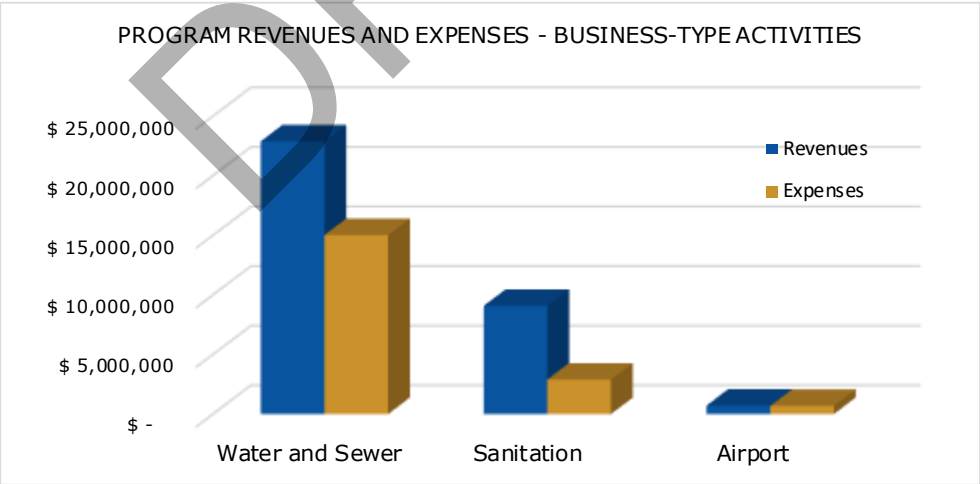
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CITY OF NACOGDOCHES' CHANGES IN NET POSITION

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 2,665,150	$ 2,600,774	$ 28,419,915	$ 26,767,205	$ 31,085,065	$ 29,367,979
Operating grants and contributions	1,540,185	5,012,521	316,009	3,895,665	1,856,194	8,908,186
Capital grants and contributions	206,324	31,404	-	-	206,324	31,404
General revenues:						
Property taxes	12,399,203	10,637,663	-	-	12,399,203	10,637,663
Sales taxes	8,742,248	8,767,874	-	-	8,742,248	8,767,874
Franchise taxes	2,230,143	2,235,423	-	-	2,230,143	2,235,423
Other taxes	1,187,072	1,270,912	-	-	1,187,072	1,270,912
Penalties and interest on taxes	246,212	140,194	-	-	246,212	140,194
Investment earnings	2,167,690	1,822,391	3,165,974	3,304,227	5,333,664	5,126,618
Miscellaneous revenue	736,987	160,950	1,072,958	824,208	1,809,945	985,158
Total revenues	32,121,214	32,680,106	32,974,856	34,791,305	65,096,070	67,471,411
Expenses:						
General government	8,396,638	6,948,320	-	-	8,396,638	6,948,320
Public safety	19,414,344	17,783,308	-	-	19,414,344	17,783,308
Highways and streets	1,705,538	3,296,884	-	-	1,705,538	3,296,884
Cultural and recreation	3,604,406	3,710,330	-	-	3,604,406	3,710,330
Economic development	916,125	895,545	-	-	916,125	895,545
Debt service	1,373,062	297,599	-	-	1,373,062	297,599
Water and sewer	-	-	15,016,632	16,489,798	15,016,632	16,489,798
Sanitation	-	-	5,177,211	4,938,673	5,177,211	4,938,673
Airport	-	-	679,919	704,771	679,919	704,771
Total expenses	35,410,113	32,931,986	20,873,762	22,133,242	56,283,875	55,065,228
Change in net position before transfers	(3,288,899)	(251,880)	12,101,094	12,658,063	8,812,195	12,406,183
Transfers	7,803,800	6,387,310	(7,803,800)	(6,387,310)	-	-
Increase in net position	4,514,901	6,135,430	4,297,294	6,270,753	8,812,195	12,406,183
Net Position, beginning (2025 restated)	56,386,073	52,851,729	131,972,343	126,132,718	188,358,416	178,984,447
Net Position ending	$ 60,900,974	$ 58,987,159	$136,269,637	$ 132,403,471	$197,170,611	$191,390,630

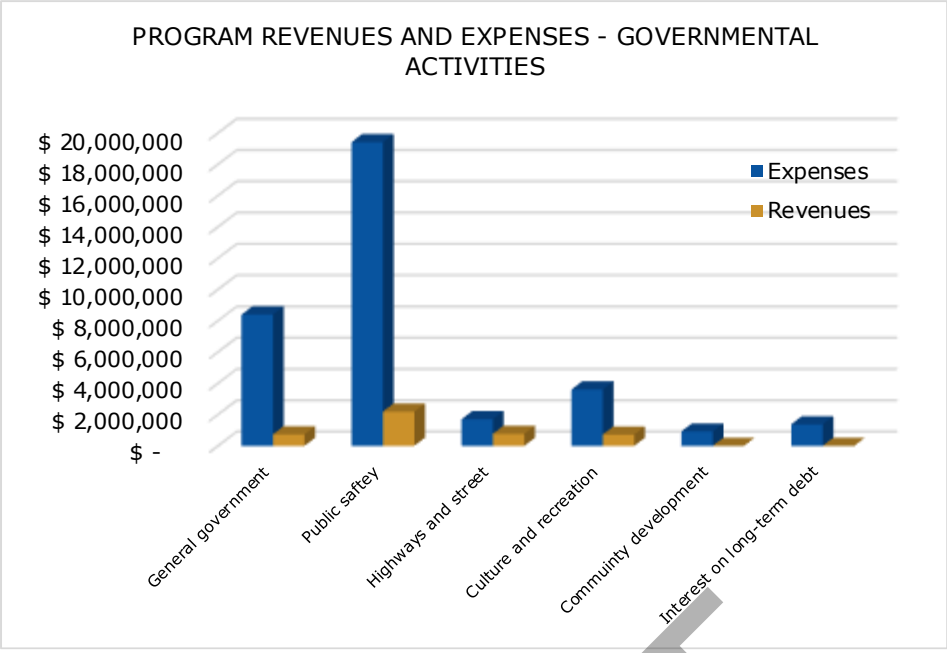
Business-type activities. Business type activities increased the City's net position by $4,297,294. The increase is primarily due to Water, Sewer and Sanitation rate revenues raising consistently more revenue than is needed to cover regular operating costs.

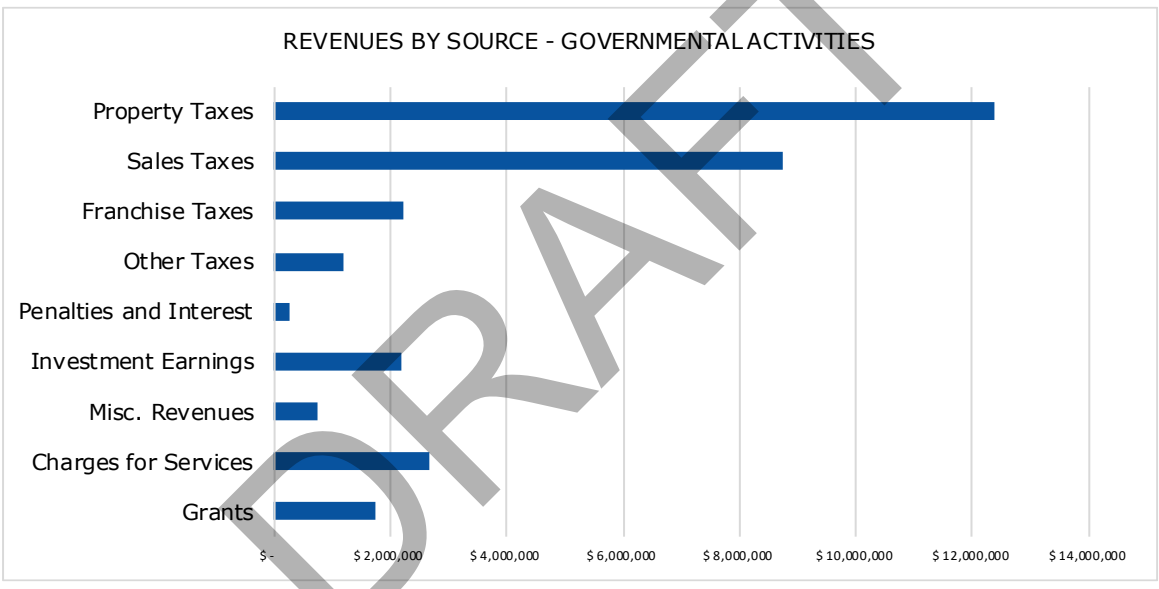


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FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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





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At September 30, 2025, The City's governmental funds reported combined ending fund balances of $55,085,137. Of the fiscal year 2025 total fund balance, $36,722,135 (67%) is classified as restricted to indicate that is can only be spent for specific purposes as stipulated by external resource providers (for example, through debt covenants, grant agreements, or by laws or regulations of other governments), $236,206 is classified as committed to indicate that it has been set aside for specific purposes by resolution of the City Council, $1,320,253 is classified as assigned because it has been informally earmarked for a specific purpose by management, and the remaining $16,806,543 is unassigned. Unassigned fund balances are technically available for any purpose but are maintained at targeted levels in accordance with sound financial management practices.

The general fund is the chief operating fund of the City of Nacogdoches. At the end of the current fiscal year, unassigned fund balance of the general fund was $16,806,543, while total fund balance reached $19,316,370. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 52% of total general fund expenditures, while total fund balance represents 60% of that same amount.

The special grants fund is used by the City to account for grant and donation receipts and expenditures. At the end of the current fiscal year, fund balance was $3,382,830, all of which was restricted for grants. This is an increase of $804,340 over prior year. This increase was mainly due to large donations received in the prior year that were restricted for specific use by the donors as well as the recognition of revenues related to COVID-19 grant funding.

The capital projects fund accounts for construction project expenditures using bonded debt proceeds. The City issued new bonds during 2025 and the net proceeds of $14.0 million were reported as other financing sources and bond issuance costs. The fund ended with an increase of fund balance of $11.2 million and ended at $29,126,443.

A comparison of key governmental revenues follows:

Revenues
Governmental Funds

	2025	2024
Property tax	$ 12,367,004	$ 10,514,492
Sales tax	8,742,248	8,767,874
Franchise tax	2,230,143	2,235,423
Hotel and motel tax	1,061,591	1,154,313
Licenses and permits	375,151	273,389
Fines and forfeitures	392,003	456,887
Charges for services	1,146,899	1,117,855
Intergovernmental	2,260,421	5,677,275
Contributions	70,061	56,701
Investment earnings	1,882,878	1,527,539
Miscellaneous	668,685	414,737
Total	$ 31,197,084	$ 32,196,485

The primary cause for significant changes are as follows:

- Property tax revenue increased as a result of an increase in the tax rate.
- Intergovernmental revenues decreased, primarily due to recognition of ARPA grant revenues in the prior year that mostly wound down in the current year.

The fund balance of the City's general fund increased by $1,262,416 during the current fiscal year. The key factor in this increase was the increase in tax revenues, as discussed above.

Proprietary Funds

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

Unrestricted net position of the water and sewer operations at the end of the year amounted to $6,048,571, total unrestricted net position for the sanitation fund amounted to $5,075,862 , and total unrestricted net position for the airport operation amounted to $66,543. The total change in net position for all three funds were $2,892,412, $1,328,208, and a increase of $76,674 , respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The difference between total expenditures and the final amended budget was $2,881,137 primarily due to budget amendments allowing for greater capital outlays that were not completely spent.

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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets—The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025 and September 30, 2024, amounted to $133,958,718 and $112,139,574 (net of accumulated depreciation), respectively. This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- The completion of multiple projects including the City Hall improvements, McCrimmon Park playground, and RAS pump replacement totaling $763,427
- Purchase of land at 300 S Fredonia for the new Fire Station 2 site totaling $260,400.
- The purchase of 2 Mack Granite 64B vehicles and a 2026 Battle Front Load Garbage Truck totaling $1,028,066.

CITY OF NACOGDOCHES' CAPITAL ASSETS AT YEAR-END

Capital Assets

	Governmental Activities		Business-Type Activites		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 4,011,233	$ 3,753,208	$ 1,684,592	$ 1,683,492	$ 5,695,825	$ 5,436,700
Buildings and improvements	29,048,142	26,189,316	7,133,361	6,874,239	36,181,503	190,786,285
Machinery and equipment	24,207,010	23,597,444	22,302,464	22,359,974	46,509,474	45,957,418
Infrastructure	54,181,565	54,106,439	172,694,511	171,274,436	226,876,076	54,106,439
Construction in progress	6,437,305	3,219,787	9,866,861	3,964,430	16,304,166	7,184,217
Accumulated depreciation	(72,946,255)	(70,726,990)	(124,662,071)	(120,604,495)	(197,608,326)	(191,331,485)
Total assets	$ 44,939,000	$ 40,139,204	$ 89,019,718	$ 85,552,076	$ 133,958,718	$ 112,139,574

Additional information on the City's capital assets can be found in Note 4 in the notes to the financial statements.

Long-term debt—At the end of the current fiscal year, the City had total bonded debt outstanding of $72,375,795.

CITY OF NACOGDOCHES' OUTSTANDING LONG-TERM OBLIGATIONS

Outstanding Long-Term Obligations

	Governmental Activites		Business-Type Activites		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 29,220,000	$ 15,797,000	$ -	$ -	$ 29,220,000	$ 15,797,000
Revenue bonds	-	-	43,155,795	15,395,000	43,155,795	15,395,000
Financed purchase	-	-	715,695	794,540	715,695	794,540
Bond premium (discount)	1,189,883	633,251	-	-	1,189,883	633,251
Compensated absences	3,877,690	1,106,184	675,542	183,393	4,553,232	1,289,577
Landfill closure and post-closure	-	-	5,533,049	5,403,368	5,533,049	5,403,368
Total long-term obligations	$ 34,287,573	$ 17,536,435	$ 50,080,081	$ 21,776,301	$ 84,367,654	$ 39,312,736

The City's total debt increased by $45,054,918 during the current fiscal year due to the City issuing new General Obligation Improvement Bonds in the amount for $13,800,000 and Water and Sewer System Revenue Bonds in the amount for $28,745,000. Additional information on the City's long-term obligations can be found in Note 6 - Long-Term Obligations in the financial statements.

The City of Nacogdoches maintained an "Aa3" rating for general obligation bonds from Moody's.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Deep in the heart of Central East Texas, is the county seat called Nacogdoches. This city has a resilient and stable economy that shines with old character and hometown feel. With its rich history, nine flags, and claim to being the oldest town in Texas, it also has a bright future. This town is known for agriculture and forestry. Its economic timber boast is also the mascot of the University, known as the Lumberjacks.

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Stephen F. Austin (SFA) is the largest employer in Nacogdoches. SFA became the 14th institution in the University of Texas (UT) System in the fall of 2023. The number of SFA employees has decreased by six percent in the last ten years but a new SFA President plans for future enrollment increasing from around ten-thousand to fifteen-thousand in the next five years. Housing limitations along with future SFA expected growth are some challenges and opportunities. The close and second largest employer in the area is Pilgrim's Pride, a subsidiary of JBS USA, a Brazilian multinational company and also the largest meat processor in the world.

Sales tax is one of the main revenue sources that cities rely on. City sales tax remains the most significant factor with half of it being collected by the Nacogdoches County Hospital District. Normally it would be the largest revenue source and property taxes second. On the December 17th, 2024 regular city council meeting, a resolution was approved to authorize the City of Nacogdoches to urge the Texas Legislature to enact legislation to amend portions of Chapter 1069 of the Texas Special District Local Laws Code related to the Nacogdoches County Hospital District. While this process could take some time it is the first official step in the direction to regain a portion of city sales taxes.

The City of Nacogdoches considered many factors when setting the fiscal year 2025-2026 budget, tax rates, and fees that would be charged for business-type activities. The City adopted a property tax rate of $0.57596/$100 valuation with $0.49183/$100 for maintenance and operations and $0.08413/$100 for debt service. There was a 5.4% increase in Water and Wastewater rates which had been the same rate for several years. A general obligation bond issue was approved generating much needed capital for future and current needs. A cost-of -living adjustment was given to most staff of 2 – 3% showing investment in human capital to improve our work force. The total city budget appropriates reserve funds to replace or repair aging infrastructure, and at the same time, still maintain a 25% reserve requirement with an excess over the 25% as internal practice to reduce depreciation, while improving quality of service and increasing revenue to continually improve infrastructure. The total operating budget for 2025-2026 is on target for both revenues and expenditures at the issuance of theses statements. The adopted budget included a five-year improvement plan.

A retreat was held December 2025 to proactively vision and provide direction from the Mayor, Council Members, City Manager and Department Directors. Nacogdoches has proactively partnered with TXDOT and others to prepare and plan for the I-69 completion. The City is confident in its financial stability with historical maintenance of reserves and its new leadership's ability to provide strategic growth while maintaining the historical appeal of this charming destination town.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of the Finance Director, 202 E. Pilar, City of Nacogdoches, Texas 75961.

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BASIC
FINANCIAL STATEMENTS

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CITY OF NACOGDOCHES, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Primary Government		Primary Government	Component Unit
	Governmental Activities	Business-type Activities	Total	Convention and Visitors Bureau
ASSETS				
Cash and investments	$ 57,731,455	$ 12,940,811	$ 70,672,266	$ 1,065,769
Receivables (net of allowance for uncollectible):				
Property taxes	578,322	-	578,322	-
Accounts	518,526	3,670,497	4,189,023	40,245
Due from other governments	1,866,008	116,514	1,982,522	-
Inventories	-	40,062	40,062	-
Internal balances	(255)	255	-	-
Restricted cash and Cash equivalents	4,201,280	85,463,482	89,664,762	-
Capital Assets:				
Nondepreciable	10,448,538	11,551,453	21,999,991	-
Depreciable, net of accumulated depreciation	34,490,462	77,468,265	111,958,727	70,769
Total Assets	109,834,336	191,251,339	301,085,675	1,176,783
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	2,614,370	582,853	3,197,223	-
Related to OPEB	579,718	129,245	708,963	-
Total Deferred Outflows of Resources	3,194,088	712,098	3,906,186	-
LIABILITIES				
Accounts payable	1,252,840	1,208,407	2,461,247	-
Accrued expenses	1,278,527	253,551	1,532,078	461
Accrued interest payable	122,175	169,107	291,282	-
Unearned revenues	-	308,837	308,837	-
Due to other governments	41,708	-	41,708	-
Noncurrent Liabilities:				
Due within one year:				
Debt and compensated absences	1,611,984	2,927,137	4,539,121	-
Total OPEB Liabilities	104,824	23,370	128,194	-
Due in more than one year:				
Debt and compensated absences	32,675,589	47,152,944	79,828,533	-
Net Pension Liability	8,497,400	1,894,431	10,391,831	-
Total OPEB Liabilities	3,779,754	842,667	4,622,421	-
Total Liabilities	49,364,801	54,780,451	104,145,252	461
DEFERRED INFLOWS OF RESOURCES				
Related to leases	-	297,435	297,435	-
Related to pensions	1,413,068	315,034	1,728,102	-
Related to OPEB	1,349,581	300,880	1,650,461	-
Total Deferred Inflows of Resources	2,762,649	913,349	3,675,998	-
NET POSITION				
Net Investment in capital assets	41,668,126	75,382,934	117,051,060	70,769
Restricted for:				
Debt service	542,763	4,988,183	5,530,946	-
Construction	1,970,139	36,469,977	38,440,116	
Law enforcement	729,010	-	729,010	-
Public access channel	914,838	-	914,838	-
Promotion of tourism	963,540	-	963,540	1,105,553
Economic development	1,110,181	-	1,110,181	-
Federal and state grants	3,382,830	-	3,382,830	-
Landfill closure	-	8,237,567	8,237,567	-
Unrestricted	9,619,547	11,190,976	20,810,523	-
Total Net Position	$ 60,900,974	$ 136,269,637	$ 197,170,611	$ 1,176,322

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The accompanying notes are an integral part of these financial statements.

CITY OF NACOGDOCHES, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 8,396,638	$ 736,088	$ -	$ -
Public safety	19,414,344	773,940	1,246,392	170,038
Highways and streets	1,705,538	765,546	-	-
Culture and recreation	3,604,406	389,066	293,793	36,286
Community development	916,125	510	-	-
Interest on long-term debt	1,373,062	-	-	-
Total governmental activities	35,410,113	2,665,150	1,540,185	206,324
Business-type activities:				
Water and sewer	15,016,632	20,277,221	316,009	-
Sanitation	5,177,211	7,455,258	-	-
Airport fuel operations	679,919	687,436	-	-
Total business-type activities	20,873,762	28,419,915	316,009	-
Total primary government	56,283,875	31,085,065	1,856,194	206,324
Component unit:				
Convention and Visitors Bureau	$ 725,413	$ 29,368	$ 752,936	$ -

General revenues:

Property Taxes

Sales Taxes

Franchise Taxes

Other Taxes

Penalties and Interest

Investment Earnings

Miscellaneous Revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, beginning, as previously reported

Restatements:

Change in accounting principle

Net Position, beginning, as restated

Net Position, Ending

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The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Convention and Visitors Bureau
$ (7,660,550)	$ -	$ (7,660,550)	
(17,223,974)	-	(17,223,974)	
(939,992)	-	(939,992)	
(2,885,261)	-	(2,885,261)	
(915,615)	-	(915,615)	
(1,373,062)	-	(1,373,062)	
(30,998,454)	-	(30,998,454)	-
-	5,576,598	5,576,598	
-	2,278,047	2,278,047	
-	7,517	7,517	
-	7,862,162	7,862,162	-
(30,998,454)	7,862,162	(23,136,292)	-
			56,891
12,399,203	-	12,399,203	-
8,742,248	-	8,742,248	-
2,230,143	-	2,230,143	-
1,187,072	-	1,187,072	-
246,212	-	246,212	-
2,167,690	3,165,974	5,333,664	4,248
736,987	1,072,958	1,809,945	-
7,803,800	(7,803,800)	-	-
35,513,355	(3,564,868)	31,948,487	4,248
4,514,901	4,297,294	8,812,195	61,139
58,987,159	132,403,471	191,390,630	1,115,183
(2,601,086)	(431,128)	(3,032,214)	-
56,386,073	131,972,343	188,358,416	1,115,183
$ 60,900,974	$ 136,269,637	$ 197,170,611	$ 1,176,322

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CITY OF NACOGDOCHES, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	General Fund	Special Grants Fund	Capital Projects Fund
ASSETS			
Cash and cash equivalents	$ 17,496,891	$ 3,384,760	$ 27,961,489
Property taxes receivable, net	528,774	-	-
Accounts receivable, net	266,134	-	71,794
Due from other funds	80,692	-	-
Due from other governments	1,782,028	842	-
Restricted cash	1,606,658	1,516	1,898,433
Total Assets	21,761,177	3,387,118	29,931,716
LIABILITIES			
Accounts payable	338,358	4,288	811,359
Due to other funds	43,336	-	-
Accrued expenditures	1,122,624	-	-
Due to other governments	41,708	-	-
Total Liabilities	1,546,026	4,288	811,359
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	479,263	-	-
Unavailable revenue - grants	202,673	-	-
Unavailable revenue - court fines	216,845	-	-
Total Deferred Inflows of Resources	898,781	-	-
FUND BALANCES			
Restricted:			
Retirement of long-term debt	-	-	-
Public access channel	914,838	-	-
Court appointed balances	274,736	-	-
Promotion of tourism	-	-	-
Economic development	-	-	-
Capital Projects	-	-	29,120,357
Grants	-	3,382,830	-
Committed:			
Health and welfare	-	-	-
Airport	-	-	-
Assigned:			
Next year's budget	1,320,253	-	-
Unassigned	16,806,543	-	-
Total Fund balances	19,316,370	3,382,830	29,120,357
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 21,761,177	$ 3,387,118	$ 29,931,716

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The accompanying notes are an integral part of these financial statements.

Other Governmental Funds	Total Governmental Funds
$ 2,559,683	$ 51,402,823
49,548	578,322
88,223	426,151
-	80,692
83,138	1,866,008
694,673	4,201,280
3,475,265	58,555,276
87,626	1,241,631
80,675	124,011
-	1,122,624
-	41,708
168,301	2,529,974
41,384	520,647
-	202,673
-	216,845
41,384	940,165
501,379	501,379
-	914,838
454,274	729,010
963,540	963,540
1,110,181	1,110,181
-	29,120,357
-	3,382,830
8,743	8,743
227,463	227,463
-	1,320,253
-	16,806,543
3,265,580	55,085,137
$ 3,475,265	$ 58,555,276

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CITY OF NACOGDOCHES, TEXAS

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

SEPTEMBER 30, 2025

Total fund balances - governmental funds	$ 55,085,137
Amounts reported for governmental activities in the statements of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	42,740,593
Certain receivables wil not be collected soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds. However, in the statement of net position, these amounts have been recognized and are included in net position.	
Property taxes	520,647
Court fines	216,845
Grants	202,673
Internal service funds are used to charge the cost of health insurance to individual funds. The governmental funds' share of the assets and liabilities of the internal service fund service fund are included in governmental activities in the statement of net position.	2,718,522
Internal service funds are used for equipment acquisition and replacement. The governmental funds' share of the assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	5,776,844
Long-term liabilities are not payable in the current period and are not reported in the funds.	
Long-term liabilities:	
Bonds payable	(29,220,000)
Premium on bonds	(1,189,883)
Compensated absences	(3,877,690)
Interest payable	(122,175)
Net pension Liability	(8,497,400)
Total OPEB Liability	(3,884,578)
Deferred resources:	
Deferred resources related to pensions	1,201,302
Deferred resources related to OPEB	(769,863)
Net position of governmental activities	$ 60,900,974

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The accompanying notes are an integral part of these financial statements.

CITY OF NACOGDOCHES, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Special Grants Fund	Capital Projects Fund
REVENUES			
Property taxes	$ 11,026,435	$ -	$ -
General sale taxes	8,742,248	-	-
Franchise taxes	2,230,143	-	-
Hotel/motel occupancy taxes	-	-	-
Mixed beverage taxes	125,481	-	-
Licenses and permits	375,151	-	-
Fines and forfeitures	392,003	-	-
Charges for services	381,353	-	765,546
Penalties on tax collections	246,212	-	-
Investment earnings	832,754	87,675	822,092
Intergovernmental	1,981,360	187,751	-
Contributions	41,947	28,114	-
Miscellaneous	287,965	-	-
Total revenues	26,663,052	303,540	1,587,638
EXPENDITURES			
Current:			
General government	8,027,949	-	-
Public safety	18,417,529	54,590	-
Highways and streets	1,213,557	-	12,664
Culture and recreation	3,130,531	33,931	-
Community development	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Issuance costs	-	-	435,969
Capital Outlay	1,387,930	1,920,663	3,037,924
Total Expenditures	32,177,496	2,009,184	3,486,557
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,514,444)	(1,705,644)	(1,898,919)
OTHER FINANCING SOURCES/(USES)			
Sale of assets	339,261	-	-
Issuance of long-term debt	-	-	13,800,000
Premium on bonds issued	-	-	578,468
Transfers in	6,894,599	2,885,653	18,626
Transfers out	(457,000)	(375,669)	(1,348,783)
Total other financial sources (uses)	6,776,860	2,509,984	13,048,311
Net change in Fund Balances	1,262,416	804,340	11,149,392
Fund Balances - Beginning	18,053,954	2,578,490	17,970,965
Fund Balance - Ending	$ 19,316,370	$ 3,382,830	$ 29,120,357

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The accompanying notes are an integral part of these financial statements.

Other Governmental Funds	Total Governmental Funds
$ 1,340,569	$ 12,367,004
-	8,742,248
-	2,230,143
1,061,591	1,061,591
-	125,481
-	375,151
-	392,003
-	1,146,899
-	246,212
140,357	1,882,878
91,310	2,260,421
-	70,061
9,027	296,992
2,642,854	31,197,084
151,287	8,179,236
9,518	18,481,637
-	1,226,221
-	3,164,462
902,700	902,700
377,000	377,000
837,912	837,912
-	435,969
131,976	6,478,493
2,410,393	40,083,630
232,461	(8,886,546)
-	339,261
-	13,800,000
-	578,468
230,000	10,028,878
(43,626)	(2,225,078)
186,374	22,521,529
418,835	13,634,983
2,846,745	41,450,154
$ 3,265,580	$ 55,085,137

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CITY OF NACOGDOCHES, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds	$ 13,634,983
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	7,045,109
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,099,214)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	32,199
Certain municipal court revenues are deferred in the funds. This is the change in these amounts this year.	4,374
Certain grant revenues are deferred in the funds. This is the change in these amounts this year.	162,750
The issuance of long-term debt increases fund balance but has no effect on net position in the SOA.	(14,378,468)
Premiums on bonds are recognized in the year of issuance in the funds, but are amortized over the life of the bonds in the SOA.	21,836
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	377,000
The Net Pension Liability is not recorded in the funds but is an expense in the SOA.	138,778
The Total OPEB Liability is not recorded in the funds, but is an expense in the SOA.	(43,337)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(170,420)
(Increase) decrease in accrued interest from beginning of period to end of period.	(121,017)
The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	(54,333)
Change in net position of governmental activities	$ 4,514,901

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The accompanying notes are an integral part of these financial statements.

CITY OF NACOGDOCHES, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2025

	Business-type Activities	
	Enterprise Funds	
	Water and Sewer Fund	Sanitation Fund
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,128,390	$ 5,578,427
Receivables (net of allowance for uncollectible accounts)	2,613,768	749,841
Due from other governments	116,514	-
Due from other funds	153	119
Inventories	-	-
Restricted cash and cash equivalents	66,704,683	-
Total Current Assets	76,563,508	6,328,387
Noncurrent assets:		
Restricted cash and cash equivalents:		
Revenue Bond Interest and Sinking Funds	3,361,697	-
Revenue Bond Reserve Funds	1,626,486	-
Landfill closure	-	13,770,616
Capital Assets (net of accumulated depreciation):		
Land	717,701	966,891
Construction in progress	9,652,742	214,119
Buildings and improvements	615,696	6,511,790
Infrastructure	172,694,511	-
Machinery and equipment	8,297,559	13,669,831
Less accumulated depreciation	(113,177,387)	(11,218,907)
Total Capital Assets	78,800,822	10,143,724
Total Noncurrent Assets	83,789,005	23,914,340
Total Assets	$ 160,352,513	$ 30,242,727
DEFERRED OUTFLOWS		
Related to pensions	$ 380,470	$ 184,160
Related to OPEB	84,366	40,837
Total Deferred Outflow of Resources	$ 464,836	$ 224,997

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The accompanying notes are an integral part of these financial statements.

Business-type Activities			Governmental Activities
Nonmajor Enterprise Fund			
Airport Fuel Operations Fund		Total Enterprise Funds	Internal Service Funds
$ 233,994		$ 12,940,811	$ 6,328,632
306,888		3,670,497	92,375
-		116,514	-
-		272	43,064
40,062		40,062	-
-		66,704,683	-
580,944		83,472,839	6,464,071
-		3,361,697	-
-		1,626,486	-
-		13,770,616	-
-		1,684,592	-
-		9,866,861	-
5,875		7,133,361	-
-		172,694,511	-
335,074		22,302,464	4,871,610
(265,777)		(124,662,071)	(2,673,203)
75,172		89,019,718	2,198,407
75,172		107,778,517	2,198,407
$ 656,116		$ 191,251,356	$ 8,662,478
$ 18,223		$ 582,853	$ -
4,042		129,245	-
$ 22,265		$ 712,098	$ -

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CITY OF NACOGDOCHES, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2025

	Business-type Activities	
	Enterprise Funds	
	Water and Sewer Fund	Sanitation Fund
LIABILITIES		
Current liabilities:		
Accounts payable	$ 1,106,524	$ 99,546
Accrued expenses	143,970	100,984
Accrued interest payable	169,107	-
Due to other funds	-	-
Unearned revenue	205,984	-
Current portion of long-term liabilities:		
Compensated absences	80,191	44,706
Total OPEB liability	15,255	7,384
Revenue bonds payable	2,715,000	-
Financed purchases	-	83,666
Total Current Liabilities	4,436,031	336,286
Noncurrent liabilities:		
Revenue bonds payable	40,440,795	-
Financed purchases	-	632,029
Compensated absences	365,316	165,474
Total OPEB liabilities	550,067	266,251
Net pension liability	1,236,627	598,570
Landfill closure costs	-	5,533,049
Total Noncurrent Liabilities	42,592,805	7,195,373
Total Liabilities	47,028,836	7,531,659
DEFERRED INFLOWS		
Related to leases	-	-
Related to pensions	205,645	99,539
Related to OPEB	196,404	95,068
Total Deferred Inflows of Resources	402,049	194,607
NET POSITION		
Net Investment in capital assets	65,879,733	9,428,029
Restricted for debt service	4,988,183	-
Restricted for construction	36,469,977	-
Restricted for landfill closure	-	8,237,567
Unrestricted	6,048,571	5,075,862
Total Net Position	$ 113,386,464	$ 22,741,458

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The accompanying notes are an integral part of these financial statements.

Business-type Activities			Governmental Activities
Nonmajor Enterprise Fund Airport Fuel Operations Fund		Total Enterprise Funds	Internal Service Funds
$ 2,337		$ 1,208,407	$ 11,209
8,597		253,551	155,903
-		169,107	-
17		17	-
102,853		308,837	-
3,574		128,471	-
731		23,370	-
-		2,715,000	-
-		83,666	-
118,109		4,890,426	167,112
-		40,440,795	-
-		632,029	-
16,281		547,071	-
26,349		842,667	-
59,234		1,894,431	-
-		5,533,049	-
101,864		49,890,042	-
219,973		54,780,468	167,112
297,435		297,435	-
9,850		315,034	-
9,408		300,880	-
316,693		913,349	-
75,172		75,382,934	2,198,407
-		4,988,183	-
-		36,469,977	-
-		8,237,567	-
66,543		11,190,976	6,296,959
$ 141,715		$ 136,269,637	$ 8,495,366

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CITY OF NACOGDOCHES, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities	
	Enterprise Funds	
	Water and Sewer Fund	Sanitation Fund
OPERATING REVENUES		
Charges for sales and services:		
Water	$ 11,050,289	$ -
Sewer treatment	8,312,426	-
Sanitation charges	-	6,077,648
Landfill gate receipts	-	1,054,003
Fuel sales	-	-
Lease income	-	-
Equipment rental	-	-
Employer premiums	-	-
Tapping fees	48,993	-
Service and late fees	426,802	-
Miscellaneous revenue	213,354	846,909
Total Operating Revenues	20,051,864	7,978,560
OPERATING EXPENSES		
Customer service	1,374,482	-
Water production	2,345,976	-
Utility construction	1,568,277	-
Wastewater treatment	2,668,759	-
Sanitation collection	-	1,806,718
Sanitation disposal	-	1,178,680
Sanitation administration	-	227,492
Cost of fuel	-	-
Non-departmental	2,019,832	505,996
Depreciation and amortization	4,278,084	1,413,177
Total Operating Expenses	14,255,410	5,132,063
Operating Income (loss)	5,796,454	2,846,497
NON-OPERATING REVENUES (EXPENSES)		
Interest revenue	2,391,300	768,212
Intergovernmental grants	316,009	-
Gain (Loss) on sale of assets	438,711	323,607
Interest expense	(761,222)	(45,148)
Total Non-operating Revenues (Expenses)	2,384,798	1,046,671
INCOME (LOSS) BEFORE TRANSFERS	8,181,252	3,893,168
Transfers in	-	-
Transfers out	(5,288,840)	(2,564,960)
Total Transfers In/Out	(5,288,840)	(2,564,960)
CHANGE IN NET POSITION	2,892,412	1,328,208
Net Position, beginning, as previously reported	110,780,387	21,548,993
Restatement - change in accounting principle	(286,335)	(135,743)
Net Position, beginning, as restated	110,494,052	21,413,250
NET POSITION- ENDING	$ 113,386,464	$ 22,741,458

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The accompanying notes are an integral part of these financial statements.

Business-type Activities			Governmental Activities
Nonmajor Enterprise Fund			
Airport Fuel Operations Fund		Total Enterprise Funds	Internal Service Funds
$ -		$ 11,050,289	$ -
-		8,312,426	-
-		6,077,648	-
-		1,054,003	-
637,348		637,348	-
36,013		36,013	-
-		-	834,904
-		-	3,631,487
-		48,993	-
-		426,802	-
12,695		1,072,958	287
686,056		28,716,480	4,466,678
-		1,374,482	-
-		2,345,976	-
-		1,568,277	-
-		2,668,759	-
-		1,806,718	-
-		1,178,680	-
-		227,492	-
672,171		672,171	-
-		2,525,828	4,088,739
7,748		5,699,009	853,157
679,919		20,067,392	4,941,896
6,137		8,649,088	(475,218)
6,462		3,165,974	284,812
-		316,009	-
14,075		776,393	136,073
-		(806,370)	-
20,537		3,452,006	420,885
26,674		12,101,094	(54,333)
50,000		50,000	-
-		(7,853,800)	-
50,000		(7,803,800)	-
76,674		4,297,294	(54,333)
74,091		132,403,471	8,549,699
(9,050)		(431,128)	-
65,041		131,972,343	8,549,699
$ 141,715		$ 136,269,637	$ 8,495,366

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CITY OF NACOGDOCHES, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMEBER 30, 2025

	Business-type Activities	
	Enterprise Funds	
	Water and Sewer Fund	Sanitation Fund
Cash Flows from Operating Activities:		
Cash received from customers	$ 19,853,371	$ 7,910,645
Receipts from interfund charges	-	-
Cash payments to employees for services	(3,731,620)	(1,621,631)
Cash payments to suppliers for goods and services	(5,886,892)	(1,806,674)
Net Cash Provided (Used) by Operating Activities	10,234,859	4,482,340
Cash Flows from Non-capital Financing Activities:		
Receipts from intergovernmental operating grants	184,300	-
Cash received from other funds	-	-
Cash paid to other funds	(5,330,683)	(2,573,173)
Net Cash Provided (Used) by Non-capital Financing Activities	(5,146,383)	(2,573,173)
Cash Flows from Capital and Related Financing Activities:		
Principal and interest paid	(2,850,773)	(123,993)
Acquisition or construction of capital assets	(7,495,479)	(1,795,239)
Proceeds from issuance of long-term debt	30,000,000	-
Proceeds from sale of capital assets	848,197	449,451
Net Cash Used by Capital and Related Financing Activities	20,501,945	(1,469,781)
Cash Flows from Investing Activities:		
Interest and dividends on investments	2,391,300	768,212
Net Cash Provided for Investing Activities	2,391,300	768,212
Net Increase (Decrease) in Cash and Cash Equivalents	27,981,721	1,207,598
Cash and Cash Equivalents at Beginning of Year	50,839,535	18,141,445
Cash and Cash Equivalents at End of Year	78,821,256	19,349,043
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	5,796,454	2,846,497
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	4,278,084	1,413,177
Change in Assets and Liabilities:		
Decrease (increase) in receivables	(198,493)	(67,915)
Decrease (increase) in inventories	-	-
Decrease (increase) in deferred outflows	318,752	122,508
Increase (decrease) in accounts payable	220,645	(19,839)
Increase (decrease) in accrued wages payable	-	-
Increase (decrease) in accrued expenses	34,378	5,253
Increase (decrease) in unearned revenue	-	-
Increase (decrease) in total OPEB liability	32,398	37,295
Increase (decrease) in landfill closure liability	-	187,762
Increase (decrease) in net pension liability	(378,822)	(117,847)
Increase (decrease) in deferred outflows	94,793	58,344
Increase (decrease) in compensated absences	36,670	17,105
Total Adjustments	4,438,405	1,635,843
Net Cash Provided (Used) by Operating Activities	$ 10,234,859	$ 4,482,340
Noncash Capital and Related Financing Activities		
Accrued capital-related accounts payable	$ -	$ -

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The accompanying notes are an integral part of these financial statements.

Business-type Activities			Governmental Activities
Nonmajor Enterprise Fund Airport Fuel Operations Fund		Total Enterprise Funds	Internal Service Funds
$ 747,165		$ 28,511,181	$ -
-		-	4,342,827
(232,903)		(5,586,154)	-
(473,784)		(8,167,350)	(3,962,392)
40,478		14,757,677	380,435
-		184,300	-
50,000		50,000	-
(33)		(7,903,889)	-
49,967		(7,669,589)	-
-		(2,974,766)	-
(59,858)		(9,350,576)	(1,319,679)
-		30,000,000	-
14,075		1,311,723	136,073
(45,783)		18,986,381	(1,183,606)
6,462		3,165,974	284,812
6,462		3,165,974	284,812
51,124		29,240,443	(518,359)
182,870		69,163,850	6,846,991
233,994		98,404,293	6,328,632
6,137		8,649,088	(475,218)
7,748		5,699,009	853,157
30,923		(235,485)	(123,851)
(16,099)		(16,099)	-
15,210		456,470	
678		201,484	-
3,659		3,659	-
-		39,631	126,347
30,186		30,186	-
1,590		71,283	-
-		187,762	-
(18,027)		(514,696)	-
(28,773)		124,364	
7,246		61,021	-
34,341		6,108,589	855,653
$ 40,478		$ 14,757,677	$ 380,435
$ -		$ -	$ 11,209

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CITY OF NACOGDOCHES, TEXAS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND

SEPTEMBER 30, 2025

	Custodial Fund
ASSETS	
Cash and cash equivalents	$ 192,265
Total assets	192,265
FIDUCIARY NET POSITION	
Restricted for contracting entity	192,265
Total fiduciary net position	$ 192,265

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The accompanying notes are an integral part of these financial statements.

CITY OF NACOGDOCHES, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Custodial Fund
ADDITIONS	
Receipts on behalf of contracting entity	$ 963,494
Interest earnings	1,059
Total Additions	964,553
DEDUCTIONS	
Payments on behalf of contracting entity	809,383
Total deductions	809,383
INCREASE (DECREASE) IN FIDUCIARY NET POSITION	155,170
NET POSITION, BEGINNING	37,095
NET POSITION, ENDING	$ 192,265

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The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The combined financial statements of the City of Nacogdoches, Texas (the "City") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and four-member governing council (the "Council"). The accompanying financial statements present the City and its component units, entities for which the City is considered to be financial accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Unit

The Nacogdoches Convention and Visitors Bureau (CVB) is a Texas nonprofit corporation governed by a 7-member board of directors appointed by City Council. The CVB promotes convention and tourism-related business in the Nacogdoches area, operating primarily using revenue received from the City's Hotel & Motel Fund. The City is able to impose its will on the CVB, and the CVB is financially accountable to the City. The boards are not substantively the same. The CVB does not provide services exclusively to the City. Separate financial statements can be obtained by contacting the City's Finance Office at 202 E. Pilar, Nacogdoches, TX 75961.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide, Proprietary Fund, and Fiduciary Fund Financial Statements: These financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The City considers revenue available if it is received within 60 days of fiscal yearend. Property tax revenues received from the State are recognized under the susceptible-to-actual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

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Government-wide Financial Statements

The government-wide statement of net position and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The ***Capital Projects Fund*****:** Accounts for the acquisition and construction of capital facilities other than those financed by proprietary funds.

The ***Special Grants Fund*** is used to account for the grants received by the federal and state government.

The City reports the following major enterprise funds:

The ***Water and Sewer Fund*** is used to account for the water and sewer system operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The ***Sanitation Fund*** is used to account for the garbage collection and landfill operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including deprecation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

In addition, the City reports the following fund types:

Special Revenue Funds**:** Accounts for transactions related to resources received and used for restricted or specific purposes.

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***Internal Service Funds*:** These funds are used to account for revenues and expenses related to services provided to parties inside the City. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. The City's internal service funds account for the City's self-funded health insurance plan and equipment replacement services. Because the principal users of the internal services are the City's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Custodial Fund: This fund accounts for assets received, held, and disbursed on behalf of the East Texas Regional Water planning Group. This accounting reflects the City's custodial relationship with the Group.

C. Financial Statement Amounts

1. Cash and Investments

   For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

2. Property Taxes and Other Receivables

   The City's property tax is levied each October 1, on the assessed value listed as of the prior January 1 for all real property and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

   Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the city is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

3. Inventories

   The City records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

4. Capital Assets

   Purchases or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of $5,000 is used.

   Capital assets are being depreciated using the straight-line method over the following estimated useful lives.

Assets	Years
Infrastructure	50
Water and sewer system	40-50
Buildings	50
Building improvements	15
Vehicles	3-15
Equipment	3-15
Motor vehicles	3-10

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5. Pensions

   For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions.*

6. Compensated Absences

   Accumulated vacation, compensatory time, and sick leave is accrued, when incurred, in the government-wide and proprietary fund financials. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. On retirement or death of certain employees, the City pays 25% of accrued sick leave for employees in good standing with two years of continuous employment with the City, 50% if the employee retires with max accrual hours, and any vacation and compensatory time in a lump case payment to such employee or his/her estate.

7. Interfund Activity

   Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

8. Deferred Outflows/Inflows of Resources

   In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

   - Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

   - Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

   - Changes in actuarial pension and OPEB assumptions – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

   In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

   - Difference in expected and actual pension and OPEB experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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- Changes in actuarial pension and OPEB assumptions – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Difference between projected and actual investment pension earnings – This difference is deferred and amortized over a five-year period.

- Deferred inflows related to leases arise from the recognition of the discounted future lease payments on lessor agreements. These amounts are recognized in lease income straight-line over the assessed life of the lease.

- The City has one type of item that arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, grants and municipal court fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Net Position Flow Assumption

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

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

10. Leases

    The City has entered into a lease agreement as lessor. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability or lease asset. The City is a lessor in various arrangements for the right-to-use of buildings and a septic system in the Airport Fuel Operations fund. In both the government-wide financial statements and the governmental fund financial statements, the City initially measures the lease receivable and a deferred inflow of resources for the present value of payments expected to be made during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is recognized as revenue on a systematic basis over the life of the lease.

11. Fund Balance Classification

    The balances of the governmental funds are classified as follows:

    - Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

    - Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

    - Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

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- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or City Manager.

- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

12. Fund Balance Flow Assumption

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

13. Use of Estimates

    The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

14. Post-Employment Benefits Other Than Pensions (OPEB)

    Supplemental Death Benefit Fund. For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, City specific information about its total TMRS SDBF liability and additions to/deductions from the City's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

    Retiree Health Insurance. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the City for benefits due and payable that are not reimbursed by plan assets. Information regarding the City's total OPEB liability is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

D. Change in Accounting Principle

During fiscal year 2025, the City adopted the following new accounting guidance:

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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2. DEPOSITS AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

A. Cash Deposits with Financial Institutions

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy requires all deposits in financial institutions to be fully collateralized by the U.S. Government Securities or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2025, $500,000 of the City's $26,307,442 deposit balance was covered by FDIC insurance. The remaining balance was collateralized with securities held by the pledging financial institution.

B. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, investment practices of the City were in accordance with their investment policy.

The Act determines the types of investments which are allowable for the city. These include, with certain restrictions (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. As of September 30, 2025, the City held the following fair value measurements:

	Reported Value	Valuation Method	Weighted Average Maturity (Days)
Primary government			
Cash deposits	$ 14,636,258		
Cash on hand	3,420		
TexPool	95,707,845	NAV	44
TexStar	4,986,713	NAV	49
Money market accounts	8,108,347	NAV	1
Certificates of Deposit	36,894,445	Cost	54
Total primary government	160,337,028		148
Discretely Presented Component unit:			
Cash deposits	1,065,769		
Total cash and investments of the reporting entity	$ 161,402,797		

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C. Analysis of Specific Deposit and Investment Risks

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 365 days.

Credit Risk. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At September 30, 2025, the City's investments, other than those which are obligations of or guaranteed by the United States Government, are rated as to credit quality as follows:

TexPool Investment Pool – rated AAAm by Standard & Poor's

TexStar Investment Pool - rated AAAm by Standard & Poor's

Concentration of Credit Risk. This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City recognizes that investment risks can result from issuer defaults, market price changes or carious technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid overconcentration in investments from a specific issuer or business sector (excluding U.S. Treasury securities and certificates of deposit that are fully insured and collateralized in accordance with state and federal law),
- Limiting investment in investments that have higher credit risks (example: commercial paper),
- Investing in investments with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Custodial Credit Risk. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name. All of the City's deposits are in fully collateralized financial institutions or in local government investment pools.

Investment Accounting Policy. The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools. Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

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The City's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio. TexPool and TexStar have redemption notice periods of one day and may redeem daily. The investment pools' authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

3. RECEIVABLES

The disaggregation of receivables is summarized as follows:

	Governmental Activities	Business-type Activities
Property taxes, net of allowance of $311,404	$ 578,322	$ -
Court fines, net of allowance of $1,951,603	216,845	-
Customer accounts, net of allowance of $646,358	301,681	2,040,907
Unbilled utility receivable	-	1,322,696
Leases	-	306,894
Total	$ 1,096,848	$ 3,670,497

The City has been the recipient of grants from the State and Federal governments for economic development. In accordance with the terms of the grants, funds have been loaned to specific entities at interest rates varying from zero percent to two percent. Under the terms of the grants, the City is required to utilize repaid funds exclusively in the City of Nacogdoches for eligible economic development activities in accordance with the provisions of Title I of the Housing and community Development Act of 1974, as amended.

The activity of the City's outstanding Revolving Loans at September 30, 2025:

	Balance at Beginning of Fiscal Year	New Loans	Debt Repayments	Balance at End of Fiscal Year
Effective Teleservices, Inc.	$ 18,597	$ -	$ 18,597	$ -
Southwest Scooters	135,458	-	-	135,458
Less allowance for collection	(135,458)	-	-	(135,458)
Totals	$ 18,597	$ -	$ 18,597	$ -

The balance of unpaid principal receivable, net of the allowance for uncollectable amounts, is shown as restricted fund balance.

Leases. The City is lessor for hangar facilities at the City airport, and reports 63 number of agreements entered into throughout 2010 through 2021. The leases generally have 6 or more year terms and bear estimated interest at 1.50% to 2.00% annually. Details for the leases receivable as of September 30, 2025, are as follows:

Purpose of Lease	Interest Rate	Initial Years of Lease	Amount of Initial Lease Receivable	Interest Current Year	Amounts Receivable 9/30/25
Right to Use:					
Airport hangars	1.50% - 2.00%	2010-2021	$ 337,811	$ 5,409	$ 306,894

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4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

Primary Government

	Beginning Balance 10/1/2024	Additions	Retirements/ Transfers	Ending Balance 9/30/2025
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 3,753,208	$ 260,400	$ (2,375)	$ 4,011,233
Construction in progress	3,219,787	5,388,495	(2,170,977)	6,437,305
Total assets not being depreciated	6,972,995	5,648,895	(2,173,352)	10,448,538
Capital assets, being depreciated:				
Buildings and improvements	26,189,316	687,849	2,170,977	29,048,142
Machinery and equipment	23,597,444	1,373,481	(763,915)	24,207,010
Infrastructure	54,106,439	77,281	(2,155)	54,181,565
Total capital assets being depreciated	103,893,199	2,138,611	1,404,907	107,436,717
Less accumulated depreciation:				
Buildings and improvements	(13,761,610)	(1,062,028)	-	(14,823,638)
Machinery and equipment	(19,842,687)	(1,103,289)	730,951	(20,215,025)
Infrastructure	(37,122,693)	(787,054)	2,155	(37,907,592)
Total accumulated depreciation	(70,726,990)	(2,952,371)	733,106	(72,946,255)
Total capital assets being depreciated, net	33,166,209	(813,760)	2,138,013	34,490,462
Governmental activities capital assets, net	$ 40,139,204	$ 4,835,135	$ (35,339)	$ 44,939,000

	Beginning Balance 10/1/2024	Additions	Retirements/ Transfers	Ending Balance 9/30/2025
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 1,683,492	$ 1,100	$ -	$ 1,684,592
Construction in progress	3,964,430	6,978,381	(1,075,950)	9,866,861
Total assets not being depreciated	5,647,922	6,979,481	(1,075,950)	11,551,453
Capital assets, being depreciated:				
Buildings and improvements	6,874,239	16,782	242,340	7,133,361
Infrastructure	171,274,436	586,465	833,610	172,694,511
Machinery and equipment	22,359,974	2,186,373	(2,243,883)	22,302,464
Total capital assets being depreciated	200,508,649	2,789,620	(1,167,933)	202,130,336
Less accumulated depreciation:				
Buildings and improvements	(2,780,574)	(141,731)	-	(2,922,305)
Infrastructure	(101,750,949)	(3,947,362)	-	(105,698,311)
Machinery and equipment	(16,072,972)	(1,609,916)	1,641,433	(16,041,455)
Total accumulated depreciation	(120,604,495)	(5,699,009)	1,641,433	(124,662,071)
Total capital assets being depreciated, net	79,904,154	(2,909,389)	473,500	77,468,265
Business-type activities capital assets, net	$ 85,552,076	$ 4,070,092	$ (602,450)	$ 89,019,718

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	Beginning Balance	Additions	Retirements/ Adjustments	Ending Balance
Discretely Presented Component Unit:				
Capital assets, being depreciated:				
Furniture, fixtures and equipment	$ 266,569	$ -	$ -	$ 266,569
Total capital assets being depreciated	266,569	-	-	266,569
Less accumulated depreciation:				
Furniture, fixtures and equipment	(178,908)	(16,892)	-	(195,800)
Total accumulated depreciation	(178,908)	(16,892)	-	(195,800)
Total capital assets being depreciated, net	87,661	(16,892)	-	70,769
Discretely presented component unit capital assets, net	$ 87,661	$ (16,892)	$ -	$ 70,769

Depreciation expense was charged to functions/programs of the governmental activities as follows:

General Government	$ 181,229
Public safety	1,137,900
Highways and streets	877,499
Culture and recreation	755,743
	$ 2,952,371

The City's commitments as of September 30, 2025, on active construction projects are summarized as follows:

Project	Total Cost	Spent to Date	Remaining Commitment
TxDOT Direct Connect US 59 Water Line Relocation	$ 956,000	$ 1,675,273	$ (719,273)
TXCDBG MLK Waterline	567,000	283,816	283,184
SWTP Motor VFDs	1,600,000	30,250	1,569,750
Water System SCADA Replacements & Upgrades	2,575,000	47,499	2,527,501
AMR- 2023	4,864,000	3,980,671	883,329
Water Treatment Filter Rehab, Filter #1	2,754,000	23,584	2,730,416
Earnest McClain Drive Sewer Line Improvements	250,000	3,833	246,167
Banita Creek Sewer	18,449,000	82,494	18,366,506
Lanana Creek Sewer	15,500,000	9,400	15,490,600
TxDOT Direct Connect US 59 Sanitary Sewer Relocation	480,000	1,016,765	(536,765)
Clarifier 3&4 Rebuild	2,400,000	1,324,810	1,075,190
WWTP Digester Bypass	880,000	33,840	846,160
1878 Liftstation	1,000,000	77,287	922,713
Grit Trap Replacement	1,100,000	14,198	1,085,802
WWTP General Improvements	2,820,000	317,502	2,502,498
Belt Press Building	1,350,000	296	1,349,704
Earnest McClain Drive Sewer Line Improvements	400,000	3,833	396,167
Wastewater System SCADA Replacements & Upgrades	1,930,000	47,500	1,882,500
ARPA - Sewer Lines	1,611,000	677,792	933,208
Landfill Major Permit Ammendment & Expansion	1,425,000	171,541	1,253,459
Landfill Bock O Cells 3&4 Construction	4,000,000	42,579	3,957,421
Festival Park Electrical	376,000	113,172	262,828
Pine Grove Cemetery Expansion	191,000	23,500	167,500
Drainage Improvements_ARPA	3,900,000	3,558,155	341,845
Ernest McClain Street Upgrade	1,573,000	3,833	1,569,167
Airport Runway & Taxiway Pavement	513,000	12,875	500,125
New Firestation 1 (Central)	9,119,000	368,668	8,750,332
New Firestation 2	3,738,000	182,286	3,555,714
New Firestation 3	3,873,000	182,287	3,690,713
Critical Storm System Reconstruction	5,900,000	267,841	5,632,159
City-wide Street Rebuild to Maintenance Level	10,000,000	1,495,373	8,504,627
Totals	$ 106,094,000	$ 16,072,753	$ 90,021,247

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5. INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of September 30, 2025, is as follows:

A. Due To and From Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General	Nonmajor Governmental	$ 80,675	Short-term pooled cash loan
General	Nonmajor Enterprise	17	Short-term pooled cash loan
Internal Service	General	43,064	Short-term pooled cash loan
Water and Sewer	General	153	Short-term pooled cash loan
Sanitation	General	119	Short-term pooled cash loan
	Total	$ 124,028	

B. Transfers To and From Other Funds

The primary purpose of interfund transfers is the transfer of funds from one fund to support expenditures of another fund in accordance with the authority established for the individual fund. A summary of interfund transfers by fund type is as follows:

Transfers From	Transfers To	Amount	Reason
General	Nonmajor Governmental	$ 105,000	Supplement other funds sources
General	Nonmajor Enterprise	25,000	Supplement other funds sources
General	Special Grants	327,000	Supplement other funds sources
Nonmajor Governmental	Capital Projects	18,626	Supplement other funds sources
Nonmajor Governmental	Nonmajor Governmental	25,000	Supplement other funds sources
Capital Projects	Special Grants	1,348,783	Supplement other funds sources
Special Grants	General	375,669	Supplement other funds sources
Sanitation	General	2,514,960	Supplement sources of funds and remit franchise fees
Sanitation	Nonmajor Governmental	50,000	Supplement other funds sources
Water and Sewer	Nonmajor Enterprise	25,000	Supplement other funds sources
Water and Sewer	General	4,003,970	Supplement sources of funds and remit franchise fees
Water and Sewer	Nonmajor Governmental	50,000	Supplement other funds sources
Water and Sewer	Special Grants	1,209,870	Supplement other funds sources
	Total	$ 10,078,878	

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6. LONG-TERM DEBT

A. Long-Term Debt Activity

Long-term obligations include bonds, leases, and compensated absences. Changes in long-term obligations for the year ended September 30, 2025, are as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds payable	$ 14,915,000	$ 13,800,000	$ 160,000	$ 28,555,000	$ 695,000
Bonds payable- direct borrowing	882,000	-	217,000	665,000	219,000
Bond premium	633,251	578,468	21,836	1,189,883	-
Compensated absences	3,707,270	170,420	-	3,877,690	697,984
Total Governmental Activities	$ 20,137,521	$ 14,548,888	$ 398,836	$ 34,287,573	$ 1,611,984
Business-type Activities:					
Bonds payable	$ 14,845,000	$ 28,745,000	$ 2,085,000	$ 41,505,000	$ 2,715,000
Bonds payable- direct borrowing	550,000	-	550,000	-	-
Bond premium	-	1,650,795	-	1,650,795	-
Financed purchase	794,540	-	78,845	715,695	83,666
Compensated absences	614,520	61,022	-	675,542	128,471
Landfill closure costs	5,403,368	129,681	-	5,533,049	-
Total Business-Type Activities	$ 22,207,428	$ 30,586,498	$ 2,713,845	$ 50,080,081	$ 2,927,137

Current-year increases and decreases in compensated absences are reported in the schedule above as a single, net change. The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activities Type	Fund
net pension liability, total OPEB Liabilities	Governmental	General Fund
net pension liability, total OPEB Liabilities	Business-type	Water and Sewer and Sanitation Funds
Landfill closure costs	Business-type	Sanitation Fund

Debt consisted of the following issues as of September 30, 2025:

Series	Interest Rates	Date Issued	Maturity Date	Original Amount	Principal Outstanding
Governmental Activities:					
2021 Tax Notes	1.05%	Aug 2021	Aug 2028	1,521,000	$ 665,000
2024 Improvement Bonds	5.00%	May 2024	Sept 2049	14,915,000	14,755,000
2025 Improvement Bonds	5.00%	Sep 2025	Sept 2050	13,800,000	13,800,000
Total					$ 29,220,000
Business-type Activities:					
2020 Refunding	.0457-.527%	Sep 2020	Sep 2034	21,915,000	$ 12,760,000
Revenue Bonds Series 2025	5.00%	July 2025	Sep 2044	28,745,000	28,745,000
Total					$ 41,505,000

SRF – Debts issued by the State Revolving Fund of Texas. SRF Bonds were issued as direct borrowings and have been separately identified; however, the terms of these obligations are not significantly different than other obligations and do not have substantive acceleration clauses. Should the City default on these bonds, any registered owner of the obligations is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make payment.

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In August 2025, the City issued its General Obligation Improvement Bonds, Series 2025 in the amount of $13,800,000. In June 2025 Waterworks and Sewer System Revenue Bonds, Series 2025 in the amount of $28,745,000. The General Obligation Improvement Bonds, Series 2025's net proceeds of $14,378,468 (including a premium of $578,468 net of costs of issuance) were deposited in the Capital Projects Fund for the purpose of acquiring, constructing, improving, and equipping parks, streets, and public safety facilities. The bonds mature in series from 2026 through 2050 and bear interest at 4.375% to 5.000%. The Waterworks and Sewer System Revenue Bonds, Series 2025's net proceeds of $30,181,142 (including a premium of $1,650,795 net of costs of issuance) were deposited in the Capital Projects Fund for the purpose of improving and repairing the City's water and wastewater system. The bonds mature in series from 2026 through 2045 and bear interest at 4.500% to 5.000%.

B. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2025, are as follows:

	Governmental Activities		
	General Obligation Bonds		
Year Ending September 30,	Principal	Interest	Total
2026	$ 695,000	$ 1,296,765	$ 1,991,765
2027	720,000	1,280,438	2,000,438
2028	750,000	1,244,438	1,994,438
2029	795,000	1,206,938	2,001,938
2030	830,000	1,167,188	1,997,188
2031-2035	4,820,000	5,169,438	9,989,438
2036-2040	6,135,000	3,845,538	9,980,538
2041-2045	7,250,000	2,351,488	9,601,488
2049-2050	4,845,000	1,006,994	5,851,994
2051-2053	1,715,000	142,656	1,857,656
Total	$ 28,555,000	$ 18,711,881	$ 47,266,881

	General Obligation Bonds - Direct Borrowing		
Year Ending September 30,	Principal	Interest	Total
2026	$ 219,000	$ 6,983	$ 225,983
2027	222,000	4,683	226,683
2028	224,000	2,352	226,352
Total	$ 665,000	$ 14,018	$ 679,018

	Business-Type Activities		
	Bonds Payable		
Year Ending September 30,	Principal	Interest	Total
2026	$ 2,715,000	$ 1,827,241	$ 4,542,241
2027	2,895,000	1,567,074	4,462,074
2028	2,895,000	1,495,675	4,390,675
2029	2,900,000	1,418,649	4,318,649
2030	2,900,000	1,337,908	4,237,908
2031-2035	9,280,000	5,532,584	14,812,584
2036-2040	7,870,000	3,676,000	11,546,000
2041-2044	10,050,000	1,501,000	11,551,000
Total	$ 41,505,000	$ 18,356,131	$ 59,861,131

	Business-Type Activities		
	Direct financed purchase		
Year Ending September 30,	Principal	Interest	Total
2026	$ 83,666	$ 40,327	$ 123,993
2027	88,782	35,211	123,993
2028	94,211	29,782	123,993
2029	449,036	12,752	461,788
Total	$ 715,695	$ 118,072	$ 833,767

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C. Prior Year Defeasance of Debt

In prior years, the City defeased general obligation and revenue bonds by placing the proceeds of the net bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the government's financial statements. As of September 30, 2025, the City had no defeased bonds outstanding.

D. Continuing Disclosure

The City has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 25c2-12 to enable investors to analyze the financial condition and operations of the City.

E. Revenue Bonds

Revenue bonds are used to finance the acquisition and construction of major capital improvements for the water and sewer system and related facilities. These revenue bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the water and sewer system. The City's water and sewer revenues were $22.4 million, which reduced by operating expenses (excluding depreciation) of $10 million produced a net revenue of $12.4 million. Required debt service of the bonds was $2,850,773.

F. Compensated Absences

Compensated absences represent the estimated liability for employees' accrued vacation and sick leave for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General Fund and Enterprise Funds based on the assignment of an employee termination.

7. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2013, the City obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). The TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

The City has entered into an agreement with Blue Cross Blue Shield of Texas to administer its employee health benefit plan. Under the terms of the agreement, the administrator (1) reviews claims for benefits under the plan and determines whether they have been properly filed and determines the amount, if any, which is due and payable with respect thereto, (2) on behalf of the City, disburses claim payments that it determines to be due in accordance with the provisions of the plan to the eligible individual or assignee of such eligible individual entitled thereto, and (3) takes all reasonable steps to process claims and disburse claim payments expeditiously.

The Plan provides coverage of up to $100,000 for each individual. The City has a reinsurance agreement for the plan that provides coverage per individual claim in excess of $100,000 per year. In addition, the reinsurance agreement provides unlimited coverage when aggregate claims exceed a threshold, calculated based on a minimum attachment point of $2,577,121.

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Under the terms of the plan, eligible claims and related expenses are paid from premiums paid by covered employees and the various funds of the City in which they are employed. During the year ended September 30, 2008, the City began providing health care benefits to its employees under a self-insurance plan ("Medical Plan"). In prior years, the City purchased commercial health insurance for this benefit. The City accounts for the transactions of the plan in the Health Insurance Fund, an Internal Service Fund. At September 30, 2025, the City had recorded a liability of $155,903 for claims incurred but not paid at that date. This liability was based on a review of claims paid subsequent to the end of the year.

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Payments on Claims	End of Fiscal Year Liability
September 30, 2023	$ 45,356	$ 2,473,594	$ 2,425,749	$ 93,201
September 30, 2024	93,201	3,123,179	3,186,824	29,556
September 30, 2025	29,556	3,424,028	3,297,681	155,903

8. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Nacogdoches participates as one of 938 plans in the defined benefit cash-balance pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

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

At retirement, the member's benefit is calculated based on the sum of the member's contributions with interest, the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

A summary of plan provisions of the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, 5 years at age 60 and above
Updated service credit	100% repeating transfers

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Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	292
Inactive employees entitled to but not yet receiving benefits	190
Active employees	298
	780

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 15.25% and 15.44% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $3,189,016, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The net pension liability is typically liquidated through the General Fund and Enterprise Funds.

Actuarial assumptions

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

Inflation	2.50% per year
Overall payroll growth	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the 3% floor.

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

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The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

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

Discount Rate

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

Changes in the Net Pension Liability

As of September 30, 2025, the City reported the following changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2023	$ 127,979,119	$ 113,931,732	$ 14,047,387
Changes for the year:			
Service cost	3,230,306	-	3,230,306
Interest	8,494,181	-	8,494,181
Difference between expected and actual experience	738,922	-	738,922
Contributions - employer	-	2,979,972	(2,979,972)
Contributions - employee	-	1,401,869	(1,401,869)
Net investment income	-	11,814,822	(11,814,822)
Benefit payments, including refunds of employee contributions	(7,509,094)	(7,509,094)	-
Administrative expense	-	(75,922)	75,922
Other changes	-	(1,776)	1,776
Net changes	4,954,315	8,609,871	(3,655,556)
Balance at 12/31/2024	$ 132,933,434	$ 122,541,603	$ 10,391,831

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Sensitivity of the Net Pension Liability

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 27,874,146	$ 10,391,831	$ (4,059,889)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2025, the City recognized pension expense of $3,096,709.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 907,448	$ 205,141
Changes in actuarial assumptions	-	360,569
Difference between projected and actual investment earnings	-	1,162,392
Contributions subsequent to the measurement date	2,289,775	-
Total	$ 3,197,223	$ 1,728,102

$2,289,775 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Year ended September 30	
2026	$ 378,108
2027	1,326,779
2028	(1,700,655)
2029	(824,886)
Total	$ (820,654)

9. OTHER POST-EMPLOYMENT BENEFITS

The City provides for two other post-employment benefit (OPEB) plans: the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF), and its own single-employer Retiree Benefits Plan. Both are described in detail below. Neither OPEB plan has fiduciary net position and thus all future benefit payments will be paid with City funds. As such, management has estimated the amount due within one year that is reported as a current liability in the statement of net position.

For the fiscal year 2025, the City had OPEB expenses of $20,192 and $234,885 for TMRS SDBF and Retiree Benefit Plan, respectively, for an aggregate OPEB expense of $255,077.

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Aggregate amounts for the two plans are as follows:

Governmental activities:	Deferred outflows of resources	Deferred inflows of resources	Total OPEB liability	Due within one year
TMRS SDBF	$ 87,486	$ 243,734	$ 981,118	$ 31,740
Retiree Benefit Plan	492,232	1,105,847	2,903,460	73,084
Total	$ 579,718	$ 1,349,581	$ 3,884,578	$ 104,824

Business-type activities:	Deferred outflows of resources	Deferred inflows of resources	Total OPEB liability	Due within one year
TMRS SDBF	$ 19,506	$ 54,339	$ 218,732	$ 7,077
Retiree Benefit Plan	109,739	246,541	647,305	16,293
Total	$ 129,245	$ 300,880	$ 866,037	$ 23,370

TMRS Supplemental Death Benefits Fund

Plan Description. The City voluntarily participates in a single-employer other post-employment benefit (OPEB) plan administered by TMRS. The Plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the City's pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other employment benefit and is a fixed amount of $7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	230
Inactive employees entitled to but not yet receiving benefits	64
Active employees	298
Total	592

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.34% for 2025 and 0.37% for 2024, of which 0.19% and 0.18%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2025 and 2024 were $38,817 and $35,359 respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions. The City's total OPEB liability of $1,199,850 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

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The total OPEB liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.60% to 11.85% Including Inflation
Discount Rate	4.08% (Based on the Bond Buyer "20-Bond GO Index" rate closest to, but not later than December 31, 2024.)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis with Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

Discount Rate. The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees, and the assets are not segregated for these groups. As such, a single discount rate of 4.08% was used to measure the total OPEB liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2024.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than (3.08%) and 1% greater than (5.08%) the discount rate that was used (4.08%) in measuring the total OPEB Liability.

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
City's Total OPEB liability	$ 1,420,499	$ 1,199,850	$ 1,026,053

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs. At September 30, 2025, the City reported a liability of $1,199,850 for its Total OPEB Liability. The Total OPEB Liability was determined by an actuarial valuation as of December 31, 2024. For the year ended September 30, 2025, the City recognized OPEB expense of $20,192. There were no changes of benefit terms that affected measurement of the Total OPEB liability during the measurement period.

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Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2023	$ 1,198,301
Changes for the year:	
Service cost	34,045
Interest	45,138
Difference between expected and actual experience	21,249
Changes of assumptions	(62,834)
Benefit payments	(36,049)
Net changes	1,549
Balance at 12/31/2024	$ 1,199,850

At September 30, 2025, the City reported deferred outflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 16,804	$ 23,913
Changes in actuarial assumptions	61,376	274,160
Contributions subsequent to the measurement date	28,812	-
Totals	$ 106,992	$ 298,073

$28,812 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability for the year ending September 30, 2026. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	OPEB Expense Amount
2026	$ (93,096)
2027	(109,750)
2028	(10,584)
2029	(6,463)
Total	$ (219,893)

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Post-employment Benefits Other Than Pensions (OPEB) – Retiree Health Plan

Plan Description. The City provides healthcare benefits through a single employer defined benefit healthcare plan for all full-time employees and retirees that meet the minimum retirement age of 60 and are vested in the retirement plan prior to retirement or have twenty years or more of service at any age. Currently, the retiree contributes 100% of the blended healthcare premium for coverage and is also responsible for payment of premiums for any dependent coverage. Retiree contribution rates for fiscal year 2024-2025 ranged from $725 to $1,742 per month depending on the coverage level selected. This plan is administered by the City and it has the authority to establish and amend the benefit terms and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits and Contributions. Survivors of employees who die while actively employed are not eligible for retiree healthcare benefits. Employees who become disabled are not eligible for retiree healthcare benefits unless they meet the City's retirement requirements and they elect to retire from the City. The dependent of a current employee can receive coverage when the employee retires if the retiree elects dependent coverage at the time of retirement, the only exception would be in the event of a family status change which will allow dependents to be added at a later date. The retiring employee must continue to elect (and pay for) coverage for the dependents at all future open enrollments or the dependent coverage will cease. The dependents of all future retirees can continue to receive coverage under these circumstances, assuming the current policy remains unchanged. Retirees who decide to opt-out of the healthcare plan are not eligible to opt back in at a later date

Retirees are responsible for payment of all premiums, which are blended with other City employees. Thus, the City has assumed an implicit subsidy for retirees. The City's contributions to the OPEB for the year ended September 30, 2024, were $55,487, which equal benefit payments for retirees.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to but not yet receiving benefits	-
Active employees	290
Total	299

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	December 31, 2023
Actuarial Cost Method	Individual Entry-Age, Normal
Inflation Rate	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Health care cost trend rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years.
Participation rates	It was assumed that no employees retiring before age 50 and 40% of employees retiring at age 50 or older would choose to receive retiree health care benefits through the City.
Discount rate	The discount rate changed from 3.77% as of December 31, 2023 to 4.08% as of December 31, 2024. Additionally, the demographic and salary increase assumptions were updated to reflect the 2024 TMRS experience study and the health care trend rates were updated to reflect the plan's anticipated experience.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

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A single discount rate of 4.08% was used to measure the total OPEB liability. This Single Discount Rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2024.

Changes in the Total OPEB Liability

The City's total OPEB liability of $3,550,765 was measured as of December 31, 2024 and was determined using roll-forward procedures based on an actuarial valuation as of December 31, 2023.

	Total OPEB Liability
Balance at 12/31/2023	$ 3,435,830
Changes for the year:	
Service cost	207,359
Interest	132,394
Changes of assumptions	(102,556)
Difference between expected and actual experience	(66,775)
Benefit payments	(55,487)
Net changes	114,935
Balance at 12/31/2024	$ 3,550,765

Changes in assumptions and other inputs reflect a change in the discount rate from 3.77% to 4.08%.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.08%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
City's Total OPEB liability	$ 3,935,325	$ 3,550,765	$ 3,282,240

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
City's Total OPEB liability	$ 3,140,096	$ 3,550,765	$ 4,128,640

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized OPEB expense of $234,885. At September 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 102,617	$ 669,009
Changes in actuarial assumptions	455,564	683,379
Contributions subsequent to the measurement date	43,790	-
Totals	$ 601,971	$ 1,352,388

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$43,790 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the City paid with own assets and will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2026.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	OPEB Expense Amount
2026	$ (107,963)
2027	(115,233)
2028	(106,066)
2029	(165,073)
2030	(161,266)
Thereafter	(138,606)
Total	$ (794,207)

10. COMMITMENTS AND CONTINGENCIES

A. Contingencies

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

B. Contingent Liabilities

The City has been named as a defendant or co-defendant in a number of legal actions. While the outcome of these cases is not known at this time, City management believes that any awards to insured parties which must be paid in excess of amounts covered by insurance will not be material to the financial position of the City.

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11. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports these closure and postclosure care costs as an operating expense in each period based on landfill acreage subject to closure as of each balance sheet date. The $5,533,049 reported as landfill closure and postclosure care liability at September 30, 2025, represents the amount calculated as of fiscal year end based on 158.37 acres of landfill area currently subject to closure. These amounts are based on what it would cost to perform all closure and postclosure care in 2025. The actual date of closure is currently unknown. Actual costs may be higher at the closure date due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to make annual contributions to a restricted bank account to finance closure and postclosure care. The City is in compliance with these requirements, and, at September 30, 2025, a cash balance of $9,893,640 is held for these purposes. These are reported as restricted assets on the balance sheet. The City expects that future inflation costs will be paid from interest earning on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

12. TAX ABATEMENTS

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. This program reduces the assessed property values and refunds sales tax as authorized under Chapter 380 of the Texas Local Government Code.

The City has entered into various agreements that reduce hotel/motel sales taxes. The agreements for hotel/motel sales tax provide rebates of up to 100% for 10 years. Each agreement requires a developer commitment of $250,000 to $10 million in improvements and minimum employment requirements. For fiscal year 2025, the City abated hotel/motel sales taxes of $150,000.

13. NEW ACCOUNTING STANDARDS

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the City include the following:

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 105, *Subsequent Events* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of subsequent events. This Statement defines subsequent events as transactions or other events that occur after the date of the financial reporting statements but before the date the financial statements are available to be issued and clarifies the categories of subsequent events, when recognition is required, and when note disclosure is required. This Statement will become effective for reporting periods beginning after June 15, 2026, and the impact has not yet been determined.

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14. ACCOUNTING CHANGES

During the year the City reported one accounting change for a change within the financial reporting entity:

Change in Accounting Principle. During fiscal year 2025, the City adopted GASB Statement 101, *Compensated Absences*, which caused changes to amounts reported in the prior year. With the adoption of the new GASB standard during the reporting period, the beginning compensated absences liability for fiscal year 2025 was established as the beginning balance of cumulative prior year leave of $3,877,689 for Governmental and $675,542 for Business Type, per the City's analysis of historical leave earned and used by employees. In the prior year, compensated absences were reported as $1,106,185 and $183,393 for Governmental and Business Type. The change resulted in a decrease of Governmental net position in the amount of $2,601,086 and Business Type net position in the amount of $431,128.

REQUIRED
SUPPLEMENTARY INFORMATION

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CITY OF NACOGDOCHES, TEXAS

SCHEDULE OF REVENES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenue:				
Taxes:				
Property taxes	$ 10,874,862	$ 10,874,862	$ 11,026,435	$ 151,573
General sales taxes	8,700,000	8,700,000	8,742,248	42,248
Franchise taxes	2,315,000	2,315,000	2,230,143	(84,857)
Mixed beverage taxes	125,000	125,000	125,481	481
Licenses and permits	192,000	192,000	375,151	183,151
Fines and forfeitures	415,150	415,150	392,003	(23,147)
Charges for services	368,360	368,360	381,353	12,993
Penalties on tax collections	145,000	145,000	246,212	101,212
Investments earnings	620,000	620,000	832,754	212,754
Intergovernmental	1,059,502	1,059,502	1,981,360	921,858
Contributions	20,000	20,000	41,947	21,947
Miscellaneous	130,500	130,500	287,965	157,465
Total revenues	24,965,374	24,965,374	26,663,052	1,697,678
Expenditures:				
General government:				
City Council	28,500	28,500	28,040	460
City Manager	581,706	581,706	482,021	99,685
Municipal Court	289,968	289,968	278,161	11,807
City Secretary/Grant Administrator	182,436	182,436	152,675	29,761
Finance	760,539	760,539	883,270	(122,731)
Information Technology	546,079	546,079	572,107	(26,028)
Human Resources	554,146	554,146	506,877	47,269
Legal	286,008	286,008	293,332	(7,324)
Planning and Zoning	441,373	441,373	389,319	52,054
Building Maintenance	389,364	389,364	405,405	(16,041)
Communication	137,981	137,981	125,586	12,395
Vehicle Maintenance	328,998	328,998	321,226	7,772
Engineering	570,306	570,306	544,473	25,833
Conventions and Tourism	319,630	319,630	297,297	22,333
Economic Development	306,364	306,364	278,610	27,754
Non-Departmental	2,174,703	2,188,483	2,084,787	103,696
Restricted	164,061	164,061	67,118	96,943
Total General Government	8,062,162	8,075,942	7,710,304	365,638
Public Safety:				
Police Department	10,120,719	10,120,719	9,628,777	491,942
Fire Protection	7,016,329	7,016,329	7,666,676	(650,347)
Code enforcement	285,135	285,135	261,640	23,495
Inspection	252,466	252,466	248,034	4,432
Animal Control	618,549	618,549	612,402	6,147
Total Public Safety	18,293,198	18,293,198	18,417,529	(124,331)
Highways and Streets:				
Public Works	127,894	127,894	125,931	1,963
Street Maintenance	1,312,851	1,312,851	1,087,626	225,225
Total Highways and Streets	$ 1,440,745	$ 1,440,745	$ 1,213,557	$ 227,188

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CITY OF NACOGDOCHES, TEXAS

SCHEDULE OF REVENES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Culture and Recreation:				
Historic Sites and cemetery	$ 416,380	$ 416,380	$ 433,919	$ (17,539)
Library	660,624	660,624	565,534	95,090
Recreation	769,009	769,009	714,389	54,620
Parks	1,544,210	1,544,210	1,416,689	127,521
Total Cultural and Recreation	3,390,223	3,390,223	3,130,531	259,692
Capital Outlay	3,540,880	3,540,880	1,387,930	2,152,950
Total Expenditures	34,727,208	34,740,988	31,859,851	2,881,137
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,761,834)	(9,775,614)	(5,196,799)	4,578,815
Other Financing Sources (Uses):				
Transfers in	6,394,630	6,899,599	6,894,599	(5,000)
Transfers out	(130,000)	(807,000)	(774,645)	32,355
Total other financing sources (uses)	6,264,630	6,092,599	6,459,215	366,616
Net Change in Fund Balances	(3,497,204)	(3,683,015)	1,262,416	4,945,431
Fund Balances - Beginning	18,053,954	18,053,954	18,053,954	-
Fund Balances - Ending	$ 14,556,750	$ 14,370,939	$ 19,316,370	$ 4,945,431

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CITY OF NACOGDOCHES, TEXAS

SPECIAL GRANTS FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	$ 200,000	$ 87,675	$ (112,325)
Intergovernmental	15,000	187,751	172,751
Contributions	17,000	28,114	11,114
Total revenues	232,000	303,540	71,540
Expenditures:			
Public Safety:			
Fire Department	10,900	-	10,900
Fire Department	-	2,750	(2,750)
Animal Control	-	269	(269)
Total Public Safety	10,900	3,019	7,881
Culture and Recreation:			
Library	32,000	33,593	(1,593)
Historic sites	-	979	(979)
Parks	-	9,200	(9,200)
Total Culture and Recreation	32,000	43,772	(11,772)
Capital Outlay	3,693,000	1,962,393	1,730,607
Total Expenditures	3,735,900	2,009,184	1,726,716
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,503,900)	(1,705,644)	(1,798,256)
Other Financing Sources (Uses):			
Transfers in	2,885,653	2,885,653	-
Transfers out	(375,669)	(375,669)	-
Total other financing sources (uses)	2,509,984	2,509,984	-
Net Change in Fund Balances	(993,916)	804,340	1,798,256
Fund Balances - Beginning	2,578,490	2,578,490	-
Fund Balances - Ending	$ 1,584,574	$ 3,382,830	$ 1,798,256

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CITY OF NACOGDOCHES, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Measurement Date December 31,	**2015**	**2016**	**2017**
A. Total pension liability			
Service Cost	$ 2,181,556	$ 2,326,673	$ 2,377,386
Interest (on the Total Pension Liability)	6,016,205	6,126,265	6,360,472
Difference between expected and actual experience	(424,909)	(508,839)	647,737
Changes of assumptions	1,247,098	-	-
Benefit payments, including refunds of employee contributions	(4,336,316)	(4,221,317)	(4,778,122)
Net change in total pension liability	4,683,634	3,722,782	4,607,473
Total pension liability - beginning	87,023,172	91,706,806	95,429,588
Total pension liability - ending (a)	91,706,806	95,429,588	100,037,061
B. Plan fiduciary net position			
Contributions - Employer	2,234,397	2,276,718	2,347,677
Contributions - Employee	1,038,836	1,059,643	1,098,208
Net Investment Income	111,430	5,033,454	10,888,177
Benefit payments, including refunds of employee contributions	(4,336,316)	(4,221,317)	(4,778,122)
Administrative Expenses	(67,873)	(56,859)	(56,444)
Other	(3,352)	(3,063)	(2,862)
Net change in plan fiduciary net position	(1,022,878)	4,088,576	9,496,634
Plan fiduciary net position - beginning	75,518,301	74,495,423	78,583,999
Plan fiduciary net position - ending (b)	74,495,423	78,583,999	88,080,633
C. Net pension liability - ending (a) - (b)	$ 17,211,383	$ 16,845,589	$ 11,956,428
D. Plan fiduciary net position as a percentage of total pension liability	81.23%	82.35%	88.05%
E. Covered payroll	$ 14,840,520	$ 15,137,756	$ 15,477,773
F. Net pension liability as a percentage of covered payroll	115.98%	111.28%	77.25%

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2018	2019	2020	2021	2022	2023	2024
$ 2,551,847	$ 2,558,176	$ 2,722,527	$ 2,770,007	$ 2,970,898	$ 2,993,219	$ 3,230,306
6,676,870	6,971,668	7,225,704	7,528,632	7,870,724	8,274,112	8,494,181
34,859	(427,405)	547,511	641,921	1,425,262	(419,948)	738,922
-	229,523	-	-	-	(738,130)	-
(4,792,774)	(5,005,967)	(6,295,316)	(5,767,990)	(6,177,956)	(6,425,916)	(7,509,094)
4,470,802	4,325,995	4,200,426	5,172,570	6,088,928	3,683,337	4,954,315
100,037,061	104,507,863	108,833,858	113,034,284	118,206,854	124,295,782	127,979,119
104,507,863	108,833,858	113,034,284	118,206,854	124,295,782	127,979,119	132,933,434
4,465,374	2,504,811	2,633,120	2,654,442	2,822,448	2,764,055	2,979,972
1,163,709	1,168,060	1,227,888	1,244,547	1,333,095	1,355,304	1,401,869
(2,637,128)	13,326,741	7,446,538	13,434,579	(8,359,207)	12,049,582	11,814,822
(4,792,774)	(5,005,967)	(6,295,316)	(5,767,990)	(6,177,956)	(6,425,916)	(7,509,094)
(50,992)	(75,345)	(48,217)	(62,207)	(72,410)	(76,771)	(75,922)
22,850	(2,263)	(1,880)	426	86,407	(538)	(1,776)
(1,828,961)	11,916,037	4,962,133	11,503,797	(10,367,623)	9,665,716	8,609,871
88,080,633	86,251,672	98,167,709	103,129,842	114,633,639	104,266,016	113,931,732
86,251,672	98,167,709	103,129,842	114,633,639	104,266,016	113,931,732	122,541,603
$ 18,256,191	$ 10,666,149	$ 9,904,442	$ 3,573,215	$ 20,029,766	$ 14,047,387	$ 10,391,831
82.53%	90.20%	91.24%	96.98%	83.89%	89.02%	92.18%
$ 16,624,411	$ 16,675,505	$ 17,530,755	$ 17,779,247	$ 19,044,222	$ 19,273,688	$ 20,026,695
109.82%	63.96%	56.50%	20.10%	105.18%	72.88%	51.89%

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CITY OF NACOGDOCHES, TEXAS

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Fiscal Year ended September 30,	**2016**	**2017**	**2018**
Actuarial determined contribution	$ 2,367,346	$ 2,338,917	$ 2,434,502
Contributions in relation to the actuarially determined contribution	$ 2,367,346	$ 2,338,917	$ 2,434,502
Contribution deficiency (excess)	-	-	-
Covered payroll	15,737,577	15,137,756	16,398,754
Contributions as a percentage of covered payroll	15.04%	15.45%	14.85%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis with scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. The rates are projected on a fully generational basis by most recent scale MP-2021 (with immediate convergence).

Other Information: There were no benefit changes during the year.

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2019	2020	2021	2022	2023	2024	2025
$ 2,450,531	$ 2,499,804	$ 2,681,203	$ 2,729,762	$ 2,771,330	$ 2,923,921	$ 3,189,016
$ 4,486,676	$ 2,499,804	$ 2,681,203	$ 2,729,762	$ 2,771,330	$ 2,923,921	$ 3,189,016
(2,036,145)	-	-	-	-	-	-
16,876,057	16,650,069	17,622,882	18,864,898	19,318,755	19,360,561	20,722,651
26.59%	15.01%	15.21%	14.47%	14.35%	15.10%	15.39%

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CITY OF NACOGDOCHES, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Plan Year ended December 31,	**2017**	**2018**	**2019**
A. Total OPEB liability			
Service Cost	$ 29,408	$ 38,236	$ 31,685
Interest (on the Total OPEB Liability)	36,185	36,562	39,913
Difference between expected and actual experience	-	(14,028)	(29,869)
Changes of assumptions	86,187	(76,296)	198,957
Benefit payments, including refunds of employee contributions	(7,739)	(9,975)	(10,006)
Net change in Total OPEB liability	144,041	(25,501)	230,680
Total OPEB liability - beginning	946,435	1,090,476	1,064,975
Total OPEB liability - ending (a)	1,090,476	1,064,975	1,295,655
B. Covered - employee payroll	$ 15,477,773	$ 16,624,411	$ 16,675,505
C. Total OPEB liability as a percentage of covered - employee payroll	7.05%	6.41%	7.77%

Note: This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Note: Changes in assumptions reflect annual change in the discount rate.

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2020	2021	2022	2023	2024
$ 47,333	$ 58,672	$ 62,846	$ 28,911	$ 34,045
36,137	31,044	30,143	45,211	45,138
(28,828)	(20,774)	(15,811)	(17,096)	21,249
199,986	49,023	(546,679)	57,726	(62,834)
(10,518)	(33,781)	(34,280)	(36,619)	(36,048)
244,110	84,184	(503,781)	78,133	1,550
1,295,655	1,539,765	1,623,949	1,120,168	1,198,300
1,539,765	1,623,949	1,120,168	1,198,300	1,199,850
$ 17,530,755	$ 17,779,247	$ 19,044,222	$ 19,273,688	$ 20,026,695
8.78%	9.13%	5.88%	6.22%	5.99%

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CITY OF NACOGDOCHES, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
RETIREE HEALTHCARE BENEFIT PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Measurement Date December 31,	**2017**	**2018**	**2019**
A. Total OPEB liability			
Service Cost	$ 103,294	$ 118,099	$ 111,709
Interest (on the Total OPEB Liability)	97,834	95,856	105,257
Changes of assumptions	135,665	(111,475)	299,321
Difference between expected and actual experience	-	(109,737)	319,127
Benefit payments, including refunds of employee contributions	(45,201)	13,067	(109,791)
Net change in Total OPEB liability	291,592	5,810	725,623
Total OPEB liability - beginning	2,538,768	2,830,360	2,836,170
Total OPEB liability - ending (a)	2,830,360	2,836,170	3,561,793
B. Covered-employee payroll	$ 15,520,715	$ 16,624,407	$ 16,676,505
C. Total OPEB liability as a percentage of covered-employee payroll	18.24%	17.06%	21.36%

Note: This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Note: FYE24 - The demographic and salary increase assumptions were updated to reflect the 2023 TMRS experience study and the health care trend rates were updated to reflect the plan's anticipated experience.

Changes of assumptions reflect the changes in the discount rate each period.
The following are the discount rates used in each period:

FYE	Discount Rate
2025	4.08%
2024	3.77%
2023	4.05%
2022	1.84%
2021	2.00%
2020	2.75%
2019	3.71%
2018	3.31%

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2020	2021	2022	2023	2024
$ 163,097	$ 205,610	$ 243,232	$ 179,689	$ 207,359
100,911	81,260	71,292	132,712	132,394
266,548	(169,580)	(723,798)	292,638	(102,556)
(193,800)	(307,074)	(109,645)	(336,059)	(66,775)
52,294	18,738	(53,714)	(40,314)	(55,487)
389,050	(171,046)	(572,633)	228,666	114,935
3,561,793	3,950,843	3,779,797	3,207,164	3,435,830
3,950,843	3,779,797	3,207,164	3,435,830	3,550,765
$ 17,530,755	$ 17,779,252	$ 19,044,222	$ 19,281,847	$ 20,014,178
22.54%	21.26%	16.84%	17.82%	17.74%

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BUDGETS AND BUDGETARY ACCOUNTING

Budgetary Policy

Annual appropriated budgets are adopted for the General Fund, Debt Service Fund, and all Special Revenue funds except for the Forfeiture Fund on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. Budgets for the Capital Projects Fund have not been presented as that fund is budgeted over the life of the project and not on an annual basis. Accordingly, formal budgetary integration of this fund is not employed and comparison of actual results of operations to budgetary data for this fund is not presented.

Expenditures may not legally exceed budgeted appropriations at the department level. Expenditure requests, which would require an increase in total budgeted appropriations, must be approved by City Council through a formal budget amendment. At any time in the fiscal year, the Council may make emergency appropriations to meet a pressing need for public expenditure in order to protect the public health, safety, or welfare. The Council has the power to transfer any unencumbered funds allocated by the budget from one activity, function, or department, to another activity, function, or department, to re-estimate revenues and expenditures, and to amend the budget.

Management has the authority to transfer available funds allocated by the budget from one function or activity to another function or activity within the same department.

In cooperation with the department heads of the City, the City Manager and Director of Finance prepare an annual budget for the General, Special Revenue, and Debt Service Funds for the ensuing fiscal year, in a form and style as deemed desirable by Council. The budget, as adopted, must set forth the appropriations for services, functions, and activities of the various City departments and agencies, and shall meet all fund requirements provided by law and required by applicable bond covenants.

Excess of Expenditures over Appropriations

As presented in the budgetary comparison schedules, expenditures exceeded appropriations in multiple departments of the General Fund. These overages generally resulted from personnel changes, IT maintenance expenditures, and costs incurred for emergency response for fire mutual aid. These overages were funded with greater than anticipated revenues as well as mutual aid funding from the TIFMAS grant.

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COMBINING AND INDIVIDUAL STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues that are restricted in nature for a special purpose limited by state law and management intentions for expenditures.

Economic Development Fund – is used to account for economic development loans from the Revolving Loan Program.

Forfeiture Fund – is used to account for seized cash and property, which is designated for law enforcement.

Special Airport Fund – is used to account for grants that pertain to the City airport.

Historical Fund – is used to account for historical grants given by the City for Historical restoration

Hotel & Motel Fund – is used to account for the hotel and motel tax revenues that are restricted for enhancement and promotion of tourism of the City.

Public Safety Fund – is used to account for training expenditures for public safety personnel funded from the State LEOSE program.

Mayor's Committee on Disabilities Fund – is used to account for revenue and expenditures for the mayor's committee on disabilities.

DEBT SERVICE FUND

Debt Service Fund – is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

CAPITAL PROJECTS FUND

Capital Projects Fund – is used to account for the acquisition and construction of capital facilities other than those financed by proprietary funds.

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CITY OF NACOGDOCHES, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Special Revenue			
	Economic Development Fund	Special Airport Fund	Forfeiture Fund	Historical Fund
ASSETS				
Cash and cash equivalents	$ 1,109,694	$ -	$ -	$ 73,531
Property taxes receivable	-	-	-	-
Customers accounts receivable	-	-	-	-
Due from other governments	-	83,138	-	-
Restricted cash	487	225,000	436,819	1,351
Total assets	1,110,181	308,138	436,819	74,882
LIABILITIES				
Accounts payable	-	-	12	1,102
Due to other funds	-	80,675	-	-
Total liabilities	-	80,675	12	1,102
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted:				
Retirement of long-term debt	-	-	-	-
Court appointed balances	-	-	436,807	-
Promotion of tourism	-	-	-	73,780
Economic development	1,110,181	-	-	-
Committed:				
Health and welfare	-	-	-	-
Airport	-	227,463	-	-
Total Fund Balances	1,110,181	227,463	436,807	73,780
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,110,181	$ 308,138	$ 436,819	$ 74,882

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Special Revenue				
Hotel and Motel Fund	Public Safety Fund	Mayor's Committee on Disabilities	Debt Service Fund	Total Nonmajor Governmental Funds
$ 888,049	$ -	$ 8,743	$ 479,666	$ 2,559,683
-	-	-	49,548	49,548
88,223	-	-	-	88,223
-	-	-	-	83,138
-	17,467	-	13,549	694,673
976,272	17,467	8,743	542,763	3,475,265
86,512	-	-	-	87,626
-	-	-	-	80,675
86,512	-	-	-	168,301
-	-	-	41,384	41,384
-	-	-	41,384	41,384
-	-	-	501,379	501,379
-	17,467	-	-	454,274
889,760	-	-	-	963,540
-	-	-	-	1,110,181
-	-	8,743	-	8,743
-	-	-	-	227,463
889,760	17,467	8,743	501,379	3,265,580
$ 976,272	$ 17,467	$ 8,743	$ 542,763	$ 3,475,265

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CITY OF NACOGDOCHES, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds			
	Economic Development Fund	Special Airport Fund	Forfeiture Fund	Historical Fund
REVENUES				
Taxes:				
Hotel/motel occupancy taxes	$ -	$ -	$ -	$ -
Property taxes	-	-	-	-
Investment earnings	47,828	7,636	18,863	3,066
Intergovernmental	-	83,138	-	-
Miscellaneous	-	-	-	-
Total revenues	47,828	90,774	18,863	3,066
EXPENDITURES				
Current:				
General government	61,761	89,526	-	-
Public safety	-	-	-	-
Community development	-	-	-	20,808
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	88,576	-	-
Total expenditures	61,761	178,102	-	20,808
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,933)	(87,328)	18,863	(17,742)
OTHER FINANCING SOURCES/(USES)				
Transfers in	150,000	50,000	-	25,000
Transfers out	(18,626)	-	-	-
Total other financing sources (uses)	131,374	50,000	-	25,000
NET CHANGE IN FUND BALANCE	117,441	(37,328)	18,863	7,258
FUND BALANCE - BEGINNING	992,740	264,791	417,944	66,522
FUND BALANCE - ENDING	$ 1,110,181	$ 227,463	$ 436,807	$ 73,780

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Special Revenue Funds				
Hotel and Motel Fund	Public Safety Fund	Mayor's Committee on Disabilities	Debt Service Fund	Total Nonmajor Governmental Funds
$ 1,061,591	$ -	$ -	$ -	$ 1,061,591
-	-	-	1,340,569	1,340,569
29,840	64	27	33,033	140,357
-	8,172	-	-	91,310
2,247	-	3,025	3,755	9,027
1,093,678	8,236	3,052	1,377,357	2,642,854
-	-	-	-	151,287
-	9,518	-	-	9,518
874,726	-	7,166	-	902,700
-	-	-	377,000	377,000
-	-	-	837,912	837,912
43,400	-	-	-	131,976
918,126	9,518	7,166	1,214,912	2,410,393
175,552	(1,282)	(4,114)	162,445	232,461
-	-	5,000	-	230,000
(25,000)	-	-	-	(43,626)
(25,000)	-	5,000	-	186,374
150,552	(1,282)	886	162,445	418,835
739,208	18,749	7,857	338,934	2,846,745
$ 889,760	$ 17,467	$ 8,743	$ 501,379	$ 3,265,580

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CITY OF NACOGDOCHES, TEXAS

ECONOMIC DEVELOPMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	$ 77,248	$ 47,828	$ (29,420)
Total revenues	77,248	47,828	(29,420)
Expenditures:			
General government	43,150	61,761	(18,611)
Total expenditures	43,150	61,761	(18,611)
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,098	(13,933)	(48,031)
Other Financing Sources (Uses):			
Transfers in	150,000	150,000	-
Transfers out	(37,248)	(18,626)	18,622
Total other financing sources (uses)	112,752	131,374	18,622
Net Change in Fund Balances	146,850	117,441	(29,409)
Fund Balances - Beginning	992,740	992,740	-
Fund Balances - Ending	$ 1,139,590	$ 1,110,181	$ (29,409)

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CITY OF NACOGDOCHES, TEXAS

SPECIAL AIRPORT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	$ 5,000	$ 7,636	$ 2,636
Intergovernmental	100,000	83,138	(16,862)
Total revenues	105,000	90,774	(14,226)
Expenditures:			
General government:			
Airport	111,000	89,526	21,474
Capital Outlay	100,000	88,576	11,424
Total Expenditures	211,000	178,102	32,898
Excess (Deficiency) of Revenues Over (Under) Expenditures	(106,000)	(87,328)	18,672
Other Financing Sources (Uses):			
Transfers in	-	50,000	50,000
Total other financing sources (uses)	-	50,000	50,000
Net Change in Fund Balances	(106,000)	(37,328)	68,672
Fund Balances - Beginning	264,791	264,791	-
Fund Balances - Ending	$ 158,791	$ 227,463	$ 68,672

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CITY OF NACOGDOCHES, TEXAS

HISTORICAL FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	$ 2,500	$ 3,066	$ 566
Total revenues	2,500	3,066	566
Expenditures:			
Community Development	25,000	20,808	4,192
Total Expenditures	25,000	20,808	4,192
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,500)	(17,742)	4,758
Other Financing Sources (Uses):			
Transfers in	25,000	25,000	-
Total other financing sources (uses)	25,000	25,000	-
Net Change in Fund Balances	2,500	7,258	4,758
Fund Balance- Beginning	66,522	66,522	-
Fund Balance- Ending	$ 69,022	$ 73,780	$ 4,758

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CITY OF NACOGDOCHES, TEXAS

HOTEL AND MOTEL FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes:			
Hotel/motel occupancy taxes	$ 1,000,000	$ 1,061,591	$ 61,591
Investment earning	10,000	29,840	19,840
Miscellaneous	-	2,247	2,247
Total revenues	1,010,000	1,093,678	83,678
Expenditures:			
Community development	869,500	874,726	(5,226)
Capital outlay	281,400	43,400	238,000
Total Expenditures	1,150,900	918,126	232,774
Excess (Deficiency) of Revenues Over (Under) Expenditures	(140,900)	175,552	316,452
Other Financing Sources (Uses):			
Transfers out	(25,000)	(25,000)	-
Total other financing sources (uses)	(25,000)	(25,000)	-
Net Change in Fund Balances	(165,900)	150,552	316,452
Fund Balances - Beginning	739,208	739,208	-
Fund Balances - Ending	$ 573,308	$ 889,760	$ 316,452

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CITY OF NACOGDOCHES, TEXAS

PUBLIC SAFETY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	$ 20	$ 64	$ 44
Intergovernmental	3,000	8,172	5,172
Total revenues	3,020	8,236	5,216
Expenditures:			
Public Safety:			
Police Department	10,000	9,518	482
Fire Protection	4,000	-	4,000
Total Expenditures	14,000	9,518	4,482
Net Change in Fund Balances	(10,980)	(1,282)	9,698
Fund Balances - Beginning	18,749	18,749	-
Fund Balances- Ending	$ 7,769	$ 17,467	$ 9,698

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CITY OF NACOGDOCHES, TEXAS

MAYOR'S COMMITTEE ON DISABILITIES FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	$ -	$ 27	$ 27
Miscellaneous	-	3,025	3,025
Total revenues	-	3,052	3,052
Expenditures:			
Community Development	7,200	7,166	34
Total Expenditures	7,200	7,166	34
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,200)	(4,114)	3,086
Other Financing Sources (Uses):			
Transfers in	5,000	5,000	-
Total other financing sources (uses)	5,000	5,000	-
Net Change in Fund Balances	(2,200)	886	3,086
Fund Balances - Beginning	7,857	7,857	-
Fund Balances - Ending	$ 5,657	$ 8,743	$ 3,086

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CITY OF NACOGDOCHES, TEXAS

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	$ 1,179,144	$ 1,340,569	$ 161,425
Investment earnings	10,000	33,033	23,033
Miscellaneous	-	3,755	3,755
Total revenues	1,189,144	1,377,357	188,213
Expenditures:			
Debt Service:			
Principal	377,000	377,000	-
Interest	837,912	837,912	-
Total Expenditures	1,214,912	1,214,912	-
Net Change in Fund Balances	(25,768)	162,445	188,213
Fund Balances - Beginning	338,934	338,934	-
Fund Balances - Ending	$ 313,166	$ 501,379	$ 188,213

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INTERNAL SERVICE FUNDS

Equipment Replacement Fund – is used to account for the rental of equipment and motor vehicles to other departments, and the purchase of new equipment and related costs.

Health Insurance Fund – is used to account for employer contributions, employee premiums, and the cost of health expenditures for employees, retirees and dependents.

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CITY OF NACOGDOCHES, TEXAS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2025

	Equipment Replacement Fund	Health Insurance Fund	Total Internal Service Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 3,470,469	$ 2,858,163	$ 6,328,632
Accounts receivable	76,113	16,262	92,375
Due from other funds	43,064	-	43,064
Total Current Assets	3,589,646	2,874,425	6,464,071
Noncurrent Assets:			
Capital Assets (net of accumulated depreciation):			
Machinery and equipment	4,871,610	-	4,871,610
Less accumulated depreciation	(2,673,203)	-	(2,673,203)
Total Capital Assets	2,198,407	-	2,198,407
Total Noncurrent Assets	2,198,407	-	2,198,407
Total Assets	5,788,053	2,874,425	8,662,478
LIABILITIES			
Current Liabilities:			
Accounts payable	11,209	-	11,209
Accrued expenses	-	155,903	155,903
Total Current Liabilities	11,209	155,903	167,112
Total Liabilities	11,209	155,903	167,112
NET POSITION			
Net Investment in capital assets	2,187,198	-	2,187,198
Unrestricted	3,589,646	2,718,522	6,308,168
Total Net Position	5,776,844	2,718,522	8,495,366
Total Liabilities and Net Position	$ 5,788,053	$ 2,874,425	$ 8,662,478

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CITY OF NACOGDOCHES, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Equipment Replacement Fund	Health Insurance Fund	Total Internal Service Funds
OPERATING REVENUES			
Equipment rental	$ 834,904	$ -	$ 834,904
Employer premiums	-	3,080,212	3,080,212
Employee premiums	-	551,275	551,275
Total charges for sales and services	834,904	3,631,487	4,466,391
Other:			
Miscellaneous revenue	287	-	287
Total Operating Revenues	835,191	3,631,487	4,466,678
OPERATING EXPENSES			
Contributions and premiums	30,744	4,057,995	4,088,739
Depreciation and amortization	853,157	-	853,157
Total Operating Expenses	883,901	4,057,995	4,941,896
Operating Income	(48,710)	(426,508)	(475,218)
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	147,637	137,175	284,812
Gain on sales of assets	136,073	-	136,073
Total Non-operating Revenues (Expenses)	283,710	137,175	420,885
Change in Net Position	235,000	(289,333)	(54,333)
Net Positon - Beginning	5,541,844	3,007,855	8,549,699
Net Positon - Ending	$ 5,776,844	$ 2,718,522	$ 8,495,366

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CITY OF NACOGDOCHES, TEXAS

COMBINING STATEMENTS OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Equipment Replacement Fund	Health Insurance Fund	Total Internal Service Funds
Cash Flows from Operating Activities:			
Interfund charges for fleet management services	$ 716,014	$ -	$ 716,014
Interfund charges for risk management services	-	3,626,813	3,626,813
Cash payments to suppliers for goods and services	(30,744)	(3,931,648)	(3,962,392)
Net Cash Provided (Used) by Operating Activities	685,270	(304,835)	380,435
Cash Flows from Capital and Related Financing Activities:			
Acquisitions or construction of capital assets	(1,319,679)	-	(1,319,679)
Proceeds from the sale of capital assets	136,073	-	136,073
Net Cash Used for Capital and Related Financing Activities	(1,183,606)	-	(1,183,606)
Cash Flows from Investing Activities:			
Interest and dividends on investments	147,637	137,175	284,812
Net Cash Provided by Investing Activities	147,637	137,175	284,812
Net Increase (Decrease) in Cash and Cash Equivalents	(350,699)	(167,660)	(518,359)
Cash and Cash Equivalents at Beginning of Year	3,821,168	3,025,823	6,846,991
Cash and Cash Equivalents at End of Year	3,470,469	2,858,163	6,328,632
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(48,710)	(426,508)	(475,218)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	853,157	-	853,157
(Increase)/Decrease in accounts receivable	(76,113)	(16,262)	(92,375)
(Increase)/Decrease in due from other funds	(43,064)	11,588	(31,476)
Increase/(Decrease) in accrued expenses	-	126,347	126,347
Total Adjustments	733,980	121,673	855,653
Net Cash Provided (Used) by Operating Activities	$ 685,270	$ (304,835)	$ 380,435
Noncash Capital and Related Financing Activities			
Accrued capital-related accounts payable	$ 11,209	$ -	$ 11,209

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STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Nacogdoches' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page**

Financial Trends 83 – 92

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 93 - 100

These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax.

Debt Capacity 101 - 106

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 107

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 108 - 115

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.

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CITY OF NACOGDOCHES, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	$ 25,962,844	$ 29,557,781	$ 28,477,678	$ 29,749,665
Restricted	3,574,895	3,442,083	5,554,801	5,683,417
Unrestricted	5,258,364	(449,309)	1,856,916	1,810,035
Total Governmental Activities Net Position	$ 34,796,103	$ 32,550,555	$ 35,889,395	$ 37,243,117
Business-type activities:				
Net investment in capital assets	$ 58,587,200	$ 59,411,889	$ 60,155,050	$ 63,105,904
Restricted	1,268,003	1,825,340	8,162,379	8,910,239
Unrestricted	23,016,113	88,370,977	25,963,172	29,238,879
Total Business-type Activities Net Position	$ 82,871,316	$ 149,608,206	$ 94,280,601	$ 101,255,022
Primary Government				
Net investment in capital assets	$ 84,550,044	$ 29,557,781	$ 88,632,728	$ 92,855,569
Restricted	4,842,898	3,442,083	13,717,180	14,593,656
Unrestricted	28,274,477	87,921,668	27,820,088	31,048,914
Total Primary Government Net Position	$ 117,667,419	$ 120,921,532	$ 130,169,996	$ 138,498,139

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Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 31,162,042	$ 32,799,431	$ 34,578,033	$ 36,320,885	$ 41,679,918	$ 41,668,126
6,622,772	6,700,094	6,555,606	6,125,102	6,372,067	9,613,301
5,169,214	6,731,353	9,869,050	10,405,742	10,935,174	9,619,547
$ 42,954,028	$ 46,230,878	$ 51,002,689	$ 52,851,729	$ 58,987,159	$ 60,900,974
$ 64,036,601	$ 64,805,831	$ 65,659,306	$ 68,145,983	$ 69,362,536	$ 75,382,934
10,382,283	22,443,292	24,940,722	31,012,498	36,198,823	49,695,727
32,116,911	24,489,742	28,984,932	26,974,237	26,842,112	11,190,976
$ 106,535,795	$ 111,738,865	$ 119,584,960	$ 126,132,718	$ 132,403,471	$ 136,269,637
$ 95,198,643	$ 97,605,262	$ 100,237,339	$ 104,466,868	$ 111,042,454	$ 117,051,060
17,005,055	29,143,386	31,496,328	37,137,600	42,570,890	59,309,028
37,286,125	31,221,095	38,853,982	37,379,979	37,777,286	20,810,523
$ 149,489,823	$ 157,969,743	$ 170,587,649	$ 178,984,447	$ 191,390,630	$ 197,170,611

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CITY OF NACOGDOCHES, TEXAS

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2016	2017	2018	2019
EXPENSES				
Governmental Activities:				
General Government	$ 4,347,717	$ 4,700,650	$ 4,955,254	$ 5,586,805
Public Safety	14,121,765	14,693,760	15,332,425	17,248,197
Highways and Streets	2,769,397	2,831,901	2,892,174	3,065,969
Culture and Recreation	2,530,827	2,893,535	3,087,026	3,252,267
Community Development	1,063,112	934,282	755,571	708,802
Interest on Long-Term Debt	256,422	250,266	222,244	177,094
Total Governmental Activities Expenses	25,089,240	26,304,394	27,244,694	30,039,134
Business-type Activities				
Water and Sewer	10,837,063	11,016,674	11,817,889	11,697,450
Sanitation	2,937,727	3,312,083	3,119,195	3,338,497
Airport	395,863	471,869	495,898	478,199
Total Business-type Activities Expenses	14,170,653	14,800,626	15,432,982	15,514,146
Total Primary Government Expenses	$ 39,259,893	$ 41,105,020	$ 42,677,676	$ 45,553,280
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	$ 329,215	$ 422,258	$ 540,736	$ 505,866
Public Safety	1,540,982	1,474,258	1,404,473	1,212,962
Highways and Streets	-	-	502,023	752,788
Culture and Recreation	336,818	344,325	392,481	475,127
Community Development	-	250,000	150,000	-
Operating Grants and Contributions	157,688	462,690	1,271,926	2,646,113
Capital Grants and Contributions	3,998	27,050	57,338	337,742
Total Governmental Activities Program Revenues	2,368,701	2,980,581	4,318,977	5,930,598
Business-type Activities:				
Charges for Services:				
Water and Sewer	17,184,423	18,939,084	19,841,583	19,422,326
Sanitation	5,457,533	5,659,444	6,163,872	6,363,558
Airport	285,091	400,859	417,681	398,711
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	-	-	445,838
Total Business-type Activities Program Revenues	22,927,047	24,999,387	26,423,136	26,630,433
Total Primary Government Program Revenues	$ 25,295,748	$ 27,979,968	$ 30,742,113	$ 32,561,031
Net (Expense)/Revenue				
Governmental Activities	$ (22,720,539)	$ (23,323,813)	$ (22,925,717)	$ (24,108,536)
Business-type Activities	8,756,394	10,198,761	10,990,154	11,116,287
Total Net Expense	$ (13,964,145)	$ (13,125,052)	$ (11,935,563)	$ (12,992,249)

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Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 5,130,414	$ 6,073,722	$ 5,883,941	$ 7,007,651	$ 6,948,320	$ 8,396,638
15,868,977	16,059,886	16,246,931	17,914,623	17,783,308	19,414,344
2,932,520	2,783,312	3,000,433	3,532,349	3,296,884	1,705,538
2,654,815	3,163,634	3,340,616	3,871,183	3,710,330	3,604,406
898,609	659,138	1,371,916	833,264	895,545	916,125
141,133	88,083	23,181	13,467	297,599	1,373,062
27,626,468	28,827,775	29,867,018	33,172,537	32,931,986	35,410,113
11,487,635	11,571,780	11,590,975	13,631,526	16,489,798	15,016,632
3,363,461	4,213,881	3,966,391	4,330,295	4,938,673	5,177,211
423,948	469,068	699,320	785,856	704,771	679,919
15,275,044	16,254,729	16,256,686	18,747,677	22,133,242	20,873,762
$ 42,901,512	$ 45,082,504	$ 46,123,704	$ 51,920,214	$ 55,065,228	$ 56,283,875
$ 633,406	$ 494,274	$ 491,725	$ 460,972	$ 615,396	$ 736,088
1,160,445	1,383,555	1,017,287	1,174,889	857,707	773,940
754,492	758,866	761,408	764,050	763,553	765,546
258,159	388,698	428,663	453,469	362,618	389,066
-	3,456	54,628	13,351	1,500	510
2,641,116	959,430	2,053,268	858,471	5,012,521	1,540,185
84,126	540,893	50,278	26,452	31,404	206,324
5,531,744	4,529,172	4,857,257	3,751,654	7,644,699	4,411,659
19,062,221	19,389,909	20,385,657	20,074,058	18,714,695	20,277,221
6,305,207	6,574,239	6,965,227	6,995,157	7,372,950	7,455,258
372,501	449,924	646,097	730,775	679,560	687,436
-	-	527,543	47,512	3,895,665	316,009
-	-	-	-	-	-
25,739,929	26,414,072	28,524,524	27,847,502	30,662,870	28,735,924
$ 31,271,673	$ 30,943,244	$ 33,381,781	$ 31,599,156	$ 38,307,569	$ 33,147,583
$ (22,094,724)	$ (24,298,603)	$ (25,009,761)	$ (29,420,883)	$ (25,287,287)	$ (30,998,454)
10,464,885	10,159,343	12,267,838	9,099,825	8,529,628	7,862,162
$ (11,629,839)	$ (14,139,260)	$ (12,741,923)	$ (20,321,058)	$ (16,757,659)	$ (23,136,292)

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CITY OF NACOGDOCHES, TEXAS

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2016	2017	2018	2019
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property Taxes	$ 8,452,800	$ 8,907,696	$ 9,469,354	$ 9,846,630
Franchise Taxes	2,427,859	2,436,424	2,470,495	2,485,322
Sales Taxes	6,051,628	6,186,513	6,396,954	6,601,004
Other Taxes	818,348	834,874	832,426	865,931
Penalties and Interests on Taxes	174,873	165,216	-	158,448
Investment Earnings	45,270	131,007	145,455	530,652
Miscellaneous	64,044	73,859	324,123	98,005
Transfers	5,247,575	5,502,525	79,466	5,757,927
Gain on Sale of Capital Assets	103,171	41,331	5,736,804	35,638
Total Governmental Activities	23,385,568	24,279,445	25,455,077	26,379,557
Business-type Activities:				
Investment Earnings	73,697	217,306	-	983,498
Miscellaneous	500,577	557,588	574,894	600,204
Transfers	(5,247,575)	(5,502,525)	564,961	(5,757,927)
Gain on Sale of Capital Assets	179,794	28,531	(5,736,804)	32,359
Total Business-type Activities	(4,493,507)	(4,699,100)	(4,596,949)	(4,141,866)
Total Primary Government	$ 18,892,061	$ 19,580,345	$ 20,858,128	$ 22,237,691
Change in Net Position				
Governmental Activities	$ 665,029	$ 955,632	$ 2,529,360	$ 271,022
Business-type Activities	4,262,887	5,499,661	6,393,205	6,974,421
Total Primary Government	$ 4,927,916	$ 6,455,293	$ 8,922,565	$ 7,245,443

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Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 10,827,222	$ 10,973,148	$ 11,529,711	$ 11,018,559	$ 10,637,663	$ 12,399,203
2,385,315	2,350,005	2,365,765	2,376,431	2,235,423	2,230,143
6,932,275	7,434,346	8,346,355	9,387,605	8,767,874	8,742,248
697,921	870,362	980,411	1,144,770	1,270,912	1,187,072
152,238	204,101	189,000	146,973	140,194	246,212
229,664	50,523	256,704	1,205,890	1,822,391	2,167,690
89,941	73,721	73,991	101,144	160,950	736,987
6,427,131	5,602,324	5,896,925	5,866,324	6,387,310	7,803,800
63,928	16,923	142,710	22,227	-	-
27,805,635	27,575,453	29,781,572	31,269,923	31,422,717	35,513,355
489,824	147,219	428,638	2,390,337	3,304,227	3,165,974
713,801	498,832	1,046,544	923,920	824,208	1,072,958
(6,427,131)	(5,602,324)	(5,896,925)	(5,866,324)	(6,387,310)	(7,803,800)
39,394	-	-	-	-	-
(5,184,112)	(4,956,273)	(4,421,743)	(2,552,067)	(2,258,875)	(3,564,868)
$ 22,621,523	$ 22,619,180	$ 25,359,829	$ 28,717,856	$ 29,163,842	$ 31,948,487
$ 5,710,911	$ 3,276,850	$ 4,771,811	$ 1,849,040	$ 6,135,430	$ 4,514,901
5,280,773	5,203,070	7,846,095	6,547,758	6,270,753	4,297,294
$ 10,991,684	$ 8,479,920	$ 12,617,906	$ 8,396,798	$ 12,406,183	$ 8,812,195

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CITY OF NACOGDOCHES, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Nonspendable	$ 12,864	$ -	$ -	$ -
Restricted	761,134	787,993	787,993	833,576
Assigned	-	-	65,613	905,645
Unassigned	12,741,437	11,288,895	11,732,687	11,277,441
Total General Fund	$ 13,515,435	$ 12,076,888	$ 12,586,293	$ 13,016,662
All Other Governmental Funds				
Nonspendable	$ 373,187	$ 281,594	$ 284,349	$ 286,563
Restricted	2,742,985	3,076,858	4,409,323	4,516,298
Committed	57,247	53,329	52,297	117,957
Unassigned	(77,558)	48,531	(18,398)	-
Total All Other Governmental Funds	$ 3,095,861	$ 3,460,312	$ 4,727,571	$ 4,920,818

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Fiscal Year					
2020	2021	2022	2023	2024	2025
$ -	$ -	$ -	$ -	$ -	$ -
862,941	913,411	913,411	933,545	1,177,884	1,189,574
1,099,592	1,935,200	3,338,722	1,968,458	3,497,204	1,320,253
12,690,560	13,372,793	12,520,316	15,805,226	13,378,866	16,806,543
$ 14,653,093	$ 16,221,404	$ 16,772,449	$ 18,707,229	$ 18,053,954	$ 19,316,370
$ 289,174	$ -	$ -	$ -	$ -	$ -
5,418,900	5,740,020	5,593,181	5,149,129	23,123,552	35,532,561
89,850	288,591	284,285	239,402	272,648	236,206
(11,673)	-	-	-	-	-
$ 5,786,251	$ 6,028,611	$ 5,877,466	$ 5,388,531	$ 23,396,200	$ 35,768,767

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CITY OF NACOGDOCHES, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2016	2017	2018	2019
Revenue				
Taxes:				
General property taxes	$ 8,485,231	$ 8,908,920	$ 9,447,895	$ 10,006,617
General sales and other taxes	9,472,708	9,623,027	9,845,330	10,110,705
Licenses and permits	241,624	203,319	215,072	192,661
Fines and forfeitures	1,006,558	992,076	868,610	836,109
Charges for services	283,268	306,457	927,027	1,269,060
Investment earnings	40,692	115,909	274,361	441,640
Grants	419,710	605,391	1,196,244	1,449,775
Contributions	-	-	722,070	2,406,759
Miscellaneous	461,601	767,240	199,935	148,060
Total revenues	20,411,392	21,522,339	23,696,544	26,861,386
Expenditures				
General government	4,302,101	4,582,846	4,751,128	5,331,178
Public safety	13,460,147	13,948,154	14,755,034	16,480,077
Highways and streets	1,727,873	1,656,021	1,777,216	2,658,235
Culture and recreation	2,311,397	2,681,901	2,852,966	2,969,119
Community development	876,024	763,955	777,275	800,480
Debt service:				
Principal	795,000	1,095,000	1,150,000	1,205,000
Issuance costs	-	-	-	-
Interest	254,850	254,480	220,908	173,061
Other capital outlays	745,548	3,116,603	1,372,157	2,378,547
Total expenditures	24,472,940	28,098,960	27,656,684	31,995,697
Other financing sources (uses)				
Payment to escrow agent	-	-	-	-
Refunding bonds issued	-	-	-	-
Transfers in	5,472,500	5,821,585	6,802,919	6,300,652
Transfers out	(224,925)	(319,060)	(1,066,115)	(542,725)
Proceeds from sale of bonds	1,685,000	-	-	-
Bond Premiums	-	-	-	-
Sale of capital assets	4,825	-	-	-
Total other financing sources (uses)	6,937,400	5,502,525	5,736,804	5,757,927
Net changes in fund balances	$ 2,875,852	$ (1,074,096)	$ 1,776,664	$ 623,616
Capital outlays included in functions	$ 862,802	$ 96,257	$ -	$ 942,083
Debt service as a percentage of noncapital expenditures calculated as ([a] + [b] / [c] - [d])	4.59%	4.82%	5.22%	4.81%

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Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 10,777,313	$ 11,004,323	$ 11,514,611	$ 11,011,062	$ 10,514,492	$ 12,367,004
10,167,749	10,858,814	11,881,531	13,055,779	12,414,403	12,405,675
354,996	211,778	217,669	211,818	273,389	375,151
787,674	522,252	495,356	623,546	456,887	392,003
1,043,554	1,082,588	1,134,349	1,163,041	1,117,855	1,146,899
194,589	47,962	217,434	1,023,145	1,527,539	1,882,878
1,580,231	3,121,778	1,961,614	2,639,130	5,677,275	2,260,421
143,329	761,152	408,724	240,496	56,701	70,061
135,316	110,014	121,746	159,219	157,944	296,992
25,184,751	27,720,661	27,953,034	30,127,236	32,196,485	31,197,084
4,935,603	5,953,941	6,016,070	6,769,862	6,946,965	8,179,236
15,331,740	16,597,013	16,935,663	16,905,405	18,161,764	18,481,637
2,392,669	2,401,633	2,541,361	1,716,647	2,060,869	1,226,221
2,643,437	3,435,713	3,216,452	3,553,946	3,517,718	3,164,462
926,514	976,051	1,370,378	868,716	907,193	902,700
1,235,000	1,300,000	1,522,000	212,000	215,000	377,000
-	-	-	-	286,513	435,969
141,139	76,614	23,759	13,745	11,368	837,912
1,518,663	2,355,533	1,859,040	4,248,472	4,670,262	6,478,493
29,124,765	33,096,498	33,484,723	34,288,793	36,777,652	40,083,630
-	(1,040,531)	-	-	-	-
-	2,576,000	-	-	-	-
6,990,842	6,202,090	6,301,991	6,765,780	6,504,558	10,028,878
(563,711)	(553,266)	(455,109)	(1,180,605)	(117,248)	(2,225,078)
-	-	-	-	14,915,000	13,800,000
-	-	-	-	633,251	578,468
14,747	2,215	84,707	22,227	-	339,261
6,441,878	7,186,508	5,931,589	5,607,402	21,935,561	22,521,529
$ 2,501,864	$ 1,810,671	$ 399,900	$ 1,445,845	$ 17,354,394	$ 13,634,983
$ 859,472	$ 1,946,118	$ 908,287	$ (456,645)	$ (27,056)	$ 566,616
5.15%	4.78%	5.03%	0.70%	0.70%	3.68%

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CITY OF NACOGDOCHES, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIC OF ACCOUNTING)
(UNAUDITED)

Fiscal Year	General Property Taxes	General Sales Taxes	Utility Taxes	Other Taxes	Total
2016	$ 8,485,231	$ 6,051,628	$ 2,427,859	$ 818,348	$ 17,783,066
2017	8,908,920	6,186,513	2,436,424	834,874	18,366,731
2018	9,447,895	6,396,954	2,470,495	832,426	19,147,770
2019	10,006,617	6,601,004	2,485,322	865,931	19,958,874
2020	10,777,313	6,932,275	2,385,315	697,921	20,792,824
2021	11,004,323	7,434,346	2,350,005	870,362	21,659,036
2022	11,514,611	8,346,355	2,365,765	980,411	23,207,142
2023	11,011,062	9,387,605	2,376,431	1,144,770	23,919,868
2024	10,514,492	8,767,874	2,235,423	1,270,912	22,788,701
2025	11,256,199	8,705,641	2,286,639	1,127,168	23,375,647

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CITY OF NACOGDOCHES, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Real Property	Mineral Property	Less: Tax-Exempt Property	Total Taxable Assessed Value
2016	$ 1,588,480,170	$ 234,542,480	$ 362,896,840	$ 1,460,125,810
2017	1,591,570,140	237,154,560	329,244,345	1,499,480,355
2018	1,606,822,060	234,623,870	332,892,700	1,508,553,230
2019	1,785,122,740	231,069,950	427,591,070	1,588,601,620
2020	1,967,807,630	233,059,640	432,702,900	1,768,164,370
2021	1,981,488,706	232,178,550	426,707,840	1,786,959,416
2022	1,979,297,437	268,884,090	364,129,063	1,884,052,464
2023	2,256,390,078	306,527,862	418,121,798	2,144,796,142
2024	2,444,614,093	507,725,330	682,831,941	2,269,507,482
2025	2,354,578,027	529,251,480	717,972,408	2,165,857,099

Source: Nacogdoches Central Appraisal District

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Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
0.5681	$ 1,460,125,810	100.0%
0.5928	1,499,480,355	100.0%
0.5928	1,508,553,230	100.0%
0.6169	1,588,601,620	100.0%
0.6140	1,768,164,370	100.0%
0.6160	1,786,959,416	100.0%
0.6160	1,884,052,464	100.0%
0.5185	2,144,796,142	100.0%
0.4745	2,269,507,482	100.0%
0.5760	2,165,857,099	100.0%

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CITY OF NACOGDOCHES, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
(UNAUDITED)

	City of Nacogdoches			Nacogdoches Independent School District		
Fiscal Year	Operations and Maintenance	General Obligation Debt Service	Total City Rate	Operations and Maintenance	General Obligation Debt Service	Total NISD Rate
2016	0.49773	0.07038	0.56810	1.17000	0.18750	1.35750
2017	0.50309	0.08971	0.59280	1.17000	0.18750	1.35750
2018	0.50618	0.08663	0.59280	1.17000	0.16250	1.33250
2019	0.53260	0.08430	0.61690	1.17000	0.16250	1.33250
2020	0.53617	0.07783	0.61400	1.06835	0.16250	1.23085
2021	0.53890	0.07710	0.61600	1.05470	0.24500	1.29970
2022	0.53371	0.08229	0.61600	1.02130	0.24500	1.26630
2023	0.50772	0.01079	0.51851	0.95070	0.29000	1.24070
2024	0.46342	0.01103	0.47445	0.75970	0.38000	1.13970
2025	0.47154	0.05723	0.52877	0.75520	0.38000	1.13520

Source: Nacogdoches Central Appraisal District

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Nacogdoches County		
Operations and Maintenance	General Obligation Debt Service	Total County Rate
0.52802	0.05748	0.58550
0.52802	0.05748	0.58550
0.53064	0.05106	0.58170
0.52118	0.04642	0.56760
0.52951	0.02289	0.55240
0.53867	0.02553	0.56420
0.54020	0.02400	0.56420
0.45330	0.01890	0.47220
0.41075	0.01735	0.42810
0.42380	0.00620	0.43000

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CITY OF NACOGDOCHES, TEXAS

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2025		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
West Fraser US EWP LLC (NORB)	55,929,100	1	1.8%
Pilgrim's Pride (Processing Plant)	46,529,620	2	1.5%
SFA 1411 Owner LP	39,740,000	3	1.3%
Oncor Electric Delivery Co LLC	33,563,460	4	1.1%
Cooper Power Systems (Eaton)	32,333,390	5	1.1%
Cardinal Street Housing	23,500,000	6	0.8%
Cooper Power Systems Inc	20,871,440	7	0.7%
NIBCO Inc	16,705,530	8	0.5%
Medhorizons	15,810,340	9	0.5%
Elliott Electric Supply Inc	12,489,510	10	0.4%
Norbord Texas LP			
Wal Mart Nacogdoches			
Campus Crest at Nac			
Coca Cola Refreshments USA (SW)			
Total	$ 297,472,390		

Source: Nacogdoches Central Appraisal District

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2016		
Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
-		
25,696,540	2	1.8%
19,901,240	3	
14,919,020	6	1.0%
-	8	0.0%
-		
10,323,580	10	
15,140,830	5	1.0%
11,224,590	9	0.8%
-		
36,224,050	1	2.5%
14,389,000	8	1.0%
14,639,090	7	1.0%
19,166,170	4	1.3%
$ 181,624,110		

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CITY OF NACOGDOCHES, TEXAS **TABLE 9**

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Taxes levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	$ 8,517,549	$ 8,327,480	97.8%	$ 117,278	$ 8,444,758	99.1%
2017	8,917,473	8,690,490	97.5%	129,971	8,820,461	98.9%
2018	9,454,533	9,317,924	98.6%	98,662	9,416,586	99.6%
2019	10,084,551	9,907,955	98.2%	120,221	10,028,176	99.4%
2020	10,856,529	10,657,092	98.2%	189,567	10,846,659	99.9%
2021	10,934,218	10,861,420	99.3%	63,049	10,924,469	99.9%
2022	11,605,886	11,290,653	97.3%	109,407	11,400,060	98.2%
2023	11,120,768	10,898,353	98.0%	102,610	11,000,963	98.9%
2024	10,768,813	10,455,819	97.1%	58,574	10,514,393	97.6%
2025	11,586,154	11,256,199	97.2%	-	11,256,199	97.2%

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CITY OF NACOGDOCHES, TEXAS **TABLE 10**

DIRECT AND OVERLAPPING SALES TAX RATES

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	City Direct Rate	Nacogdoches County Hospital	State of Texas	Total Rate
2016	0.01	0.01	0.0625	0.0825
2017	0.01	0.01	0.0625	0.0825
2018	0.01	0.01	0.0625	0.0825
2019	0.01	0.01	0.0625	0.0825
2020	0.01	0.01	0.0625	0.0825
2021	0.01	0.01	0.0625	0.0825
2022	0.01	0.01	0.0625	0.0825
2023	0.01	0.01	0.0625	0.0825
2024	0.01	0.01	0.0625	0.0825
2025	0.01	0.01	0.0625	0.0825

Sources: City Finance Office and County Department of Finance

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CITY OF NACOGDOCHES, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Governmental Activities	Business-type Activities			
	General Obligation Bonds	General Obligation Bonds	Water and Sewer Systems Bonds	Sanitation System Bonds	Financed Purchase
2016	$ 7,513,573	$ 31,238,823	$ 9,355,000	$ -	$ 554,345
2017	6,353,009	29,385,249	8,255,000	-	446,603
2018	5,143,843	27,527,789	7,135,000	-	334,871
2019	3,892,637	25,577,535	5,995,000	-	220,141
2020	2,619,650	23,585,376	4,830,000	-	484,244
2021	2,831,000	21,515,000	3,640,000	-	422,146
2022	1,309,000	19,180,000	2,350,000	-	357,614
2023	1,097,000	16,985,000	1,100,000	-	290,961
2024	16,430,251	14,845,000	550,000	-	794,540
2025	30,431,719	12,760,000	30,395,795	-	715,695

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Total Primary Government	Percentage of Personal Income	Per Capita
$ 48,631,741	4.2%	$ 1,435
44,439,861	3.9%	1,309.67
40,141,503	3.8%	1,194.19
35,685,313	3.1%	1,063.90
31,519,270	2.6%	958.71
28,408,146	2.4%	883.71
23,196,614	2.0%	722.23
19,472,961	1.7%	621.19
32,619,791	2.5%	1,014.42
74,303,209	5.8%	2,310.71

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CITY OF NACOGDOCHES, TEXAS **TABLE 12**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	Less Amount Available for Debt Service	Total	Percentage of Actual Taxable: Value of Property	Percentage of Actual Taxable: Per Capita
2016	$ 38,722,396	$ 219,013	$ 38,503,383	2.55%	1135.99
2017	35,738,258	220,953	35,517,305	2.24%	1046.72
2018	32,853,255	245,421	32,607,834	1.84%	960.98
2019	29,470,172	309,368	29,160,804	1.63%	869.38
2020	26,205,026	313,183	25,891,843	1.65%	787.54
2021	24,346,000	322,012	24,023,988	1.45%	748.77
2022	20,489,000	278,157	20,210,843	1.14%	629.27
2023	18,082,000	342,649	17,739,351	0.99%	565.88
2024	31,275,251	380,530	30,894,721	1.36%	960.78
2025	43,191,719	542,763	42,648,956	1.97%	1326.31

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CITY OF NACOGDOCHES, TEXAS **TABLE 13**

ESTIMATED GENERAL OBLIGATION OVERLAPPING DEBT STATEMENT

FISCAL YEAR 2025
(UNAUDITED)

Taxing Body	Gross Dollar Amount	Percent Overlapping	Dollar Overlap
Nacogdoches County	315,000	52.38%	$ 164,985
Nacogdoches Independent School District	81,810,000	77.26%	63,206,406
		Subtotal, overlapping debt	63,371,391
		City of Nacogdoches direct debt	30,431,719
		Total direct and overlapping debt	$ 93,803,110

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CITY OF NACOGDOCHES, TEXAS **TABLE 14**

PLEDGED-REVENUE COVERAGE

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Water Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest	Coverage
2016	$ 17,427,115	$ 9,627,539	$ 7,799,576	$ 2,675,000	$ 1,209,524	2.01
2017	19,138,572	9,827,603	9,310,969	2,675,000	1,189,071	2.41
2018	20,042,585	10,696,198	9,346,387	2,820,000	1,121,691	2.37
2019	19,641,928	10,668,990	8,972,938	2,945,000	1,028,460	2.26
2020	19,274,603	10,536,872	8,737,731	3,020,000	1,061,563	2.14
2021	18,722,190	7,182,213	11,539,977	3,510,000	468,442	2.90
2022	19,905,873	7,830,735	12,075,138	3,625,000	340,969	3.04
2023	19,571,555	8,550,505	11,021,050	3,445,000	293,916	2.95
2024	18,249,630	10,900,166	7,349,464	2,350,000	75,120	3.03

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CITY OF NACOGDOCHES, TEXAS **TABLE 15**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment
2015	33,687	$ 1,064,239,704	$ 31,592	24.40	6,439	4.6%
2016	33,894	1,096,708,158	32,357	24.40	6,448	4.8%
2017	33,932	1,147,308,784	33,812	24.00	6,472	4.6%
2018	33,614	1,056,891,388	31,442	24.40	6,475	4.1%
2019	33,542	1,151,396,234	34,327	24.30	6,481	4.0%
2020	32,877	1,201,752,981	36,553	24.40	6,440	8.0%
2021	32,147	1,175,069,291	36,553	24.40	5,940	6.8%
2022	32,118	1,170,187,212	36,434	24.80	5,929	4.2%
2023	31,348	1,179,060,976	37,612	24.40	5,883	5.0%
2024	32,156	1,286,251,640	40,000	24.40	5,943	4.9%
2025	32,156	1,286,251,640	40,000	24.40	5,943	4.9%

Sources: Population proved by the Texas State Data Center.
Personal income and unemployment data provided by the Texas Workforce Commission.
Median age data provided by the American Community Survey of the US Census Bureau.
School enrollment data provided by the Nacogdoches Independent School District.

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CITY OF NACOGDOCHES, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2025		
Employer	Employees	Rank	Percentage of Total City Employment
Stephen F. Austin State University	1,580	1	11%
Pilgrim's Pride	1,531	2	10%
Nacogdoches ISD	1,075	3	7%
Etech Global Services	615	4	4%
Nacogdoches Memorial Hospital	582	5	4%
Nacogdoches Medical Center	528	6	4%
Eaton	442	7	3%
Walmart Supercenter	360	8	2%
City of Nacogdoches	329	9	2%
Nacogdoches County	276	10	2%
Elliott Electric Supply	257	11	2%
TFP Nutrition	234	12	2%
Chartwell	215	13	1%
Drewery Construction	209	14	1%
Foretravel Inc	199	15	1%
Burke Center			
Aramark			
Cooper Power Systems			
NIBCO			
Parker Hannifin Corp			
Cal-Tex Lumber Company			
Total	8,432		56%

Source: City Economic Development Division

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2016		
Employees	Rank	Percentage of Total City Employment
1,702	1	12%
1,550	2	11%
954	3	7%
600	5	4%
797	4	5%
435	6	3%
280	10	
409	7	2%
317	8	2%
280	11	2%
175	15	
138	21	
162	16	
	5	4%
285	9	2%
220	12	2%
209	13	2%
180	14	1%
8,693		59%

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CITY OF NACOGDOCHES, TEXAS

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS
(UNAUDITED)

Function	Full-Time-Equivalent Employees as of Year End				
	2016	2017	2018	2019	2020
Governmental Funds					
General Government					
Management Services	6.0	6.0	6.0	5.0	5.5
Finance	5.0	5.0	5.0	6.0	6.0
Planning	2.5	2.0	2.0	2.5	2.5
Building Maintenance	7.0	6.0	6.0	6.0	6.0
Animal Control	7.0	7.0	7.0	8.0	8.0
Municipal Court	5.5	5.5	5.5	5.5	5.5
Other Support Services	7.5	8.0	17.0	18.5	18.0
Public Safety					
Police					
Officers	66.5	66.5	66.5	66.5	66.5
Civilians	25.5	25.5	26.5	26.5	26.5
Fire					
Firefighters and Officers	58.0	58.0	58.0	58.0	58.0
Civilians	2.5	2.5	2.5	2.5	2.5
Highways and Streets					
Public Works/Engineering	8.5	9.0	9.0	7.0	7.0
Streets	13.0	13.0	13.0	16.0	16.0
Vehicle Maintenance	5.0	5.0	5.0	5.0	5.0
Culture and Recreation					
Parks and Recreation	26.5	26.0	26.0	22.0	22.0
Library/Historical Sites	10.0	9.5	9.5	9.5	9.5
Urban Development					
Inspections	2.0	2.0	2.0	2.0	3.0
Code Enforcement	2.0	2.0	2.0	2.0	2.0
Enterprise Funds					
Water and Sewer					
Water Billings	9.0	9.0	9.0	9.0	9.0
Water Production	8.0	7.0	7.0	7.0	7.0
Distribution and Collections	13.0	13.0	13.0	16.0	17.0
Wastewater	16.0	18.0	18.0	13.0	13.0
Sanitation					
Collections	14.0	14.0	14.0	12.0	12.0
Disposals	6.0	6.0	6.0	6.0	6.0
Administration	0.0	0.0	0.0	0.0	0.0
Airport FBO Operations					
Airport FBO	2.5	2.5	2.5	2.5	2.5
Total	328.5	328.0	338.0	334.0	336.0

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Source: City Finance Office

Full-Time-Equivalent Employees as of Year End				
2021	2022	2023	2024	2025
3.5	4.0	4.0	5.0	5.0
7.0	6.0	6.0	6.5	6.0
2.0	3.0	3.0	3.0	3.0
6.0	6.0	6.0	6.0	6.0
8.0	8.0	8.0	8.5	8.0
3.5	4.5	4.5	4.5	3.0
16.5	17.5	17.5	16.5	14.0
61.0	62.0	62.0	65.5	54.5
28.0	28.0	28.0	29.0	29.0
58.0	58.0	58.0	58.0	57.5
2.5	2.5	2.5	3.0	3.0
5.0	6.0	6.0	5.0	5.0
12.0	14.0	14.0	14.0	13.0
4.0	4.0	4.0	4.0	4.0
21.5	22.5	22.5	23.5	21.5
10.5	11.5	11.5	11.5	12.5
3.0	3.0	3.0	3.0	3.0
2.0	3.0	3.0	3.0	3.0
9.0	9.0	9.0	9.5	11.0
7.0	7.0	7.0	7.0	7.0
17.0	17.0	17.0	17.0	15.0
12.0	14.0	14.0	14.0	17.0
16.0	16.0	16.0	16.0	14.0
6.0	7.0	7.0	8.0	7.0
2.0	3.0	3.0	3.0	3.0
2.5	2.5	2.5	3.0	3.5
325.5	339.0	339.0	347.0	328.5

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CITY OF NACOGDOCHES, TEXAS

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS
(UNAUDITED)

Function	2016	2017	2018	2019
General Government:				
Planning and Zoning:				
Building Permits Issued	1,229	1,202	1,047	1,163
Building Inspections Conducted	1,294	1,195	1,312	429
Public Safety:				
Police				
Physical Arrests	2,589	2,927	1,476	1,876
Parking Violations	54	85	43	22
Traffic Violations	6,488	7,612	8,895	8,118
Fire				
Emergency Responses	4,585	4,492	4,444	4,467
Fires Extinguished	175	128	160	141
Culture and Recreation:				
Parks and Recreation				
Recreation Program Participation	5,416	5,675	5,772	6,685
Recreation Facility Reservations	914	1,120	1,077	903
Library				
Volumes in Collection	104,502	105,991	108,831	110,309
Total Volumes Borrowed	123,840	128,174	132,497	130,248
Water and Sewer:				
Water				
Water Customers	13,079	13,096	13,075	13,169
Water Main Breaks	130	122	115	125
Average Daily Consumption (thousands of gallons)	6,717	7,066	6,764	5,874
Peak Daily Consumption (thousands of gallons)	9,365	11,030	12,670	9,874
Wastewater				
Average Daily Sewage Treatment (thousands of gallons)	7,275	6,479	6,616	4,319
Sanitation				
Refuse Collection				
Refuse Collected (cubic yards)	259,266	257,848	267,665	261,879
Recyclables Collected (cubic yards)	4,229	4,002	4,889	5,487

Source: Various City Departments

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2020	2021	2022	2023	2024	2025
521	1,174	1,149	1,145	1,234	1,151
782	1,761	1,735	1,488	1,875	1,841
1,997	2,034	1,838	1,781	1,408	3,573
63	7	19	8	3	18
2,789	4,883	7,863	4,368	2,697	9,951
3,676	4,149	4,669	4,723	4,619	3,897
108	151	178	172	198	184
2,657	2,629	5,116	5,517	5,595	5,935
655	553	869	1,748	1,576	1,581
111,104	124,058	122,687	122,821	117,156	125,276
81,819	85,447	104,689	109,577	92,649	101,679
13,120	13,315	13,661	13,330	13,052	13,211
112	127	123	220	243	98
6,824	6,413	5,927	5,952	5,342	5,531
10,819	12,219	10,293	10,158	10,666	9,966
5,900	6,555	6,000	4,176	7,284	5,531
263,831	389,145	303,713	332,706	325,721	336,249
5,158	12,279	6,029	5,654	6,836	4,683

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CITY OF NACOGDOCHES, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS
(UNAUDITED)

Function	2016	2017	2018	2019
Public Safety:				
Police				
Stations	1	1	1	1
Patrol Units	34	34	34	34
Other Units	*	*	*	*
Fire				
Stations	5	5	5	5
Fire Engines	8	8	8	8
Highways and Streets:				
Streets				
Streets (miles)	146	146	146	146
Traffic Signals	2	2	2	2
Culture and Recreation:				
Parks and Recreation				
Parks	13	13	13	13
Splash Pads	2	2	2	2
Nature Trails	3	3	3	3
Tennis/Pickleball Courts	4	4	4	4
Water and Sewer:				
Water				
Water Wells	8	8	8	8
Water Main (miles)	324	324	324	324
Wastewater				
Sanitary Sewers (miles)	284	284	284	284
Sanitation:				
Refuse Collection				
Collection Trucks	13	13	13	13

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Source: Various City Departments

2020	2021	2022	2023	2024	2025
1	1	1	1	1	1
34	44	46	46	55	57
*	29	34	34	34	33
5	5	5	5	5	5
8	10	12	12	13	12
146	146	146	145	145	145
2	2	2	2	2	2
13	13	13	15	15	15
2	2	2	2	2	2
3	3	3	4	4	4
4	4	4	23	21	21
8	9	9	9	9	9
324	324	324	367	355	351.6
284	284	284	288	307	292.1
13	13	13	12	14	14

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COMPLIANCE SECTION

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PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and
Members of the City Council
City of Nacogdoches, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Nacogdoches, Texas, as of and for the year ended September 30, 2025, and the related notes to the financial statements which collectively comprise the City of Nacogdoches, Texas' basic financial statements, and have issued our report thereon dated March 17, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Nacogdoches, Texas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Nacogdoches, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Nacogdoches, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Nacogdoches, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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OFFICE LOCATIONS
TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

AICPA GAQC Member

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Nacogdoches, Texas' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Nacogdoches, Texas' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Waco, Texas
March 17, 2026

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PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

Honorable Mayor and
Members of City Council
City of Nacogdoches, Texas

We have audited the financial statements of City of Nacogdoches, Texas as of and for the year ended September 30, 2025, and have issued our report thereon dated March 17, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 16, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

As a part of the engagement, we assisted in preparing the financial statements and related notes to the financial statements of the City of Nacogdoches, Texas in conformity with U.S. generally accepted accounting principles and Uniform Guidance based on information provided by management. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services were not conducted in accordance with *Government Auditing Standards*.

DRAFT

In order to reduce threats to our independence caused by these nonattest services to an acceptable level, we applied certain safeguards. These safeguards include a concurring review, which is a review of the financial statements and key audit areas which is performed by a partner or manager who has adequate experience in audits of local governments, but who was not involved in this audit engagement. The concurring reviewer serves as an evaluator of the performance of the engagement team and the nonattest services provided.

In addition, management assumed responsibility for the financial statements, related notes to the financial statements, and any other nonaudit services we provided. Management acknowledged, in the management representation letter, our assistance with the preparation of the financial statements and related notes to the financial statements and that these items were reviewed and approved prior to their issuance and accepted responsibility for them. Further, the nonaudit services were overseen by an individual within management that has the suitable skill, knowledge, or experience; evaluated the adequacy and results of the services; and accepted responsibility for them.

Significant Risks Considered

We have considered the following significant risks during our audit process, which required special audit consideration. None of the specific risks below have resulted in a significant matter, finding, or issue.

Significant Risk Considered	Reasoning for Special Audit Consideration
Management override of controls	The risk that members of management could circumvent well-designed and effective internal controls.
Debt issuances	Financial reporting requirements for proceeds of debt issuance are inherently complex.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to the financial statements. During the current fiscal year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. New note disclosures were added, and the cumulative effect of the accounting change has been reported in the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the allowance for uncollectible property taxes is based on a historical rate of 35% of outstanding property taxes as of September 30, 2025. We evaluated the key factors and assumptions used to develop the allowance for uncollectible property taxes in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for uncollectible trade accounts receivable is based on a historical rate of 15% trade accounts receivable at September 30, 2025. We evaluated key factors and assumptions used to develop the allowance for uncollectible trade accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

DRAFT

Management's estimate for the OPEB and net pension liabilities were based on actuarial studies performed by Gabriel, Roeder, Smith & Company and the Texas Municipal Retirement System, respectively. We evaluated the key factors and assumptions used to develop the estimates of the OPEB and net pension liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the useful lives of capital assets is based on the expected lifespan of the asset in accordance with the standard guidelines. We evaluated key factors and assumptions used to develop the estimate of useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate for closure and post-closure costs for the municipal landfill were based upon an engineering study performed by Solid Waste Management Consultants. We evaluated key factors and assumptions used to develop the estimate of the closure and post-closure costs in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimates of the City's compensated absences liability are based on historical trend analyses which are determined by the total available (accrued) hours of vacation, compensatory, and sick leave for all employees multiplied by the average pay rate of all employees less the average total hours of leave used over the last three fiscal years multiplied by the average pay rate. We evaluated the key factors and assumptions used to develop the compensated absences liability and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Nacogdoches, Texas' financial statements relate to long-term liabilities. The disclosures in the financial statements are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

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

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Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 17, 2026.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with City of Nacogdoches, Texas, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Nacogdoches, Texas' auditors.

Other Information Included in Annual Report

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in City of Nacogdoches, Texas' annual comprehensive financial report, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

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

New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) issued the following statements which become effective in subsequent fiscal years.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

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GASB Statement No. 105, *Subsequent Events* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of subsequent events. This Statement defines subsequent events as transactions or other events that occur after the date of the financial reporting statements but before the date the financial statements are available to be issued and clarifies the categories of subsequent events, when recognition is required, and when note disclosure is required. This Statement will become effective for reporting periods beginning after June 15, 2026, and the impact has not yet been determined.

Restrictions on Use

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

Waco, Texas
March 17, 2026

DRAFT

PRESENTER: Juan Pollette, City Planner

ITEM/SUBJECT: Public Hearing: Discuss and consider action on Specific Use Permit Case SUP2026-02 regarding a Specific Use Permit request for Stone, Sand, Gravel & Mineral Extraction in a R-4, Multi-Family district on one (1) parcel of land approximately 28.2 acres ± in size, more particularly described by Nacogdoches Central Appraisal District Parcel 85393; and generally located north of Powers Street between North Sanders Street and Old Tyler Road, Nacogdoches, Texas.

OVERVIEW: The applicant, Joseph Irie Montes of Jim/RB LLC., was previously granted approval of a Specific Use Permit for Stone, Sand, Gravel & Mineral Extraction on this property in January 2024. One of the conditions of approval limited the SUP to a term of twelve (12) months. That approval has since expired. The applicant is requesting approval of a new SUP to continue the same extraction activity for an additional one-year period. No changes are proposed to the scope of the operation, site layout, access, hours of operation, or conditions previously imposed by City Council.

Adjacent Land Use & Zoning

The subject property is currently zoned R-4, Multi-Family and I-2, Heavy Industrial, and is currently undeveloped. The surrounding zoning and land uses are as follows:

Direction	Comprehensive Plan	Zoning	Land Use
North	Single Family Residential	R-3, Two Family, R-2, Single Family & I-2, Heavy Industrial	Undeveloped
South (Across Powers St.)	Single-Family Residential	R-4, Multi-Family	City Water Utilities & Residential
East	Single Family Residential	R-4, Multi-Family	Undeveloped & Residential
West	Single-Family Residential	R-4, Multi-Family	Residential

The surrounding zoning and land uses remain unchanged since the prior SUP approval and include a mix of multi-family zoning, residential uses, undeveloped property, and industrial zoning to the east.

STAFF REVIEW:

Per Section 118.173 of the Zoning Ordinance, a Specific Use Permit may be approved if all the following conditions have been found:

Compatibility. The specific use will be compatible with and not injurious to the use and enjoyment of other property in the immediate vicinity, nor significantly diminish or impair property values within the immediate vicinity;
The applicant intends to complete extraction activities and leave the property in a condition suitable for future development consistent with the underlying zoning. No new compatibility concerns have been identified since the prior approval.

Orderly growth and development. The establishment of the specific use will not impede the normal and orderly development and improvement of surrounding vacant property;
The SUP should not impede the normal and orderly development of surrounding vacant property. Upon completion of extraction activities, the property will remain developable in accordance with the R-4 zoning district.

Supporting Facilities. Adequate utilities, access roads, drainage, and other necessary supporting facilities have been or will be provided;
The property takes access from Powers Street, a designated collector roadway. Existing roadway conditions remain adequate to serve the proposed use. Water service is available along Powers Street; no sewer service is currently adjacent to the property.

Drives and Parking. The design, location and arrangement of all driveways and parking spaces provides for the safe and convenient movement of vehicular and pedestrian traffic without adversely affecting the general public or adjacent developments;
Access and on-site circulation will remain consistent with the previously approved SUP and will comply with applicable City standards.

Nuisances. Adequate nuisance-prevention measures have been or will be taken to prevent or control offensive odor, fumes, dust, noise and vibration;
Existing mitigation measures, including preservation of vegetated buffers, silt fencing, and implementation of a Stormwater Pollution Prevention Plan (SWP3), will remain in place. The applicant has submitted an updated SWP3 report in compliance with state requirements. Hours of operation will continue to be limited to 8:00 a.m. to 6:00 p.m., Monday through Saturday.

Lighting. Any lighting to be provided will be directional so as not to disturb or adversely affect neighboring properties;
The owner is not proposing any additional lighting.

Landscaping. Sufficient landscaping and screening to ensure harmony and compatibility with adjacent property exists or will be provided;
Existing mature vegetation along Powers Street and North Sanders Street provides effective screening. No changes to landscaping are proposed.

Comprehensive Plan. The proposed use is in accordance with the comprehensive plan.
Future Land Use
The Future Land Use Plan designates the subject property as Single-Family Residential. While mineral extraction is not a compatible use for this designation, the requested Specific Use Permit is temporary in nature and does not alter the underlying zoning or future development potential of the property. Approval of the SUP will allow the continuation of a previously approved activity while preserving the ability for the site to develop in accordance with the Comprehensive Plan upon completion of extraction activities.

PUBLIC ENGAGEMENT:

- January 8, 2026 – Staff mailed eighty-three (83) neighborhood meeting notice postcards to property owners within 500 feet.
- January 22, 2026 – Staff coordinated a neighborhood meeting in the city hall council chambers on behalf of the applicant to receive input from surrounding property owners. None of the neighboring residents attended the meeting.
- January 20, 2026 – Staff mailed forty-seven (47) public meeting notice letters to property owners within 200 feet and thirty-six (36) notice postcards to property owners within 200-500 feet. No responses were received in favor or opposition of the request.
- January 25, 2026 – Legal ad published in the Daily Sentinel newspaper.

NOTE – This application is subject to additional notification procedures, including signage posted on the subject property, as well as notices on the City website and social media pages.

Recommended SUP conditions

Staff recommends the following conditions for the Specific Use Permit:

1. Hours of operation will be from 8:00 a.m. until 6:00 p.m., Monday through Saturday.
2. Preserve the existing vegetative buffer at a minimum of 25 ft in width around the perimeter of the property, allowing for a reasonable entrance into the area of excavation.
3. Install and maintain standard stormwater pollution prevention fencing in line with state regulations along the entrance of the property.
4. SUP will expire in 12 months from the date it is put into ordinance.
5. Additional street sweeping or cleanup will be provided once a week or as needed to keep the roadway in front of the site free of mud and debris.

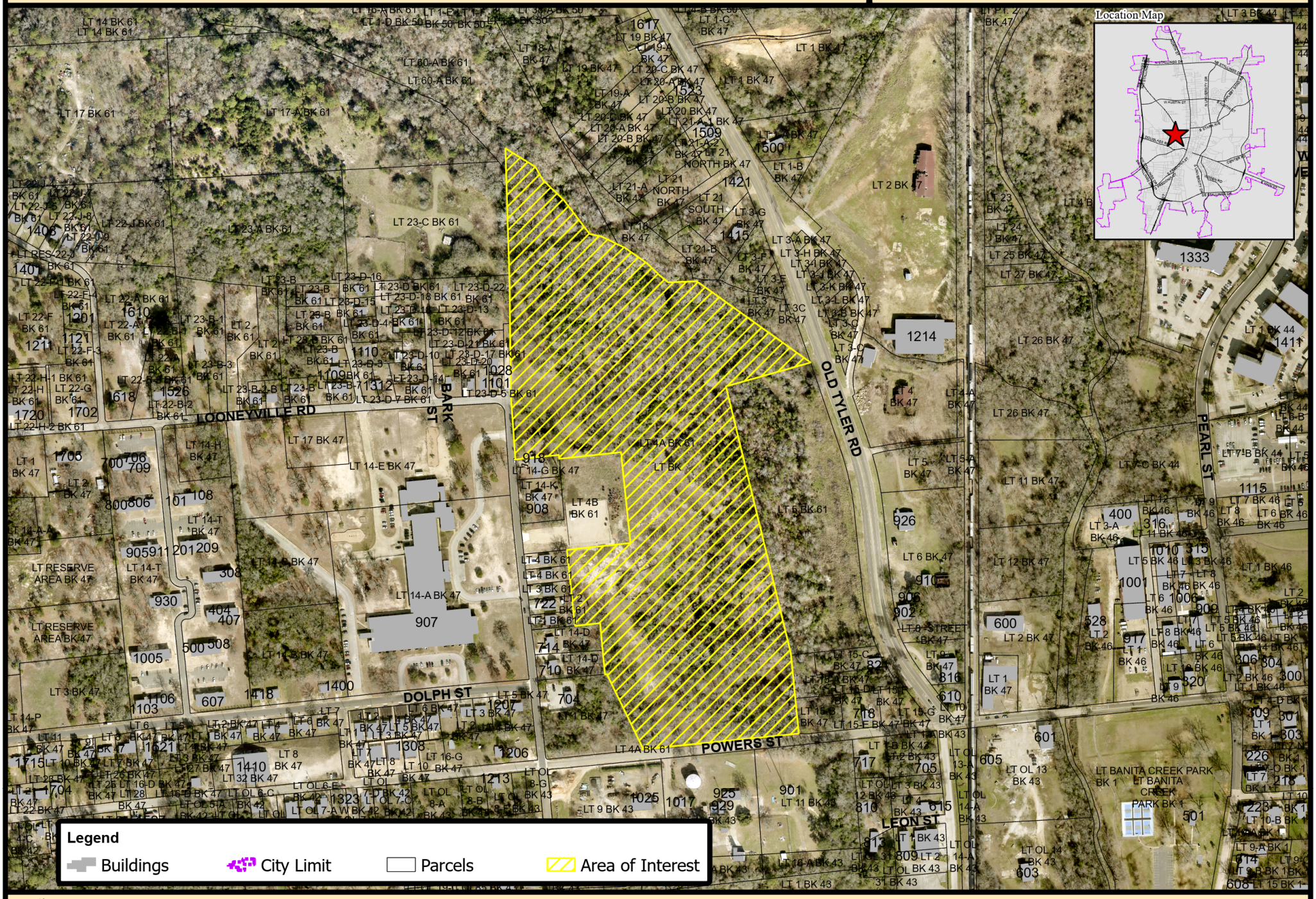
The Planning and Zoning Commission approved this item by unanimous vote (3-0) on March 9, 2026, with Commissioners Conklin and Arrant absent.

CITY CONTACT: Juan Pollette, City Planner

ATTACHMENTS:

1. Aerial Map
2. Zoning Map
3. Future Land Use Map
4. Notification Map 200ft
5. Updated SWP3
6. Site Photos

SUP2026-02 Aerial Map

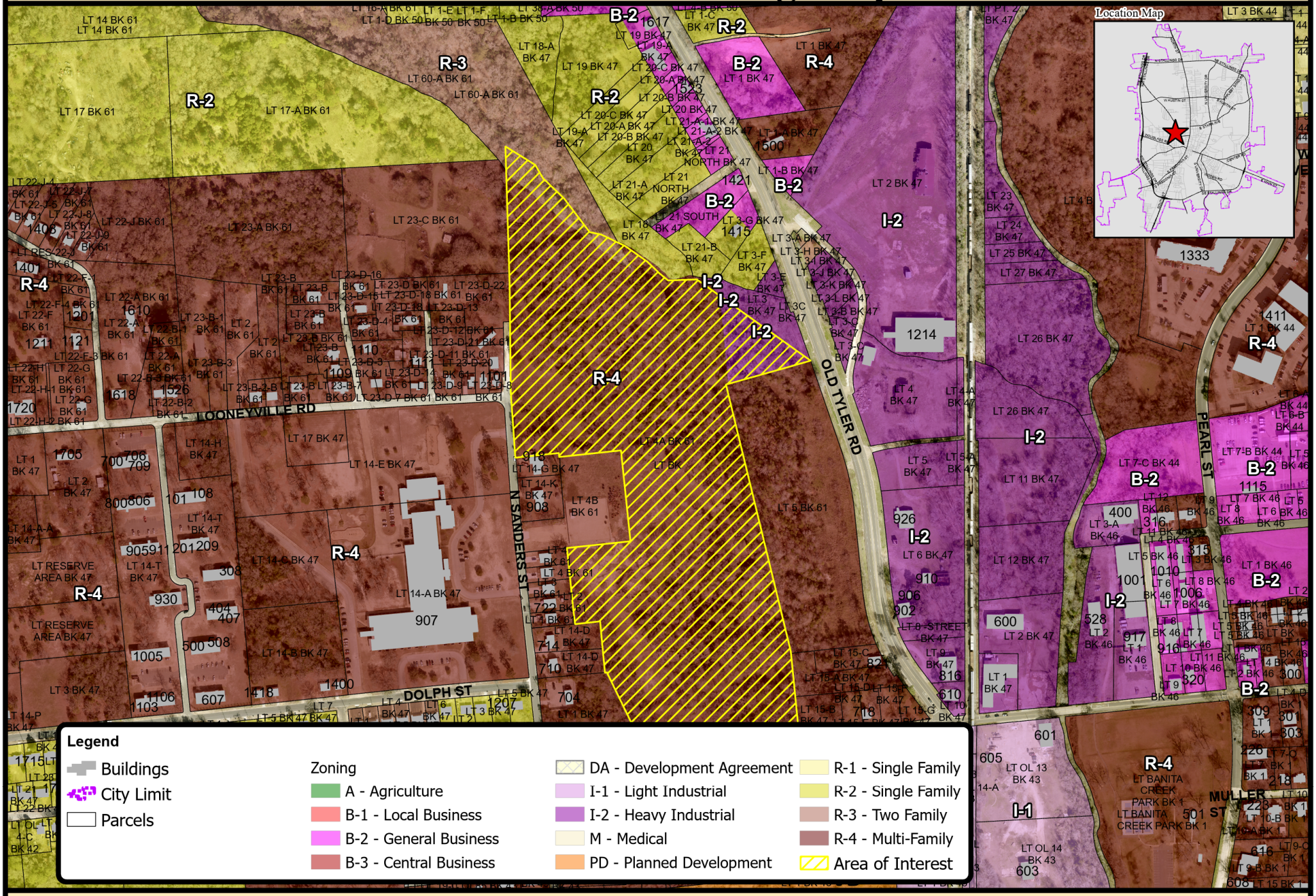


Date Created: 01/20/26 13:56 | ArcGIS Pro 3.2.2

Notice: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Nacogdoches
Engineering Department
GIS Division

SUP2026-02 Zoning Map

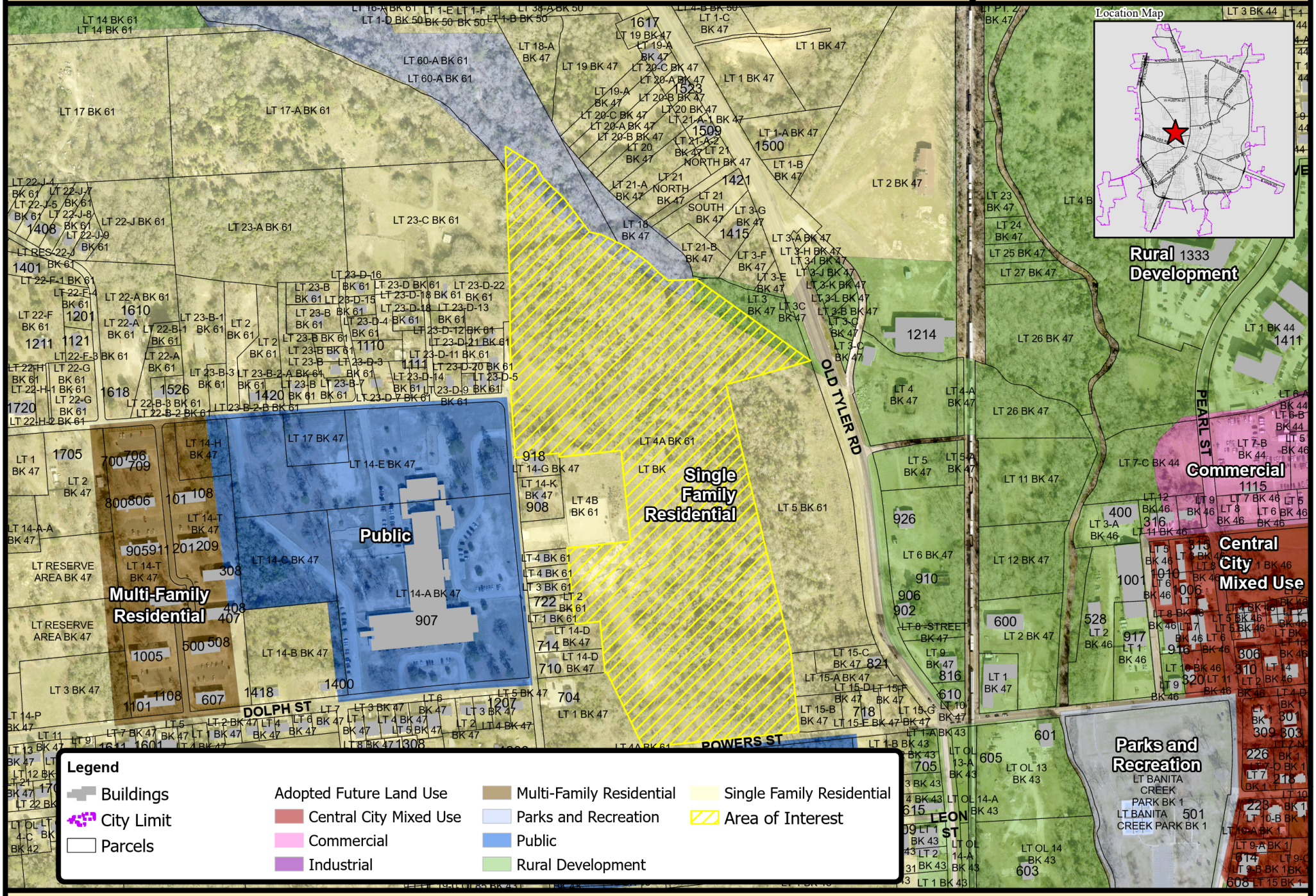


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Nacogdoches
Engineering Department
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SUP2026-02 Future Land Use Map

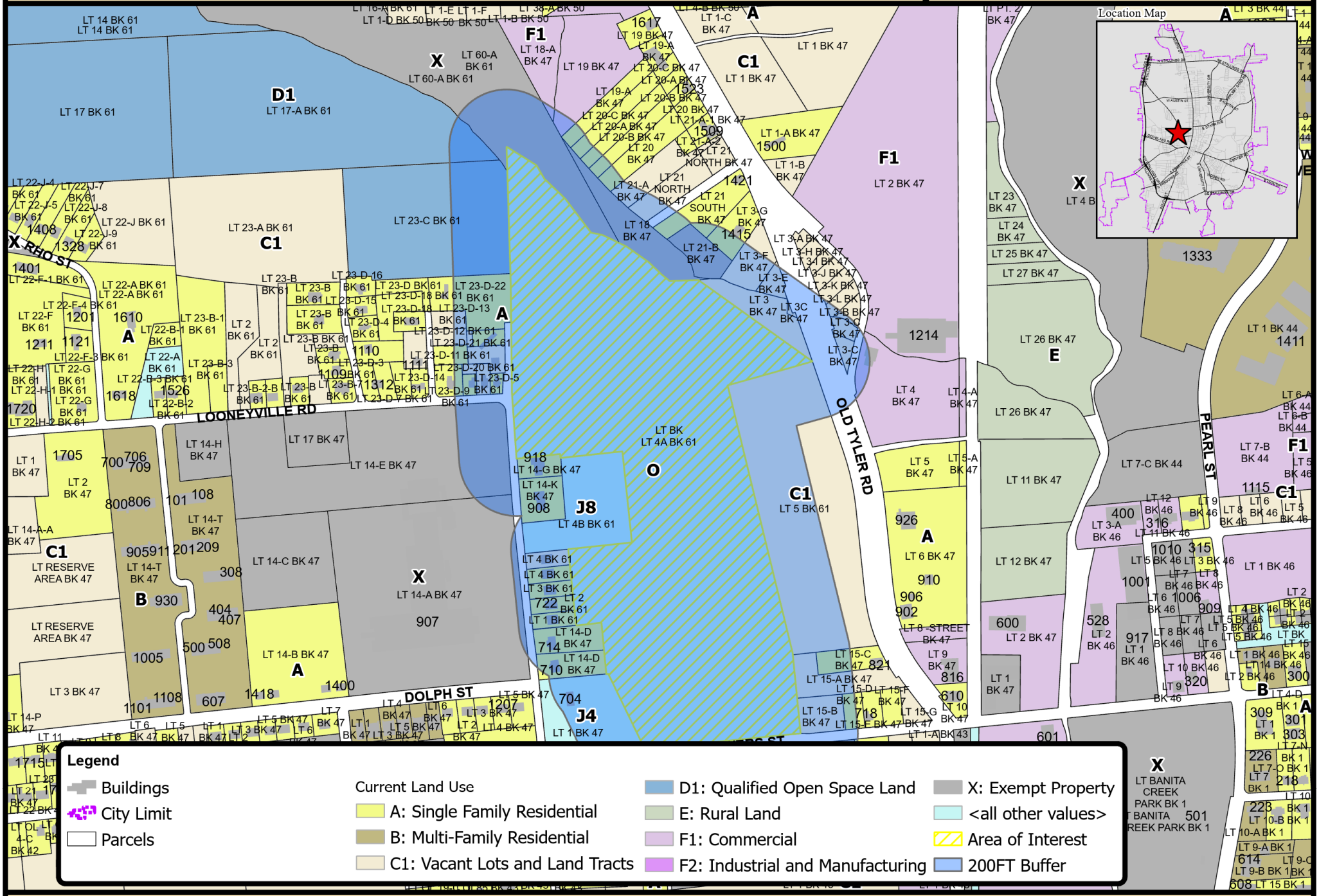


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Engineering Department
GIS Division

SUP2026-02 Notification Map



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Nacogdoches
Engineering Department
GIS Division

STORMWATER POLLUTION PREVENTION PLAN

PROPOSED POWERS ST. AND OLD TYLER ROAD SAND PIT CONSTRUCTION PROJECT

AN APPROXIMATE 4.8-ACRE CONSTRUCTION SITE
POWERS ST. AND OLD TYLER ROAD
NACOGDOCHES (NACOGDOCHES COUNTY), TEXAS

Date: October 24, 2024
Revised December 5, 2024
Revised January 12, 2026

Prepared for:

Aaron Montes
AMDI, Inc.
9778 US. Hwy 59 N
Nacogdoches, TX 75964

And

Joseph Irie Montes
JIM/RB, LLC

Prepared by:

Hydrex Environmental
312 Old Tyler Road
Nacogdoches, Texas 75961
(936) 568-9451 FAX (936) 568-9527

STORMWATER POLLUTION PREVENTION PLAN

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October 24, 2024
Revised December 5, 2024
Revised January 12, 2026

Mellisa Cooper, CESCP
Project Manager

Mellisa Cooper

Prepared by:

Hydrex ENVIRONMENTAL

312 Old Tyler
Nacogdoches, Texas 75961
(936) 568-9451 FAX (936) 568-952

Hydrex ENVIRONMENTAL

December 5, 2024

Aaron Montes
AMDI, Inc.
9778 US. Hwy 59 N
Nacogdoches, TX 75964
And
Joseph Irie Montes
JIM/RB, LLC

Re: Revised Stormwater Pollution Prevention Plan
Proposed Powers St. and Old Tyler Road Sand Pit Construction Project
An Approximate 4.8-Acre Construction Site
Old Tyler Road
Nacogdoches (Nacogdoches County), Texas
Hydrex Project No. S-01-1808

Dear Mr. Montes:

Hydrex Environmental is pleased to submit the accompanying Stormwater Pollution Prevention Plan (SWP3) for the above-referenced construction site. The SWP3 was prepared in accordance with the requirements outlined in the Texas Pollutant Discharge Elimination System (TPDES) General Permit No. TXR150000.

The site's SWP3 must be implemented and followed by your construction manager and/or contractor(s) until construction is complete and final stabilization of the construction area has been achieved. If you have any questions, please feel free to call me at (936) 568-9451. Thank you for the opportunity to provide you with this service and we look forward to working with you in the future.

Sincerely,
Hydrex Environmental

Mellisa Cooper

Mellisa Cooper, CESCP
Project Manager

CERTIFICATION PAGE

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Sign as required by 30 TAC §305.44(b).

Signed: _____ Date: _____
Name: Mr. Aaron Montes
Title: Authorized Representative

If plan is shared by more than one entity:

Signed: _____ Date: TPDES #: _____
Name: Joseph Irie Montes
Title: Owner and Co-Authorized Representative

Signed: _____ Date: TPDES #: _____
Name:
Title:

Signed: _____ Date: TPDES #: _____
Name:
Title:

Primary Operators

Aaron Montes AMDI Inc. and Joseph Irie Montes JIM/RB, LLC

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Appendix C - Record of Construction Schedule Activities

Record of Disturbance/Stabilization Activities

Appendix D - Inspection Forms for Stormwater Controls

Stormwater Construction Site Inspection Forms
Qualifications of the Inspector(s)

Appendix E - Texas Pollutant Discharge Elimination System (TPDES) General Permit No. TXR150000

Appendix F - Miscellaneous Documents

Required Activities to Perform
Small Construction Site Notice

1.0 INTRODUCTION

AMDI Inc. and JIM/RB, LLC are moving dirt from a sand pit located on Powers St. and Old Tyler Road. The project is located on an approximate 4.8-acre section of a larger piece of property located along Powers St. in Nacogdoches (Nacogdoches County), Texas (Appendix A, Plates A-1 and A-2). This Stormwater Pollution Prevention Plan (SWP3) has been prepared to outline and establish the best management practices (BMPs) and sediment and erosion controls that will be implemented, maintained, and/or followed for the duration of construction, including final stabilization by the operators, Aaron Montes AMDI Inc. (Operator).

This SWP3 has been developed in accordance with the requirements outlined in Texas Pollutant Discharge Elimination System (TPDES) Construction General Permit TXR150000, dated March 5, 2023. The purpose of implementing and following the site's SWP3 will be to minimize pollutants in stormwater discharges from the construction site. A copy of the TPDES Construction General Permit TXR150000 is included in Appendix E.

The disturbed area for this construction project will encompass approximately 4.8 acres of land (Appendix A, Plate A-3). Construction activities planned for this project will include the following:

1) installation of sediment controls,
2) land clearing, grubbing, grading, and site preparation,
3) removal of sand and grading as needed,
4) construction of any stormwater drainage conveyances, and
5) final grading and stabilization of disturbed areas.

Construction activities associated with this project began September 2024 and is expected to be completed approximately in April 2027.

2.0 SITE DESCRIPTION

The disturbed area for this construction project encompasses approximately 4.8 acres of land located along Powers St. and Old Tyler Road in Nacogdoches (Nacogdoches County), Texas (Nacogdoches County), Texas (Appendix A, Plates A-1 and A-2).

2.1 Topography and Receiving Waters

Topographically, the construction site is located in an area of sloping terrain on the top of a hill within the watershed of Banita Creek (Appendix A, Plate A-2). The terrain across the construction site slopes slightly to the east. Currently, stormwater runoff is expected to follow surface topography and move as sheet flow east to offsite stormwater conveyances which flow toward Mull Branch Creek. Mull Branch creek flows into Banita Creek which drains into La Nana Bayou and then ultimately drains into the Angelina River. Post-construction stormwater runoff at the site will be directed to off-site stormwater conveyances which will direct stormwater east towards Banita Creek.

2.2 Rainfall Data

According to the *Soil Survey of Nacogdoches County, Texas*, the average annual rainfall for Nacogdoches County is approximately 50 inches. About 50% of precipitation occurs between April and September.

2.3 On-Site Soils

The NRCS Web Soil Survey for Nacogdoches County, Texas indicates the soils at the project site are mapped as *Darco-Urban land complex, 1 to 8 percent slopes, Darco-Urban land complex, 8 to 25 percent slopes, Hannahatchee-Urban land complex, frequently flooded, and Trawick-Urban land complex, 8 to 20 percent slopes* (Appendix A, Plate A-4).

The *Darco-Urban land complex, 1 to 8 percent slopes* soil unit occurs throughout the western section of the construction site. This deep gently sloping soil is on broad convex interstream divides. These soils contain 50 percent of Darco soils, 35 percent of urban soils, and 15 percent of Lilbert and Briley soils. These soils are made up of dark brown to a pale brown loamy fine sand in the surface layers to a depth of 48 inches. The subsoil layers are a yellowish red sandy clay loam to a depth of 80 inches. The Urban land part of the soils is so covered by structures and parking lots that its identification is not feasible. The soil is well drained, has moderate permeability and low available water capacity. Run off is slow and erosion hazard is slight. This soil has medium potential for urban development.

The *Darco-Urban land complex, 8 to 25 percent slopes* soil unit occurs throughout the central section of the construction site. This strong to steep sloping soil is above drainage ways. These soils contain 60 percent of Darco soils, 30 percent of urban soils, and 10 percent of Teneha soils. These soils are made up of dark brown to a very pale brown loamy fine sand in the surface layers to a depth of 55 inches. The subsoil layers are a strong brown sandy clay loam to a depth of 72 inches. The Urban land part of the soils is so covered by structures and parking lots that its identification is not feasible. This soil has medium potential for urban development and a severe hazard to erosion.

The *Hannahatchee-Urban land complex, frequently flooded,* soil unit occurs throughout the northern section of the construction site. This nearly level soil and urban land is found on bottomlands. These soils contain nearly 50 percent Hannahatchee soils, 35 percent Urban land, and 15 percent Tuscosso soils. These soils are made up of reddish-brown loam about 6 inches thick. The subsoil layers are a yellowish red sandy clay loam to a depth of 43 inches. These soils are frequently flooded with most areas flooding each year. This soil has low potential for urban development with flooding as the main hazard.

The *Trawick-Urban land complex, 8 to 20 percent slopes* soil unit occurs through much of the southeastern and northern sections of the construction site. This deep, sloping to moderately steep soil and urban land is located on convex side slopes. These soils contain 55 percent of Trawick soils, 30 percent of urban soils, and 15 percent of Bub and Nacogdoches soils. These soils are made up of dark red clay loam in the surface layers to a depth of 5 inches. The subsoil layers are dark red clay to a depth of 45 inches. The Urban land part of the soils is so covered by structures and parking lots that its identification is not feasible. This soil has low potential for urban development.

2.4 Description and Sequence of Soil Disturbing Activities

During construction, up to 4.8 acres of total land area will be disturbed or used for storage. Soil disturbing activities may include, but are not limited to:

1) land clearing in preparation for installation of sediment control fencing,
2) installation of sediment control fencing,
3) land clearing, grubbing, and grading in support of proposed construction activities, and/or
4) final grading and seeding/planting for establishment of permanent vegetative cover in disturbed areas outside of newly constructed areas.

Construction activities for this project are scheduled to be performed in the following general order:

1) land clearing and grubbing the proposed construction area for installation of sediment control fencing,
2) installation of sediment control fencing along down-gradient boundaries of the construction site,
3) land clearing, grubbing, and grading in support of construction and/or modification of proposed and existing stormwater drainage conveyances,

4) temporary stabilization of disturbed areas and stockpiles of soil immediately after disturbance, or as soon as practical, if the areas will not be re-disturbed within fourteen (14) days,

5) completion of construction activities and/or modifications to the proposed and existing stormwater drainage conveyances,

6) completion of final grading and establishment of permanent vegetative cover for final stabilization of previously disturbed areas outside construction areas,

7) removal of all remaining temporary erosion/sediment controls upon completion of all construction activities and when the site is stabilized, and

8) stabilization of any areas disturbed during removal of the temporary sediment/erosion controls.

3.0 DESCRIPTION OF POTENTIAL POLLUTANTS AND SOURCES

The potential for pollutants to enter or mix with stormwater at this construction site is primarily dependent upon the activities performed and the materials used during the construction process. Activities that can potentially affect stormwater through contact include land clearing, grading, excavating, fueling, concrete pouring, asphalt paving, vehicle tracking, waste disposal, stabilization, and fertilization. A list of potential pollutants located on-site, and their sources is presented in the following table.

Table 1. Potential Pollutants and Their Sources

Potential Pollutants	Source
Sediment	Disturbed soil from land clearing and grading activities and stock piles of dirt and topsoil from on and off-site sources.
Petroleum products	Diesel and oil from on-site storage or from construction vehicles used on-site.
Concrete and asphalt	Discharge or runoff from use of concrete and/or asphalt materials during construction.
Solid waste	Materials used during construction or used by workers while on-site.
Fertilizers	Use of fertilizers during stabilization of soils and sediment.

As needed, additional pollutants can be added to the table as they are brought on-site.

Control measures contained within this plan are designed to eliminate or reduce any potential impact of these activities and materials to stormwater discharges that may leave the construction site. Specific best management practices and control measures for this site are described in Section 4.0.

4.0 DESCRIPTION OF STORMWATER CONTROLS

The following information describes the best management practices (BMPs) and control measures that may be implemented as part of construction activities, to control and minimize pollutants in stormwater discharges from the construction area. The locations where these controls may be implemented are indicated on the Sediment and Erosion Control Plan map, (Appendix A, Plate A-3). Typical design details for some of the types of control measures that may be implemented during construction are included in Appendix B of this SWP3 and within construction plan details maintained by the Operator. The Operator will be responsible for ensuring all necessary BMPs and control measures are properly installed and adequately maintained in accordance with good engineering practices and manufacturer's specifications.

4.1 Best Management Practices

BMPs are controls or techniques used to reduce or eliminate the potential for pollutants in stormwater discharges from leaving the construction site. The following table lists the types of BMPs as well as the location and purpose of the BMPs, and appropriate timing for implementing and maintaining the BMPs.

Table 2. Types and Locations of Best Management Practices

Type of Stormwater BMP	Location and Purpose of BMP	Appropriate Timing of the BMP
Construction Exit(s)	Construction exit(s) will serve to reduce vehicle tracking from the construction site and will be installed in accordance with the design guidelines. If on paved surfaces, alternate acceptable means of reducing sediment tracking will be utilized. If needed, pre-existing culverts at the entrance will be replaced during construction.	As an initial construction activity, until permanent exits are established.

Table 2. Types and Locations of Best Management Practices

Type of Stormwater BMP	Location and Purpose of BMP	Appropriate Timing of the BMP
Sediment Control Fencing	Along down-gradient boundaries of the site to minimize the potential for off-site accumulations of sediment during construction.	As construction begins and for the duration of construction until final stabilization occurs.
Inlet Protection	If needed, Inlets receiving stormwater runoff from the construction site will be protected to reduce the potential for sediment entering any storm sewer system or conveyance. In unpaved areas, inlet protection will be provided by sediment control fencing or other similar devices. Inlet protection will be provided in paved areas by bagged gravel or other appropriate means of protection.	After installation of inlets to a storm sewer system until final stabilization occurs.
Swales and Rock Check Dams	If needed, diversion, interceptor, or perimeter swales will be installed to direct stormwater away from the site. Rock check dams could be installed, as needed, within the swales in order to slow the velocity of the water and prevent off-site migration of sediment.	As an initial construction activity until final stabilization occurs. Swales will remain as a permanent control.
Stormwater Detention Area	If constructed, the stormwater detention area will be used in order to prevent off-site migration of sediment and potential pollutants before entering off-site drainage.	During initial construction and remaining as a permanent control.
Retaining Walls	If installed, retaining walls will be constructed along areas of higher relief, to divert stormwater and prevent sediment build-up. Sediment control fencing should be used, if necessary, to prevent sediment from leaving the property.	As construction begins and for the duration of the site.

Table 2. Types and Locations of Best Management Practices

Type of Stormwater BMP	Location and Purpose of BMP	Appropriate Timing of the BMP
Rock Rubble and Rip Rap at Discharge Outlets	As needed, stormwater discharge outlets will contain erosion protection devices such as paved slopes, rock rubble, rip rap, and/or erosion protection fabric, as needed. The purpose of the erosion protection devices is to reduce undercutting and erosion potential of stormwater flowing through each of the outlet flumes.	After installation of outlets until final stabilization has occurred.
Soil Stabilization	Stabilization practices implemented in previously disturbed areas may include planting temporary or permanent vegetation, sod stabilization, mulching, or hydro mulch seeding.	During construction, all disturbed areas of the site that will not be re-disturbed for fourteen (14) days or more must be stabilized immediately, or as soon as practical, following the last disturbance activity and upon completion of construction activities.
Post Construction Controls	Management of post-construction stormwater runoff will be provided by existing storm sewer system.	Existing controls will be protected with inlet protection during construction and will be maintained until final stabilization.

Accumulations of sediment will be removed from along the sediment control fencing by the Operator to ensure adequate sedimentation controls are maintained. At a minimum, sediment accumulations will be removed when fifty percent (50%) of the design capacity of the sediment control fencing has been exceeded. Upon completion of construction activities, final stabilization in all previously disturbed landscaped areas of the construction site will be achieved. All temporary BMPs will be removed, and the areas stabilized. Areas seeded, sodded, or planted for final stabilization will be watered as necessary, to promote permanent vegetative growth.

4.2 Good Housekeeping Measures

Good housekeeping measures will be taken to eliminate or reduce exposure of potential pollutant sources to precipitation and runoff. Typical good housekeeping measures are performed on a daily basis by employees during the course of normal work activities. The following table includes a list of typical good housekeeping measures conducted on-site.

Table 3. Good Housekeeping Measures Performed On-Site

Pollutant Source	Good Housekeeping Measures Performed on a Daily Basis
Solid Waste	All solid waste materials (litter or construction debris) will be collected and stored in trash bins or dumpsters and will be emptied as necessary or as frequently as required by local ordinance. No waste materials will be buried or burned on-site unless burning is in accordance with current state and local ordinances. Covering waste with a tarp or lid will minimize exposure of waste to stormwater.
Petroleum Products and Hazardous Waste Materials	Should petroleum products and hazardous waste materials be brought on-site, they will be properly handled and disposed of in the manner specified by local, state, or federal regulation, if applicable, or in the manner specified by the manufacturer. The Operator will ensure that all on-site construction personnel using petroleum products and hazardous waste materials are instructed in the proper practices and procedures for handling, storing, and safeguarding these materials and will ensure that these procedures are followed for the duration of construction activities. All spills or leaks should be promptly cleaned and disposed of properly.
Sanitary Waste	If necessary, portable sanitary waste units will be provided by the Operator for the duration of construction activities. The Operator will ensure that all sanitary waste is collected from the portable units by a licensed waste management contractor as often as needed or as often as required by local regulation or city ordinance.
Material Storage	If brought onsite, construction materials, construction chemicals, and stockpiled soils will be stored in designated storage areas in a manner that prevents the materials from becoming a pollutant source in stormwater discharges. Stockpiled soils will be protected using sediment control fencing or stabilized with temporary vegetation or mulching. Construction materials and construction chemicals will be stored off of the ground surface (i.e. on pallets) and under protective cover, if possible. In addition, all construction chemicals will be stored in the original manufacturer's containers with secured lids and clearly labeled.

Table 3. Good Housekeeping Measures Performed On-Site

Pollutant Source	Good Housekeeping Measures Performed on a Daily Basis
Off-site Vehicle Tracking	When necessary, the Operator will sweep and maintain adjacent streets to ensure excess dirt, mud, or rock tracked from the construction area is properly removed in a timely manner. Maintenance procedures used on adjacent streets will be in accordance with local, state, and federal transportation safety guidelines. Trucks hauling waste materials from the construction site will be covered to eliminate or minimize wind-blown litter and construction debris. The Operator, will ensure that all wind-blown litter and debris generated or originating from the construction site (including dust) is properly managed, controlled, and/or properly disposed.
Vehicle and Equipment Washing	Minimize the discharge of wash water from equipment and vehicle washing, wheel wash water, and other wash waters. Wash water must be treated in a sediment basin or alternative control. No soaps or solvents are allowed to be used in the washing process. No oil or grease may be co-mingled with wash water discharges.

4.3 Erosion and Sediment Control Requirements

Erosion and sediment controls must be designed, installed, and maintained to minimize the discharges of pollutants. These controls must:

1) control stormwater volume and velocity to minimize soil erosion,
2) control stormwater discharges to minimize channel and stream bank erosion and scour, at points of discharge,
3) minimize the amount of soil exposed,
4) minimize the disturbances of steep slopes,
5) minimize sediment discharges from the site by addressing the design installation of the controls,
6) if disturbance is located in close proximity of surface water, natural buffers must be provided and maintained, if feasible,
7) preserve the native top soil, and
8) minimize soil compaction.

4.4 Temporary Concrete Washout Facility

Prior to performing any concrete pouring activities, at least one (1) temporary concrete washout facility will be constructed and utilized at the site to contain concrete washout from mixer truck chutes or concrete mixing activities. If necessary, any temporary concrete washout facility will be constructed by the Operator, in accordance with the minimum design criteria provided on Plate B-3 in Appendix B, or in accordance with a suitable alternate method. The proper use of any designated washout facility will serve to prevent unpermitted discharges of concrete pollutants and wash water from leaving the construction site and entering surface waters of the state during the period covered by the TPDES Construction General Permit. (See Section 4.09 for conditions required to authorize the discharge of concrete truck washout.)

Any temporary concrete washout facility(s), if constructed, will be maintained for as long as needed during construction. When appropriate, any temporary washout facility will be removed by the Operator. Upon removal, all associated accumulations of concrete residue will be properly disposed of, and final stabilization of the area will be performed.

4.5 Concrete Truck Washout Requirements

If necessary, the discharge of concrete wash water within the site may be authorized under the TPDES Construction General Permit. This authorization is limited to the land disposal of washout water from concrete trucks that are associated with off-site production facilities and for on-site facilities provided certain requirements and conditions are met. The requirements and conditions for authorizing the disposal of concrete washout at the construction site include the following:

1) Discharge of concrete truck washout water to surface water in the state, including discharge to storm sewers, is prohibited.

2) Concrete truck washout shall be disposed in areas at the construction site where structural controls have been established to prevent discharge to surface waters of the state, or to areas that have a minimal slope that allow infiltration and filtering of wash water to prevent discharge to surface waters. Structural controls may consist of temporary berms, temporary

shallow pits, temporary storage tanks with slow rate release, or other reasonable measures to prevent runoff from the construction site.

3) Wash out of concrete trucks during rainfall events shall be minimized. The discharge of concrete washout water is prohibited at all times, and the Operator shall insure that its BMPs are sufficient to prevent the discharge of concrete truck washout as a result of rainfall or snowmelt.

4) The disposal of washout water from concrete trucks, made under authorization of the permit, must not cause or contribute to groundwater contamination.

5) The SWP3 shall include the locations of the designated concrete wash out area on the SWP3 site map (pen and ink additions are permitted).

If the above conditions are not met, the disposal of concrete washout is not authorized under the TPDES Construction General Permit.

4.6 Recordkeeping of Scheduled Construction Activities

To ensure erosion and sediment controls are implemented in a timely manner and followed, the Operator will maintain the following records on the Record of Disturbance/Stabilization Activities form in Appendix C:

1) dates when major grading activities occur,

2) dates when construction activities temporarily or permanently cease on a portion of the construction site, and

3) dates when stabilization measures are initiated.

The Record of Disturbance/Stabilization Activities form will be retained in Appendix C of the site's SWP3 for a period of three (3) years following the date final stabilization is achieved. Upon request, the form will be made readily available to:

1) the TCEQ executive director,

2) a federal, state, or local agency approving sediment and erosion plans, grading plans, or stormwater management plans,

3) local government officials, and

4) the Operator of any municipal separate storm sewer system (MS4) that may receive discharges from the construction site.

5.0 MAINTENANCE AND INSPECTIONS

5.1 Maintenance

All erosion and sediment control measures or other protective measures implemented at the construction site will be maintained in effective operating condition for the duration of construction activities and until the construction site has achieved final stabilization. The Operator will be responsible for implementing, maintaining, repairing, or modifying any ineffective or deficient erosion controls, sediment controls, or stormwater management controls implemented or installed at the construction site. Additionally, any deficiencies noted during the on-site inspections by the Operator, or its designated representative will be addressed and corrected before the next anticipated storm event or as soon as practicable.

If revisions to the site's SWP3 are deemed necessary, the Operator, or its designated representative will ensure these revisions are made.

If sediment escapes the construction area, the Operator will be responsible for removing off-site accumulations of sediment at a frequency sufficient to minimize off-site impacts.

The Operator will maintain previously installed sediment traps (i.e. sediment control fencing) to ensure the traps are providing adequate control for the duration of construction and until the construction area is finally stabilized. Along previously installed sediment control fencing, accumulations of sediment will be removed at a rate sufficient to maintain fifty percent (50%) or more of the sediment fencing's design capacity.

If applicable, previously installed inlet protection devices will be maintained by the Operator until the area drained by the inlet has been finally stabilized. Accumulations of sediment will be periodically removed from around all protected storm sewer inlets to ensure adequate drainage and sediment control is maintained.

The Operator will ensure all litter, construction debris, and construction chemicals exposed to stormwater at the site are prevented from becoming a pollutant source for stormwater discharges. In addition, the Operator will ensure proper disposal procedures are followed for all types of waste materials generated at the site during construction.

5.2 Inspections

An inspection of the construction site will be performed by a qualified representative of the Operator:

1) at least once every fourteen (14) calendar days **and** within twenty-four (24) hours following a storm event of 0.5 inches or greater, **or**

2) as an alternative to the above schedule, every seven (7) days.

The inspection schedule may be changed between the above two (2) options a maximum of one (1) time per month. Changes must be implemented at the beginning of the calendar month, and the reason for the change must be documented in the SWP3 (e.g. “wet” season, “dry” season). Inspections conducted using the seven (7) day option must be performed on the same day of each week. Inspection frequency must be conducted at least once every month in areas of construction sites that meet final or temporary stabilization while construction is still on-going.

Areas to be inspected will include:

1) disturbed areas that have not achieved final stabilization,

2) areas used for storage of materials that are exposed to precipitation,

3) structural controls for evidence of, or the potential for, pollutants entering the drainage system,

4) sediment and erosion control measures identified in the SWP3 to ensure that they are operating correctly, and

5) locations where vehicles enter or exit the construction site.

A Stormwater Construction Site Inspection Form, included in Appendix D, will be completed within 24 hours following an inspection. The construction inspection form will:

1) summarize the scope of the inspection,

2) contain the inspector's name and qualifications (qualifications for each inspector may be identified on a single page in Appendix D instead of repeating for each inspection),

3) contain the date of the inspection, and

4) identify major observations noted during the inspection.

Major observations noted during each inspection will include:

1) the location(s) of discharges of sediment or other pollutants from the construction site,

2) the location(s) of best management practices or controls that need to be maintained/repaired,

3) the location(s) of best management practices or controls that failed to operate as designed or proved inadequate for a particular location, and

4) the location(s) where additional best management practices or controls are needed.

Additionally, each inspection form will include a discussion of any incidents of non-compliance. When an inspection does not identify any incidents of non-compliance, the form shall contain a certification that the facility is in compliance with the SWP3 and the associated TPDES permit.

Each inspection form will be signed for certification by the Operator, or if applicable, its delegated representatives. Copies of all inspection forms will be maintained in

Appendix D of the site's SWP3 for a period of three (3) years following the date when final stabilization is completed.

6.0 NON-STORMWATER DISCHARGES

6.1 Permitted Non-Stormwater Discharges

The following permitted, non-stormwater discharges may occur at the construction site during the construction period:

1) discharges from firefighting activities (not included are: washing of trucks, runoff from training activities, test water from fire suppression systems, and similar activities),

2) uncontaminated fire hydrant flushings, which includes flushings from systems that use potable water, surface water, or groundwater that does not contain pollutants (excludes flushings of hyperchlorinated or reclaimed wastewater),

3) vehicle, external building, and pavement wash water where detergents and soaps are not used, where spills or leaks of toxic or hazardous materials have not occurred (unless spilled materials have been removed according to applicable local, state, or federal regulations), and where the purpose is to remove mud, dirt, and dust,

4) uncontaminated water used to control dust,

5) potable water sources including waterline flushings,

6) uncontaminated air conditioning condensate,

7) uncontaminated groundwater or spring water, including foundation or footing drains where flows are not contaminated with industrial materials such as solvents, and

8) lawn watering and similar irrigation drainage.

After appropriate erosion and sediment controls have been installed, the Operator, will ensure that all permitted, non-stormwater discharges are directed towards the site's installed erosion and sediment controls.

If necessary, the discharge of concrete wash water may be authorized under the TPDES Construction General Permit (Sections 4.4 and 4.5). If required, all concrete

wash water will be directed towards the construction site's previously installed temporary concrete washout facilities.

6.2 Non-Permitted Non-Stormwater Discharges

The following non-permitted, non-stormwater discharges may not occur at the construction site during the construction period:

1) wastewater from washout concrete,
2) wastewater from wash out and cleanout of stucco, paint, form release oils, curing compound, and other construction materials,
3) fuels, oils, or other pollutant used in vehicle equipment operation and maintenance,
4) soaps or solvents used in vehicle and equipment washing,
5) toxic or hazardous substances from a spill or other release, and
6) discharges from dewatering activities.

7.0 AMENDING THE PLAN

The Operator will ensure that the site's SWP3 is revised, amended, or updated when:

1) there is a change in design, construction, operation, or maintenance that has a significant effect on the discharge of pollutants and that has not been previously addressed in the SWP3,

2) changing site conditions based on updated plans and specifications, new operators, new areas of responsibility, and changes in BMPs, or

3) results of inspections or investigations by the site personnel authorized by the permittee, operator of a municipal separate storm sewer system receiving the discharge, authorized TCEQ personnel, or a federal, state, or local agency approving sediment and erosion control plans indicate the SWP3 is proving ineffective in eliminating or significantly minimizing pollutants in discharges authorized under TPDES General Permit TXR150000.

If an authorized official notifies the Operator at any time that the SWP3 does not meet one or more of the minimum requirements for a SWP3 **or** if the results of any inspection indicate the necessity to modify the SWP3, then the appropriate modifications or changes will be made to the plan by the Operator no more than seven (7) days following the date of the authorized official's notice or the inspector's report.

8.0 PLAN AVAILABILITY, POSTED NOTICES, AND RECORD RETENTION

8.1 Plan Availability

During construction, a copy of the SWP3 and all related documents and inspection reports will be retained at the construction site at Powers St. and Old Tyler Rd, Nacogdoches (Nacogdoches County), Texas or, if the site is inactive, in the office of AMDI, Inc. located at 9778 US. Hwy 59 Nacogdoches (Nacogdoches County), TX. Upon request, the SWP3 will be made available to:

1) the TCEQ executive director,

2) a federal, state, or local agency approving erosion and sediment control plans, grading plans, or stormwater management plans, local government officials, and

3) the operator of a municipal separate storm sewer system receiving discharges from the construction site.

8.2 Posted Notices

A TPDES Construction Site Notice, included in Appendix F, will be posted near the site's main construction entrance/exit for the duration of construction activities. For a linear construction project, such as a pipeline or highway, the notice(s) must be placed in a publicly accessible location near where active construction is underway. The notice(s) will contain the following information:

1) the TPDES permit number for the project (if 5 acres or greater),

2) contact name and telephone number of a representative for both the primary and secondary operators,

3) physical address or a description and location of the project,

4) projected start and end dates, and

5) location of the SWP3.

8.3 Retention of Records

A copy of the SWP3 will be kept at the construction site from the time construction activities begin until final stabilization of the site has been achieved. Following completion of construction, a copy of the SWP3 and a copy of all reports and actions, which include signed inspections (Appendix D), records of the construction schedule activity (Appendix C), and a copy of the construction site notice(s) (Appendix F), will be retained in the office of AMDI, Inc. located at 9778 US. Hwy 59 Nacogdoches (Nacogdoches County), TX. The SWP3, along with its associated records, will be retained for a period of three (3) years following the date that final stabilization is achieved. Records will include:

1) a copy of the SWP3,

2) all reports and actions required by the permit, including a copy of the construction site notice,

3) all data used to complete the Notice of Intent (NOI), if an NOI is required, and

4) all records of forms submitted to the operator of any MS4 receiving the discharge and to the secondary operator of a large construction site, if applicable.

9.0 COMPLIANCE WITH APPROVED STATE AND LOCAL PLANS

The Operator will ensure that the site's SWP3:

1) is consistent with requirements specified in applicable sediment and erosion site plans or site permits, or stormwater management site plans or site permits approved by federal, state or local officials, and

2) is updated as necessary to remain consistent with any changes applicable to protecting surface water resources in sediment and erosion site plans or permits, or stormwater management site plans or site permits approved by state or local officials for which the permittee receives written notice.

If the permittee is required to prepare a separate management plan, including but not limited to a Water Pollution Abatement Plan or Contributing Zone Plan in accordance with 30 TAC Chapter 213 (related to the Edwards Aquifer), then a copy of that plan must be either included in the SWP3 or made readily available upon request to authorized personnel of the TCEQ. The permittee shall maintain a copy of the approval letter for the plan in its SWP3.

10.0 REFERENCES

BarWin Consultants, 2002, *Typical Design Details for Erosion and Sediment Controls*.

Dolezel, Fuchs, 1980, *Soil Survey of Nacogdoches County*, *Texas,* United States Department of Agriculture, Soil Conservation Service.

ESRI, ArcGIS Online World Street Map, (Plate A-1).

Nacogdoches County, Ariel Photograph, 2024, (Plate A-3).

North Central Texas Council of Governments (NCTCOG), 1993, *Diagram of Filter Fabric Inlet Protection*.

National Resources Conservation Service (NRCS), Soil Data Map (Plate A-4).

Soil Survey Staff, Natural Resources Conservation Service, United States Department of Agriculture. Web Soil Survey. Available online at the following link: https://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm.

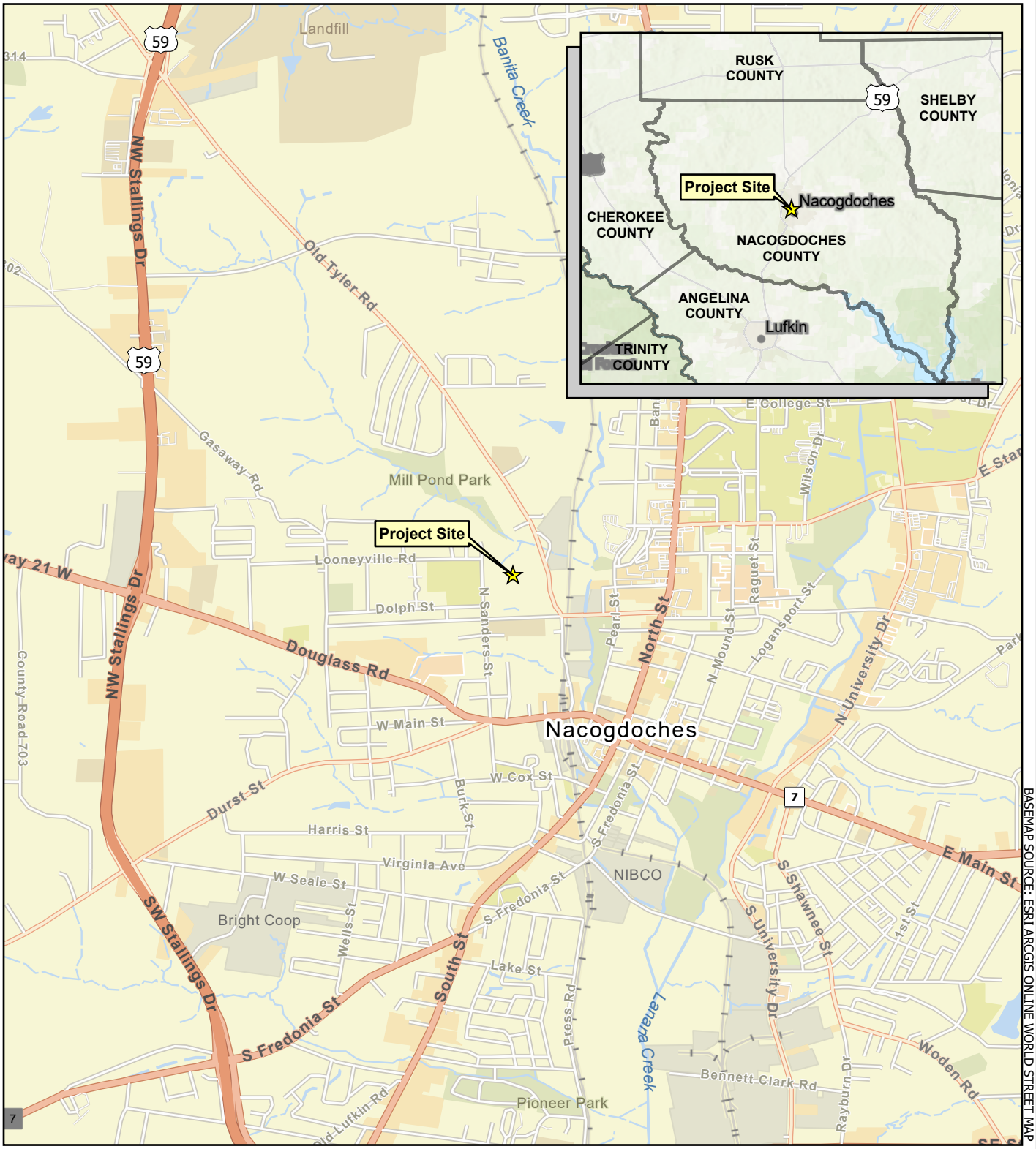
State of California, 2003, *Typical Design Details for Temporary Concrete Wash Out Facilities*, California Stormwater Best Management Practices Handbook.

Texas Commission on Environmental Quality, 2023, Texas Pollutant Discharge Elimination System, *General Permit Number TXR150000, Relating to Stormwater Discharges Associated with Construction Activities*.

United States Geological Survey, 7-1/2 Minute Topographic Quadrangle Map, Nacogdoches North, Texas 1983 Sheet and Nacogdoches South, Texas 1983 (Plate A-2).

Appendix A

Plates



Project Site

0 3,000
Feet

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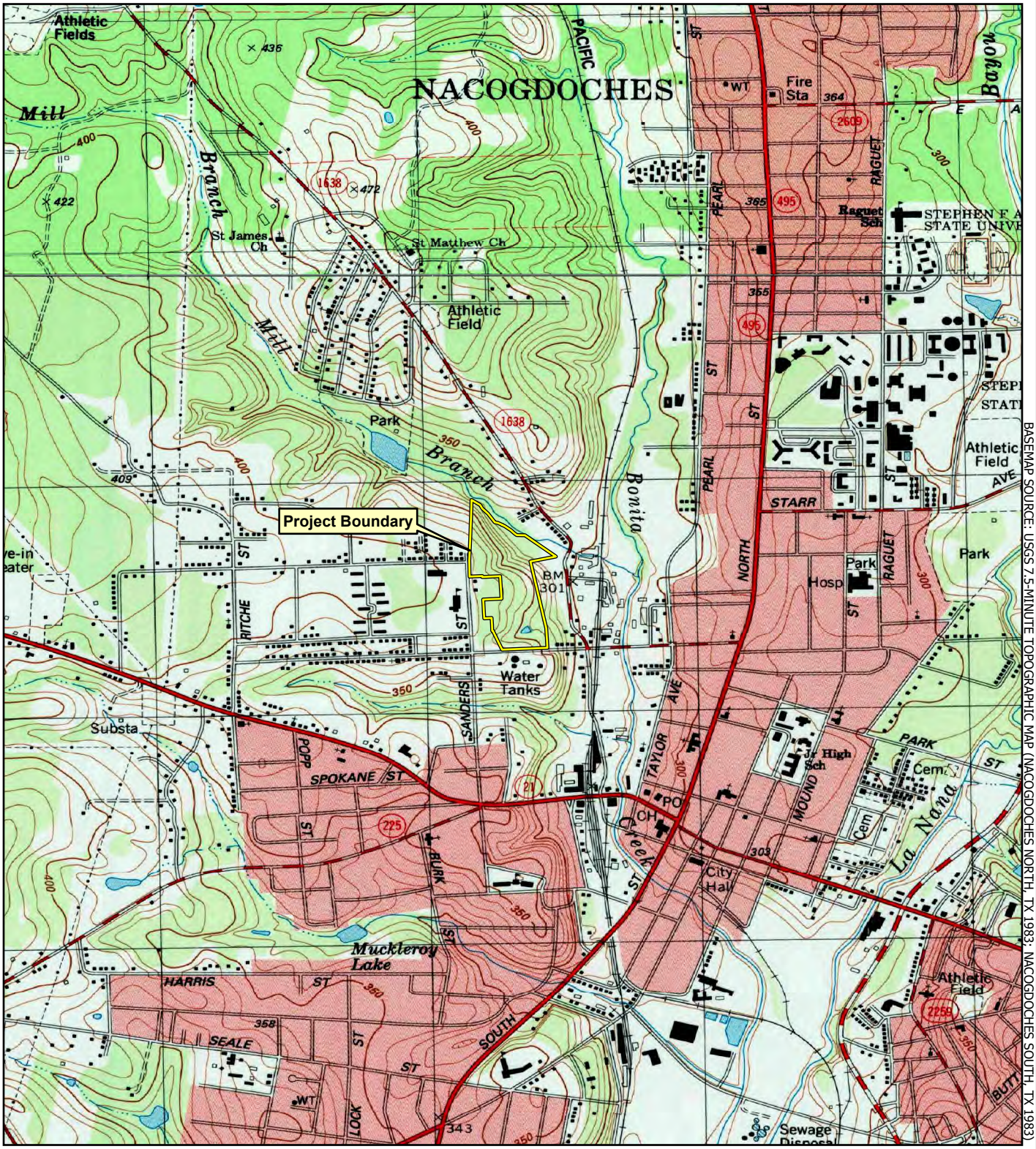
Hydrex ENVIRONMENTAL

PLATE A-1

VICINITY MAP

Proposed Old Tyler Road Sand Pit Construction
An Approximate 4.8-Acre Constrution Site Old Tyler Road Nacogdoches, TX 75964

Map Revised: 12/04/2024	Project Number: S-01-1808	GIS Analyst: DS



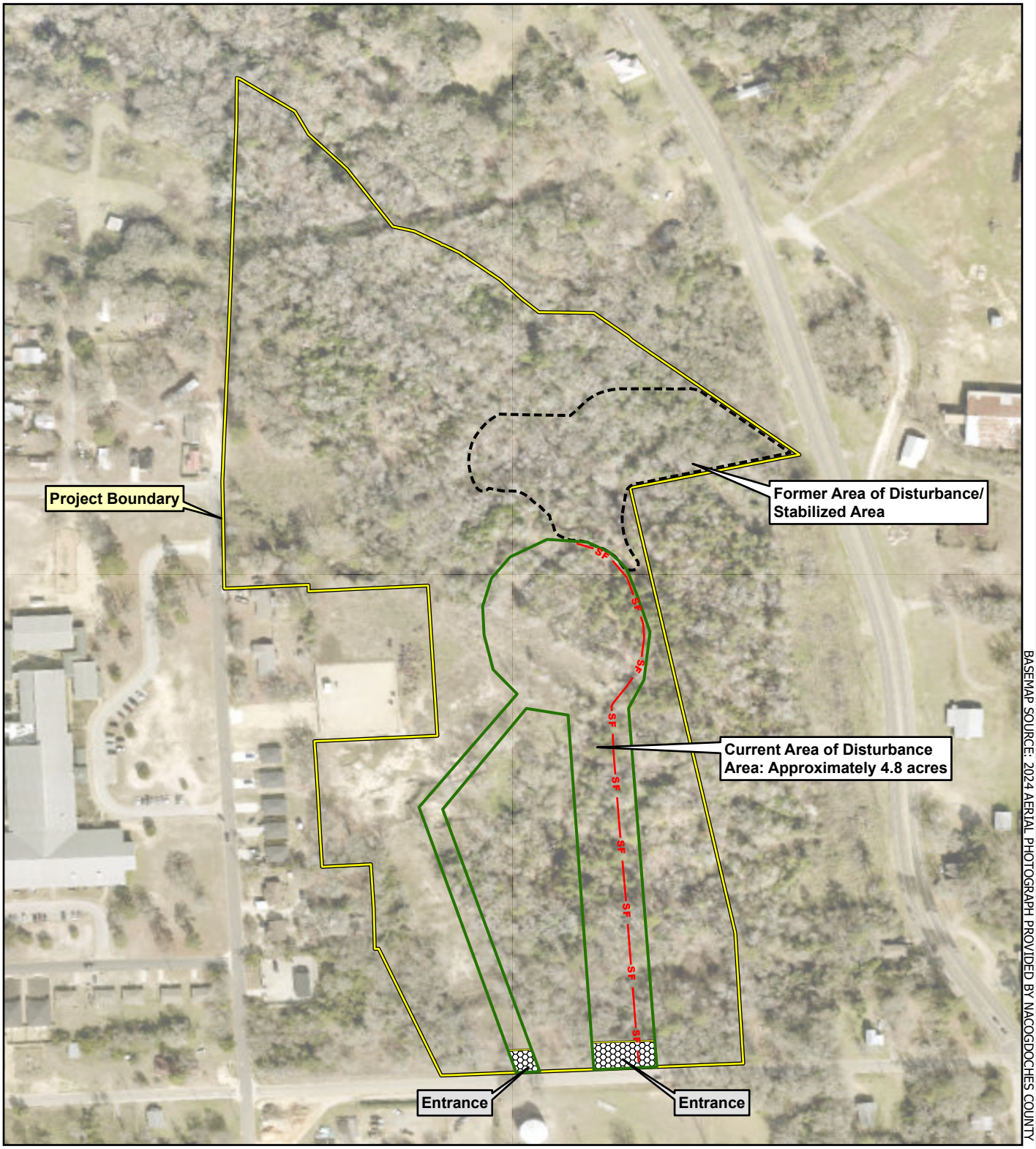
Hydrex ENVIRONMENTAL

PLATE A-2

USGS TOPOGRAPHIC MAP

Proposed Old Tyler Road Sand Pit Construction An Approximate 4.8-Acre Constrution Site Old Tyler Road Nacogdoches, TX 75964

Map Revised: 12/04/2024	Project Number: S-01-1808	GIS Analyst: DS



BASEMAP SOURCE: 2024 AERIAL PHOTOGRAPH PROVIDED BY NACOGDOCHES COUNTY

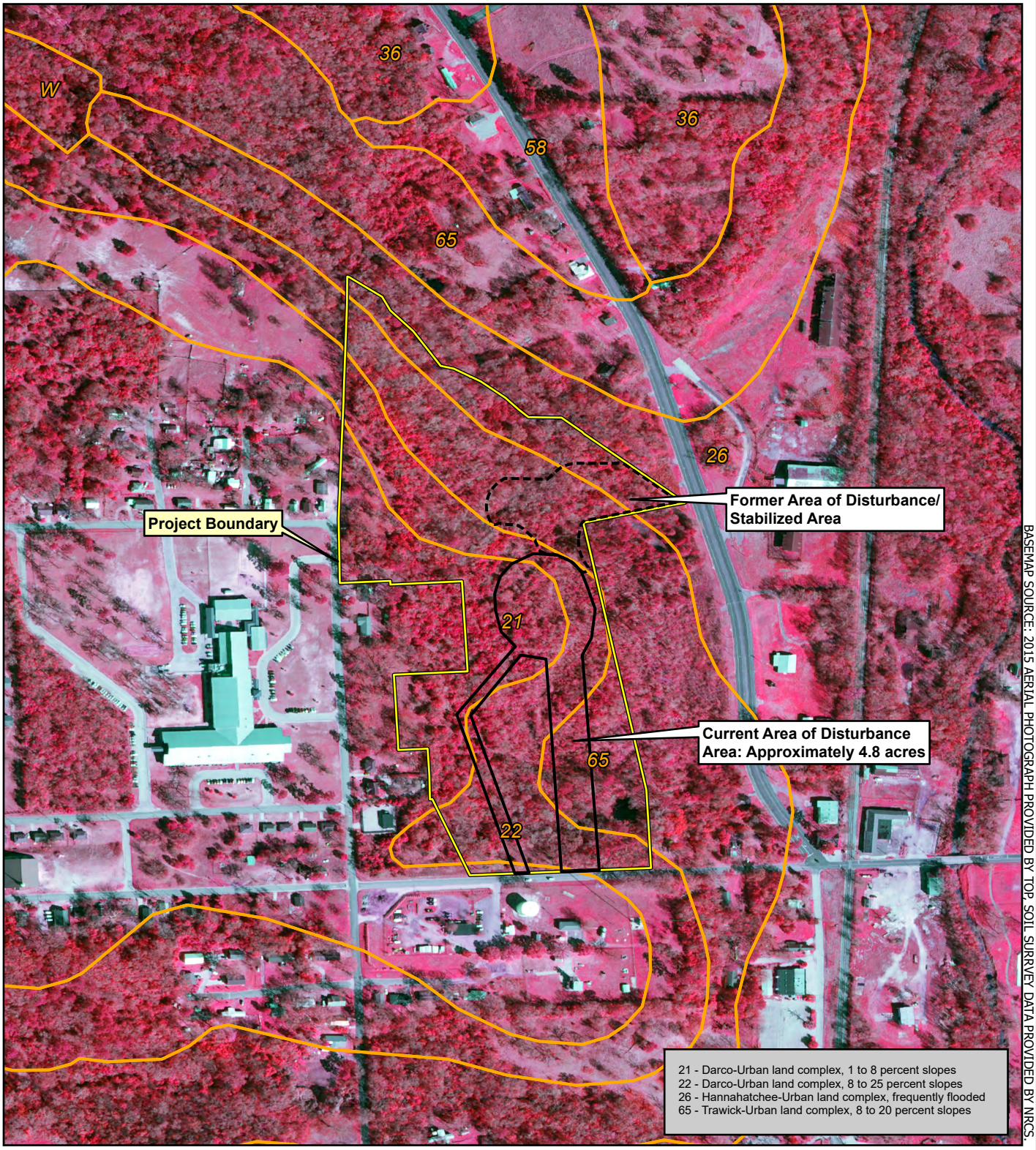
Hydrex ENVIRONMENTAL

PLATE A-3

2024 AERIAL PHOTOGRAPH

Proposed Old Tyler Road Sand Pit Construction
An Approximate 4.8-Acre Constrution Site
Old Tyler Road Nacogdoches, TX 75964

Map Revised: 12/03/2024	Project Number: S-01-1808	GIS Analyst: CLE



BASEMAP SOURCE: 2015 AERIAL PHOTOGRAPH PROVIDED BY TOP. SOIL SURVEY DATA PROVIDED BY NRCS.

Hydrex ENVIRONMENTAL

PLATE A-4

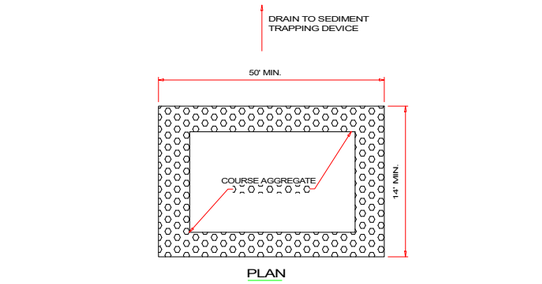
NRCS SOIL SURVEY MAP

Proposed Old Tyler Road Sand Pit Construction
An Approximate 4.8-Acre Constrution Site
Old Tyler Road Nacogdoches, TX 75964

Map Revised: 12/03/2024	Project Number: S-01-1808	GIS Analyst: CLE

Appendix B

Stormwater Controls



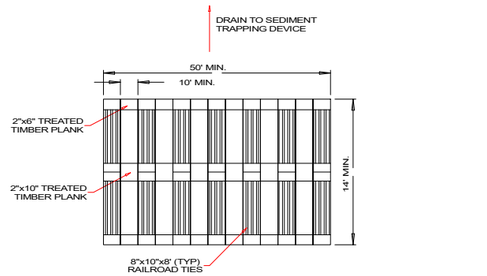
PLAN

PROFILE

CONSTRUCTION EXIT (TYPE 1)

GENERAL NOTES

1. THE LENGTH OF THE TYPE 1 CONSTRUCTION EXIT SHALL BE AS INDICATED ON THE PLANS, BUT NOT LESS THAN 50'.
2. THE COARSE AGGREGATE SHOULD BE OPEN GRADED WITH A SIZE 4" TO 8".
3. THE APPROACH TRANSITIONS SHOULD BE NO STEEPER THAN 6:1 AND CONSTRUCTED AS DIRECTED BY THE ENGINEER.
4. THE CONSTRUCTION EXIT FOUNDATION COURSE SHALL BE FLEXIBLE BASE, BITUMINOUS CONCRETE, PORTLAND CEMENT CONCRETE OR OTHER MATERIAL AS APPROVED BY THE ENGINEER.
5. THE CONSTRUCTION EXIT SHALL BE GRADED TO ALLOW DRAINAGE TO A SEDIMENT TRAPPING DEVICE.
6. THE GUIDELINES SHOWN HEREON ARE SUGGESTIONS ONLY AND MAY BE MODIFIED BY THE ENGINEER.



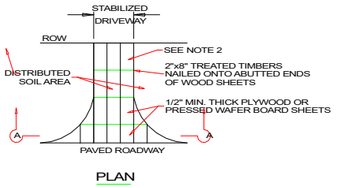
PLAN

PROFILE

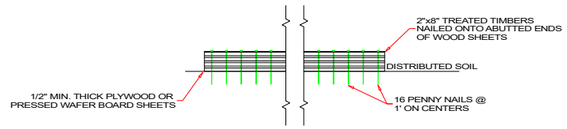
CONSTRUCTION EXIT (TYPE 2)

GENERAL NOTES

1. THE LENGTH OF THE TYPE 2 CONSTRUCTION EXIT SHALL BE AS INDICATED ON THE PLANS, BUT NOT LESS THAN 50'.
2. THE TREATED TIMER PLANKS SHALL BE ATTACHED TO THE RAILROAD TIES WITH 1/2"x6" MIN.100 BOLTS. OTHER FASTENERS MAY BE USED AS APPROVED BY THE ENGINEER.
3. THE TREATED TIMBER PLANKS SHALL BE #2 GRADE MIN., AND SHOULD BE FREE FROM LARGE AND LOOSE KNOTS.
4. THE APPROACH TRANSITIONS SHALL BE NO STEEPER THAN 6:1 AND CONSTRUCTED AS DIRECTED BY THE ENGINEER.
5. THE CONSTRUCTION EXIT FOUNDATION COURSE SHALL BE FLEXIBLE BASE, BITUMINOUS CONCRETE, PORTLAND CEMENT CONCRETE OR OTHER MATERIAL AS APPROVED BY THE ENGINEER.
6. THE CONSTRUCTION EXIT SHOULD BE GRADED TO ALLOW DRAINAGE TO A SEDIMENT TRAPPING DEVICE.
7. THE GUIDELINES SHOWN HEREON ARE SUGGESTIONS ONLY AND MAY BE MODIFIED BY THE ENGINEER.



PLAN

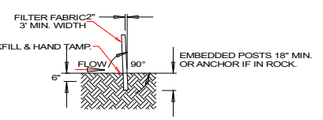


SECTION A-A

CONSTRUCTION EXIT (TYPE 3)

GENERAL NOTES

1. THE LENGTH OF THE TYPE 3 CONSTRUCTION EXIT SHALL BE AS SHOWN ON THE PLANS, OR AS DIRECTED BY THE ENGINEER.
2. THE TYPE 3 CONSTRUCTION EXIT MAY BE CONSTRUCTED FROM OPEN GRADED CRUSHED STONE WITH A SIZE OF TWO TO FOUR INCHES SPREAD A MIN. OF 4" THICK TO THE LIMITS SHOWN ON THE PLANS.
3. THE TREATED TIMBER PLANKS SHALL BE #2 GRADE MIN., AND SHOULD BE FREE FROM LARGE AND LOOSE KNOTS.
4. THE GUIDELINES SHOWN HEREON ARE SUGGESTION ONLY AND MY BE MODIFIED BY THE ENGINEER.



SECTION A-A

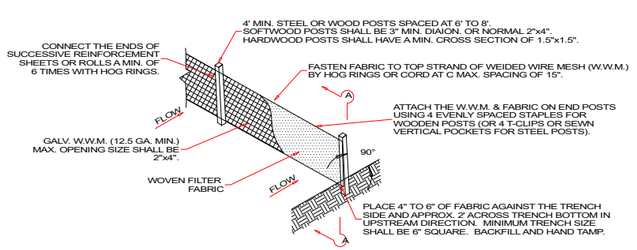
SEDIMENT CONTROL FENCE USAGE GUIDELINES

A SEDIMENT CONTROL FENCE MAY BE CONSTRUCTED NEAR THE DOWNSTREAM PERIMETER OF A DISTURBED AREA ALONG A CONTOUR TO INTERCEPT SEDIMENT FROM OVERLAND RUNOFF. A 2 YEAR STORM FREQUENCY MAY BE USED TO CALCULATE THE FLOW RATE TO BE FILTERED.

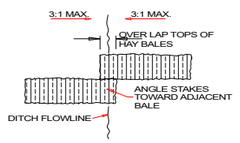
SEDIMENT CONTROL FENCE SHOULD BE SIZED TO FILTER A MAX. FLOW THROUGH RATE OF 100 GPM/FT2. SEDIMENT CONTROL FENCE IS NOT RECOMMENDED TO CONTROL EROSION FROM A DRAINAGE AREA LARGER THAN 2 ACRES.

GENERAL NOTES

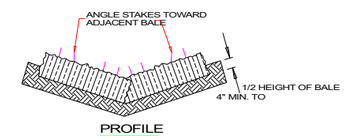
1. THE GUIDELINES SHOWN HEREON ARE SUGGESTIONS ONLY AND MAY BE MODIFIED BY THE ENGINEER.



TEMPORARY SEDIMENT CONTROL FENCE



PLAN



PROFILE

BALED HAY USAGE GUIDELINES

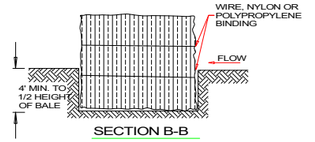
A BALED HAY INSTALLATION MAY BE CONSTRUCTED NEAR THE DOWNSTREAM PERIMETER OF A DISRUPTED AREA ALONG A CONTOUR TO INTERCEPT SEDIMENT FROM OVERLAND RUNOFF. A TWO YEAR STORM FREQUENCY MAY BE USED TO CALCULATE THE FLOW RATE TO BE FILTERED. THE INSTALLATION SHOULD BE SIZED TO FILTER A MAXIMUM FLOW THRU RATE OF 5 GPM/FT2 OF CROSS SECTIONAL AREA. BALED HAY MAY BE USED AT THE FOLLOWING LOCATIONS.

1. WHERE THE RUNOFF APPROACHING THE BALED HAY FLOWS OVER DISTURBED SOIL FOR LESS THAN 100'. IF THE SLOPE OF THE DISTURBED SOIL EXCEEDS 10%, THE LENGTH OF SLOPE UPSTREAM THE BALED HAY SHOULD BE LESS THAN 50'.
2. WHERE THE INSTALLATION WILL BE REQUIRED FOR LESS THAN 3 MONTHS.
3. WHERE THE CONTRIBUTING DRAINAGE AREA IS LESS THAN 1/2 ACRE.

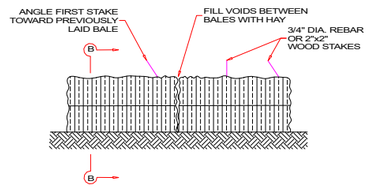
FOR BALED HAY INSTALLATIONS IN SMALL DITCHES, THE ADDITIONAL FOLLOWING CONSIDERATIONS APPLY:

1. THE DITCH SIDESLOPES SHOULD BE GRADED AS FLAT AS POSSIBLE TO MAXIMIZE THE DRAINAGE FLOWRATE THRU THE HAY.
2. THE DITCH SHOULD BE GRADED LARGE ENOUGH TO CONTAIN THE OVERTRAPPING DRAINAGE WHEN SEDIMENT HAS FILLED TO THE TOP OF THE BALED HAY.

BALES SHOULD BE REPLACED USUALLY EVERY 2 MONTHS OR MORE OFTEN DURING WET WEATHER WHEN LOSS OF STRUCTURAL INTEGRITY IS ACCELERATED.



SECTION B-B



BALED HAY FOR EROSION CONTROL

GENERAL NOTES

1. HAY BALES SHALL BE A MINIMUM OF 30" IN LENGTH AND WEIGH A MINIMUM OF 50 LBS.
2. HAY BALES SHALL BE BOUND BY EITHER WIRE OR NYLON OR POLYPROPYLENE STRING. THE BALES SHALL BE COMPOSED ENTIRELY OF VEGETABLE MATTER.
3. HAY BALES SHALL BE EMBEDDED IN THE SOIL A MINIMUM OF 4" AND WHERE POSSIBLE 1/2 THE HEIGHT OF THE BALE.
4. HAY BALES SHALL BE PLACED IN A ROW WITH ENDS TIGHTLY ABUTTING THE ADJACENT BALES. THE BALES SHALL BE PLACED WITH BINDINGS PARALLEL TO THE GROUND.
5. HAY BALES SHALL BE SECURELY ANCHORED IN PLACE WITH 3/8" DIA. REBAR OR 2"x2" WOOD STAKES, DRIVEN THROUGH THE BALES. THE FIRST STAKE SHALL BE ANGLED TOWARDS THE PREVIOUSLY LAID BALE TO FORCE THE BALES TOGETHER.
6. THE GUIDELINES SHOWN HEREON ARE SUGGESTIONS ONLY AND MAY BE MODIFIED BY THE ENGINEER.

GENERAL NOTES

1. THE CONTRACTOR IS RESPONSIBLE FOR COMPLETELY IDENTIFYING AND LOCATING ALL UTILITIES WITHIN THE PROJECT AREA, AND FOR PROTECTING, REPAIRING AND REPLACING SUCH LINES, CABLES, PIPES AND APPURTENANCES. THE UTILITIES SHOWN ON THIS DRAWING ARE APPROXIMATE AND MAY NOT REPRESENT THE EXACT LOCATION OR MATERIALS OF EXISTING FACILITIES. NOT ALL UTILITIES THAT EXIST MAY BE REPRESENTED ON THE DRAWING.
2. NOTIFY THE CITY ENGINEERING DEPT. (936-564-4693) FOR INSPECTION OF DRAINAGE IMPROVEMENTS PRIOR TO COVERING UNDERGROUND IMPROVEMENTS, BEFORE POURING BUILDING SLABS OR MAKING ANY UTILITY TAPS OR CURB CUTS.
3. THIS IS NOT A BOUNDARY SURVEY.
4. THE CONTRACTOR IS RESPONSIBLE FOR PROVIDING EROSION CONTROL (SILT FENCING) ON ALL DOWNHILL SLOPE AREAS OF THIS SITE.

TAKEN FROM DETAILS PROVIDED BY BARWIN CONSULTANTS, 2002

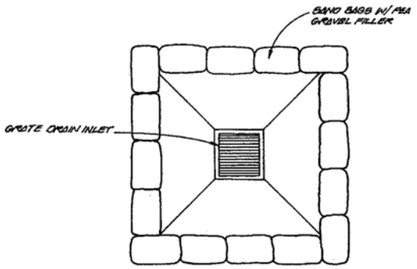
Plate B-1
Typical Design Details for Erosion and Sediment Controls

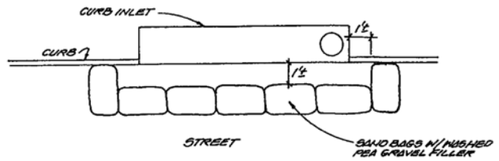
ENVIRONMENTAL
312 old Tyler Road
Nacogdoches, Texas 75964-3428
(936) 568-9451 Fax: (936) 568-9527

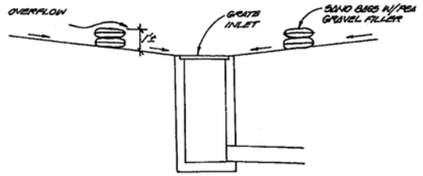
DROP INLET PROTECTION FOR USE IN PAVED AREAS

BAGGED GRAVEL INLET FILTER

Sandbags filled with pea gravel can be used to construct a sediment barrier around curb and drain inlets. The sandbags should be filled with washed pea gravel and stacked to form a continuous barrier about 1 foot high around the inlets. The bags should be tightly abutted against each other to prevent runoff from flowing between the bags.







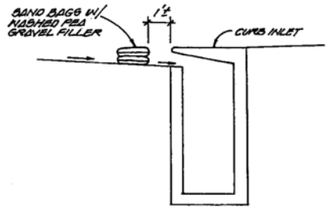


Diagram of Bagged Gravel Grate Inlet Protection (Pape-Dawson)

Diagram of Bagged Gravel Curb Inlet Protection (Pape-Dawson)

BAGGED GRAVEL INLET FILTER (ALTERNATE #1)

Inspection and Maintenance Guidelines

1. Inspection should be at the frequency specified in the Storm Water Pollution Prevention Plan. Repair or replacement should be made promptly as needed by the contractor.
2. Remove sediment when buildup reaches a depth of 3 inches. Removed sediment should be deposited in a suitable area and in such a manner that it will not erode.
3. Structures should be removed and the area stabilized only after the remaining drainage area has been properly stabilized.

BAGGED GRAVEL INLET FILTER (ALTERNATE #2)

Inspection and Maintenance Guidelines

1. Inspection should be at the frequency specified in the Storm Water Pollution Prevention Plan. Repair or replacement should be made promptly as needed by the contractor.
2. Remove sediment when buildup reaches a depth of 3 inches. Removed sediment should be deposited in a suitable area and in such a manner that it will not erode.
3. Check placement of device to prevent gaps between device and curb.
4. Structures should be removed and the area stabilized only after the remaining drainage area has been properly stabilized.

DROP INLET PROTECTION FOR USE IN UNPAVED AREAS

SILT FENCE DROP INLET PROTECTION

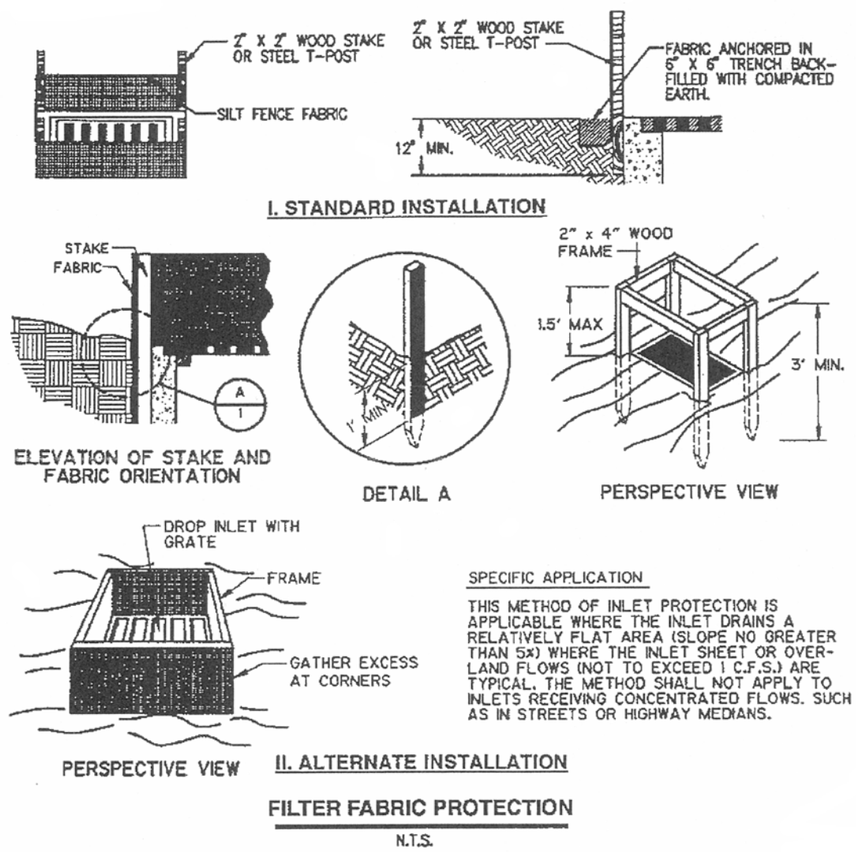


Diagram of Filter Fabric Inlet Protection (NCTCOG, 1993)

SILT FENCE DROP INLET PROTECTION

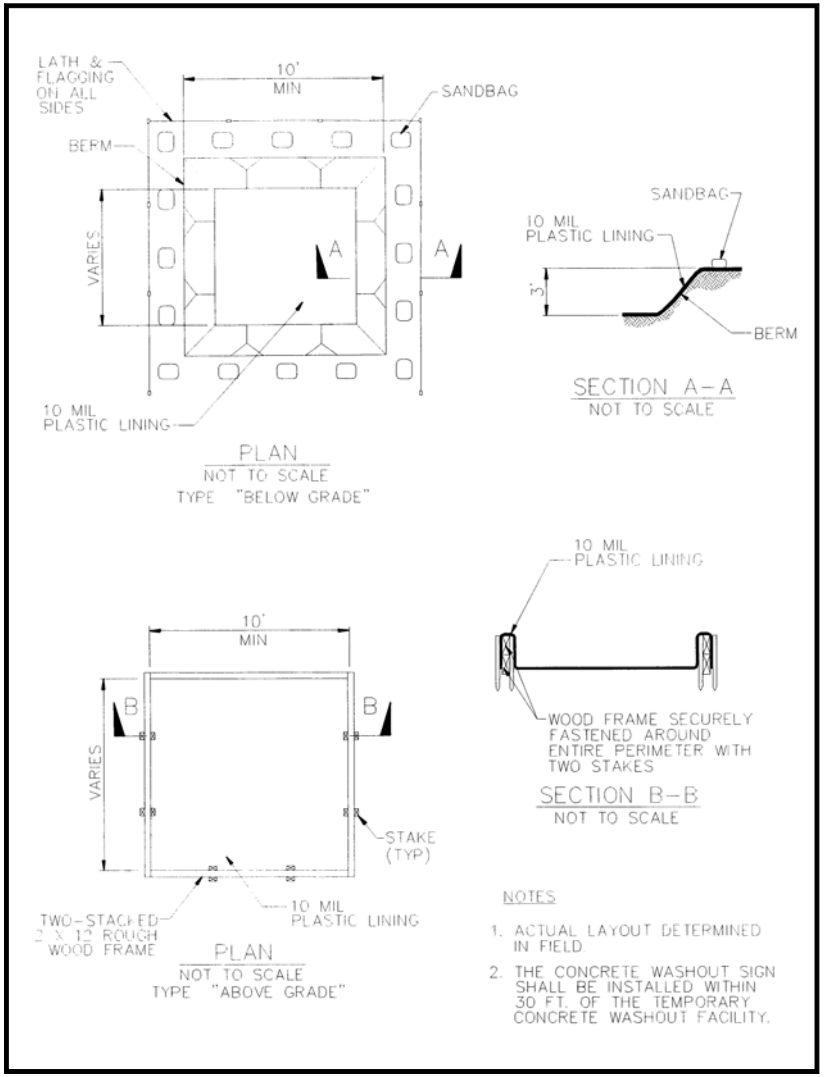
General Usage Guidelines

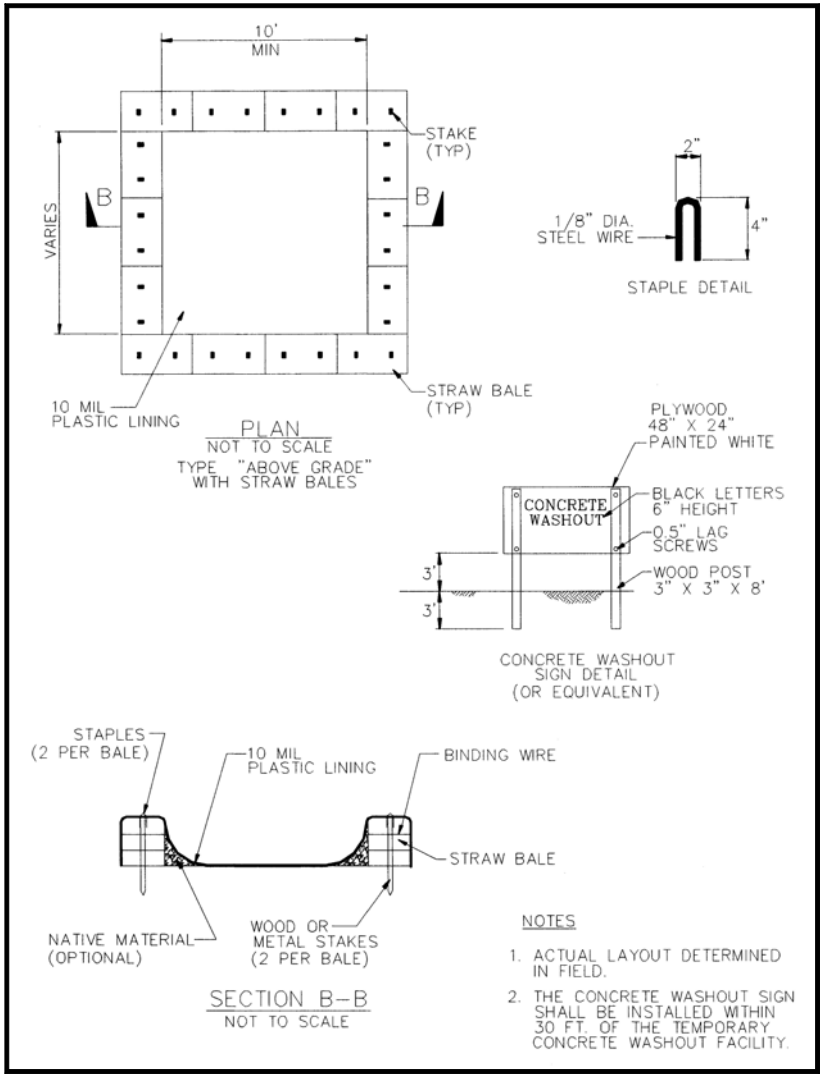
1. Silt fence should conform to the specifications listed for Sediment Control Fencing on Plate B-1.
2. The silt fence should be cut to fit from a continuous roll to avoid joints.
3. For stakes, use 2 x 4-inch wood or equivalent metal with a minimum length of 3 feet.
4. Space stakes evenly around the perimeter of the inlet a maximum of 3 feet apart, and securely drive them into the ground, approximately 18 inches deep.
5. To provide needed stability to the installation, a frame with 2 x 4-inch wood strips around the crest of the overflow area at a minimum of 1 ½ feet above the drop inlet crest may be provided.
6. Place the bottom 12 inches of the fabric in a trench and backfill the trench with 12 inches of compacted soil.
7. Fasten fabric securely by staples or wire to the stakes and frame. Joints must be overlapped to the next stake.
8. It may be necessary to build a temporary dike on the down slope side of the structure to prevent bypass flow. If the drop inlet is above the finished grade, the grate may be completely covered with filter fabric (silt fence). The fabric should be securely attached to the entire perimeter of the inlet using 1 x 2-inch wood strips and appropriate fasteners.

* MODIFIED FROM NCTCOG, *DIAGRAM OF FILTER FABRIC INLET PROTECTION*, 1993

Plate B-2
Typical Design Details for Inlet Protection

ENVIRONMENTAL
312 Old Tyler Road
Nacogdoches, Texas 75964-3428
(936) 568-9451 Fax: (936) 568-9527





TAKEN FROM 2003 CALIFORNIA STORM WATER BMP HANDBOOK

Hydrex
ENVIRONMENTAL
312 Old Tyler Road
Nacogdoches, Texas 75964
(936) 568-9451 Fax: (936) 568-9527

Plate B-3
Typical Design Details for Temporary Concrete Washout Facilities

Appendix C

Record of Construction Schedule Activities

Record of Disturbance/Stabilization Activities

(To be completed by the Operator during construction)

Description and Location of: Major Disturbance Activity or Erosion, Sediment, Stabilization Control Implemented	Date Activity/Control Initiated	Date Activity/Control Ceased

Record of Disturbance/Stabilization Activities

(continued)

Description and Location of: Major Disturbance Activity or Erosion, Sediment, Stabilization Control Implemented	Date Activity/Control Initiated	Date Activity/Control Ceased

Appendix D

Inspection Forms for Stormwater Controls

Stormwater Construction Site Inspection Report

General Information			
Project Name	Old Tyler Road Sand Pit Construction Project		
Location	Old Tyler Road Nacogdoches, TX		
Date of Inspection		**Time**	
Inspector's Name(s)			
Inspector's Title(s)			
Inspector's Contact Information			
Inspector's Qualifications			
Describe present phase of construction			

Type of Inspection:
❑ Regular ❑ Pre-storm event ❑ During storm event ❑ Post-storm event

Weather Information

Has there been a storm event since the last inspection? ❑Yes ❑No
If yes, provide:
Storm Start Date & Time: Storm Duration (hrs): Approximate Amount of Precipitation (in):

Weather at time of this inspection?
❑ Clear ❑Cloudy ❑ Rain ❑ Sleet ❑ Fog ❑ Snowing ❑ High Winds
❑ Other: Temperature:

Have any discharges occurred since the last inspection? ❑Yes ❑No
If yes, describe:

Are there any discharges at the time of inspection? ❑Yes ❑No
If yes, describe:

Inspection of BMPs

	BMP	BMP Installed?	BMP Maintenance Required?	Corrective Action Needed and Notes
1	Entrance/Exit	❑Yes ❑No	❑Yes ❑No	
2	Sediment Control Fence	❑Yes ❑No	❑Yes ❑No	
3	Inlet Protection	❑Yes ❑No	❑Yes ❑No	

	BMP	BMP Installed?	BMP Maintenance Required?	Corrective Action Needed and Notes
4	Swales	❑Yes ❑No	❑Yes ❑No	
5	Rock Check Dams	❑Yes ❑No	❑Yes ❑No	
6	Soil Stabilization	❑Yes ❑No	❑Yes ❑No	
7	Retaining Walls	❑Yes ❑No	❑Yes ❑No	
8	Rock Rubble and Rip Rap at Discharge Outlets	❑Yes ❑No	❑Yes ❑No	
9		❑Yes ❑No	❑Yes ❑No	
10		❑Yes ❑No	❑Yes ❑No	
11		❑Yes ❑No	❑Yes ❑No	
12		❑Yes ❑No	❑Yes ❑No	
13		❑Yes ❑No	❑Yes ❑No	
14		❑Yes ❑No	❑Yes ❑No	

Overall Site Issues

	BMP/Good Housekeeping activity	Implemented?	Maintenance Required?	Corrective Action Needed and Notes
1	Are all slopes and disturbed areas not actively being worked properly stabilized?	❑Yes ❑No	❑Yes ❑No	

	BMP/Good Housekeeping activity	Implemented?	Maintenance Required?	Corrective Action Needed and Notes
2	Are natural resource areas (e.g., streams, wetlands, mature trees, etc.) protected with barriers or similar BMPs?	❑Yes ❑No	❑Yes ❑No	
3	Are perimeter controls and sediment barriers adequately installed (keyed into substrate) and maintained?	❑Yes ❑No	❑Yes ❑No	
4	Are discharge points and receiving waters free of any sediment deposits?	❑Yes ❑No	❑Yes ❑No	
5	Are storm drain inlets properly protected?	❑Yes ❑No	❑Yes ❑No	
6	Is the construction exit preventing sediment from being tracked into the street?	❑Yes ❑No	❑Yes ❑No	
7	Is trash/litter from work areas collected and placed in covered dumpsters?	❑Yes ❑No	❑Yes ❑No	
8	Are washout facilities (e.g., paint, stucco, concrete) available, clearly marked, and maintained?	❑Yes ❑No	❑Yes ❑No	
9	Are vehicle and equipment fueling, cleaning, and maintenance areas free of spills, leaks, or any other deleterious material?	❑Yes ❑No	❑Yes ❑No	
10	Are materials that are potential stormwater contaminants stored inside or under cover?	❑Yes ❑No	❑Yes ❑No	
11	Are non-stormwater discharges (e.g., wash water, dewatering) properly controlled?	❑Yes ❑No	❑Yes ❑No	

	BMP/Good Housekeeping activity	Implemented?	Maintenance Required?	Corrective Action Needed and Notes
12	(Other)	❑Yes ❑No	❑Yes ❑No	

Non-Compliance

Describe any incidents of non-compliance not described above:

CERTIFICATION STATEMENT

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

Print name and title: _____

Signature:_____ **Date:**_____

QUALIFICATIONS OF THE INSPECTOR(S)

Inspectors must be knowledgeable of the following items:

1) Knowledgeable of the facility's SWP3,

2) Knowledgeable of the TPDES Permit (Appendix E), and

3) Knowledgeable of construction methods, erosion controls, BMPs and pollution prevention control measures developed for this site.

Inspector's Name:

Inspector's Name:

Inspector's Name:

Appendix E

Texas Pollutant Discharge Elimination System (TPDES)

General Permit No. TXR150000

Texas Commission on Environmental Quality

P.O. Box 13087, Austin, Texas 78711-3087

GENERAL PERMIT TO DISCHARGE UNDER THE

TEXAS POLLUTANT DISCHARGE ELIMINATION SYSTEM

under provisions of
Section 402 of the Clean Water Act
and Chapter 26 of the Texas Water Code

This permit supersedes and replaces
TPDES General Permit No. TXR150000,
effective March 5, 2018, and amended January 28, 2022

Construction sites that discharge stormwater associated with construction activity located in the state of Texas may discharge to surface water in the state only according to monitoring requirements and other conditions set forth in this general permit, as well as the rules of the Texas Commission on Environmental Quality (TCEQ or Commission), the laws of the State of Texas, and other orders of the Commission of the TCEQ. The issuance of this general permit does not grant to the permittee the right to use private or public property for conveyance of stormwater and certain non-stormwater discharges along the discharge route. This includes property belonging to but not limited to any individual, partnership, corporation or other entity. Neither does this general permit authorize any invasion of personal rights nor any violation of federal, state, or local laws or regulations. It is the responsibility of the permittee to acquire property rights as may be necessary to use the discharge route.

This general permit and the authorization contained herein shall expire at midnight, on March 5, 2028.

EFFECTIVE DATE: March 5, 2023

ISSUED DATE: February 27, 2023

For the Commission

TPDES GENERAL PERMIT NUMBER TXR150000

RELATING TO STORMWATER DISCHARGES ASSOCIATED WITH CONSTRUCTION ACTIVITIES

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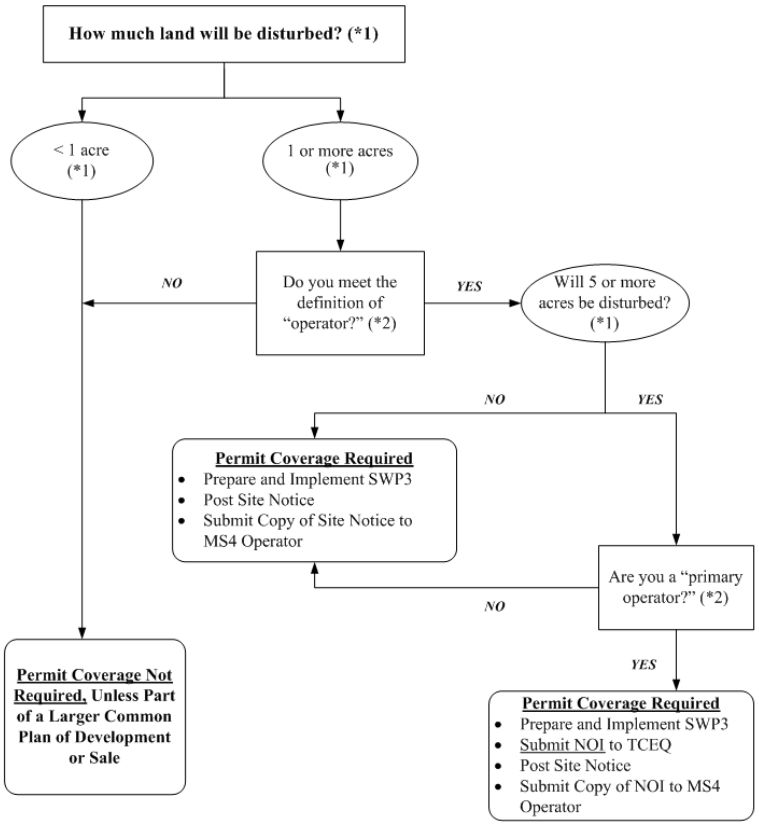
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Part I. Flow Chart and Definitions

Section A. Flow Chart to Determine Whether Coverage is Required

When calculating the acreage of land area disturbed, include the disturbed land-area of all construction and construction support activities.



*(*1) To determine the size of the construction project, use the size of the entire area to be disturbed, and include the size of the larger common plan of development or sale, if the project is part of a larger project (refer to Part I.B., "Definitions," for an explanation of "common plan of development or sale").*

*(*2) Refer to the definitions for "operator," "primary operator," and "secondary operator" in Part I., Section B. of this permit.*

Section B. Definitions

Arid Areas – Areas with an average annual rainfall of zero (0) to ten (10) inches.

Best Management Practices (BMPs) – Schedules of activities, prohibitions of practices, maintenance procedures, structural controls, local ordinances, and other management practices to prevent or reduce the discharge of pollutants. BMPs also include treatment requirements, operating procedures, and practices to control construction site runoff, spills or leaks, waste disposal, or drainage from raw material storage areas.

Commencement of Construction – The initial disturbance of soils associated with clearing, grading, or excavation activities, as well as other construction-related activities (e.g., demolition; grubbing; stockpiling of fill material; placement of raw materials at the site).

Common Plan of Development – A construction activity that is completed in separate stages, separate phases, or in combination with other construction activities. A common plan of development (also known as a "common plan of development or sale") is identified by the documentation for the construction project that identifies the scope of the project, and may include plats, blueprints, marketing plans, contracts, building permits, a public notice or hearing, zoning requests, or other similar documentation and activities. A common plan of development does not necessarily include all construction projects within the jurisdiction of a public entity (e.g., a city or university). Construction of roads or buildings in different parts of the jurisdiction would be considered separate "common plans," with only the interconnected parts of a project being considered part of a "common plan" (e.g., a building and its associated parking lot and driveways, airport runway and associated taxiways, a building complex, etc.). Where discrete construction projects occur within a larger common plan of development or sale but are located one quarter (¼) mile or more apart, and the area between the projects is not being disturbed, each individual project can be treated as a separate plan of development or sale, provided that any interconnecting road, pipeline or utility project that is part of the same "common plan" is not included in the area to be disturbed.

Construction Activity – Includes soil disturbance activities, including clearing, grading, excavating, construction-related activity (e.g., stockpiling of fill material, demolition), and construction support activity. This does not include routine maintenance that is performed to maintain the original line and grade, hydraulic capacity, or original purpose of the site (e.g., the routine grading of existing dirt roads, asphalt overlays of existing roads, the routine clearing of existing rights-of-way, and similar maintenance activities). Regulated construction activity is defined in terms of small and large construction activity.

Construction Support Activity – A construction-related activity that specifically supports construction activity, which can involve earth disturbance or pollutant-generating activities of its own, and can include, but are not limited to, activities associated with concrete or asphalt batch plants, rock crushers, equipment staging or storage areas, chemical storage areas, material storage areas, material borrow areas, and excavated material disposal areas. Construction support activity must only directly support the construction activity authorized under this general permit.

Dewatering – The act of draining accumulated stormwater or groundwater from building foundations, vaults, trenches, and other similar points of accumulation.

Discharge – For the purposes of this permit, the drainage, release, or disposal of pollutants in stormwater and certain non-stormwater from areas where soil disturbing activities (e.g., clearing, grading, excavation, stockpiling of fill material, and demolition), construction materials or equipment storage or maintenance (e.g., fill piles, borrow area, concrete truck wash out, fueling), or other industrial stormwater directly related to the construction process (e.g., concrete or asphalt batch plants) are located.

Drought-Stricken Area – For the purposes of this permit, an area in which the National Oceanic and Atmospheric Administration's U.S. Seasonal Drought Outlook indicates for the period during which the construction will occur that any of the following conditions are likely: (1) "Drought to persist or intensify", (2) "Drought ongoing, some improvement", (3) "Drought likely to improve, impacts ease", or (4) "Drought development likely". See http://www.cpc.ncep.noaa.gov/products/expert_assessment/seasonal_drought.html.

Edwards Aquifer – As defined under Texas Administrative Code (TAC) § 213.3 of this title (relating to the Edwards Aquifer), that portion of an arcuate belt of porous, water-bearing, predominantly carbonate rocks known as the Edwards and Associated Limestones in the Balcones Fault Zone trending from west to east to northeast in Kinney, Uvalde, Medina, Bexar, Comal, Hays, Travis, and Williamson Counties; and composed of the Salmon Peak Limestone, McKnight Formation, West Nueces Formation, Devil's River Limestone, Person Formation, Kainer Formation, Edwards Formation, and Georgetown Formation. The permeable aquifer units generally overlie the less-permeable Glen Rose Formation to the south, overlie the less-permeable Comanche Peak and Walnut Formations north of the Colorado River, and underlie the less-permeable Del Rio Clay regionally.

Edwards Aquifer Recharge Zone – Generally, that area where the stratigraphic units constituting the Edwards Aquifer crop out, including the outcrops of other geologic formations in proximity to the Edwards Aquifer, where caves, sinkholes, faults, fractures, or other permeable features would create a potential for recharge of surface waters into the Edwards Aquifer. The recharge zone is identified as that area designated as such on official maps located in the offices of the Texas Commission on Environmental Quality (TCEQ) and the appropriate regional office. The Edwards Aquifer Map Viewer, located at https://www.tceq.texas.gov/gis/edwards-viewer.html

Edwards Aquifer Contributing Zone – The area or watershed where runoff from precipitation flows downgradient to the recharge zone of the Edwards Aquifer. The contributing zone is located upstream (upgradient) and generally north and northwest of the recharge zone for the following counties: all areas within Kinney County, except the area within the watershed draining to Segment No. 2304 of the Rio Grande Basin; all areas within Uvalde, Medina, Bexar, and Comal Counties; all areas within Hays and Travis Counties, except the area within the watersheds draining to the Colorado River above a point 1.3 miles upstream from Tom Miller Dam, Lake Austin at the confluence of Barrow Brook Cove, Segment No. 1403 of the Colorado River Basin; and all areas within Williamson County, except the area within the watersheds draining to the Lampasas River above the dam at Stillhouse Hollow reservoir, Segment No. 1216 of the Brazos River Basin. The contributing zone is illustrated on the Edwards Aquifer map viewer at https://www.tceq.texas.gov/gis/edwards-viewer.html

Effluent Limitations Guideline (ELG) – Defined in 40 Code of Federal Regulations (CFR) § 122.2 as a regulation published by the Administrator under § 304(b) of the Clean Water Act (CWA) to adopt or revise effluent limitations.

Facility or Activity – For the purpose of this permit, referring to a construction site, the location of construction activity, or a construction support activity that is regulated under this general permit, including all contiguous land and fixtures (for example, ponds and materials stockpiles), structures, or appurtenances used at a construction site or industrial site.

Final Stabilization – A construction site status where any of the following conditions are met:

(a) All soil disturbing activities at the site have been completed and a uniform (that is, evenly distributed, without large bare areas) perennial vegetative cover with a density of at least 70% of the native background vegetative cover for the area has been established on all unpaved areas and areas not covered by permanent structures, or equivalent permanent stabilization measures (such as the use of riprap, or gabions) have been employed.

(b) For individual lots in a residential construction site by either:

  (1) the homebuilder completing final stabilization as specified in condition (a) above; or

  (2) the homebuilder establishing temporary stabilization for an individual lot prior to the time of transfer of the ownership of the home to the buyer and after informing the homeowner of the need for, and benefits of, final stabilization. If temporary stabilization is not feasible, then the homebuilder may fulfill this requirement by retaining perimeter controls or BMPs, and informing the homeowner of the need for removal of temporary controls and the establishment of final stabilization. Fulfillment of this requirement must be documented in the homebuilder's stormwater pollution prevention plan (SWP3).

(c) For construction activities on land used for agricultural purposes (such as pipelines across crop or range land), final stabilization may be accomplished by returning the disturbed land to its preconstruction agricultural use. Areas disturbed that were not previously used for agricultural activities, such as buffer strips immediately adjacent to surface water and areas that are not being returned to their preconstruction agricultural use must meet the final stabilization conditions of condition (a) above.

(d) In arid, semi-arid, and drought-stricken areas only, all soil disturbing activities at the site have been completed and both of the following criteria have been met:

  (1) temporary erosion control measures (for example, degradable rolled erosion control product) are selected, designed, and installed along with an appropriate seed base to provide erosion control for at least three years without active maintenance by the operator, and

  (2) the temporary erosion control measures are selected, designed, and installed to achieve 70% of the native background vegetative coverage within three years.

High-Level Radioactive Waste – Meaning as assigned by 42 United States Code (U.S.C.) Section 10101 (12) and includes spent nuclear fuel as defined by 42 U.S.C. Section 10101 (23).

Hyperchlorination of Waterlines – Treatment of potable water lines or tanks with chlorine for disinfection purposes, typically following repair or partial replacement of the waterline or tank, and subsequently flushing the contents.

Impaired Water – A surface water body that is identified as impaired on the latest approved CWA § 303(d) List or waters with an EPA-approved or established total maximum daily load (TMDL) that are found on the latest EPA approved *Texas Integrated Report of Surface Water Quality for CWA Sections 305(b) and 303(d)*, which lists the category 4 and 5 water bodies.

Indian Country Land – (1) All land within the limits of any Indian reservation under the jurisdiction of the United States government, notwithstanding the issuance of any patent, and, including rights-of-way running through the reservation; (2) all dependent Indian communities with the borders of the United States whether within the originally or subsequently acquired territory thereof, and whether within or without the limits of a state; and (3) all Indian allotments, the Indian titles to which have not been extinguished, including rights-of-way running through the same. (40 CFR § 122.2)

Indian Tribe – Any Indian Tribe, band, group, or community recognized by the Secretary of the Interior and exercising governmental authority over a Federal Indian Reservation (40 CFR § 122.2).

Infeasible – Not technologically possible, or not economically practicable and achievable in light of best industry practices. (40 CFR § 450.11(b)).

Large Construction Activity – Construction activities including clearing, grading, and excavating that result in land disturbance of equal to or greater than five (5) acres of land. Large construction activity also includes the disturbance of less than five (5) acres of total land area that is part of a larger common plan of development or sale if the larger common plan will ultimately disturb equal to or greater than five (5) acres of land. Large construction activity does not include routine maintenance that is performed to maintain the original line and grade, hydraulic capacity, or original purpose of the site (for example, the routine grading of existing dirt roads, asphalt overlays of existing roads, the routine clearing of existing right-of-ways, and similar maintenance activities).

Linear Project – Includes the construction of roads, bridges, conduits, substructures, pipelines, sewer lines, towers, poles, cables, wires, connectors, switching, regulating and transforming equipment and associated ancillary facilities in a long, narrow area.

Low Rainfall Erosivity Waiver (LREW) – A written submission to the executive director from an operator of a construction site that is considered as small construction activity under the permit, which qualifies for a waiver from the requirements for small construction activities, only during the period of time when the calculated rainfall erosivity factor is less than five (5).

Minimize – To reduce or eliminate to the extent achievable using stormwater controls that are technologically available and economically practicable and achievable in light of best industry practices.

Municipal Separate Storm Sewer System (MS4) – A separate storm sewer system owned or operated by the United States, a state, city, town, county, district, association, or other public body (created by or pursuant to state law) having jurisdiction over the disposal of sewage, industrial wastes, stormwater, or other wastes, including special districts under state law such as a sewer district, flood control or drainage district, or similar entity, or an Indian tribe or an authorized Indian tribal organization, that discharges to surface water in the state.

Notice of Change (NOC) – Written notification to the executive director from a discharger authorized under this permit, providing changes to information that was previously provided to the agency in a notice of intent form.

Notice of Intent (NOI) – A written submission to the executive director from an applicant requesting coverage under this general permit.

Notice of Termination (NOT) – A written submission to the executive director from a discharger authorized under this general permit requesting termination of coverage.

Operator – The person or persons associated with a large or small construction activity that is either a primary or secondary operator as defined below:

Primary Operator – The person or persons associated with construction activity that meets either of the following two criteria:

(a) the person or persons have on-site operational control over construction plans and specifications, including the ability to make modifications to those plans and specifications; or

(b) the person or persons have day-to-day operational control of those activities at a construction site that are necessary to ensure compliance with a Stormwater Pollution Prevention Plan (SWP3) for the site or other permit conditions (for example, they are authorized to direct workers at a site to carry out activities required by the SWP3 or comply with other permit conditions).

Secondary Operator – The person or entity, often the property owner, whose operational control is limited to:

(a) the employment of other operators, such as a general contractor, to perform or supervise construction activities; or

(b) the ability to approve or disapprove changes to construction plans and specifications, but who does not have day-to-day on-site operational control over construction activities at the site.

Secondary operators must either prepare their own SWP3 or participate in a shared SWP3 that covers the areas of the construction site, where they have control over the construction plans and specifications.

If there is not a primary operator at the construction site, then the secondary operator is defined as the primary operator and must comply with the requirements for primary operators.

Outfall – For the purpose of this permit, a point source at the point where stormwater runoff associated with construction activity discharges to surface water in the state and does not include open conveyances connecting two municipal separate storm sewers, or pipes, tunnels, or other conveyances that connect segments of the same stream or other water of the U.S. and are used to convey waters of the U.S.

Permittee – An operator authorized under this general permit. The authorization may be gained through submission of a notice of intent, by waiver, or by meeting the requirements for automatic coverage to discharge stormwater runoff and certain non-stormwater discharges from construction activity.

Point Source – Any discernible, confined, and discrete conveyance, including but not limited to, any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock concentrated animal feeding operation, landfill leachate collection system, vessel or other floating craft from which pollutants are, or may be, discharged. This term does not include return flows from irrigated agriculture or agricultural stormwater runoff (40 CFR § 122.2).

Pollutant – Dredged spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge, filter backwash, munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt, and industrial, municipal, and agricultural waste discharged into any surface water in the state. The term "pollutant" does not include tail water or runoff water from irrigation or rainwater runoff from cultivated or uncultivated rangeland, pastureland, and farmland. For the purpose of this permit, the term “pollutant” includes sediment.

Pollution – The alteration of the physical, thermal, chemical, or biological quality of, or the contamination of, any surface water in the state that renders the water harmful, detrimental, or injurious to humans, animal life, vegetation, or property or to public health, safety, or welfare, or impairs the usefulness or the public enjoyment of the water for any lawful or reasonable purpose (Texas Water Code (TWC) § 26.001(14)).

Rainfall Erosivity Factor (R factor) – The total annual erosive potential that is due to climatic effects, and is part of the Revised Universal Soil Loss Equation (RUSLE).

Receiving Water – A "Water of the United States" as defined in 40 CFR § 122.2 or a surface water in the state into which the regulated stormwater discharges.

Semi-arid Areas – Areas with an average annual rainfall of 10 to 20 inches.

Separate Storm Sewer System – A conveyance or system of conveyances (including roads with drainage systems, streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains), designed or used for collecting or conveying stormwater; that is not a combined sewer, and that is not part of a publicly owned treatment works (POTW).

Small Construction Activity – Construction activities including clearing, grading, and excavating that result in land disturbance of equal to or greater than one (1) acre and less than five (5) acres of land. Small construction activity also includes the disturbance of less than one (1) acre of total land area that is part of a larger common plan of development or sale if the larger common plan will ultimately disturb equal to or greater than one (1) and less than five (5) acres of land. Small construction activity does not include routine maintenance that is performed to maintain the original line and grade, hydraulic capacity, or original purpose of the site (for example, the routine grading of existing dirt roads, asphalt overlays of existing roads, the routine clearing of existing right-of-ways, and similar maintenance activities).

Steep Slopes – Where a state, Tribe, local government, or industry technical manual (e.g., stormwater BMP manual) has defined what is to be considered a "steep slope", this permit's definition automatically adopts that definition. Where no such definition exists, steep slopes are automatically defined as those that are 15 percent or greater in grade.

Stormwater (or Stormwater Runoff) – Rainfall runoff, snow melt runoff, and surface runoff and drainage.

Stormwater Associated with Construction Activity – Stormwater runoff, as defined above, from a construction activity.

Structural Control (or Practice) – A pollution prevention practice that requires the construction of a device, or the use of a device, to reduce or prevent pollution in stormwater runoff. Structural controls and practices may include but are not limited to: silt fences, earthen dikes, drainage swales, sediment traps, check dams, subsurface drains, storm drain inlet protection, rock outlet protection, reinforced soil retaining systems, gabions, and temporary or permanent sediment basins.

Surface Water in the State – Lakes, bays, ponds, impounding reservoirs, springs, rivers, streams, creeks, estuaries, wetlands, marshes, inlets, canals, the Gulf of Mexico inside the territorial limits of the state (from the mean high water mark (MHWM) out 10.36 miles into the Gulf), and all other bodies of surface water, natural or artificial, inland or coastal, fresh or salt, navigable or non-navigable, and including the beds and banks of all water-courses and bodies of surface water, that are wholly or partially inside or bordering the state or subject to the jurisdiction of the state; except that waters in treatment systems which are authorized by state or federal law, regulation, or permit, and which are created for the purpose of waste treatment are not considered to be water in the state.

Temporary Stabilization – A condition where exposed soils or disturbed areas are provided a protective cover or other structural control to prevent the migration of pollutants. Temporary stabilization may include temporary seeding, geotextiles, mulches, and other techniques to reduce or eliminate erosion until either permanent stabilization can be achieved or until further construction activities take place.

Thawing Conditions – For the purposes of this permit, thawing conditions are expected based on the historical likelihood of two (2) or more days with daytime temperatures greater than 32 degrees Fahrenheit (˚F). This date can be determined by looking at historical weather data.

NOTE: The estimation of thawing conditions is for planning purposes only. During construction, the permittee will be required to conduct site inspections based upon actual conditions (i.e., if thawing conditions occur sooner than expected, the permittee will be required to conduct inspections at the regular frequency).

Total Maximum Daily Load (TMDL) – The total amount of a pollutant that a water body can assimilate and still meet the Texas Surface Water Quality Standards.

Turbidity – A condition of water quality characterized by the presence of suspended solids and/or organic material.

Waters of the United States – Waters of the United States or waters of the U.S. means the term as defined in 40 CFR § 122.2.

Part II. Permit Applicability and Coverage

Section A. Discharges Eligible for Authorization

1. Stormwater Associated with Construction Activity

   Discharges of stormwater runoff and certain non-stormwater discharges from small and large construction activities may be authorized under this general permit, except as described in Part II.C. of this permit.

2. Discharges of Stormwater Associated with Construction Support Activities

   Discharges of stormwater runoff and certain non-stormwater discharges from construction support activities as defined in Part I.B. of this general permit may be authorized, provided that the following conditions are met:

   (a) the construction support activities are located within one (1) mile from the boundary of the construction site where the construction activity authorized under the permit is being conducted that requires the support of these activities;

   (b) an SWP3 is developed and implemented for the permitted construction site according to the provisions in Part III.F. of this general permit, including appropriate controls and measures to reduce erosion and the discharge of pollutants in stormwater runoff according to the provisions in Part IV. of this general permit;

   (c) the activities are directly related to the construction site;

   (d) the activities are not a commercial operation, nor serve other unrelated construction projects; and

   (e) the activities do not continue to operate beyond the completion of the construction activity at the project it supports.

   Construction support activities that operate outside the terms provided in (a) through (e) above must obtain authorization under a separate Texas Pollutant Discharge Elimination System (TPDES) permit, which may include the TPDES Multi-Sector General Permit (MSGP), TXR050000 (related to stormwater discharges associated with industrial activity), an alternative general permit (if available), or an individual water quality permit.

3. Non-Stormwater Discharges

   The following non-stormwater discharges from sites authorized under this general permit are also eligible for authorization under this general permit:

(a) discharges from emergency fire-fighting activities (emergency fire-fighting activities do not include washing of trucks, run-off water from training activities, test water from fire suppression systems, or similar activities);

(b) uncontaminated fire hydrant flushings (excluding discharges of hyperchlorinated water, unless the water is first dechlorinated and discharges are not expected to adversely affect aquatic life), which include flushings from systems that utilize potable water, surface water, or groundwater that does not contain additional pollutants (uncontaminated fire hydrant flushings do not include systems utilizing reclaimed wastewater as a source water);

(c) water from the routine external washing of vehicles, the external portion of buildings or structures, and pavement, where solvents, detergents, and soaps are not used, where spills or leaks of toxic or hazardous materials have not occurred (unless spilled materials have been removed; and if local state, or federal regulations are applicable, the materials are removed according to those regulations), and where the purpose is to remove mud, dirt, or dust;

(d) uncontaminated water used to control dust;

(e) potable water sources, including waterline flushings, but excluding discharges of hyperchlorinated water, unless the water is first dechlorinated and discharges are not expected to adversely affect aquatic life;

(f) uncontaminated air conditioning condensate;

(g) uncontaminated ground water or spring water, including foundation or footing drains where flows are not contaminated with industrial materials such as solvents; and

(h) lawn watering and similar irrigation drainage.

4. Other Permitted Discharges

Any discharge authorized under a separate National Pollutant Discharge Elimination System (NPDES), TPDES, or TCEQ permit may be combined with discharges authorized by this general permit, provided those discharges comply with the associated permit.

Section B. Concrete Truck Wash Out

The wash out of concrete trucks at regulated construction sites must be performed in accordance with the requirements of Part VI of this general permit.

Section C. Limitations on Permit Coverage

1. Post Construction Discharges

Discharges that occur after construction activities have been completed, and after the construction site and any supporting activity site have undergone final stabilization, are not eligible for coverage under this general permit. Discharges originating from the sites are not authorized under this general permit following the submission of the Notice of Termination (NOT) or removal of the appropriate TCEQ site notice, as applicable, for the regulated construction activity.

2. Prohibition of Non-Stormwater Discharges

Except as otherwise provided in Part II.A. of this general permit, only discharges that are composed entirely of stormwater associated with construction activity may be authorized under this general permit.

3. Compliance with Water Quality Standards

Discharges to surface water in the state that would cause, have the reasonable potential to cause, or contribute to a violation of water quality standards or that would fail to protect and maintain existing designated uses of surface water in the state are not eligible for coverage under this general permit. The executive director may require an application for an individual permit or alternative general permit (see Parts II.H.2. and 3.) to authorize discharges to surface water in the state if the executive director determines that any activity will cause, has the reasonable potential to cause, or contribute to a violation of water quality standards or is found to cause, has the reasonable potential to cause, or contribute to, the impairment of a designated use. The executive director may also require an application for an individual permit considering factors described in Part II.H.3. of this general permit.

4. Impaired Receiving Waters and Total Maximum Daily Load (TMDL) Requirements

The permittee shall determine whether the authorized discharge is to an impaired water body on the latest EPA-approved CWA § 303(d) List or waters with an EPA-approved or established TMDL that are found on the latest EPA-approved *Texas Integrated Report of Surface Water Quality for CWA Sections 305(b) and 303(d)*, which lists the category 4 and 5 water bodies.

New sources or new discharges of the pollutants of concern to impaired waters are not authorized by this permit unless otherwise allowable under 30 TAC Chapter 305 and applicable state law. Impaired waters are those that do not meet applicable water quality standard(s) and are listed as category 4 or 5 in the current version of the *Texas Integrated Report of Surface Water Quality for CWA Sections 305(b) and 303(d)*, and waterbodies listed on the CWA § 303(d) List. Pollutants of concern are those for which the water body is listed as impaired.

Discharges of the pollutants of concern to impaired water bodies for which there is a TMDL are not eligible for coverage under this general permit unless they are consistent with the approved TMDL. Permittees must incorporate the conditions and requirements applicable to their discharges into their SWP3, in order to be eligible for coverage under this general permit. For consistency with the construction stormwater-related items in an approved TMDL, the SWP3 must be consistent with any applicable condition, goal, or requirement in the TMDL, TMDL Implementation Plan (I-Plan), or as otherwise directed by the executive director.

5. Discharges to the Edwards Aquifer Recharge or Contributing Zone

Discharges cannot be authorized by this general permit where prohibited by 30 TAC Chapter 213 (relating to Edwards Aquifer). In addition, commencement of construction (see definition for commencement of construction in Part I.B. above)) at a site regulated under 30 TAC Chapter 213, may not begin until the appropriate Edwards Aquifer Protection Plan (EAPP) has been approved by the TCEQ's Edwards Aquifer Protection Program.

(a) For new discharges located within the Edwards Aquifer Recharge Zone, or within that area upstream from the recharge zone and defined as the Contributing Zone (CZ), operators must meet all applicable requirements of, and operate according to, 30 TAC Chapter 213 (Edwards Aquifer Rule) in addition to the provisions and requirements of this general permit.

(b) For existing discharges located within the Edwards Aquifer Recharge Zone, the requirements of the agency-approved Water Pollution Abatement Plan (WPAP) under the Edwards Aquifer Rule are in addition to the requirements of this general permit. BMPs and maintenance schedules for structural stormwater controls, for example, may be required as a provision of the rule. All applicable requirements of the Edwards Aquifer Rule for reductions of suspended solids in stormwater runoff are in addition to the requirements in this general permit for this pollutant.

(c) For discharges located within ten (10) stream miles upstream of the Edwards Aquifer recharge zone, applicants shall also submit a copy of the NOI to the appropriate TCEQ regional office.

Counties: Comal, Bexar, Medina, Uvalde, and Kinney

Contact: TCEQ Water Program Manager
San Antonio Regional Office
14250 Judson Road
San Antonio, Texas 78233-4480
(210) 490-3096

Counties: Williamson, Travis, and Hays

Contact: TCEQ Water Program Manager
Austin Regional Office
12100 Park 35 Circle
Room 179, Building A
Austin, Texas 78753
(512) 339-2929

6. Discharges to Specific Watersheds and Water Quality Areas

Discharges otherwise eligible for coverage cannot be authorized by this general permit where prohibited by 30 TAC Chapter 311 (relating to Watershed Protection) for water quality areas and watersheds.

7. Protection of Streams and Watersheds by Other Governmental Entities

This general permit does not limit the authority or ability of federal, other state, or local governmental entities from placing additional or more stringent requirements on construction activities or discharges from construction activities.

8. Indian Country Lands

Stormwater runoff from construction activities occurring on Indian Country lands are not under the authority of the TCEQ and are not eligible for coverage under this general permit. If discharges of stormwater require authorization under federal NPDES regulations, authority for these discharges must be obtained from the U.S. Environmental Protection Agency (EPA).

9. Exempt Oil and Gas Activities

The CWA § 402(l)(2) provides that stormwater discharges from construction activities related to oil and gas exploration, production, processing, or treatment, or transmission facilities are exempt from regulation under this permit. The term “oil and gas exploration, production, processing, or treatment operations, or transmission facilities” is defined in 33 U.S.C. Annotated § 1362 (24).

The exemption in CWA § 402(l)(2) *includes* stormwater discharges from construction activities regardless of the amount of disturbed acreage, which are necessary to prepare a site for drilling and the movement and placement of drilling equipment, drilling waste management pits, in field treatment plants, and in field transportation infrastructure (e.g., crude oil pipelines, natural gas treatment plants, and both natural gas transmission pipeline compressor and crude oil pumping stations) necessary for the operation of most producing oil and gas fields. Construction activities are defined in 33 U.S. Code § 1362(24) and interpreted by EPA in the final rule. *See* June 12, 2006 Amendments to the NPDES Regulations for Storm Water Discharges Associated with Oil and Gas Exploration, Production, Processing, or Treatment Operations or Transmission Facilities (71 FR 33628, Part V. Terminology).

The exemption *does not include* stormwater discharges from the construction of administrative buildings, parking lots, and roads servicing an administrative building at an oil and gas site, as these are considered traditional construction activities.

As described in 40 CFR § 122.26(c)(1)(iii) [*regulations prior to 2006*], discharges from oil and gas construction activities are waived from CWA § 402(l)(2) permit coverage *unless* the construction activity (or construction support activity) has had a discharge of stormwater resulting in the discharge of a reportable quantity of oil or hazardous substances or the discharge contributes to a violation of water quality standards.

Exempt oil and gas activities which have lost their exemption as a result of one of the above discharges, must obtain permit coverage under this general permit, an alternative general permit, or a TPDES individual permit prior to the next discharge.

10. Stormwater Discharges from Agricultural Activities

Stormwater discharges from agricultural activities that are not point source discharges of stormwater are not subject to TPDES permit requirements. These activities may include clearing and cultivating ground for crops, construction of fences to contain livestock, construction of stock ponds, and other similar agricultural activities. Discharges of stormwater runoff associated with the construction of facilities that are subject to TPDES regulations, such as the construction of concentrated animal feeding operations, would be point sources regulated under this general permit.

11. Endangered Species Act

Discharges that would adversely affect a listed endangered or threatened aquatic or aquatic-dependent species or its critical habitat are not authorized by this permit, unless the requirements of the Endangered Species Act are satisfied. Federal requirements related to endangered species apply to all TPDES permitted discharges and site-specific controls may be required to ensure that protection of endangered or threatened species is achieved. If a permittee has concerns over potential impacts to listed species, the permittee may contact TCEQ for additional information.

12. Storage of High-Level Radioactive Waste

Discharges of stormwater from construction activities associated with the construction of a facility that is licensed for the storage of high-level radioactive waste by the United States Nuclear Regulatory Commission under 10 CFR Part 72 are not authorized by this general permit. Texas Health and Safety Code (THSC) § 401.0525 prohibits TCEQ from issuing any TPDES authorizations for the construction or operation of these facilities.

Discharges of stormwater from the construction activities associated with the construction of a facility located at the site of currently or formerly operating nuclear power reactors and currently or formerly operating nuclear research and test reactors operated by a university are not prohibited under THSC § 401.0525 and continue to be regulated under this general permit.

13. Other

Nothing in Part II. of the general permit is intended to negate any person's ability to assert *force majeure* (act of God, war, strike, riot, or other catastrophe) defenses found in 30 TAC § 70.7

Section D. Deadlines for Obtaining Authorization to Discharge

1. Large Construction Activities

(a) New Construction – Discharges from sites where the commencement of construction activity occurs on or after the effective date of this general permit must be authorized, either under this general permit or a separate TPDES permit, prior to the commencement of those construction activities.

(b) Ongoing Construction – Operators of large construction activities continuing to operate after the effective date of this permit, and authorized under the TPDES Construction General Permit (CGP) TXR150000 (effective on March 5, 2018, and amended on January 28, 2022), must submit an NOI to renew authorization or an NOT to terminate coverage under this general permit within 90 days of the effective date of this general permit. During this interim or grace period, as a requirement of this TPDES permit, the operator must continue to meet the conditions and requirements of the issued and amended 2018 TPDES CGP.

2. Small Construction Activities

(a) New Construction – Discharges from sites where the commencement of construction activity occurs on or after the effective date of this general permit must be authorized, either under this general permit or a separate TPDES permit, prior to the commencement of those construction activities.

(b) Ongoing Construction – Discharges from ongoing small construction activities that commenced prior to the effective date of this general permit, and that do not meet the conditions to qualify for termination of this permit as described in Part II.F. of this general permit, must meet the requirements to be authorized, either under this general permit or a separate TPDES permit, within 90 days of the effective date of this general permit. During this interim period, as a requirement of this TPDES permit, the operator must continue to meet the conditions and requirements of the issued and amended 2018 TPDES CGP.

Section E. Obtaining Authorization to Discharge

1. Automatic Authorization for Small Construction Activities with Low Potential for Erosion

Operators of small construction activity, as defined in Part I.B. of this general permit, shall not submit an NOI for coverage, unless otherwise required by the executive director.

Operators of small construction activities, which occur in certain counties and during periods of low potential for erosion that do not meet the conditions of the waiver described in Part II.G. of this general permit, may be automatically authorized under this general permit if all the following conditions are met prior to the commencement of construction.

(a) The construction activity occurs in a county and during the corresponding date range(s) listed in Appendix A;

(b) The construction activity is initiated and completed, including either final or temporary stabilization of all disturbed areas, within the time frame identified in Appendix A for the location of the construction site;

(c) All temporary stabilization is adequately maintained to effectively reduce or prohibit erosion, permanent stabilization activities have been initiated, and a condition of final stabilization is completed no later than 30 days following the end date of the time frame identified in Appendix A for the location of the construction site; the permittee signs a completed TCEQ Small Construction Site Notice for low potential for erosion (Form TCEQ-20964), including the certification statement;

(d) A signed and certified copy of the TCEQ Small Construction Site Notice for low potential for erosion is posted at the construction site in a location where it is readily available for viewing by the general public, local, state, and federal authorities prior to commencing construction activities, and maintained in that location until final stabilization has been achieved;

NOTE: Posted TCEQ site notices may have a redacted signature as long as there is an original signed and certified TCEQ site notice, with a viewable signature, located on-site and available for review by any applicable regulatory authority.

(e) A copy of the signed and certified TCEQ Small Construction Site Notice for low potential for erosion is provided to the operator of any MS4 receiving the discharge at least two (2) days prior to commencement of construction activities;

(f) Discharges of stormwater runoff or other non-stormwater discharges from any supporting concrete batch plant or asphalt batch plant is separately authorized under an individual TPDES permit, another TPDES general permit, or under an individual TCEQ permit where stormwater and non-stormwater is disposed of by evaporation or irrigation (discharges are adjacent to water in the state); and

(g) Any non-stormwater discharges are either authorized under a separate permit or authorization, are not considered by TCEQ to be a wastewater, or are captured and routed for disposal at a publicly operated treatment works or licensed waste disposal facility.

If all of the conditions in (a) – (h) above are met, then the operator(s) of small construction activities with low potential for erosion are not required to develop a SWP3.

If an operator is conducting small construction activities and any of the above conditions (a) – (h) are not met, the operator cannot declare coverage under the automatic authorization for small construction activities with low potential for erosion and must meet the requirements for automatic authorization (all other) small construction activities, described below in Part II.E.2.

For small construction activities that occur during a period with a low potential for erosion, where automatic authorization under this section is not available, an operator may apply for and obtain a waiver from permitting (Low Rainfall Erosivity Waiver – LREW), as described in Part II.G. of this general permit. Waivers from coverage under the LREW do not allow for any discharges of non-stormwater and the operator must ensure that discharges on non-stormwater are either authorized under a separate permit or authorization.

2. Automatic Authorization for Small Construction Activities

Operators of small construction activities as defined in Part I.B. of this general permit shall not submit an NOI for coverage, unless otherwise required by the executive director.

Operators of small construction activities, as defined in Part I.B. of this general permit or as defined but who do not meet in the conditions and requirements located in Part II.E.1 above, may be automatically authorized for small construction activities, provided that they meet all of the following conditions:

(a) develop a SWP3 according to the provisions of this general permit, that covers either the entire site or all portions of the site for which the applicant is the operator, and implement the SWP3 prior to commencing construction activities;

(b) all operators of regulated small construction activities must post a copy of a signed and certified TCEQ Small Construction Site Notice (Form TCEQ-20963), the notice must be posted at the construction site in a location where it is safely and readily available for viewing by the general public, local, state, and federal authorities, at least two (2) days prior to commencing construction activity , and maintain the notice in that location until completion of the construction activity (for linear construction activities, e.g. pipeline or highway, the TCEQ site notice must be placed in a publicly accessible location near where construction is actively underway; notice for these linear sites may be relocated, as necessary, along the length of the project, and the notice must be safely and readily available for viewing by the general public; local, state, and federal authorities);

(c) operators must maintain a posted TCEQ Small Construction Site Notice on the approved TCEQ form at the construction site until final stabilization has been achieved; and

NOTE: Posted TCEQ site notices may have a redacted signature as long as there is an original signed and certified TCEQ Small Construction Site Notice, with a viewable signature, located on-site and available for review by an applicable regulatory authority.

(d) provide a copy of the signed and certified TCEQ Small Construction Site Notice to the operator of any municipal separate storm sewer system (MS4) receiving the discharge at least two (2) days prior to commencement of construction activities.

(e) if signatory authority is delegated by an authorized representative, then a Delegation of Signatory form must be submitted as required by 30 TAC § 305.128 (relating to Signatories to Reports). Operators for small construction activities must submit this form via mail following the instructions on the approved TCEQ paper form. A new Delegation of Signatory form must be submitted if the delegation changes to another individual or position.

As described in Part I.B of this general permit, large construction activities include those that will disturb less than five (5) acres of land, but that are part of a larger common plan of development or sale that will ultimately disturb five (5) or more acres of land and must meet the requirements of Part II.E.3. below.

3. Authorization for Large Construction Activities

Operators of large construction activities that qualify for coverage under this general permit must meet all of the following conditions:

(a) develop a SWP3 according to the provisions of this general permit that covers either the entire site or all portions of the site where the applicant is the operator. The SWP3 must be developed and implemented prior to obtaining coverage and prior to commencing construction activities;

(b) primary operators of large construction activities must submit an NOI prior to commencing construction activity at a construction site. A completed NOI must be submitted to TCEQ electronically using the online ePermits system on TCEQ's website.

Operators with an electronic reporting waiver must submit a completed paper NOI to TCEQ at least seven (7) days prior to commencing construction activity to obtain provisional coverage 48-hours from the postmark date for delivery to the TCEQ. An authorization is no longer provisional when the executive director finds the NOI is administratively complete, and an authorization number is issued to the permittee for the construction site indicated on the NOI.

If an additional primary operator is added after the initial NOI is submitted, the additional primary operator must meet the same requirements for existing primary operator(s), as indicated above.

If the primary operator changes due to responsibility at the site being transferred from one primary operator to another after the initial NOI is submitted, the new primary operator must submit an electronic NOI, unless they request and obtain a waiver from electronic reporting, at least ten (10) days prior to assuming operational control of a construction site and commencing construction activity.

(c) all operators of large construction activities must post a TCEQ Large Construction Site Notice on the approved TCEQ form (Form TCEQ-20961) in accordance with Part III.D.2. of this permit. The TCEQ site notice must be located where it is safely and readily available for viewing by the general public, local, state, and federal authorities prior to commencing construction activities, and must be maintained in that location until final stabilization has been achieved. For linear construction activities, e.g., pipeline or highway, the TCEQ site notice must be placed in a publicly accessible location near where construction is actively underway; notice for these linear sites may be relocated, as necessary, along the length of the project, and the notice must be safely and readily available for viewing by the general public, local, state, and federal authorities;

(d) two days prior to commencing construction activities, all primary operators must:

i. provide a copy of the signed NOI to the operator of any MS4 receiving the discharge and to any secondary construction operator, and

ii. list in the SWP3 the names and addresses of all MS4 operators receiving a copy;

(e) if signatory authority is delegated by an authorized representative, then a Delegation of Signatories form must be submitted as required by 30 TAC § 305.128 (relating to Signatories to Reports). Primary operators must submit this form electronically using the State of Texas Environmental Electronic Reporting System (STEERS), TCEQ's online permitting system, or by paper if the permittee requested and obtained an electronic reporting waiver. A new Delegation of Signatories form must be submitted, if the delegation changes to another individual or position;

(f) all persons meeting the definition of "secondary operator" in Part I of this permit are hereby notified that they are regulated under this general permit, but are not required to submit an NOI, provided that a primary operator at the site has submitted an NOI, or prior to commencement of construction activities, a primary operator is required to submit an NOI and the secondary operator has provided notification to the operator(s) of the need to obtain coverage (with records of notification available upon request). Any secondary operator notified under this provision may alternatively submit an NOI under this general permit, may seek coverage under an alternative TPDES individual permit, or may seek coverage under an alternative TPDES general permit if available; and

(g) all secondary operators of large construction activities must post a copy of the signed and certified TCEQ Large Construction Site Notice for Secondary Operators on the approved TCEQ form (Form TCEQ-20962) and provide a copy of the signed and certified TCEQ site notice to the operator of any MS4 receiving the discharge at least two (2) days prior to the commencement construction activities.

NOTE: Posted TCEQ site notices may have a redacted signature as long as there is an original signed and certified TCEQ Large Construction Site Notice for Secondary Operators, with a viewable signature, located on-site and available for review by an applicable regulatory authority.

Applicants must submit an NOI using the online ePermits system (accessed using STEERS) available through the TCEQ website, or request and obtain a waiver from electronic reporting from the TCEQ. Waivers from electronic reporting are not transferrable and expire on the same date as the authorization to discharge.

4. Waivers for Small Construction Activities:

Operators of certain small construction activities may obtain a waiver from coverage under this general permit, if applicable. The requirements are outlined in Part II.G. below.

5. Effective Date of Coverage

(a) Operators of small construction activities as described in either Part II.E.1. or II.E.2. above are authorized immediately following compliance with the applicable conditions of Part II.E.1. or II.E.2. Secondary operators of large construction activities as described in Part II.E.3. above are authorized immediately following compliance with the applicable conditions in Part II.E.3. For activities located in areas regulated by 30 TAC Chapter 213, related to the Edwards Aquifer, this authorization to discharge is separate from the requirements of the operator's responsibilities under that rule. Construction may not commence for sites regulated under 30 TAC Chapter 213 until all applicable requirements of that rule are met.

(b) Primary operators of large construction activities as described in Part II.E.3. above that electronically submit an NOI are authorized immediately following confirmation of receipt of the electronic form by the TCEQ, unless otherwise notified by the executive director.

Operators with an electronic reporting waiver are provisionally authorized 48-hours from the date that a completed paper NOI is postmarked for delivery to the TCEQ, unless otherwise notified by the executive director. An authorization is no longer provisional when the executive director finds the NOI is administratively complete and an authorization number is issued to the permittee for the construction site indicated on the NOI.

For construction activities located in areas regulated by 30 TAC Chapter 213, related to the Edwards Aquifer, this authorization to discharge is separate from the requirements of the operator's responsibilities under that rule. Construction activities may not commence for sites regulated under 30 TAC Chapter 213 until all applicable requirements of that rule are met.

(c) Operators are not prohibited from submitting late NOIs or posting late site notices to obtain authorization under this general permit. The TCEQ reserves the right to take appropriate enforcement action for any unpermitted activities that may have occurred between the time construction commenced and authorization under this general permit was obtained.

(d) If operators that submitted NOIs have active authorizations for construction activities that are ongoing when this general permit expires on March 5, 2028, and a new general permit is issued, a 90-day interim (grace) period is granted to provide coverage that is administratively continued until operators with active authorizations can obtain coverage under the newly issued CGP. The 90-day grace period starts on the effective date of the newly issued CGP.

6. Contents of the NOI

The NOI form shall require, at a minimum, the following information:

(a) the TPDES CGP authorization number for existing authorizations under this general permit, where the operator submits an NOI to renew coverage within 90 days of the effective date of this general permit;

(b) the name, address, and telephone number of the operator filing the NOI for permit coverage;

(c) the name (or other identifier), address, county, and latitude/longitude of the construction project or site;

(d) the number of acres that will be disturbed by the applicant;

(e) the estimated construction project start date and end date;

(f) confirmation that the project or site will not be located on Indian Country lands;

(g) confirmation if the construction activity is associated with an oil and gas exploration, production, processing, or treatment, or transmission facility (see Part II.C.9.)

(h) confirmation that the construction activities are not associated with the construction of a facility that is licensed for the storage of high-level radioactive waste by the United States Nuclear Regulatory Commission under 10 CFR Part 72 (see Part II.C.12.);

(i) confirmation that a SWP3 has been developed in accordance with all conditions of this general permit, that it will be implemented prior to commencement of construction activities, and that it is compliant with any applicable local sediment and erosion control plans; for multiple operators who prepare a shared SWP3, the confirmation for an operator may be limited to its obligations under the SWP3 provided all obligations are confirmed by at least one operator;

(j) name of the receiving water(s);

(k) the classified segment number for each classified segment that receives discharges from the regulated construction activity (if the discharge is not directly to a classified segment, then the classified segment number of the first classified segment that those discharges reach); and

(l) the name of all surface waters receiving discharges from the regulated construction activity that are on the latest EPA-approved CWA § 303(d) List of impaired waters or *Texas Integrated Report of Surface Water Quality for CWA Sections 305(b) and 303(d)* as not meeting applicable state water quality standards.

7. Notice of Change (NOC)

(a) If relevant information provided in the NOI changes, the operator that has submitted the NOI must submit an NOC to TCEQ at least fourteen (14) days before the change occurs. Where a 14-day advance notice is not possible, the operator must submit an NOC to TCEQ within fourteen (14) days of discovery of the change. If the operator becomes aware that it failed to submit any relevant facts or submitted

incorrect information in an NOI, the correct information must be submitted to TCEQ in an NOC within fourteen (14) days after discovery.

(b) Information on an NOC may include, but is not limited to, the following:

i. a change in the description of the construction project;

ii. an increase in the number of acres disturbed (for increases of one (1) or more acres);

iii. or the name of the operator (where the name of the operator has changed).

(c) Electronic NOC.

Applicants must submit an NOC using the online ePermits system available through the TCEQ website, or request and obtain a waiver from electronic reporting from the TCEQ. All waivers from electronic reporting are not transferrable. Electronic reporting waivers expire on the same date as the authorization to discharge, except for temporary waivers that expire one (1) year from issuance. A copy of the NOC form or letter must also be placed in the SWP3 and provided to the operator of any MS4 receiving the discharge. Operators are authorized immediately following confirmation of receipt of the electronic form by the TCEQ, unless otherwise notified by the executive director.

(d) Paper NOC.

Applicants who request and obtain an electronic reporting waiver shall submit the NOC on a paper form provided by the executive director, or by letter if an NOC form is not available.

(e) A copy of the NOC form or letter must also be placed in the SWP3 and provided to the operator of any MS4 receiving the discharge. A list that includes the names and addresses of all MS4 operators receiving a copy of the NOC (or NOC letter) must be included in the SWP3. Information that may not be included on an NOC includes but is not limited to the following:

i. transfer of operational control from one operator to another, including a transfer of the ownership of a company. A transfer of ownership of a company includes changes to the structure of a company, such as changing from a partnership to a corporation or changing corporation types, so that the filing or charter number that is on record with the Texas Secretary of State (SOS) must be changed.

ii. coverage under this general permit is not transferable from one operator to another. Instead, the new operator will need to submit an NOI or LREW, as applicable, and the previous operator will need to submit an NOT.

iii. a decrease in the number of acres disturbed. This information must be included in the SWP3 and retained on site.

8. Signatory Requirement for NOI Forms, NOT Forms, NOC Forms, and Construction Site Notices

NOI forms, NOT forms, NOC forms, and Construction Site Notices that require a signature must be signed according to 30 TAC § 305.44 (relating to Signatories for Applications).

Section F. Terminating Coverage

1. Notice of Termination (NOT) Required

Each operator that has submitted an NOI for authorization of large construction activities under this general permit must apply to terminate that authorization following the conditions described in this section of the general permit.

Authorization of large construction must be terminated by submitting an NOT electronically via the online ePermits system available through the TCEQ website, or on a paper NOT form to TCEQ supplied by the executive director with an approved waiver from electronic reporting. Authorization to discharge under this general permit terminates at midnight on the day a paper NOT is postmarked for delivery to the TCEQ or immediately following confirmation of the receipt of the NOT submitted electronically by the TCEQ.

Applicants must submit an NOT using the online ePermits system available through the TCEQ website, or request and obtain a waiver from electronic reporting from the TCEQ. Waivers from electronic reporting are not transferrable and expire on the same date as the authorization to discharge, except for temporary waivers that expire one (1) year from issuance.

The NOT must be submitted to TCEQ, and a copy of the NOT provided to the operator of any MS4 receiving the discharge (with a list in the SWP3 of the names and addresses of all MS4 operators receiving a copy), within 30 days after any of the following conditions are met:

(a) final stabilization has been achieved on all portions of the site that are the responsibility of the operator;

(b) a transfer of operational control has occurred (See Section II.F.4. below); or

(c) the operator has obtained alternative authorization under an individual TPDES permit or alternative TPDES general permit.

Compliance with the conditions and requirements of this permit is required until the NOT is submitted and approved by TCEQ.

2. Minimum Contents of the NOT

The NOT form shall require, at a minimum, the following information:

(a) if authorization for construction activity was granted following submission of an NOI, the permittee's site-specific TPDES authorization number for a specific construction site;

(b) an indication of whether final stabilization has been achieved at the site and a NOT has been submitted or if the permittee is simply no longer an operator at the site;

(c) the name, address, and telephone number of the permittee submitting the NOT;

(d) the name (or other identifier), address, county, and location (latitude/longitude) of the construction project or site; and

(e) a signed certification that either all stormwater discharges requiring authorization under this general permit will no longer occur, or that the applicant is no longer the operator of the facility or construction site, and that all temporary structural erosion controls have either been removed, will be removed on a schedule defined in the SWP3, or have been transferred to a new operator if the new operator has applied for permit coverage. Erosion controls that are designed to remain in place for an indefinite period, such as mulches and fiber mats, are not required to be removed or scheduled for removal.

3. Termination of Coverage for Small Construction Sites and for Secondary Operators at Large Construction Sites

   (a) Each operator that has obtained automatic authorization for small construction or is a secondary operator for large construction must perform the following when terminating coverage under the permit:

      i. remove the TCEQ site notice;

      ii. complete the applicable portion of the TCEQ site notice related to removal of the TCEQ site notice; and

      iii. submit a copy of the completed TCEQ site notice to the operator of any MS4 receiving the discharge (or provide alternative notification as allowed by the MS4 operator, with documentation of such notification included in the SWP3).

   (b) The activities described in Part II.F.3.(a) above must be completed by the operator within 30 days of meeting any of the following conditions:

      i. final stabilization has been achieved on all portions of the site that are the responsibility of the operator;

      ii. a transfer of day-to-day operational control over activities necessary to ensure compliance with the SWP3 and other permit conditions has occurred (See Section II.F.4. below); or

      iii. the operator has obtained alternative authorization under an individual or general TPDES permit.

   For Small Construction Sites and Secondary Operators at Large Construction Sites, authorization to discharge under this general permit terminates immediately upon removal of the applicable TCEQ construction site notice. Compliance with the conditions and requirements of this permit is required until the TCEQ construction site notice is removed. The construction site notice cannot be removed until final stabilization has been achieved.

4. Transfer of Day-to-Day Operational Control

   (a) When the primary operator of a large construction activity changes or operational control over activities necessary to ensure compliance with the SWP3 and other permit conditions is transferred to another primary operator, the original operator must do the following:

      i. submit an NOT within ten (10) days prior to the date that responsibility for operations terminates, and the new operator must submit an NOI at least ten (10) days prior to the transfer of operational control, in accordance with condition (c) below; and

      ii. submit a copy of the NOT from the primary operator terminating its coverage under the permit and its operational control of the construction site and submit a copy of the NOI from the new primary operator to the operator of any MS4 receiving the discharge in accordance with Part II.F.1. above.

   (b) For transfer of operational control, operators of small construction activities and secondary operators of large construction activities who are not required to submit an NOI must do the following:

      i. the existing operator must remove the original TCEQ construction site notice, and the new operator must post the required TCEQ construction site notice prior to the transfer of operational control, in accordance with the conditions in Part II.F.4.(c) i or ii below; and

      ii. a copy of the TCEQ construction site notice, which must be completed and provided to the operator of any MS4 receiving the discharge, in accordance with Part II.F.3. above.

   (c) Each operator is responsible for determining its role as an operator as defined in Part I.B. and obtaining authorization under the permit, as described above in Part II.E. 1. - 3. Where authorization has been obtained by submitting an NOI for coverage under this general permit, permit coverage is not transferable from one operator to another. A transfer of operational control can include changes to the structure of a company, such as changing from a partnership to a corporation, or changing to a different corporation type such that a different filing (or charter) number is established with the Texas Secretary of State (SOS). A transfer of operational control can also occur when one of the following criteria is met, as applicable:

      i. another operator has assumed control over all areas of the site that do not meet the definition for final stabilization;

      ii. all silt fences and other temporary erosion controls have either been removed, scheduled for removal as defined in the SWP3, or transferred to a new operator, provided that the original permitted operator has attempted to notify the new operator in writing of the requirement to obtain permit coverage. Records of this notification (or attempt at notification) shall be retained by the operator transferring operational control to another operator in accordance with Part VI of this permit. Erosion controls that are designed to remain in place for an indefinite period, such as mulches and fiber mats, are not required to be removed or scheduled for removal; or

      iii. a homebuilder has purchased one (1) or more lots from an operator who obtained coverage under this general permit for a common plan of development or sale. The homebuilder is considered a new operator and shall comply with the requirements of this permit. Under these circumstances, the homebuilder is only responsible for compliance with the general permit requirements as they apply to the lot(s) it has operational control over in a larger common plan of development, and the original operator remains responsible for common controls or discharges, and must amend its SWP3 to remove the lot(s) transferred to the homebuilder.

Section G. Waivers from Coverage

The executive director may waive the otherwise applicable requirements of this general permit for stormwater discharges from small construction activities under the terms and conditions described in this section.

1. Waiver Applicability and Coverage

   Operators of small construction activities may apply for and receive a waiver from the requirements to obtain authorization under this general permit, when the calculated rainfall erosivity (R) factor for the entire period of the construction project is less than five (5).

   The operator must submit a Low Rainfall Erosivity Waiver (LREW) certification form to the TCEQ electronically via the online ePermits system available through the TCEQ website. The LREW form is a certification by the operator that the small construction activity will commence and be completed within a period when the value of the calculated R factor is less than five (5).

Applicants who request and obtain an electronic reporting waiver shall submit the LREW on a paper form provided by the executive director at least seven (7) days prior to commencing construction activity to obtain provisional coverage 48-hours from the postmark date for delivery to the TCEQ. An authorization is no longer provisional when the executive director finds the LREW is administratively complete, and an authorization number is issued to the permittee for the construction site indicated on the LREW. Waivers from electronic reporting are not transferrable and expire on the same date as the authorization to discharge, except for temporary waivers that expire one (1) year from issuance.

This LREW from coverage does not apply to any non-stormwater discharges, including what is allowed under this permit. The operator must ensure that all non-stormwater discharges are either authorized under a separate permit or authorization or are captured and routed to an authorized treatment facility for disposal.

2. Steps to Obtaining a Waiver

The construction site operator may calculate the R factor to request a waiver using the following steps:

(a) estimate the construction start date and the construction end date. The construction end date is the date that final stabilization will be achieved.

(b) find the appropriate Erosivity Index (EI) zone in Appendix B of this permit.

(c) find the EI percentage for the project period by adding the results for each period of the project using the table provided in Appendix D of this permit, in EPA Fact Sheet 2.1, or in USDA Handbook 703, by subtracting the start value from the end value to find the percent EI for the site.

(d) refer to the Isoerodent Map (Appendix C of this permit) and interpolate the annual isoerodent value for the proposed construction location.

(e) multiply the percent value obtained in Step (c) above by the annual isoerodent value obtained in Step (d). This is the R factor for the proposed project. If the value is less than five (5), then a waiver may be obtained. If the value is five (5) or more, then a waiver may not be obtained, and the operator must obtain coverage under Part II.E.2. of this permit.

Alternatively, the operator may calculate a site-specific R factor utilizing the following online calculator: https://lew.epa.gov/, or using another available resource.

A copy of the LREW certification form is not required to be posted at the small construction site.

3. Effective Date of an LREW

Unless otherwise notified by the executive director, operators of small construction activities seeking coverage under an LREW are provisionally waived from the otherwise applicable requirements of this general permit 48-hours from the date that a completed paper LREW certification form is postmarked for delivery to TCEQ, or immediately upon receiving confirmation of approval of an electronic submittal, made via the online ePermits system available through the TCEQ website.

Applicants seeking coverage under an LREW must submit an application for an LREW using the online ePermits system available through the TCEQ website, or request and obtain a waiver from electronic reporting from the TCEQ. Waivers from electronic reporting are not transferrable and expire on the same date as the authorization to discharge.

4. Activities Extending Beyond the LREW Period

If a construction activity extends beyond the approved waiver period due to circumstances beyond the control of the operator, the operator must either:

(a) recalculate the R factor using the original start date and a new projected ending date, and if the R factor is still under five (5), submit a new LREW form at least two (2) days before the end of the original waiver period; or

(b) obtain authorization under this general permit according to the requirements for automatic authorization for small construction activities in Part II.E.2. of this permit, prior to the end of the approved LREW period.

Section H. Alternative TPDES Permit Coverage

1. Individual Permit Alternative

Any discharge eligible for coverage under this general permit may alternatively be authorized under an individual TPDES permit according to 30 TAC Chapter 305 (relating to Consolidated Permits). Applications for individual permit coverage must be submitted at least 330 days prior to commencement of construction activities to ensure timely authorization. Existing coverage under this general permit should not be terminated until an individual permit is issued and in effect.

2. General Permit Alternative

Any discharges eligible for authorization under this general permit may alternatively be authorized under a separate general permit according to 30 TAC Chapter 205 (relating to General Permits for Waste Discharges), as applicable.

3. Individual Permit Required

The executive director may require an operator of a construction site, otherwise eligible for authorization under this general permit, to apply for an individual TPDES permit in the following circumstances:

(a) the conditions of an approved TMDL or TMDL I-Plan on the receiving water;

(b) the activity being determined to cause, has a reasonable potential to cause, or contribute to a violation of water quality standards or being found to cause, or contribute to, the loss of a designated use of surface water in the state; and

(c) any other consideration defined in 30 TAC Chapter 205 (relating to General Permits for Waste Discharges) including 30 TAC § 205.4(c)(3)(D), which allows the commission to deny authorization under the general permit and require an individual permit if a discharger has been determined by the executive director to have been out of compliance with any rule, order, or permit of the commission, including non-payment of fees assessed by the executive director.

A discharger with a TCEQ compliance history rating of “unsatisfactory” is ineligible for coverage under this general permit. In that case, 30 TAC § 60.3 requires the executive director to deny or suspend an authorization to discharge under a general permit. However, per TWC § 26.040(h), a discharger is entitled to a hearing before the commission prior to having an authorization denied or suspended for having an “unsatisfactory” compliance history.

Denial of authorization to discharge under this general permit or suspension of a permittee’s authorization under this general permit for reasons other than compliance history shall be done according to commission rules in 30 TAC Chapter 205 (relating to General Permits for Waste Discharges).

Section I. Permit Expiration

1. This general permit is effective for a term not to exceed five (5) years. All active discharge authorizations expire on the date provided on page one (1) of this permit. Following public notice and comment, as provided by 30 TAC § 205.3 (relating to Public Notice, Public Meetings, and Public Comment), the commission may amend, revoke, cancel, or renew this general permit. All authorizations that are active at the time the permit term expires will be administratively continued as indicated in Part II.I.2. below and in Part II.D.1.(b) and D.2.(b) of this permit.
2. If the executive director publishes a notice of the intent to renew or amend this general permit before the expiration date, the permit will remain in effect for existing, authorized discharges until the commission takes final action on the permit. Upon issuance of a renewed or amended permit, permittees may be required to submit an NOI within 90 days following the effective date of the renewed or amended permit, unless that permit provides for an alternative method for obtaining authorization.
3. If the commission does not propose to reissue this general permit within 90 days before the expiration date, permittees shall apply for authorization under an individual permit or an alternative general permit. If the application for an individual permit is submitted before the expiration date, authorization under this expiring general permit remains in effect until the issuance or denial of an individual permit. No new NOIs will be accepted nor new authorizations honored under the general permit after the expiration date.

Part III. Stormwater Pollution Prevention Plans (SWP3)

All regulated construction site operators shall prepare an SWP3, prior to submittal of an NOI, to address discharges authorized under Parts II.E.2. and II.E.3. of this general permit that will reach waters of the U.S. This includes discharges to MS4s and privately owned separate storm sewer systems that drain into surface water in the state or waters of the U.S.

Individual operators at a site may develop separate SWP3s that cover only their portion of the project, provided reference is made to the other operators at the site. Where there is more than one (1) SWP3 for a site, operators must coordinate to ensure that BMPs and controls are consistent and do not negate or impair the effectiveness of each other. Regardless of whether a single comprehensive SWP3 is developed or separate SWP3s are developed for each operator, it is the responsibility of each operator to ensure compliance with the terms and conditions of this general permit in the areas of the construction site where that operator has control over construction plans and specifications or day-to-day operations.

An SWP3 must describe the implementation of practices that will be used to minimize to the extent practicable the discharge of pollutants in stormwater associated with construction activity and non-stormwater discharges described in Part II.A.3., in compliance with the terms and conditions of this permit.

An SWP3 must also identify any potential sources of pollution that have been determined to cause, have a reasonable potential to cause, or contribute to a violation of water quality standards or have been found to cause or contribute to the loss of a designated use of surface water in the state from discharges of stormwater from construction activities and construction support activities. Where potential sources of these pollutants are present at a construction site, the SWP3 must also contain a description of the management practices that will be used to prevent these pollutants from being discharged into surface water in the state or waters of the U.S.

> NOTE: Construction support activities can also include vehicle repair areas, fueling areas, etc. that are present at a construction site solely for the support construction activities and are only used by operators at the construction site.

The SWP3 is intended to serve as a road map for how the construction operator will comply with the effluent limits and other conditions of this permit. Additional portions of the effluent limits are established in Part IV. of the permit.

Section A. Shared SWP3 Development

For more effective coordination of BMPs and opportunities for cost sharing, a cooperative effort by the different operators at a site is encouraged. Operators of small and large construction activities must independently obtain authorization under this permit but may work together with other regulated operators at the construction site to prepare and implement a single, comprehensive SWP3, which can be shared by some or all operators, for the construction activities that each of the operators are performing at the entire construction site.

1. The SWP3 must include the following:
   (a) for small construction activities – the name of each operator that participates in the shared SWP3;
   (b) for large construction activities – the name of each operator that participates in the shared SWP3, the general permit authorization numbers of each operator (or the date that the NOI was submitted to TCEQ by each operator that has not received an authorization number for coverage under this permit); and
   (c) for large and small construction activities – the signature of each operator participating in the shared SWP3.
2. The SWP3 must clearly indicate which operator is responsible for satisfying each shared requirement of the SWP3. If the responsibility for satisfying a requirement is not described in the plan, then each permittee is entirely responsible for meeting the requirement within the boundaries of the construction site where they perform construction activities. The SWP3 must clearly describe responsibilities for meeting each requirement in shared or common areas.
3. The SWP3 may provide that one operator is responsible for preparation of a SWP3 in compliance with the CGP, and another operator is responsible for implementation of the SWP3 at the project site.

Section B. Responsibilities of Operators

1. Secondary Operators and Primary Operators with Control Over Construction Plans and Specifications

   All secondary operators and primary operators with control over construction plans and specifications shall:
   (a) ensure the project specifications allow or provide that adequate BMPs are developed to meet the requirements of Part III of this general permit;
   (b) ensure that the SWP3 indicates the areas of the project where they have control over project specifications, including the ability to make modifications in specifications;
   (c) ensure that all other operators affected by modifications in project specifications are notified in a timely manner so that those operators may modify their BMP s as necessary to remain compliant with the conditions of this general permit; and

(d) ensure that the SWP3 for portions of the project where each operator has control indicates the name and site-specific TPDES authorization number(s) for operators with the day-to-day operational control over those activities necessary to ensure compliance with the SWP3 and other permit conditions. If a primary operator has not been authorized or has abandoned the site, the secondary operator is considered to be the responsible party and must obtain authorization as a primary operator under the permit, until the authority for day-to-day operational control is transferred to another primary operator. The new primary operator must update or develop a new SWP3 that will reflect the transfer of operational control and include any additional updates to the SWP3 to meet requirements of the permit.

2. Primary Operators with Day-to-Day Operational Control

Primary operators with day-to-day operational control of those activities at a project that are necessary to ensure compliance with an SWP3 and other permit conditions must ensure that the SWP3 accomplishes the following requirements:

(a) meets the requirements of this general permit for those portions of the project where they are operators;

(b) identifies the parties responsible for implementation of BMPs described in the SWP3;

(c) indicates areas of the project where they have operational control over day-to-day activities; and

(d) the name and site-specific TPDES authorization number of the parties with control over project specifications, including the ability to make modifications in specifications for areas where they have operational control over day-to-day activities.

Section C. Deadlines for SWP3 Preparation, Implementation, and Compliance

The SWP3 must be prepared prior to obtaining authorization under this general permit, and implemented prior to commencing construction activities that result in soil disturbance. The SWP3 must be prepared so that it provides for compliance with the terms and conditions of this general permit.

Section D. Plan Review and Making Plans Available

1. The SWP3 must be retained on-site at the construction site or, if the site is inactive or does not have an on-site location to store the plan, a notice must be posted describing the location of the SWP3. The SWP3 must be made readily available at the time of an on-site inspection to: the executive director; a federal, state, or local agency approving sediment and erosion plans, grading plans, or stormwater management plans; local government officials; and the operator of a municipal separate storm sewer receiving discharges from the site. If the SWP3 is retained off-site, then it shall be made available as soon as reasonably possible. In most instances, it is reasonable that the SWP3 shall be made available within 24 hours of the request.

   NOTE: The SWP3 may be prepared and kept electronically, rather than in paper form, if the records are: (a) in a format that can be read in a similar manner as a paper record; (b) legally valid with no less evidentiary value than their paper equivalent; and (c) immediately accessible to the inspector during an inspection to the same extent as a paper copy stored at the site would be, if the records were stored in paper form.

2. Operators with authorization for construction activity under this general permit must post a TCEQ site notice at the construction site at a place readily available for viewing by the general public, and local, state, and federal authorities.

(a) Primary and secondary operators of large construction activities must each post a TCEQ construction site notice, respective to their role as an operator at the construction site, as required above and according to requirements in Part II.E.3. of this general permit.

(b) Primary and secondary operators of small construction activities must post the TCEQ site notice as required in Part III.D.2.(a) above and for the specific type of small construction described in Part II.E.1. and 2. of the permit.

(c) If the construction project is a linear construction project, such as a pipeline or highway, the notices must be placed in a publicly accessible location near where construction is actively underway. TCEQ construction site notices for small and large construction activities at these linear construction sites may be relocated, as necessary, along the length of the project, but must still be readily available for viewing by the general public; local, state, and federal authorities; and contain the following information:

   i. the site-specific TPDES authorization number for the project if assigned;

   ii. the operator name, contact name, and contact phone number;

   iii. a brief description of the project; and

   iv. the location of the SWP3.

3. This permit does not provide the general public with any right to trespass on a construction site for any reason, including inspection of a site; nor does this permit require that permittees allow members of the general public access to a construction site.

Section E. Revisions and Updates to SWP3s

The permittee must revise or update the SWP3, including the site map, within seven (7) days of when any of the following occurs:

1. a change in design, construction, operation, or maintenance that has a significant effect on the discharge of pollutants and that has not been previously addressed in the SWP3;

2. changing site conditions based on updated plans and specifications, new operators, new areas of responsibility, and changes in BMPs; or

3. results of inspections or investigations by construction site personnel authorized by the permittee, operators of a municipal separate storm sewer system receiving the discharge, authorized TCEQ personnel, or a federal, state or local agency approving sediment and erosion plans indicate the SWP3 is proving ineffective in eliminating or significantly minimizing pollutants in discharges authorized under this general permit.

Section F. Contents of SWP3

The SWP3 must be developed and implemented by primary operators of small and large construction activities and include, at a minimum, the information described in this section and must comply with the construction and development effluent guidelines in Part IV. of the general permit.

1. A site or project description, which includes the following information:

   (a) a description of the nature of the construction activity;

   (b) a list of potential pollutants and their sources;

   (c) a description of the intended schedule or sequence of activities that will disturb soils for major portions of the site, including estimated start dates and duration of activities;

(d) the total number of acres of the entire property and the total number of acres where construction activities will occur, including areas where construction support activities (defined in Part I.B. of this general permit) occur;

(e) data describing the soil or the quality of any discharge from the site;

(f) a map showing the general location of the site (e.g., a portion of a city or county map);

(g) a detailed site map (or maps) indicating the following:

i. property boundary(ies);

ii. drainage patterns and approximate slopes anticipated before and after major grading activities;

iii. areas where soil disturbance will occur (note any phasing), including any demolition activities;

iv. locations of all controls and buffers, either planned or in place;

v. locations where temporary or permanent stabilization practices are expected to be used;

vi. locations of construction support activities, including those located off-site;

vii. surface waters (including wetlands) either at, adjacent, or in close proximity to the site, and also indicate whether those waters are impaired;

NOTE: Surface waters adjacent to or in close proximity to the site means any receiving waters within the site and all receiving waters within one mile downstream of the site's discharge point(s).

viii. locations where stormwater discharges from the site directly to a surface water body or a municipal separate storm sewer system;

ix. vehicle wash areas; and

x. designated points on the site where vehicles will exit onto paved roads (for instance, this applies to construction transition from unstable dirt areas to exterior paved roads).

Where the amount of information required to be included on the map would result in a single map being difficult to read and interpret, the operator shall develop a series of maps that collectively include the required information.

(h) the location and description of support activities authorized under the permittee's NOI, including asphalt plants, concrete plants, and other activities providing support to the construction site that is authorized under this general permit;

(i) the name of receiving waters at or near the site that may be disturbed or that may receive discharges from disturbed areas of the project;

(j) a copy of this TPDES general permit (an electronic copy of this TPDES general permit or a current link to this TPDES general permit on the TCEQ webpage is acceptable);

(k) the NOI and the acknowledgement of provisional and non-provisional authorization for primary operators of large construction sites, and the TCEQ site notice for small construction sites and for secondary operators of large construction sites;

(l) if signatory authority is delegated by an authorized representative, then a copy of the formal notification to TCEQ, as required by 30 TAC 305.128 relating to Signatories to Reports must be filed in the SWP3 and made available for review upon request by TCEQ or local MS4 Operator. For primary operators of large construction activities, the formal notification to TCEQ must be submitted either electronically through

STEERS, TCEQ's electronic reporting system, or, if qualifying for an electronic reporting waiver, by paper on a Delegation of Signatories form. For operators or small construction activities, the formal notification to TCEQ must be submitted by paper on a Delegation of Signatories form.

(m) stormwater and allowable non-stormwater discharge locations, including storm drain inlets on site and in the immediate vicinity of the construction site where construction support activities will occur; and

(n) locations of all pollutant-generating activities at the construction site and where construction support activities will occur, such as the following: Paving operations; concrete, paint and stucco washout and water disposal; solid waste storage and disposal; and dewatering operations.

2. A description of the BMPs that will be used to minimize pollution in runoff.

The description must identify the general timing or sequence for installation and implementation. At a minimum, the description must include the following components:

(a) General Requirements

i. Erosion and sediment controls must be designed to retain sediment on-site to the extent practicable with consideration for local topography, soil type, and rainfall.

ii. Control measures must be properly selected, installed, and maintained according to good engineering practices, and the manufacturer's or designer's specifications.

iii. Controls must be developed to minimize the offsite transport of litter, construction debris, construction materials, and other pollutants required of Part IV.D.

(b) Erosion Control and Stabilization Practices

The SWP3 must include a description of temporary and permanent erosion control and stabilization practices for the construction site, where small or large construction activity will occur. The erosion control and stabilization practices selected by the permittee must be compliant with the requirements for sediment and erosion control, located in Part IV. of this permit. The description of the SWP3 must also include a schedule of when the practices will be implemented. Site plans must ensure that existing vegetation at the construction site is preserved where it is possible.

i. Erosion control and stabilization practices may include but are not limited to: establishment of temporary or permanent vegetation, mulching, geotextiles, sod stabilization, vegetative buffer strips, protection of existing trees and vegetation, slope texturing, temporary velocity dissipation devices, flow diversion mechanisms, and other similar measures.

ii. The following records must be maintained and either attached to or referenced in the SWP3, and made readily available upon request to the parties listed in Part III.D.1 of this general permit:

(A) the dates when major grading activities occur;

(B) the dates when construction activities temporarily or permanently cease on a portion of the site; and

(C) the dates when stabilization measures are initiated.

iii. Erosion control and stabilization measures must be initiated immediately in portions of the site where construction activities have temporarily ceased and will not resume for a period exceeding fourteen (14) calendar days. Stabilization

measures that provide a protective cover must be initiated immediately in portions of the site where construction activities have permanently ceased. The term "immediately" is used to define the deadline for initiating stabilization measures. In the context of this requirement, "immediately" means as soon as practicable, but no later than the end of the next work day, following the day when the earth-disturbing activities have temporarily or permanently ceased. Except as provided in (A) through (D) below, these measures must be completed as soon as practicable, but no more than fourteen (14) calendar days after the initiation of soil stabilization measures:

(A) where the immediate initiation of vegetative stabilization measures after construction activity has temporarily or permanently ceased due to frozen conditions, non-vegetative controls must be implemented until thawing conditions (as defined in Part I.B. of this general permit) are present, and vegetative stabilization measures can be initiated as soon as practicable.

(B) in arid areas, semi-arid areas, or drought-stricken areas, as they are defined in Part I.B. of this general permit, where the immediate initiation of vegetative stabilization measures after construction activity has temporarily or permanently ceased or is precluded by arid conditions, other types of erosion control and stabilization measures must be initiated at the site as soon as practicable. Where vegetative controls are infeasible due to arid conditions, and within fourteen (14) calendar days of a temporary or permanent cessation of construction activity in any portion of the site, the operator shall immediately install non-vegetative erosion controls in areas of the construction site where construction activity is complete or has ceased. If non-vegetative controls are infeasible, the operator shall install temporary sediment controls as required in Part III.F.2.(b)iii.(C) below.

(C) in areas where non-vegetative controls are infeasible, the operator may alternatively utilize temporary perimeter controls. The operator must document in the SWP3 the reason why stabilization measures are not feasible, and must demonstrate that the perimeter controls will retain sediment on site to the extent practicable. The operator must continue to inspect the BMPs at the frequencies established in Part III.F.8.(c) for unstabilized sites.

(D) the requirement for permittees to initiate stabilization is triggered as soon as it is known with reasonable certainty that construction activity at the site or in certain areas of the site will be stopped for 14 or more additional calendar days. If the initiation or completion of vegetative stabilization is prevented by circumstances beyond the control of the permittee, the permittee must employ and implement alternative stabilization measures immediately. When conditions at the site changes that would allow for vegetative stabilization, then the permittee must initiate or complete vegetative stabilization as soon as practicable.

iv. Final stabilization must be achieved prior to termination of permit coverage.

v. TCEQ does not expect that temporary or permanent stabilization measures to be applied to areas that are intended to be left un-vegetated or un-stabilized following construction (e.g., dirt access roads, utility pole pads, areas being used for storage of vehicles, equipment, or materials).

(c) Sediment Control Practices

The SWP3 must include a description of any sediment control practices used to remove eroded soils from stormwater runoff, including the general timing or sequence for implementation of controls. Controls selected by the permittee must be compliant with the requirements in Part IV. of this permit.

i. Sites With Drainage Areas of Ten (10) or More Acres

(A) Sedimentation Basin(s) or Impoundments

(1) A sedimentation basin or similar impoundment is required, where feasible, for a common drainage location that serves an area with ten (10) or more acres disturbed at one time. A sedimentation basin or impoundment may be temporary or permanent, and must provide sufficient storage to contain a calculated volume of runoff from a 2-year, 24-hour storm from each disturbed acre drained. When calculating the volume of runoff from a 2-year, 24-hour storm event, it is not required to include the flows from offsite areas and flow from onsite areas that are either undisturbed or have already undergone permanent stabilization, if these flows are diverted around both the disturbed areas of the site and the sediment basin or similar impoundment. Capacity calculations shall be included in the SWP3. Sedimentation basins must be designed for and appropriate for controlling runoff at the site and existing detention or retention ponds at the site may not be appropriate.

(2) Where rainfall data is not available, or a calculation cannot be performed, the sedimentation basin must provide at least 3,600 cubic feet of storage per acre drained until final stabilization of the site.

(3) If a sedimentation basin or impoundment is not feasible, then the permittee shall provide equivalent control measures until final stabilization of the site. In determining whether installing a sediment basin or impoundment is feasible, the permittee may consider factors such as site soils, slope, available area, public safety, precipitation patterns, site geometry, site vegetation, infiltration capacity, geotechnical factors, depth to groundwater, and other similar considerations. The permittee shall document the reason that the sediment basins or impoundments are not feasible, and shall utilize equivalent control measures, which may include a series of smaller sediment basins or impoundments.

(4) Unless infeasible, when discharging from sedimentation basins and impoundments, the permittee shall utilize outlet structures that withdraw water from the surface.

(B) Perimeter Controls: At a minimum, silt fences, vegetative buffer strips, or equivalent sediment controls are required for all down slope boundaries of the construction area, and for those side slope boundaries deemed appropriate as dictated by individual site conditions.

ii. Controls for Sites with Drainage Areas Less than Ten (10) Acres:

(A) Sediment traps and sediment basins may be used to control solids in stormwater runoff for drainage locations serving less than ten (10) acres. At a minimum, silt fences, vegetative buffer strips, or equivalent sediment controls are required for all down slope boundaries of the construction area, and for those side slope boundaries deemed appropriate as dictated by individual site conditions.

(B) Alternatively, a sediment basin that provides storage for a calculated volume of runoff from a 2-year, 24-hour storm from each disturbed acre drained may be utilized. Where rainfall data is not available or a calculation cannot be performed, a temporary or permanent sediment basin providing 3,600 cubic feet of storage per acre drained may be provided. If a calculation is performed, then the calculation shall be included in the SWP3.

(C) If sedimentation basins or impoundments are used, the permittee shall comply with the requirements in Part IV.F. of this general permit.

3. Description of Permanent Stormwater Controls

A description of any stormwater control measures that will be installed during the construction process to control pollutants in stormwater discharges that may occur after construction operations have been completed must be included in the SWP3. Permittees are responsible for the installation and maintenance of stormwater management measures, as follows:

(a) permittees authorized under the permit for small construction activities are responsible for the installation and maintenance of stormwater control measures prior to final stabilization of the site; or

(b) permittees authorized under the permit for large construction activities are responsible for the installation and maintenance of stormwater control measures prior to final stabilization of the site and prior to submission of an NOT.

4. Other Required Controls and BMPs

(a) Permittees shall minimize, to the extent practicable, the off-site vehicle tracking of sediments and dust. The SWP3 shall include a description of controls utilized to control the generation of pollutants that could be discharged in stormwater from the site.

(b) The SWP3 must include a description of construction and waste materials expected to be stored on-site and a description of controls to minimize pollutants from these materials.

(c) The SWP3 must include a description of potential pollutant sources in discharges of stormwater from all areas of the construction site where construction activity, including construction support activities, will be located, and a description of controls and measures that will be implemented at those sites to minimize pollutant discharges.

(d) Permittees shall place velocity dissipation devices at discharge locations and along the length of any outfall channel (i.e., runoff conveyance) to provide a non-erosive flow velocity from the structure to a water course, so that the natural physical and biological characteristics and functions are maintained and protected.

(e) Permittees shall design and utilize appropriate controls in accordance with Part IV. of this permit to minimize the offsite transport of suspended sediments and other pollutants if it is necessary to pump or channel standing water from the site.

(f) Permittees shall ensure that all other required controls and BMPs comply with all of the requirements of Part IV. of this general permit.

(g) For demolition of any structure with at least 10,000 square feet of floor space that was built or renovated before January 1, 1980, and the receiving waterbody is impaired for polychlorinated biphenyls (PCBs):

i. implement controls to minimize the exposure of PCB-containing building materials, including paint, caulk, and pre-1980 fluorescent lighting fixtures to precipitation and to stormwater; and

ii. ensure that disposal of such materials is performed in compliance with applicable state, federal, and local laws.

5. Documentation of Compliance with Approved State and Local Plans

(a) Permittees must ensure that the SWP3 is consistent with requirements specified in applicable sediment and erosion site plans or site permits, or stormwater management site plans or site permits approved by federal, state, or local officials.

(b) SWP3s must be updated as necessary to remain consistent with any changes applicable to protecting surface water resources in sediment erosion site plans or site permits, or stormwater management site plans or site permits approved by state or local official for which the permittee receives written notice.

(c) If the permittee is required to prepare a separate management plan, including but not limited to a WPAP or Contributing Zone Plan in accordance with 30 TAC Chapter 213 (related to the Edwards Aquifer), then a copy of that plan must be either included in the SWP3 or made readily available upon request to authorized personnel of the TCEQ. The permittee shall maintain a copy of the approval letter for the plan in its SWP3.

6. Maintenance Requirements

(a) All protective measures identified in the SWP3 must be maintained in effective operating condition. If, through inspections or other means, as soon as the permittee determines that BMPs are not operating effectively, then the permittee shall perform maintenance as necessary to maintain the continued effectiveness of stormwater controls, and prior to the next rain event if feasible. If maintenance prior to the next anticipated storm event is impracticable, the reason shall be documented in the SWP3 and maintenance must be scheduled and accomplished as soon as practicable. Erosion and sediment controls that have been intentionally disabled, run-over, removed, or otherwise rendered ineffective must be replaced or corrected immediately upon discovery.

(b) If periodic inspections or other information indicates a control has been used incorrectly, is performing inadequately, or is damaged, then the operator shall replace or modify the control as soon as practicable after making the discovery.

(c) Sediment must be removed from sediment traps and sedimentation ponds no later than the time that design capacity has been reduced by 50%. For perimeter controls such as silt fences, berms, etc., the trapped sediment must be removed before it reaches 50% of the above-ground height.

(d) If sediment escapes the site, accumulations must be removed at a frequency that minimizes off-site impacts, and prior to the next rain event, if feasible. If the permittee does not own or operate the off-site conveyance, then the permittee shall work with the owner or operator of the property to remove the sediment.

7. Observation and Evaluation of Dewatering Controls Pursuant to Part IV.C. of this General Permit

(a) Personnel provided by the permittee must observe and evaluate dewatering controls at a minimum of once per day on the days where dewatering discharges from the construction site occur. Personnel conducting these evaluations must be knowledgeable of this general permit, the construction activities at the site, and the SWP3 for the site. Personnel conducting these evaluations are not required to have signatory authority for reports under 30 TAC § 305.128 (relating to Signatories to Reports).

(b) Requirements for Observations and Evaluations

i. A report summarizing the scope of any observation and evaluation must be completed within 24-hours following the evaluation. The report must also include, at a minimum, the following:

(A) date of the observations and evaluation;

(B) name(s) and title(s) of personnel making the observations and evaluation;

(C) approximate times that the dewatering discharge began and ended on the day of evaluation, or if the dewatering discharge is a continuous discharge that continues after normal business hours, indicate that the discharge is continuous (this information can be reported by personnel initiating the dewatering discharge);

(D) estimates of the rate (in gallons per day) of discharge on the day of evaluation;

(E) whether or not any indications of pollutant discharge were observed at the point of discharge (e.g., foam, oil sheen, noticeable odor, floating solids, suspended sediments, or other obvious indicators of stormwater pollution); and

(F) major observations, including: the locations of where erosion and discharges of sediment or other pollutants from the site have occurred; locations of BMPs that need to be maintained; locations of BMPs that failed to operate as designed or proved inadequate for a particular location; and locations where additional BMPs are needed.

ii. Actions taken as a result of evaluations, including the date(s) of actions taken, must be described within, and retained as a part of, the SWP3. Reports must identify any incidents of non-compliance. Where a report does not identify any incidents of non-compliance, the report must contain a certification that the facility or site is in compliance with the SWP3 and this permit. The report must be retained as part of the SWP3 and signed by the person and in the manner required by 30 TAC § 305.128 (relating to Signatories to Reports).

iii. The names and qualifications of personnel making the evaluations for the permittee may be documented once in the SWP3 rather than being included in each report.

8. Inspections of All Controls

(a) Personnel provided by the permittee must inspect disturbed areas (cleared, graded, or excavated) of the construction site that do not meet the requirements of final stabilization in this general permit, all locations where stabilization measures have been implemented, areas of construction support activity covered under this permit, stormwater controls (including pollution prevention controls) for evidence of, or the potential for, the discharge of pollutants, areas where stormwater typically flows within the construction site, and points of discharge from the construction site.

i. Personnel conducting these inspections must be knowledgeable of this general permit, the construction activities at the site, and the SWP3 for the site.

ii. Personnel conducting these inspections are not required to have signatory authority for inspection reports under 30 TAC § 305.128 (relating to Signatories to Reports).

(b) Requirements for Inspections

i. Inspect all stormwater controls (including sediment and erosion control measures identified in the SWP3) to ensure that they are installed properly, appear to be operational, and minimizing pollutants in discharges, as intended.

ii. Identify locations on the construction site where new or modified stormwater controls are necessary.

iii. Check for signs of visible erosion and sedimentation that can be attributed to the points of discharge where discharges leave the construction site or discharge into any surface water in the state flowing within or adjacent to the construction site.

iv. Identify any incidents of noncompliance observed during the inspection.

v. Inspect locations where vehicles enter or exit the site for evidence of off-site sediment tracking.

vi. If an inspection is performed when discharges from the construction site are occurring: identify all discharge points at the site, and observe and document the visual quality of the discharge (i.e., color, odor, floating, settled, or suspended solids, foam, oil sheen, and other such indicators of pollutants in stormwater).

vii. Complete any necessary maintenance needed, based on the results of the inspection and in accordance with the requirements listed in Part III.F.6. above.

(c) Inspection frequencies:

i. Inspections of construction sites must be conducted at least once every fourteen (14) calendar days and within 24 hours of the end of a storm event of 0.5 inches or greater, unless as otherwise provided below in Part III.F.8.(c)ii. – v. below.

(A) If a storm event produces 0.5 inches or more of rain within a 24-hour period (including when there are multiple, smaller storms that alone produce less than 0.5 inches but together produce 0.5 inches or more in 24 hours), you are required to conduct one inspection within 24 hours of when 0.5 inches of rain or more has fallen. When the 24-hour inspection time frame occurs entirely outside of normal working hours, you must conduct an inspection by no later than the end of the next business day.

(B) If a storm event produces 0.5 inches or more of rain within a 24-hour period on the first day of a storm and continues to produce 0.5 inches or more of rain on subsequent days, you must conduct an inspection within 24 hours of the first day of the storm and within 24 hours after the last day of the storm that produces 0.5 inches or more of rain (i.e., only two (2) inspections would be required for such a storm event). When the 24-hour inspection time frame occurs entirely outside of normal working hours, you must conduct an inspection by no later than the end of the next business day.

ii. Inspection frequencies must be conducted at least once every month in areas of the construction site that meet final stabilization or have been temporarily stabilized.

iii. Inspection frequencies for construction sites, where runoff is unlikely due to the occurrence of frozen conditions at the site, must be conducted at least once every month until thawing conditions begin to occur (see definitions for thawing conditions in Part I.B.). The SWP3 must also contain a record of the approximate beginning and ending dates of when frozen conditions occurred at the site, which resulted in inspections being conducted monthly, while those

conditions persisted, instead of at the interval of once every fourteen (14) calendar days and within 24 hours of the end of a storm event of 0.5 inches or greater.

iv. In arid, semi-arid, or drought-stricken areas, inspections must be conducted at least once every month and within 24 hours after the end of a storm event of 0.5 inches or greater. The SWP3 must also contain a record of the total rainfall measured, as well as the approximate beginning and ending dates of when drought conditions occurred at the site, which resulted in inspections being conducted monthly, while those conditions persisted, instead of at the interval of once every fourteen (14) calendar days and within 24 hours of the end of a storm event of 0.5 inches or greater.

v. As an alternative to the inspection schedule in Part III.F.8.(c)i. above, the SWP3 may be developed to require that these inspections will occur at least once every seven (7) calendar days. If this alternative schedule is developed, then the inspection must occur regardless of whether or not there has been a rainfall event since the previous inspection.

vi. The inspection procedures described in Part III.F.8.(c)i. – v above can be performed at the frequencies and under the applicable conditions indicated for each schedule option, provided that the SWP3 reflects the current schedule and that any changes to the schedule are made in accordance with the following provisions: the inspection frequency schedule can only be changed a maximum of once per calendar month and implemented within the first five (5) business days of a calendar month; and the reason for the schedule change documented in the SWP3 (e.g., end of "dry" season and beginning of "wet" season).

(d) Utility line installation, pipeline construction, and other examples of long, narrow, linear construction activities may provide inspection personnel with limited access to the areas described in Part III.F.8.(a) above.

i. Inspection of linear construction sites could require the use of vehicles that could compromise areas of temporary or permanent stabilization, cause additional disturbance of soils, and result in the increase the potential for erosion. In these circumstances, controls must be inspected at least once every fourteen (14) calendar days and within 24 hours of the end of a storm event of 0.5 inches or greater, but representative inspections may be performed.

ii. For representative inspections, personnel must inspect controls along the construction site for 0.25 mile above and below each access point where a roadway, undisturbed right-of-way, or other similar feature intersects the construction site and allows access to the areas described in Part III.F.8.(a) above. The conditions of the controls along each inspected 0.25-mile portion may be considered as representative of the condition of controls along that reach extending from the end of the 0.25-mile portion to either the end of the next 0.25-mile inspected portion, or to the end of the project, whichever occurs first.

As an alternative to the inspection schedule described in Part III.F.8.(c)i. above, the SWP3 may be developed to require that these inspections will occur at least once every seven (7) calendar days. If this alternative schedule is developed, the inspection must occur regardless of whether or not there has been a rainfall event since the previous inspection.

iii. the SWP3 for a linear construction site must reflect the current inspection schedule. Any changes to the inspection schedule must be made in accordance with the following provisions:

(A) the schedule may be changed a maximum of one time each month;

(B) the schedule change must be implemented at the beginning of a calendar month, and

(C) the reason for the schedule change must be documented in the SWP3 (e.g., end of "dry" season and beginning of "wet" season).

(e) Adverse Conditions.

Requirements for inspections may be temporarily suspended for adverse conditions. Adverse conditions are conditions that are either dangerous to personnel (e.g., high wind, excessive lightning) or conditions that prohibit access to the site (e.g., flooding, freezing conditions). Adverse conditions that result in the temporary suspension of a permit requirement to inspect must be documented and included as part of the SWP3. Documentation must include:

i. the date and time of the adverse condition,

ii. names of personnel that witnessed the adverse condition, and

iii. a narrative for the nature of the adverse condition.

(f) In the event of flooding or other adverse conditions which prohibit access to the inspection sites, inspections must be conducted as soon as access is practicable. Inspection Reports.

i. A report summarizing the scope of any inspection must be completed within 24-hours following the inspection. The report must also include the date(s) of the inspection and major observations relating to the implementation of the SWP3. Major observations in the report must include: the locations of where erosion and discharges of sediment or other pollutants from the site have occurred; locations of BMPs that need to be maintained; locations of BMPs that failed to operate as designed or proved inadequate for a particular location; and locations where additional BMPs are needed.

ii. Actions taken as a result of inspections, including the date(s) of actions taken, must be described within, and retained as a part of, the SWP3. Reports must identify any incidents of non-compliance. Where a report does not identify any incidents of non-compliance, the report must contain a certification that the facility or site is in compliance with the SWP3 and this permit. The report must be retained as part of the SWP3 and signed by the person and in the manner required by 30 TAC § 305.128 (relating to Signatories to Reports).

iii. The names and qualifications of personnel making the inspections for the permittee may be documented once in the SWP3 rather than being included in each report.

(g) The SWP3 must be modified based on the results of inspections, as necessary, to better control pollutants in runoff. Revisions to the SWP3 must be completed within seven (7) calendar days following the inspection. If existing BMPs are modified or if additional BMPs are necessary, an implementation schedule must be described in the SWP3 and wherever possible those changes implemented before the next storm event. If implementation before the next anticipated storm event is impracticable, these changes must be implemented as soon as practicable. If necessary, modify your site map to reflect changes to your stormwater controls that are no longer accurately reflected on the current site map.

9. The SWP3 must identify and ensure the implementation of appropriate pollution prevention measures for all eligible non-stormwater components of the discharge, as listed in Part II.A.3. of this permit.

10. The SWP3 must include the information required in Part III.B. of this general permit.

11. The SWP3 must include pollution prevention procedures that comply with Part IV.D. of this general permit.

Part IV. Erosion and Sediment Control Requirements Applicable to All Sites

Except as provided in 40 CFR §§ 125.30-125.32, any discharge regulated under this general permit, with the exception of sites that obtained waivers based on low rainfall erosivity, must achieve, at a minimum, the following effluent limitations representing the degree of effluent reduction attainable by application of the best practicable control technology currently available (BPT). The BPT are also required by and must satisfy the Effluent Limitations Guideline (ELG) permitting requirement for application of 40 CFR § 450.24 New Source Performance Standards (NSPS), 40 CFR § 450.22 Best Available Technology Economically Achievable (BAT), and 40 CFR § 450.23 Best Conventional Pollutant Control Technology (BCT).

Section A. Erosion and Sediment Controls

Design, install, and maintain effective erosion controls and sediment controls to minimize the discharge of pollutants. At a minimum, such controls must be designed, installed, and maintained to:

1. control stormwater volume and velocity within the site to minimize soil erosion in order to minimize pollutant discharges;
2. control stormwater discharges, including both peak flowrates and total stormwater volume, to minimize channel and streambank erosion and scour in the immediate vicinity of discharge point(s);
3. minimize the amount of soil exposed during construction activity;
4. minimize the disturbance of steep slopes;
5. minimize sediment discharges from the site. The design, installation, and maintenance of erosion and sediment controls must address factors such as the amount, frequency, intensity and duration of precipitation, the nature of resulting stormwater runoff, and soil characteristics, including the range of soil particle sizes expected to be present on the site;
6. provide and maintain appropriate natural buffers around surface water in the state. Direct stormwater to vegetated areas and maximize stormwater infiltration to reduce pollutant discharges, unless infeasible. If providing buffers is infeasible, the permittee shall document the reason that natural buffers are infeasible and shall implement additional erosion and sediment controls to reduce sediment load;
7. preserve native topsoil at the site, unless the intended function of a specific area of the site dictates that the topsoil be disturbed or removed, or it is infeasible; and
8. minimize soil compaction. In areas of the construction site where final vegetative stabilization will occur or where infiltration practices will be installed, either:
   (a) restrict vehicle and equipment use to avoid soil compaction; or
   (b) prior to seeding or planting areas of exposed soil that have been compacted, use techniques that condition the soils to support vegetative growth, if necessary and feasible.

   Minimizing soil compaction is not required where the intended function of a specific area of the site dictates that it be compacted.
9. TCEQ does not consider stormwater control features (e.g., stormwater conveyance channels, storm drain inlets, sediment basins) to constitute “surface water” for the purposes of triggering the buffer requirement in Part IV.A.(6) above.

Section B. Soil Stabilization

Stabilization of disturbed areas must, at a minimum, be initiated immediately whenever any clearing, grading, excavating, or other earth disturbing activities have permanently ceased on any portion of the site, or temporarily ceased on any portion of the site and will not resume for a period exceeding fourteen (14) calendar days. In the context of this requirement, “immediately” means as soon as practicable, but no later than the end of the next workday, following the day when the earth-disturbing activities have temporarily or permanently ceased. Temporary stabilization must be completed no more than fourteen (14) calendar days after initiation of soil stabilization measures, and final stabilization must be achieved prior to termination of permit coverage. In arid, semi-arid, and drought-stricken areas where initiating vegetative stabilization measures immediately is infeasible, alternative non-vegetative stabilization measures must be employed as soon as practicable. Refer to Part III.F.2.(b) for complete erosion control and stabilization practice requirements. In limited circumstances, stabilization may not be required if the intended function of a specific area of the site necessitates that it remain disturbed.

Section C. Dewatering

Discharges from dewatering activities, including discharges from dewatering of trenches and excavations, are prohibited, unless managed by appropriate controls to address sediment and prevent erosion. Operators must observe and evaluate the dewatering controls once per day while the dewatering discharge occurs as described in Part III.F.7. of this general permit.

Section D. Pollution Prevention Measures

Design, install, implement, and maintain effective pollution prevention measures to minimize the discharge of pollutants. At a minimum, such measures must be designed, installed, implemented, and maintained to:

1. minimize the discharge of pollutants from equipment and vehicle washing, wheel wash water, and other wash waters. Wash waters must be treated in a sediment basin or alternative control that provides equivalent or better treatment prior to discharge;
2. minimize the exposure of building materials, building products, construction wastes, trash, landscape materials, fertilizers, pesticides, herbicides, detergents, sanitary waste, and other materials present on the site to precipitation and to stormwater;
3. minimize the exposure of waste materials by closing waste container lids at the end of the workday and during storm events. For waste containers that do not have lids, where the container itself is not sufficiently secure enough to prevent the discharge of pollutants absent a cover and could leak, the permittee must provide either a cover (e.g., a tarp, plastic sheeting, temporary roof) to minimize exposure of wastes to precipitation, stormwater, and wind, or a similarly effective means designed to minimize the discharge of pollutants (e.g., secondary containment). Minimization of exposure is not required in cases where the exposure to precipitation and to stormwater will not result in a discharge of pollutants, or where exposure of a specific material or product poses little risk of stormwater contamination (such as final products and materials intended for outdoor use);
4. minimize exposure of wastes by implementing good housekeeping measures. Wastes must be cleaned up and disposed of in designated waste containers on days of operation at the site. Wastes must be cleaned up immediately if containers overflow;

5. minimize the discharge of pollutants from spills and leaks and implement chemical spill and leak prevention and response procedures. Where a leak, spill, or other release containing a hazardous substance or oil in an amount equal to or in excess of a reportable quantity established under either 40 CFR Part 110, 40 CFR Part 117, or 40 CFR Part 302 occurs during a 24-hour period, you must notify the National Response Center (NRC) at (800) 424-8802 in accordance with the requirements of 40 CFR Part 110, 40 CFR Part 117, and 40 CFR Part 302 as soon as you have knowledge of the release. You must also, within seven (7) calendar days of knowledge of the release, provide a description of the release, the circumstances leading to the release, and the date of the release; and
6. minimize exposure of sanitary waste by positioning portable toilets so that they are secure and will not be tipped or knocked over, and so that they are located away from surface water in the state and stormwater inlets or conveyances.

Section E. Prohibited Discharges

The following discharges are prohibited:

1. wastewater from wash out of concrete, unless managed by an appropriate control;
2. wastewater from wash out and cleanout of stucco, paint, form release oils, curing compounds and other construction materials;
3. fuels, oils, or other pollutants used in vehicle and equipment operation and maintenance;
4. soaps or solvents used in vehicle and equipment washing; and
5. toxic or hazardous substances from a spill or other release.

Section F. Surface Outlets

When discharging from basins and impoundments, utilize outlet structures that withdraw water from the surface, unless infeasible. If infeasible, the permittee must provide documentation in the SWP3 to support the determination, including the specific conditions or time periods when this exception will apply.

Part V. Stormwater Runoff from Concrete Batch Plants

Discharges of stormwater runoff from concrete batch plants present at regulated construction sites and operated as a construction support activity may be authorized under the provisions of this general permit, provided that the following requirements are met for concrete batch plant(s) authorized under this permit. Only the discharges of stormwater runoff and non-stormwater from concrete batch plants that meet the requirements of a construction support activity can be authorized under this permit (see the requirements for "Non-Stormwater Discharges" in Part II.A.3. and "Discharges of Stormwater Associated with Construction Support Activity" in Part II.A.2.).

If discharges of stormwater runoff or non-stormwater from concrete batch plants are not authorized under this general permit, then discharges must be authorized under an alternative general permit or individual permit [see the requirement in Part II.A.2.(c)].

This permit does not authorize the discharge or land disposal of any wastewater from concrete batch plants at regulated construction sites. Authorization for these wastes must be obtained under an individual permit or an alternative general permit.

Section A. Benchmark Sampling Requirements

1. Operators of concrete batch plants authorized under this general permit shall sample the stormwater runoff from the concrete batch plants according to the requirements of this section of this general permit, and must conduct evaluations on the effectiveness of the SWP3 based on the following benchmark monitoring values:

Table 1. Benchmark Parameters

Benchmark Parameter	Benchmark Value	Sampling Frequency	Sample Type
Oil and Grease (*1)	15 mg/L	1/quarter (*2) (*3)	Grab (*4)
Total Suspended Solids (*1)	50 mg/L	1/quarter (*2) (*3)	Grab (*4)
pH	6.0 – 9.0 Standard Units	1/quarter (*2) (*3)	Grab (*4)
Total Iron (*1)	1.3 mg/L	1/quarter (*2) (*3)	Grab (*4)

(*1) All analytical results for these parameters must be obtained from a laboratory that is accredited based on rules located in 30 TAC § 25.4 (a) or through the National Environmental Laboratory Accreditation Program (NELAP). Analysis must be performed using sufficiently sensitive methods for analysis that comply with the rules located in 40 CFR §§ 136.1(c) and 122.44(i)(1)(iv).

(*2) When discharge occurs. Sampling is required within the first 30 minutes of discharge. If it is not practicable to take the sample, or to complete the sampling, within the first 30 minutes, sampling must be completed within the first hour of discharge. If sampling is not completed within the first 30 minutes of discharge, the reason must be documented and attached to all required reports and records of the sampling activity.

(*3) Sampling must be conducted at least once during each of the following periods. The first sample must be collected during the first full quarter that a stormwater discharge occurs from a concrete batch plant authorized under this general permit.

January through March
April through June
July through September
October through December

For projects lasting less than one full quarter, a minimum of one sample shall be collected, provided that a stormwater discharge occurred at least once following submission of the NOI or following the date that automatic authorization was obtained under Part II.E.2., and prior to terminating coverage.

(*4) A grab sample shall be collected from the stormwater discharge resulting from a storm event that is at least 0.1 inches of measured precipitation that occurs at least 72 hours from the previously measurable storm event. The sample shall be collected downstream of the concrete batch plant, and where the discharge exits any BMPs utilized to handle the runoff from the batch plant, prior to commingling with any other water authorized under this general permit.

2. The permittee must compare the results of sample analyses to the benchmark values above, and must include this comparison in the overall assessment of the SWP3's effectiveness. Analytical results that exceed a benchmark value are not a violation of this permit, as these values are not numeric effluent limitations. Results of analyses are indicators that modifications of the SWP3 should be assessed and may be necessary to protect water quality. The operator must investigate the cause for each exceedance and must document the results of this investigation in the SWP3 by the end of the quarter following the sampling event.

   The operator's investigation must identify the following:

   (a) any additional potential sources of pollution, such as spills that might have occurred;

   (b) necessary revisions to good housekeeping measures that are part of the SWP3;

   (c) additional BMPs, including a schedule to install or implement the BMPs; and

   (d) other parts of the SWP3 that may require revisions in order to meet the goal of the benchmark values.

   Background concentrations of specific pollutants may also be considered during the investigation. If the operator is able to relate the cause of the exceedance to background concentrations, then subsequent exceedances of benchmark values for that pollutant may be resolved by referencing earlier findings in the SWP3. Background concentrations may be identified by laboratory analyses of samples of stormwater run-on to the permitted facility, by laboratory analyses of samples of stormwater run-off from adjacent non-industrial areas, or by identifying the pollutant is a naturally occurring material in soils at the site.

Section B. Best Management Practices (BMPs) and SWP3 Requirements

Minimum SWP3 Requirements – The following are required in addition to other SWP3 requirements listed in this general permit, which include, but are not limited to the applicable requirements located in Part III.F.8. of this general permit, as follows:

1. Description of Potential Pollutant Sources – The SWP3 must provide a description of potential sources (activities and materials) that can cause, have a reasonable potential to cause or contribute to a violation of water quality standards or have been found to cause, or contribute to, the loss of a designated use of surface water in the state in stormwater discharges associated with concrete batch plants authorized under this permit. The SWP3 must describe the implementation of practices that will be used to minimize to the extent practicable the discharge of pollutants in stormwater discharges associated with industrial activity and non-stormwater discharges (described in Part II.A.3. of this general permit), in compliance with the terms and conditions of this general permit, including the protection of water quality, and must ensure the implementation of these practices.

   The following must be developed, at a minimum, in support of developing this description:

   (a) Drainage – The site map must include the following information:

      i. the location of all outfalls for stormwater discharges associated with concrete batch plants that are authorized under this permit;

      ii. a depiction of the drainage area and the direction of flow to the outfall(s);

      iii. structural controls used within the drainage area(s);

      iv. the locations of the following areas associated with concrete batch plants that are exposed to precipitation: vehicle and equipment maintenance activities (including fueling, repair, and storage areas for vehicles and equipment scheduled for maintenance); areas used for the treatment, storage, or disposal of wastes; liquid storage tanks; material processing and storage areas; and loading and unloading areas; and

      v. the locations of the following: any bag house or other dust control device(s); recycle/sedimentation pond, clarifier or other device used for the treatment of facility wastewater (including the areas that drain to the treatment device); areas with significant materials; and areas where major spills or leaks have occurred.

   (b) Inventory of Exposed Materials – A list of materials handled at the concrete batch plant that may be exposed to stormwater and precipitation and that have a potential to affect the quality of stormwater discharges associated with concrete batch plants that are authorized under this general permit.

   (c) Spills and Leaks – A list of significant spills and leaks of toxic or hazardous pollutants that occurred in areas exposed to stormwater and precipitation and that drain to stormwater outfalls associated with concrete batch plants authorized under this general permit must be developed, maintained, and updated as needed.

   (d) Sampling Data – A summary of existing stormwater discharge sampling data must be maintained, if available.

2. Measures and Controls – The SWP3 must include a description of management controls to regulate pollutants identified in the SWP3's "Description of Potential Pollutant Sources" from Part V.B.1. of this permit, and a schedule for implementation of the measures and controls. This must include, at a minimum:

   (a) Good Housekeeping – Good housekeeping measures must be developed and implemented in the area(s) associated with concrete batch plants.

      i. Operators must prevent or minimize the discharge of spilled cement, aggregate (including sand or gravel), settled dust, or other significant materials from paved portions of the site that are exposed to stormwater. Measures used to minimize the presence of these materials may include regular sweeping or other equivalent practices. These practices must be conducted at a frequency that is determined based on consideration of the amount of industrial activity occurring in the area and frequency of precipitation, and shall occur at least once per week when cement or aggregate is being handled or otherwise processed in the area.

      ii. Operators must prevent the exposure of fine granular solids, such as cement, to stormwater. Where practicable, these materials must be stored in enclosed silos, hoppers or buildings, in covered areas, or under covering.

   (b) Spill Prevention and Response Procedures – Areas where potential spills that can contribute pollutants to stormwater runoff and precipitation, and the drainage areas from these locations, must be identified in the SWP3. Where appropriate, the SWP3 must specify material handling procedures, storage requirements, and use of equipment. Procedures for cleaning up spills must be identified in the SWP3 and made available to the appropriate personnel.

   (c) Inspections – Qualified facility personnel (i.e., a person or persons with knowledge of this general permit, the concrete batch plant, and the SWP3 related to the concrete batch plant(s) for the site) must be identified to inspect designated equipment and areas of the facility specified in the SWP3. Personnel conducting these inspections are not required to have signatory authority for inspection reports under 30 TAC § 305.128. Inspections of facilities in operation must be performed

once every seven (7) days. Inspections of facilities that are not in operation must be performed at a minimum of once per month. The current inspection frequency being implemented at the facility must be recorded in the SWP3. The inspection must take place while the facility is in operation and must, at a minimum, include all areas that are exposed to stormwater at the site, including material handling areas, above ground storage tanks, hoppers or silos, dust collection/containment systems, truck wash down and equipment cleaning areas. Follow-up procedures must be used to ensure that appropriate actions are taken in response to the inspections. Records of inspections must be maintained and be made readily available for inspection upon request.

(d) Employee Training – An employee training program must be developed to educate personnel responsible for implementing any component of the SWP3, or personnel otherwise responsible for stormwater pollution prevention, with the provisions of the SWP3. The frequency of training must be documented in the SWP3, and at a minimum, must consist of one (1) training prior to the initiation of operation of the concrete batch plant.

(e) Record Keeping and Internal Reporting Procedures – A description of spills and similar incidents, plus additional information that is obtained regarding the quality and quantity of stormwater discharges, must be included in the SWP3. Inspection and maintenance activities must be documented and records of those inspection and maintenance activities must be incorporated in the SWP3.

(f) Management of Runoff – The SWP3 shall contain a narrative consideration for reducing the volume of runoff from concrete batch plants by diverting runoff or otherwise managing runoff, including use of infiltration, detention ponds, retention ponds, or reusing of runoff.

3. Comprehensive Compliance Evaluation – At least once per year, one or more qualified personnel (i.e., a person or persons with knowledge of this general permit, the concrete batch plant, and the SWP3 related to the concrete batch plant(s) for the site) shall conduct a compliance evaluation of the plant. The evaluation must include the following:

(a) visual examination of all areas draining stormwater associated with regulated concrete batch plants for evidence of, or the potential for, pollutants entering the drainage system. These include, but are not limited to: cleaning areas, material handling areas, above ground storage tanks, hoppers or silos, dust collection/containment systems, and truck wash down and equipment cleaning areas. Measures implemented to reduce pollutants in runoff (including structural controls and implementation of management practices) must be evaluated to determine if they are effective and if they are implemented in accordance with the terms of this permit and with the permittee's SWP3. The operator shall conduct a visual inspection of equipment needed to implement the SWP3, such as spill response equipment.

(b) based on the results of the evaluation, the following must be revised as appropriate within two (2) weeks of the evaluation: the description of potential pollutant sources identified in the SWP3 (as required in Part V.B.1., "Description of Potential Pollutant Sources"); and pollution prevention measures and controls identified in the SWP3 (as required in Part V.B.2., "Measures and Controls"). The revisions may include a schedule for implementing the necessary changes.

(c) the permittee shall prepare and include in the SWP3 a report summarizing the scope of the evaluation, the personnel making the evaluation, the date(s) of the evaluation, major observations relating to the implementation of the SWP3, and actions taken in response to the findings of the evaluation. The report must identify any incidents of noncompliance. Where the report does not identify incidences of noncompliance, the report must contain a statement that the evaluation did not identify any

incidence(s), and the report must be signed according to 30 TAC § 305.128 (relating to Signatories to Reports).

(d) the Comprehensive Compliance Evaluation may substitute for one of the required inspections delineated in Part V.B.2.(c) of this general permit.

Section C. Prohibition of Wastewater Discharges

Wastewater discharges associated with concrete production including wastewater disposal by land application are not authorized under this general permit. These wastewater discharges must be authorized under an alternative TCEQ water quality permit or otherwise disposed of in an authorized manner. Discharges of concrete truck wash out at construction sites may be authorized if conducted in accordance with the requirements of Part VI of this general permit.

Part VI. Concrete Truck Wash Out Requirements

This general permit authorizes the land disposal of wash out from concrete trucks at construction sites regulated under this general permit, provided the following requirements are met. Any discharge of concrete production wastewater to surface water in the state must be authorized under a separate TCEQ general permit or individual permit.

A. Discharge of concrete truck wash out water to surface water in the state, including discharge to storm sewers, is prohibited by this general permit.

B. Concrete truck wash out water shall be disposed in areas at the construction site where structural controls have been established to prevent discharge to surface water in the state, or to areas that have a minimal slope that allow infiltration and filtering of wash out water to prevent discharge to surface water in the state. Structural controls may consist of temporary berms, temporary shallow pits, temporary storage tanks with slow rate release, or other reasonable measures to prevent runoff from the construction site.

C. Wash out of concrete trucks during rainfall events shall be minimized. The discharge of concrete truck wash out water is prohibited at all times, and the operator shall insure that its BMPs are sufficient to prevent the discharge of concrete truck wash out as the result of rainfall or stormwater runoff.

D. The disposal of wash out water from concrete trucks, made under authorization of this general permit must not cause or contribute to groundwater contamination.

E. If a SWP3 is required to be implemented, the SWP3 shall include concrete wash out areas on the associated site map.

Part VII. Retention of Records

The permittee must retain the following records for a minimum period of three (3) years from the date that a NOT is submitted as required in Part II.F.1. and 2. of this permit. For activities in which an NOT is not required, records shall be retained for a minimum period of three (3) years from the date that the operator terminates coverage under Section II.F.3. of this permit. Records include:

A. a copy of the SWP3;

B. all reports and actions required by this permit, including a copy of the TCEQ construction site notice;

C. all data used to complete the NOI, if an NOI is required for coverage under this general permit; and

D. all records of submittal of forms submitted to the operator of any MS4 receiving the discharge and to the secondary operator of a large construction site, if applicable.

Part VIII. Standard Permit Conditions

A. The permittee has a duty to comply with all permit conditions. Failure to comply with any permit condition is a violation of the permit and statutes under which it was issued (CWA and TWC), and is grounds for enforcement action, for terminating, revoking and reissuance, or modification, or denying coverage under this general permit, or for requiring a discharger to apply for and obtain an individual TPDES permit, based on rules located in TWC § 23.086, 30 TAC § 305.66, and 40 CFR § 122.41 (a).

B. Authorization under this general permit may be modified, suspended, revoked and reissued, terminated or otherwise suspended for cause, based on rules located in TWC § 23.086, 30 TAC § 305.66, and 40 CFR § 122.41(f). Filing a notice of planned changes or anticipated non-compliance by the permittee does not stay any permit condition. The permittee must furnish to the executive director, upon request and within a reasonable time, any information necessary for the executive director to determine whether cause exists for modifying, revoking and reissuing, terminating or, otherwise suspending authorization under this permit, based on rules located in TWC § 23.086, 30 TAC § 305.66, and 40 CFR § 122.41 (h). Additionally, the permittee must provide to the executive director, upon request, copies of all records that the permittee is required to maintain as a condition of this general permit.

C. It is not a defense for a discharger in an enforcement action that it would have been necessary to halt or reduce the permitted activity to maintain compliance with the permit conditions.

D. Inspection and entry shall be allowed under TWC Chapters 26-28, Texas Health and Safety Code §§ 361.032-361.033 and 361.037, and 40 CFR § 122.41(i). The statement in TWC § 26.014 that commission entry of a facility shall occur according to an establishment's rules and regulations concerning safety, internal security, and fire protection is not grounds for denial or restriction of entry to any part of the facility or site, but merely describes the commission's duty to observe appropriate rules and regulations during an inspection.

E. The discharger is subject to administrative, civil, and criminal penalties, as applicable, under TWC Chapter 7 for violations including but not limited to the following:

1. negligently or knowingly violating the federal CWA §§ 301, 302, 306, 307, 308, 318, or 405, or any condition or limitation implementing any sections in a permit issued under CWA § 402, or any requirement imposed in a pretreatment program approved under CWA §§ 402(a)(3) or 402(b)(8);
2. knowingly making any false statement, representation, or certification in any record or other document submitted or required to be maintained under a permit, including monitoring reports or reports of compliance or noncompliance; and
3. knowingly violating CWA §303 and placing another person in imminent danger of death or serious bodily injury.

F. All reports and other information requested by the executive director must be signed by the person and in the manner required by 30 TAC § 305.128 (relating to Signatories to Reports).

G. Authorization under this general permit does not convey property or water rights of any sort and does not grant any exclusive privilege.

H. The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit that has a reasonable likelihood of adversely affecting human health or the environment.

I. The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) that are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance also includes adequate laboratory controls and appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems that are installed by a permittee only when the operation is necessary to achieve compliance with the conditions of the permit.

J. The permittee shall comply with the monitoring and reporting requirements in 40 CFR § 122.41(j) and (l), as applicable.

K. Analysis must be performed using sufficiently sensitive methods for analysis that comply with the rules located in 40 CFR §§ 136.1(c) and 122.44(i)(1)(iv).

Part IX. Fees

A. A fee of must be submitted along with the NOI:

1. $225 if submitting an NOI electronically, or
2. $325 if submitting a paper NOI.

B. Fees are due upon submission of the NOI. An NOI will not be declared administratively complete unless the associated fee has been paid in full.

C. No separate annual fees will be assessed for this general permit. The Water Quality Annual Fee has been incorporated into the NOI fees as described above.

Appendix A: Automatic Authorization

Periods of Low Erosion Potential by County – Eligible Date Ranges

Andrews: Nov. 15 - Apr. 30

Archer: Dec. 15 - Feb. 14

Armstrong: Nov. 15 - Apr. 30

Bailey: Nov. 1 - Apr. 30, or Nov. 15 - May 14

Baylor: Dec. 15 - Feb. 14

Borden: Nov. 15 - Apr. 30

Brewster: Nov. 15 - Apr. 30

Briscoe: Nov. 15 - Apr. 30

Brown: Dec. 15 - Feb. 14

Callahan: Dec. 15 - Feb. 14

Carson: Nov. 15 - Apr. 30

Castro: Nov. 15 - Apr. 30

Childress: Dec. 15 - Feb. 14

Cochran: Nov. 1 - Apr. 30, or Nov. 15 - May 14

Coke: Dec. 15 - Feb. 14

Coleman: Dec. 15 - Feb. 14

Collingsworth: Jan. 1 - Mar. 30, or Dec. 1 - Feb. 28

Concho: Dec. 15 - Feb. 14

Cottle: Dec. 15 - Feb. 14

Crane: Nov. 15 - Apr. 30

Crockett: Nov. 15 - Jan. 14, or Feb. 1 - Mar. 30

Crosby: Nov. 15 - Apr. 30

Culberson: Nov. 1 - May 14

Dallam: Nov. 1 - Apr. 14, or Nov. 15 - Apr. 30

Dawson: Nov. 15 - Apr. 30

Deaf Smith: Nov. 15 - Apr. 30

Dickens: Nov. 15 - Jan. 14, or Feb. 1 - Mar. 30

Dimmit: Dec. 15 - Feb. 14

Donley: Jan. 1 - Mar. 30, or Dec. 1 - Feb. 28

Eastland: Dec. 15 - Feb. 14

Ector: Nov. 15 - Apr. 30

Edwards: Dec. 15 - Feb. 14

El Paso: Jan. 1 - Jul. 14, or May 15 - Jul. 31, or Jun. 1 - Aug. 14, or Jun. 15 - Sept. 14, or Jul. 1 - Oct. 14, or Jul. 15 - Oct. 31, or Aug. 1 - Apr. 30, or Aug. 15 - May 14, or Sept. 1 - May 30, or Oct. 1 - Jun. 14, or Nov. 1 - Jun. 30, or Nov. 15 - Jul. 14

Fisher: Dec. 15 - Feb. 14

Floyd: Nov. 15 - Apr. 30

Foard: Dec. 15 - Feb. 14

Gaines: Nov. 15 - Apr. 30

Garza: Nov. 15 - Apr. 30

Glasscock: Nov. 15 - Apr. 30

Hale: Nov. 15 - Apr. 30

Hall: Feb. 1 - Mar. 30

Hansford: Nov. 15 - Apr. 30

Hardeman: Dec. 15 - Feb. 14

Hartley: Nov. 15 - Apr. 30

Haskell: Dec. 15 - Feb. 14

Hockley: Nov. 1 - Apr. 14, or Nov. 15 - Apr. 30

Howard: Nov. 15 - Apr. 30

Hudspeth: Nov. 1 - May 14

Hutchinson: Nov. 15 - Apr. 30

Irion: Dec. 15 - Feb. 14

Jeff Davis: Nov. 1 - Apr. 30 or Nov. 15 - May 14

Jones: Dec. 15 - Feb. 14

Kent: Nov. 15 - Jan. 14 or Feb. 1 - Mar. 30

Kerr: Dec. 15 - Feb. 14

Kimble: Dec. 15 - Feb. 14

King: Dec. 15 - Feb. 14

Kinney: Dec. 15 - Feb. 14

Knox: Dec. 15 - Feb. 14

Lamb: Nov. 1 - Apr. 14, or Nov. 15 - Apr. 30

Loving: Nov. 1 - Apr. 30, or Nov. 15 - May 14

Lubbock: Nov. 15 - Apr. 30

Lynn: Nov. 15 - Apr. 30

Martin: Nov. 15 - Apr. 30

Mason: Dec. 15 - Feb. 14

Maverick: Dec. 15 - Feb. 14

McCulloch: Dec. 15 - Feb. 14

Menard: Dec. 15 - Feb. 14

Midland: Nov. 15 - Apr. 30

Mitchell: Nov. 15 - Apr. 30

Moore: Nov. 15 - Apr. 30

Motley: Nov. 15 - Jan. 14, or Feb. 1 - Mar. 30

Nolan: Dec. 15 - Feb. 14

Oldham: Nov. 15 - Apr. 30

Parmer: Nov. 1 - Apr. 14, or Nov. 15 - Apr. 30

Pecos: Nov. 15 - Apr. 30

Potter: Nov. 15 - Apr. 30

Presidio: Nov. 1 - Apr. 30, or Nov. 15 - May 14

Randall: Nov. 15 - Apr. 30

Reagan: Nov. 15 - Apr. 30

Real: Dec. 15 - Feb. 14

Reeves: Nov. 1 - Apr. 30, or Nov. 15 - May 14

Runnels: Dec. 15 - Feb. 14

Schleicher: Dec. 15 - Feb. 14

Scurry: Nov. 15 - Apr. 30

Shackelford: Dec. 15 - Feb. 14

Sherman: Nov. 15 - Apr. 30

Stephens: Dec. 15 - Feb. 14

Sterling: Nov. 15 - Apr. 30

Stonewall: Dec. 15 - Feb. 14

Sutton: Dec. 15 - Feb. 14

Swisher: Nov. 15 - Apr. 30

Taylor: Dec. 15 - Feb. 14

Terrell: Nov. 15 - Apr. 30

Terry: Nov. 15 - Apr. 30

Throckmorton: Dec. 15 - Feb. 14

Tom Green: Dec. 15 - Feb. 14

Upton: Nov. 15 - Apr. 30

Uvalde: Dec. 15 - Feb. 14

Val Verde: Nov. 15 - Jan. 14, or Feb. 1 - Mar. 30

Ward: Nov. 1 - Apr. 14, or Nov. 15 - Apr. 30

Wichita: Dec. 15 - Feb. 14

Wilbarger: Dec. 15 - Feb. 14

Winkler: Nov. 1 - Apr. 30, or Nov. 15 - May 14

Yoakum: Nov. 1 - Apr. 30, or Nov. 15 - May 14

Young: Dec. 15 - Feb. 14

Wheeler: Jan. 1 - Mar. 30, or Dec. 1 - Feb. 28

Zavala: Dec. 15 - Feb. 14

Appendix B: Storm Erosivity (EI) Zones in Texas

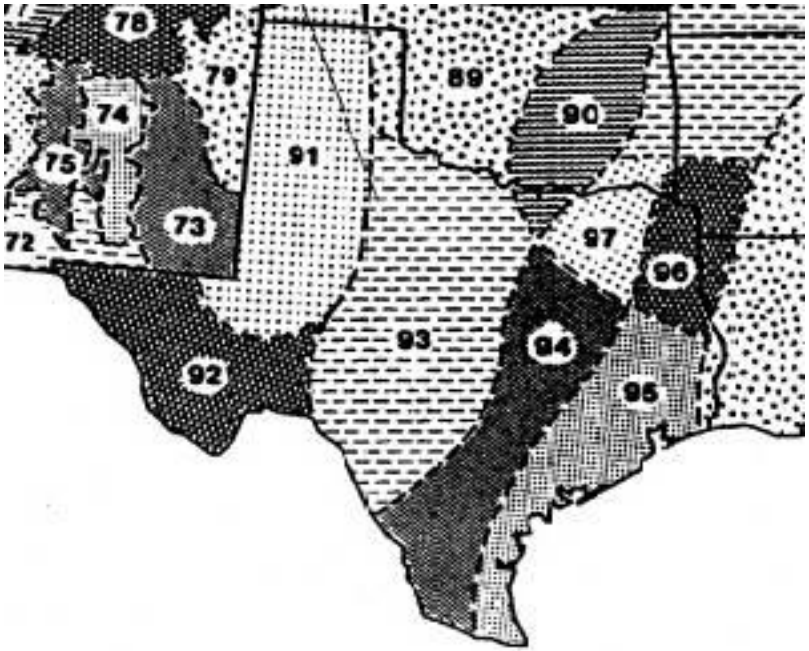


Figure B. EI Distribution Zones

Adapted from Chapter 2 of USDA Agriculture Handbook 703: "Predicting Soil Erosion by Water: A Guide to Conservation Planning With the Revised Universal Soil Loss Equation (RUSLE)," U.S. Department of Agriculture, Agricultural Research Service

Appendix C: Isoerodent Map

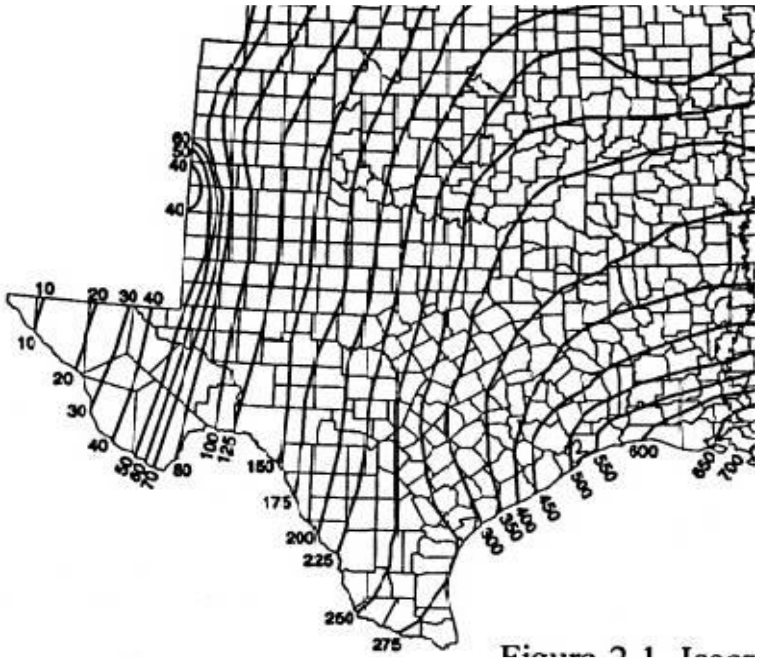


Figure C. Isoerodent Map of Texas. Units are hundreds ft*tonf*in(ac*h*yr)$^{-1}$

Adapted from Chapter 2 of USDA Agriculture Handbook 703: "Predicting Soil Erosion by Water: A Guide to Conservation Planning With the Revised Universal Soil Loss Equation (RUSLE)," U.S. Department of Agriculture, Agricultural Research Service

Appendix D: Erosivity Indices for EI Zones in Texas

Table D. EI as percentage of average annual computed selected geographic areas (EI number) by date period (month/day).

Date Periods* (Month/Day)

EI #	1/1	1/16	1/31	2/15	3/1	3/16	3/31	4/15	4/30	5/15	5/30	6/14	6/29	7/14	7/29	8/13	8/28	9/12	9/27	10/12	10/27	11/11	11/26	12/11	12/31
89	0	1	1	2	3	4	7	2	8	27	38	48	55	62	69	76	83	90	94	97	98	99	100	100	100
90	0	1	2	3	4	6	8	13	21	29	37	46	54	60	65	69	74	81	87	92	95	97	98	99	100
91	0	0	0	0	1	1	1	2	6	16	29	39	46	53	60	67	74	81	88	95	99	99	100	100	100
92	0	0	0	0	1	1	1	2	6	16	29	39	46	53	60	67	74	81	88	95	99	99	100	100	100
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95	0	1	3	5	7	9	11	14	18	27	35	41	46	51	57	62	68	73	79	84	89	93	96	98	100
96	0	2	4	6	9	12	17	23	30	37	43	49	54	58	62	66	70	74	78	82	86	90	94	97	100
97	0	1	3	5	7	10	14	20	28	37	48	56	61	64	68	72	77	81	86	89	92	95	98	99	100
106	0	3	6	9	13	17	21	27	33	38	44	49	55	61	67	71	75	78	81	84	86	90	94	97	100

*Each period begins on the date listed in the table above and lasts until the day before the following period. The final period begins on December 11 and ends on December 31.

Table adapted from Chapter 2 of USDA Agriculture Handbook 703: "Predicting Soil Erosion by Water: A Guide to Conservation Planning With the Revised Universal Soil Loss Equation (RUSLE)," U.S. Department of Agriculture, Agricultural Research Service.

Appendix F

Miscellaneous Documents

SMALL CONSTRUCTION SITE NOTICE

FOR THE
Texas Commission on Environmental Quality (TCEQ)
Stormwater Program

TPDES GENERAL PERMIT TXR150000

The following information is posted in compliance with **Part II.E.2.** of the TCEQ General Permit Number TXR150000 for discharges of stormwater runoff from small construction sites. Additional information regarding the TCEQ stormwater permit program may be found on the internet at:

http://www.tceq.state.tx.us/nav/permits/wq_construction.html

Operator Name:	JIM/RB, LLC
Contact Name and Phone Number:	Joseph Irie Montes 936-556-1395
Project Description: *Physical address or description of the site's location, estimated start date and projected end date, or date that disturbed soils will be stabilized*	Located along Old Tyler Road Nacogdoches, TX 75964 October 2024 to April 2027
Location of Stormwater Pollution Prevention Plan:	JIM/RB, LLC

For Small Construction Activities Authorized Under Part II.E.2. (Obtaining Authorization to Discharge) the following certification must be completed:

I Joseph Irie Montes (Typed or Printed Name Person Completing This Certification) certify under penalty of law that I have read and understand the eligibility requirements for claiming an authorization under Part II.E.2. of TPDES General Permit TXR150000 and agree to comply with the terms of this permit. A stormwater pollution prevention plan has been developed and will be implemented prior to construction, according to permit requirements. A copy of this signed notice is supplied to the operator of the MS4 if discharges enter an MS4. I am aware there are significant penalties for providing false information or for conducting unauthorized discharges, including the possibility of fine and imprisonment for knowing violations.

Signature and Title _____ Date _____

_____ *Date Notice Removed*

____*MS4 operator notified per Part II.F.3.*

REQUIRED ACTIVITIES TO PERFORM

1) Post Construction Site Notice (Appendix F) by main entrance/exit to be visible by the public. The site notice must be maintained for the duration of the construction and final stabilization.

2) Record and date major disturbance activities on the Record of Disturbance /Stabilization Activities form (Appendix C).

3) Pen and ink changes can be made to any part of the SWP3 as long as no TPDES Permit requirements are deleted or omitted.

4) Identify the location of every concrete washout facility on the Sediment and Erosion Control site map (Appendix A, Plate A-3) by marking its location and labeling it.

5) Complete the Qualifications of the Inspector(s) sheet for each person performing the site inspections (Appendix D).

6) Perform site inspections as per Section 5.2 of the SWP3 for the duration of soil disturbing construction activities. Record and date these inspections on the Stormwater Construction Site Inspection Forms (Appendix D).

SUP2026-02 Site Photo

Subject property



PRESENTER: Jessica Sowell, Community Services Director

ITEM/SUBJECT: Public Hearing: Discuss and consider action on Historic Overlay Case HO2025-02 regarding a Historic Overlay designation on one (1) parcel of land approximately 0.18 ± acres in size, more particularly described by Nacogdoches Central Appraisal District Parcel 23796; and located at 515 Bailey Avenue, Nacogdoches, Texas.

OVERVIEW:
Applicant Isabella Baker has requested the property located at 515 Bailey Avenue, be included in the Historic Overlay Zoning. The owner has applied under Criteria 3 and 6. 515 Bailey Avenue is between North Mound and Raguet streets, directly across the street from Blount Park. This property is next door to 1301 Raguet Street, which was recently placed under Historic Overlay.

The applicant provided ample research and photographs of the structure. An expert of the research is below:

The property on 515 Bailey Ave has been around since before the Nacogdoches medical district was even created. The blue building was built around the early 1910s and stood when the plot for the Nacogdoches Memorial Hospital was still a body of water. When James G. Taylor had his medical office built around 1950, the building acted as lodgings for his medical staff. When Dr. Richard Baker bought the Taylor building, the property was tied along with it. It was then converted to a rental house.

STAFF REVIEW:
Sec 50-130. Criteria for designation.
(1) Possesses significance in history, architecture, archaeology, or culture.
(2) Is associated with events that have made a significant contribution to the broad patterns of local, regional, state, or national history.
(3) Is associated with the lives of persons significant in the city's past.
(4) Embodies the distinctive characteristics of a type or period of architecture, or method of construction.
(5) Represents the work of a master designer, builder, or craftsman.
(6) Represents an established and familiar visual feature of the city. (Ord. No. 1130, art. XI, § 6, 11-3-1998)

City Ordinance requires that at least one of the six criteria be met in order to achieve designation in a historic overlay district. In deciding this case, HLPC must consider if 515 Bailey Ave meets any of the above-mentioned criteria for designation. If the property meets any one of the criteria, it qualifies for Historic Overlay zoning. If it meets none, it is ineligible.

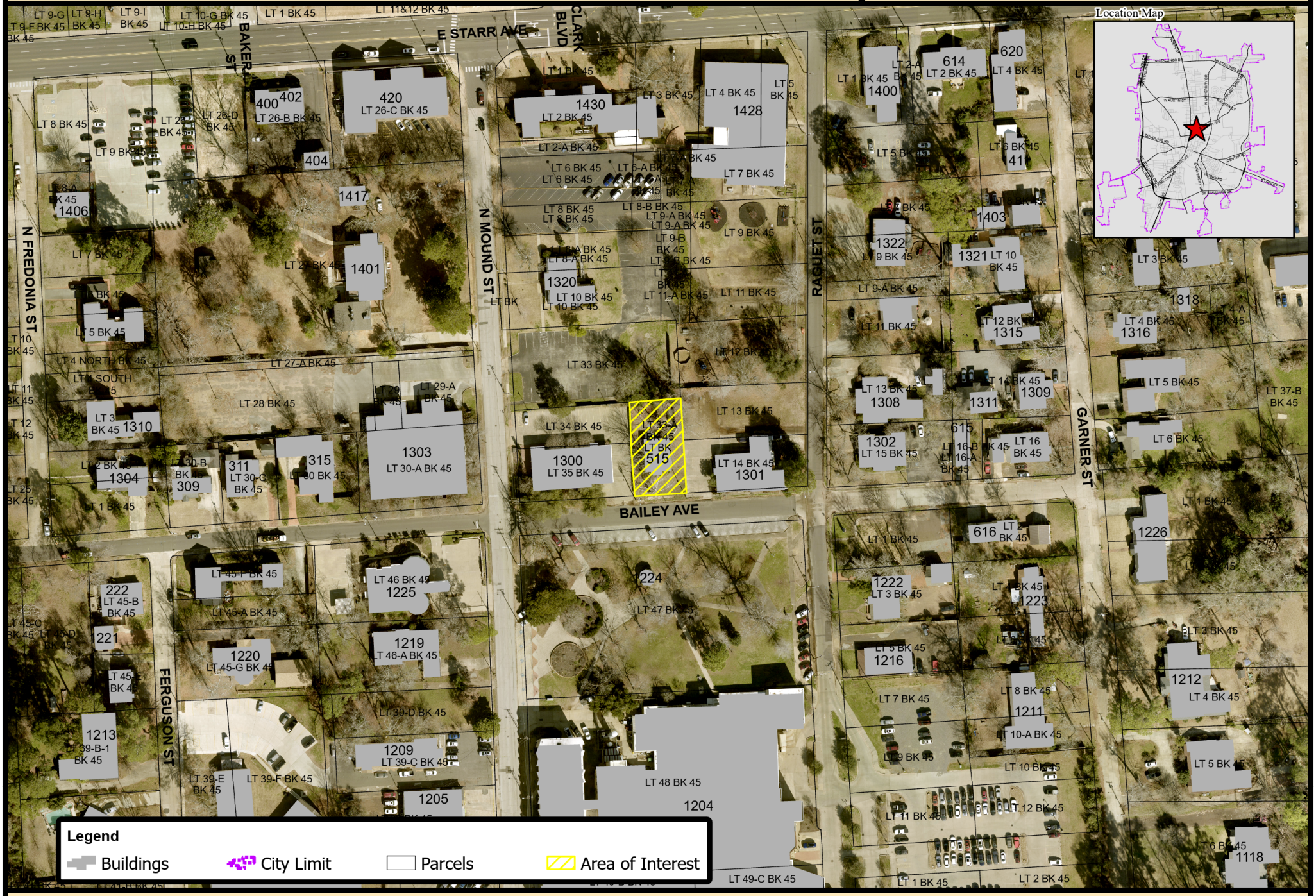
The Nacogdoches Historic Landmark Preservation Committee met on February 2, 2026, and voted unanimously to approve the item. The Planning and Zoning Commission met on March 9, 2026, and tabled the item until the next regularly scheduled meeting on April 13, 2026.

Staff requests that City Council table this item for reconsideration on April 21, 2026, so that the Planning and Zoning Commission may issue a formal recommendation.

CITY CONTACT: Jessica Sowell, Director of Community Services

ATTACHMENTS:
1. Aerial Map
2. Zoning Map
3. Narrative
4. Blueprints
5. Site Photos

HO2026-01 Aerial Map

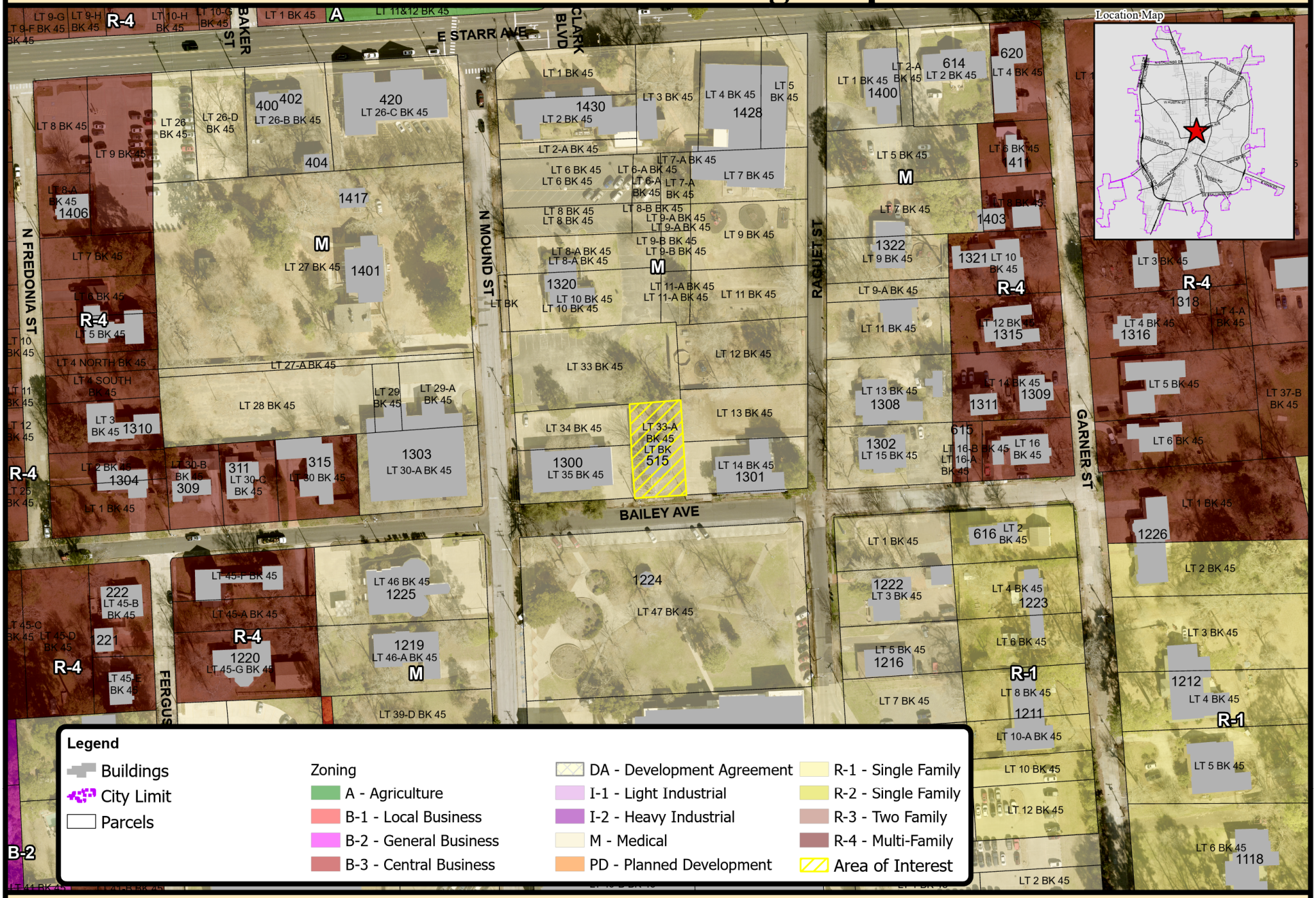


Date Created: 01/20/26 15:48 | ArcGIS Pro 3.2.2

Notice: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Nacogdoches
Engineering Department
GIS Division

HO2026-01 Zoning Map



Legend

- Buildings
- City Limit
- Parcels

Zoning

- A - Agriculture
- B-1 - Local Business
- B-2 - General Business
- B-3 - Central Business
- DA - Development Agreement
- I-1 - Light Industrial
- I-2 - Heavy Industrial
- M - Medical
- PD - Planned Development
- R-1 - Single Family
- R-2 - Single Family
- R-3 - Two Family
- R-4 - Multi-Family
- Area of Interest

0 60 120 180 240 Feet

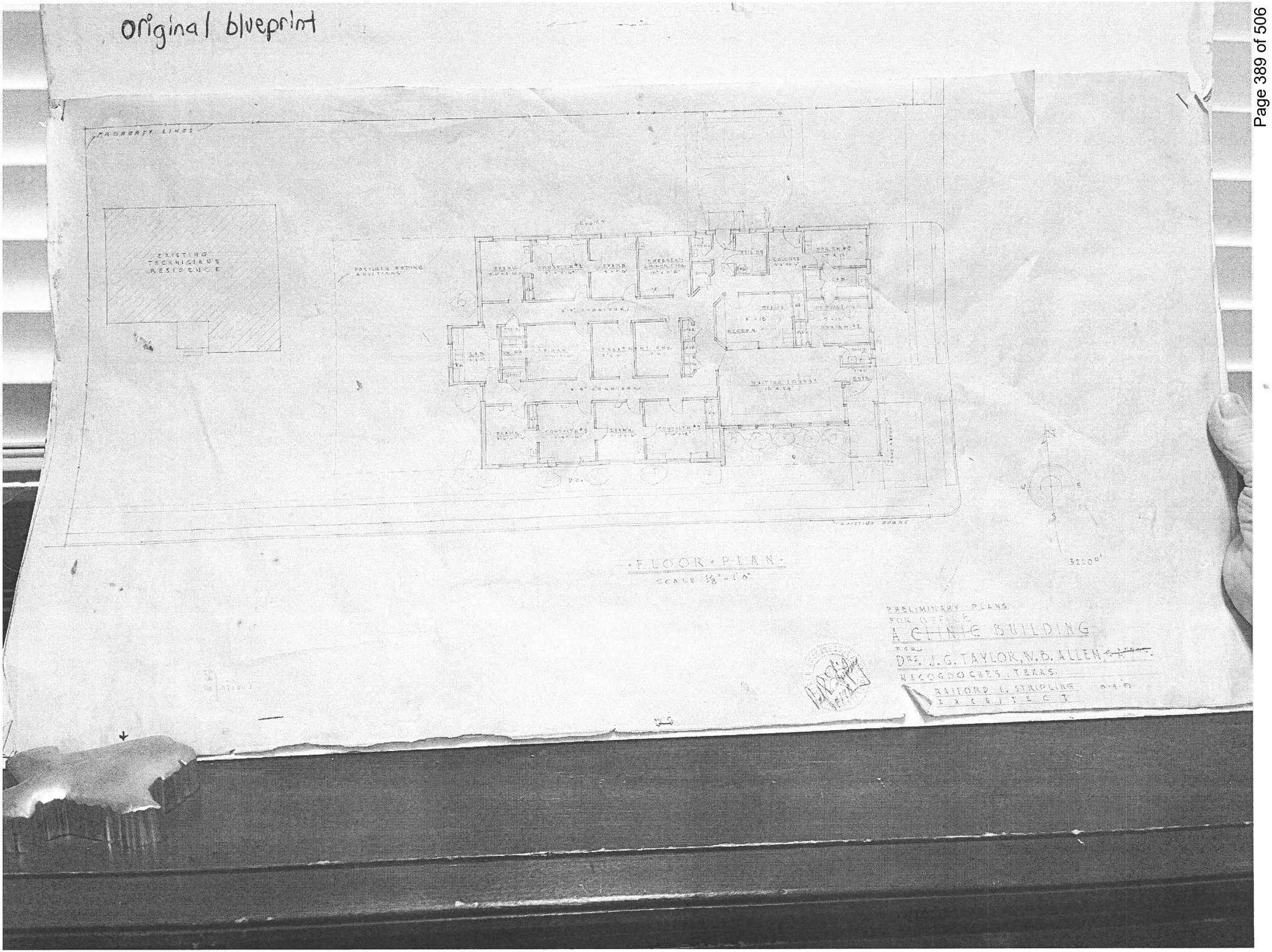
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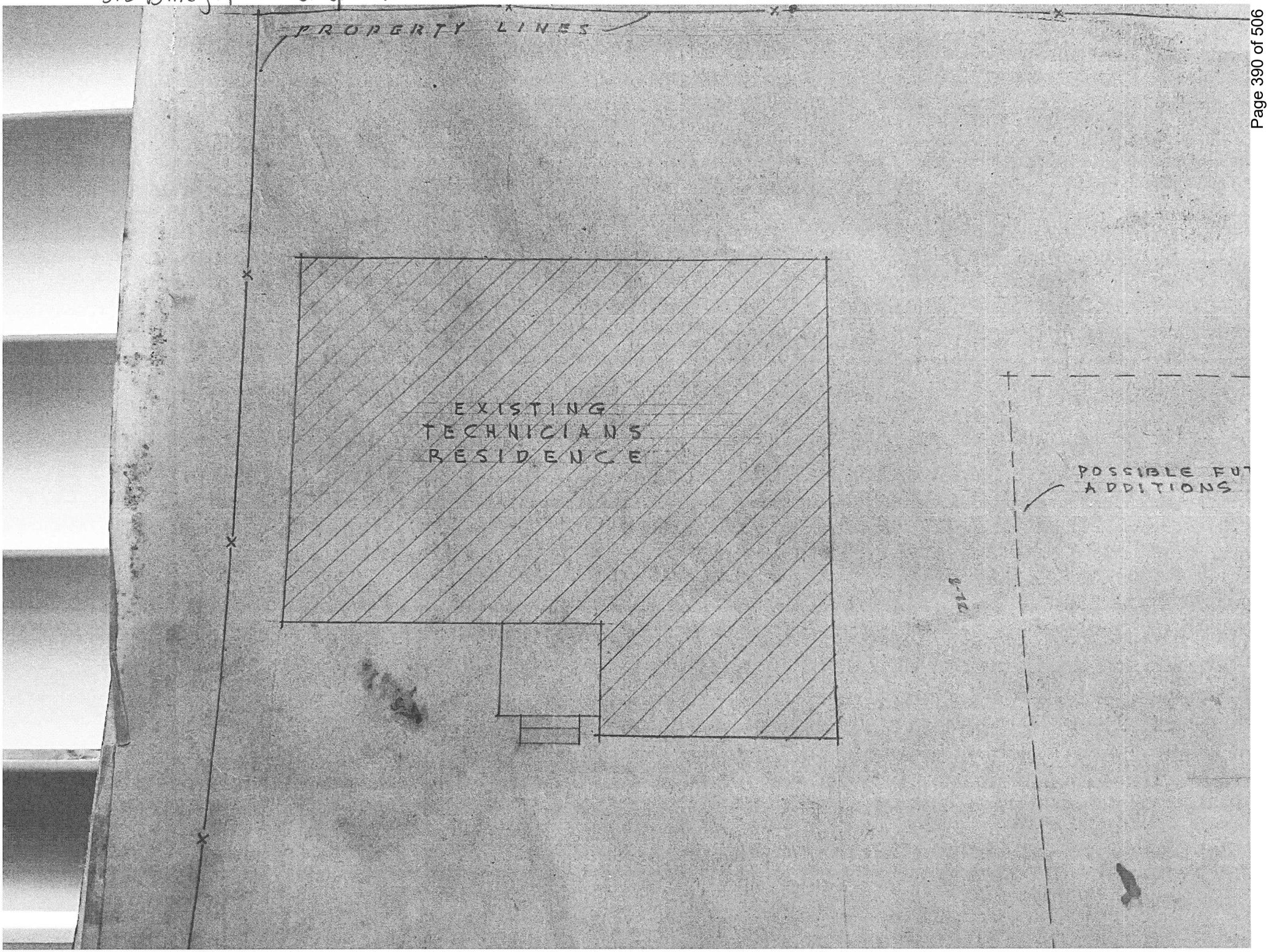
Nacogdoches
Engineering Department
GIS Division

The property on 515 Bailey Avenue has been around since before the Nacogdoches medical district was even created. The blue building was built around the early 1910s and stood when the plot for the Nacogdoches Memorial Hospital was still a body of water. When James G. Taylor had his medical office built around 1950, the building acted as lodgings for his medical staff. When Dr. Richard Baker bought the Taylor building, the property was tied along with it. It was then converted to a rental house. Dr Richard Baker's daughter Isabella also lived in this house and always appreciated the meaning and history of the property. Dr Baker has been a staple in the Nacogdoches Medical community for over 40 years and also served as the chief of staff at Nacogdoches Memorial Hospital. Over the years, this blue house has been home to countless different people. It was once even home to Charles Bright's sister and her husband once he came home from WWII. It also housed the Patton brothers who are related to Sarah Patton who's the owner of one of the most influential coffee shops in town, Java Jacks. There have been many who have been fortunate enough to call the beautiful historic house at 515 Bailey Avenue and who would love to have the home and its history preserved.

original blueprint



515 Bailey Ave on Diveplan)





front of house



front porch



front of house



right side of house



left side of house



back of house

PRESENTER: Juan Pollette, City Planner

ITEM/SUBJECT: Public Hearing: Discuss and consider action on Zoning Case ZON2026-01 regarding a zone change from B-2, General Business to R-4, Multi-Family and from R-1, Single Family to R-4, Multi-Family, on one (1) parcel of land approximately 9.88 acres ± in size, more particularly described by Nacogdoches Central Appraisal District Parcel 26288, being Lots 19-A and 48, City Block 64; and located at 3607 East Main Street, Nacogdoches, Texas.

OVERVIEW: ***This request was withdrawn by the applicant on March 2, 2026.***
The applicant, George Carpenter, on behalf of property owner Trust of Laura Blankenship, is requesting a zone change on one (1) parcel of land, consisting of two zoning districts, from B-2 General Business and R-1 Single-Family Residential to R-4 Multi-Family Residential. The subject property is generally located northwest of the intersection of East Main Street and N.E. Stallings Drive. The proposed zoning change is requested to facilitate the development of a Travel Trailer/RV Park, a use that is permitted within the R-4 zoning district only with the approval of a Specific Use Permit (SUP) by the City Council. Consideration of the SUP request is contingent upon approval of the requested zone change.

Adjacent Land Use & Zoning
The subject property is currently developed as a single-family residence and zoned B-2, General Business and R-1, Single Family. Surrounding land uses include:

Direction	Comprehensive Plan	Current Zoning	Land Use
North	Single Family Residential	R-1, Single Family	Undeveloped & Residential
South (Across E. Main St.)	Commercial	B-2, General Business & R-4, Multi-Family	Commercial & Residential
East	Commercial & Single Family Residential	B-2, General Business & R-1, Single Family	Undeveloped
West	Single Family Residential, Commercial & Multi-Family Residential	R-1, Single Family	Residential

The surrounding area consists of a mix of commercial, single-family residential, and multi-family land uses and zoning districts.

STAFF REVIEW:
*****This request was withdrawn by the applicant on March 2, 2026.***** Per Section 118.139 of the Nacogdoches Zoning Ordinance, the following conditions shall be considered when reviewing an application for zone changes:

Compatibility: The specific use will be compatible with and not injurious to the use and enjoyment of other property in the immediate vicinity, nor significantly diminish or impair property values within the immediate vicinity;
The requested zoning change to R-4, Multi-Family would allow a higher-density residential zoning district in an area which contains a mix of commercial, single-family residential, and multi-family zoning districts along the East Main Street and N.E. Stallings Drive commercial corridors. The R-4 district is intended to accommodate higher-density residential development, which can function as a transition between commercial corridors and lower-density residential areas.

Orderly Growth and Development: The establishment of the specific use will not impede the normal and orderly development and improvement of surrounding vacant property;
Rezoning to R-4, Multi-Family would introduce a higher-density residential zoning district in an area that already includes a mix of commercial and residential zoning along the East Main Street and N.E. Stallings Drive commercial corridors. The R-4 district is designed to accommodate urban development patterns and provides flexibility for residential development that can transition between commercial corridors and lower-density residential areas. Approval of the requested zoning district would not preclude or hinder the orderly development of surrounding properties in accordance with their existing zoning and future land use designations.

Supporting Facilities: Adequate utilities, access roads, drainage and other necessary supporting facilities have been or will be provided;
The subject property fronts East Main Street, an arterial roadway with an approximate 100-foot right-of-way, providing adequate access to the site. Public utilities are available to the property, including an existing six-inch water main and six-inch sanitary sewer main located along East Main Street. Based on available infrastructure, the property is served by adequate supporting facilities to accommodate development consistent with the requested R-4 zoning district.

Drives and Parking: The design, location and arrangement of all driveways and parking spaces provides for the safe and convenient movement of vehicular and pedestrian traffic without adversely affecting the general public or adjacent developments;
Specific driveway locations and parking arrangements will be reviewed at the time of site development to ensure compliance with applicable City and TxDOT standards. The proposed R-4 zoning district is intended to accommodate higher-density residential development and does not prevent the provision of safe and adequate vehicular access and parking consistent with ordinance requirements.

Nuisances: Adequate nuisance-prevention measures have been or will be taken to prevent or control offensive odor, fumes, dust, noise and vibration;
Any future development will be required to comply with all applicable City codes related to nuisance prevention and property maintenance, ensuring compatibility with surrounding uses.

Lighting: Any lighting to be provided will be directional so as not to disturb or adversely affect neighboring properties;
Any future development of the property would be required to comply with the City's lighting standards, including requirements for shielding and directionality to minimize impacts on adjacent properties. Detailed lighting design would be reviewed at the time of site development to ensure compliance with applicable ordinance requirements.

Landscaping: Sufficient landscaping and screening to ensure harmony and compatibility with adjacent property exists or will be provided;
The R-4, Multi-Family zoning district includes landscaping and screening requirements intended

to promote compatibility with adjacent residential zoning. Any future development of the property would be required to comply with applicable landscaping and screening standards of the zoning ordinance, or obtain approval of any requested exceptions through the appropriate review process. At the zoning stage, staff finds that the requested zoning district provides mechanisms to address landscaping and screening in coordination with surrounding land uses.

Comprehensive Plan: The proposed use is in accordance with the comprehensive plan.
Future Land Use
The Future Land Use Map designates the southern portion of the subject property as Commercial and the northern portion as Single-Family Residential. In this context, the proposed zoning change is not consistent with the Future Land Use Map of the Comprehensive Plan. In addition, the Comprehensive Plan encourages efficient use of land within existing service areas, provision of a range of residential types and densities, and transitions in land use intensity between commercial and residential areas. The requested R-4 Multi-Family zoning introduces a higher-density residential classification that can function as a transition between the commercial corridor along East Main Street and the lower-density residential areas to the north. In this context, transitions in land use intensity resulting from the proposed change would be consistent with the goals and policies of the Comprehensive Plan.

PUBLIC ENGAGEMENT:

- January 13, 2026 – Staff mailed twenty-five (25) neighborhood meeting notice postcards to property owners within 500 feet of subject property.
- January 26, 2026 – Staff coordinated a combined neighborhood meeting in the council chambers on behalf of the applicant to receive input from surrounding property owners on the zone change and the corresponding SUP for the proposed RV Park. The meeting was canceled due to inclement weather and rescheduled for February 2, 2026. One neighboring property owner attended the meeting with concerns regarding noise, traffic congestion and safety with the nearby school, and the compatibility of an RV park with adjacent residential properties.
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- January 26, 2026 – Legal ad published in the Daily Sentinel newspaper.

NOTE – This application is subject to additional notification procedures, including signage posted on the subject property, as well as notices on the City website and social media pages.

This item is scheduled for City Council consideration on March 17, 2026.

CITY CONTACT: Juan Pollette, City Planner

ATTACHMENTS:
1. Aerial Map
2. Zoning Map
3. Notification Map
4. Future Land Use Map
5. Opposition Response

6. Comp Plan Ammendment Letter
7. Site Photos

ZON2026-01 Aerial Map

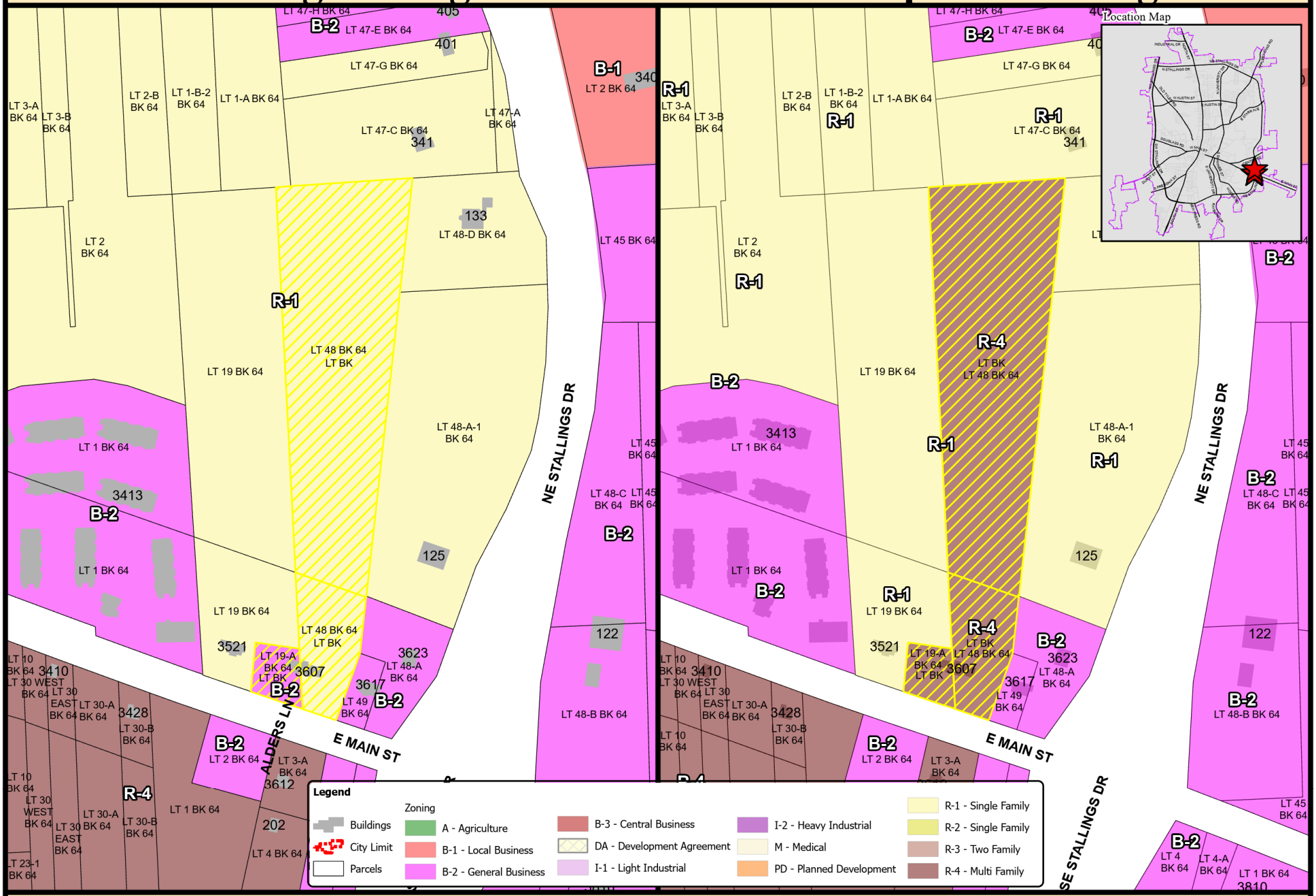


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Nacogdoches
Engineering Department
GIS Division

Existing Zoning ZON2026-01 Proposed Zoning



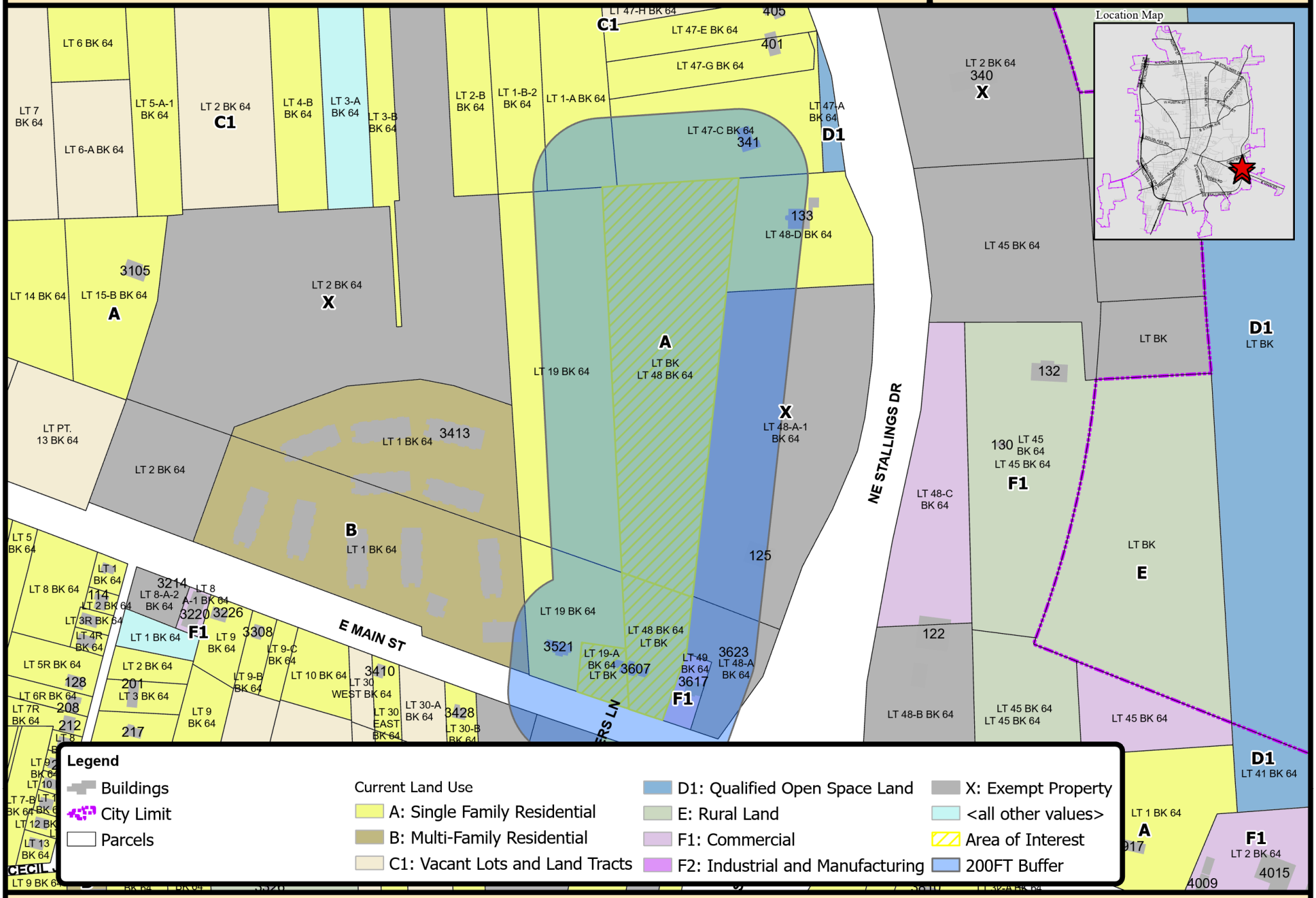
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ZON2026-01 Notification Map

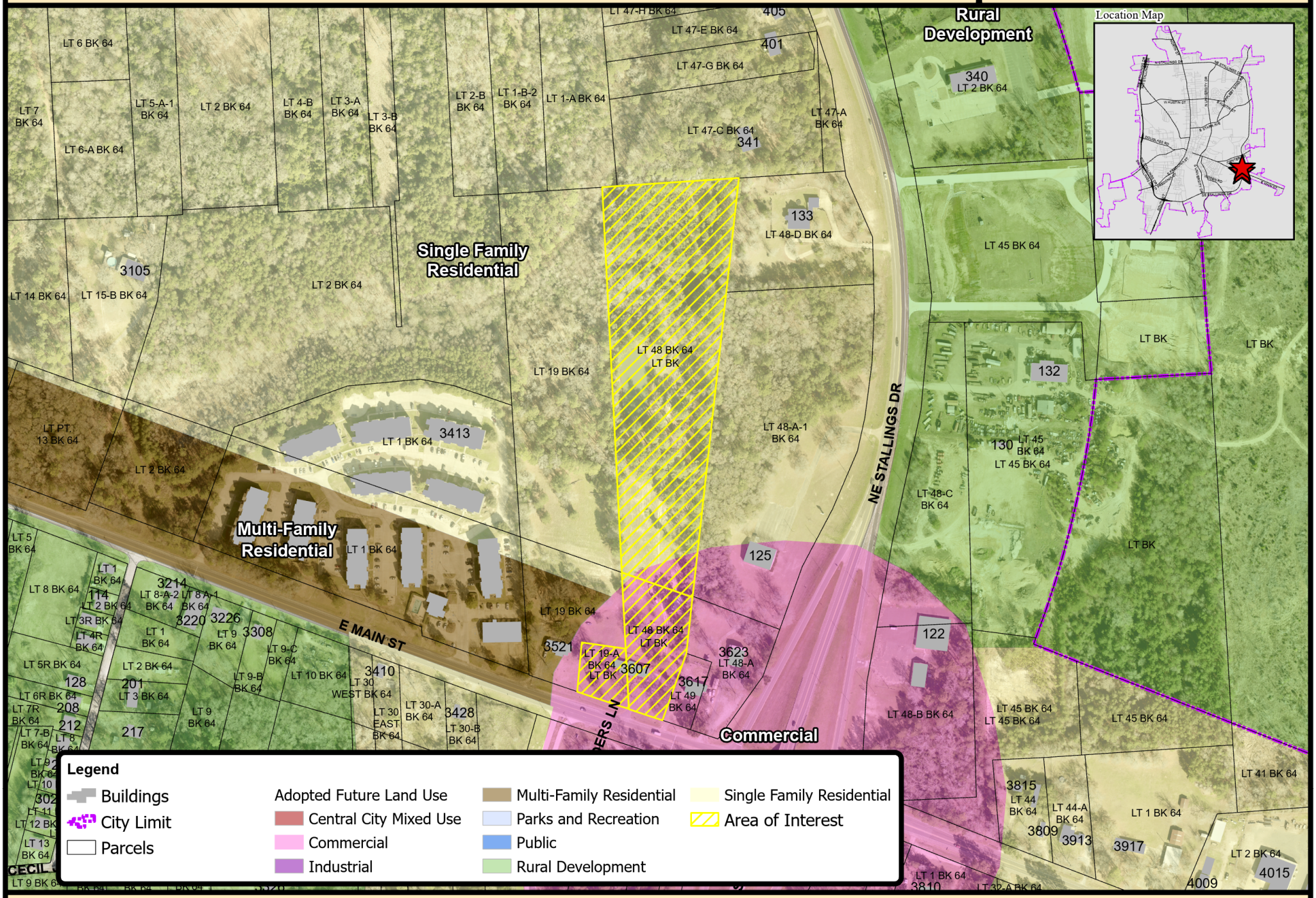


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ZON2026-01 Future Land Use Map



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Nacogdoches
Engineering Department
GIS Division

Nacogdoches
the oldest town in Texas

Pollette, Juan <pollettej@nactx.us>

Online Form Submission #11558 for Public Comments Request

1 message

noreply@civicplus.com <noreply@civicplus.com> Thu, Jan 22, 2026 at 7:56 PM
Reply-To: noreply@civicplus.com
To: citysec@nactx.us, pz@nactx.us

Public Comments Request

Individuals who want to comment at the next regular meeting of the City Council or Planning and Zoning Commission (P&Z) may complete the following request form. See **Agendas & Minutes** for a list of upcoming meetings. **This form must be submitted no later than 24 hours before the posted meeting start time.** If the meeting is less than 24 hours from the submission of this form, comments will not be recognized (i.e. you will have to attend the meeting and request comments in person).

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(Section Break)	
First Name	ronald
Last Name	johnson

Do you live within Nacogdoches city limits?	Yes
Home Address	3521 East Main
City	Nacogdoches
State	Texas
Zip	75961
Phone Number	[redacted]
Email Address	[redacted]
My comments apply to the following meeting:	Planning & Zoning Commission

Please see Agendas & Minutes for a list of upcoming meeting dates, times, and agendas. This form must be submitted no later than 24 hours before the posted meeting start time.

My comments apply to the following meeting date:	1/26/2026
My agenda item or case number:	SUP2026-01
My position on the above agenda item or case number:	I am AGAINST this item.
I want to include comments at the meeting:	Yes. But I only want my written comments added to the meeting record.
My written comments	To Zoning Commission. SPU-SUP2026-01 I am against this and am writing in response to the rezoning of Parcel 26228. The request includes a Specific Use Permit to allow a Travel Trailer/RV Park on this property. I have 8 acres that join this property, and a member of my family has lived on the property since 1943 (3521 East Main). The property line in one area is about 10 yards from my house. There will likely be people coming and going at all hours, running generators and other activities that create a lot of noise. Improper waste disposal by more people can lead to litter and unpleasant odors. This will create a big problem for my neighbors and me, especially at night. There is already a traffic congestion problem because of two schools in the area. The driveway to the elementary school is just across the street from this property, and in the morning and afternoon, there is bumper-to-bumper traffic coming from two

directions trying to get into the driveway. There have already been several accidents, and I can only imagine what it will be like with travel trailers and RVs trying to get in their driveway, possibly having to cross the road. This is a real concern for the safety of children and their parents trying to access the school. These are two very narrow strips of land, and anything put on Parcel 26228 will be close to my property line. I am sure people will be trespassing on my land, and this needs to be addressed by a fence or other barrier. These will not be people who live here as neighbors, but strangers passing through. There is a lot of wildlife in this area that will be displaced because of a loss of habitat. The last thing is that property values will stagnate or decline for people who own land bordering this park. I don’t know of many people who would buy land next to an RV park. 3521 East Main is my family's home, and I, along with my neighbors, will be greatly inconven

Nacogdoches

To Zoning Commission.

SPU-SUP2026-01

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Ronald Johnson
3521 East Main
Nacogdoches

(Optional) I want to upload a file with this form	*Field not completed.*

Email not displaying correctly? View it in your browser.

--
You received this message because you are subscribed to the Google Groups "Planning & Zoning" group.
To unsubscribe from this group and stop receiving emails from it, send an email to pz+unsubscribe@nactx.us.
To view this discussion visit https://groups.google.com/a/nactx.us/d/msgid/pz/010f019be891a832-5663b82f-4ffd-49dc-9e56-9de0d832b9e1-000000%40us-east-2.amazonses.com.

Authentisign ID: 3ABBEB62-ECF6-F011-8D4D-000D3A1FC4E8

Nacogdoches
the oldest town in Texas

FOR OFFICE USE ONLY
ZON CASE NO.: ZONV2026-01
DATE SUBMITTED: 1/21/2026
STAFF: TP

COMPREHENSIVE PLAN AMENDMENT LETTER

(Check all applicable)

☒ Related to Future Land Use ☐ Related to Transportation ☐ Related to Other_____

ZO Sec. 118-4. - Relationship to comprehensive plan and thoroughfare plan.

"If a zoning or rezoning request differs from what the comprehensive plan recommends for that area, the city planner will advise the applicant of this and will request the applicant to submit a written letter stating the reasons the comprehensive plan should be changed, if he wishes to proceed with the zoning request."

PROPERTY INFORMATION:

Address: 3607 E Main ST Total Acres: 9.88

Legal Description: Lot(s): Lot 48 BLK 64 & Lot 19-A5 GORTON City Block:

Subdivision (If Platted): Subdivision Block:

APPLICANT / PROJECT MANAGER'S INFORMATION (Primary contact for the project):

Name(s): George Carpenter

Phone Number: E-mail:

Street Address: City: Nacogdoches State: TX Zip Code: 75961

Signature: George Carpenter

PROPERTY OWNER'S INFORMATION:

Name(s): Trust of Laura Blankenship

Phone Number: E-mail:

Street Address: City: Nacogdoches State: TX Zip Code: 75961

Signature: Authentisign Jamie Shelton 01/21/26

Authentisign ID: 3ABBEB62-ECF6-F011-8D4D-000D3A1FC4E8

DESCRIPTION OF REQUEST:

1. Present zoning classification: ☐ A ☒ R-1 ☐ R-2 ☐ R-3 ☐ R-4 ☐ M ☐ B-1 ☒ B-2 ☐ B-3 ☐ I-1 ☐ I-2 ☐ PD

2. Proposed zoning of property: ☐ A ☐ R-1 ☐ R-2 ☐ R-3 ☒ R-4 ☐ M ☐ B-1 ☐ B-2 ☐ B-3 ☐ I-1 ☐ I-2 ☐ PD

3. Present zoning classification of all abutting property:
   North: Residental
   East: commercial / highway - oriented
   South: Residental
   West: residental

4. Current Future Land Use Map classifications and proposed classifications of property:
   ☐ Rural Development ☐ Single Family Residential ☒ Multi-Family Residential
   ☐ Commercial ☐ Industrial ☐ Central City Mixed Use ☐ Public
   ☐ Parks & Recreation

5. Current Future Land Use Map classifications of all abutting property:
   North: Single family residental
   East: Commercial
   South: single family residental
   West: single family residental

6. Current and proposed thoroughfare alignments:
   Expressway: none
   Major Arterial: E Main Street
   Minor Arterial: N/A
   Major Collector: N/A
   Minor Collector: N/A

Authentisign ID: 3ABBEB62-ECF6-F011-8D4D-000D3A1FC4E8

ANSWER ALL OF THE FOLLOWING:

1. What specific element of the Comprehensive Plan (for example, Future Land Use designation, Thoroughfare Plan, or thoroughfare alignment) and at what specific location (if applicable) is requested to be amended?

   The future land use designation for the subject property located at 3607 E Main Street.

2. What is the amendment request?

   The applicant requests an amendment to allow a low-density, professionally managed RV park use that is compatible with surrounding development and consistent with planned infrastructure

3. Explain the reason for this amendment.

   The proposed use provides an appropriate transitional land use between residential and commercial properties, minimizes traffic impact and aligns with current market demand for well-managed RV accommodations

4. Identify the conditions that have changed to warrant this change to the existing Comprehensive Plan.

   Changes in housing demand, increased regional travel, and the need for diversified residential options have created conditions that were not fully anticipated when the Comprehensive Plan was adopted

5. Explain why the existing element of the Comprehensive Plan in question is no longer appropriate.

   The existing designation does not fully reflect the site's location along a major arterial roadway or its suitability for a low-density, managed use that buffers surrounding properties

6. How does the requested amendment further the goals and objectives of the Comprehensive Plan?

   The amendment supports orderly growth, efficient land use, compatibility with surrounding development, and responsible infrastructure utilization while promoting economic activity

7. What other information are you providing to support the proposed amendment (for example, transportation impact study)?

   Conceptual site plan, traffic considerations, and operational management details.

The applicant has prepared this application and certifies that the facts stated herein and exhibits attached hereto are true, correct, and complete.

Signature and title: Faye Caple **Date:** 1/21/26

ZON2026-01 Site Photos

Subject property



Residential home across E. Main St.



Entrance to Carpenter Elementary



Adjacent commercial property to the east



E. Main St. & Loop 224 intersection (east)



Adjacent single family home to the west



Multi-Family Apartments to the west



PRESENTER: Juan Pollette, City Planner

ITEM/SUBJECT: Public Hearing: Discuss and consider action on Specific Use Permit Case SUP2026-01 regarding a Specific Use Permit request for a Travel Trailer/RV Park in a R-4, Multi-Family district on one (1) parcel of land approximately 9.88 acres ± in size, more particularly described by Nacogdoches Central Appraisal District Parcel 26288, being Lots 19-A and 48, City Block 64; and located at 3607 East Main Street, Nacogdoches, Texas.

OVERVIEW: ***This item was withdrawn by the applicant on March 2, 2026.***
The applicant, George Carpenter, on behalf of property owner Trust of Laura Blankenship, is requesting approval of a Specific Use Permit (SUP) to allow the development of a Travel Trailer/RV Park on one (1) parcel of land located at 3607 East Main Street. The subject property consists of approximately 9.88 acres and is zoned R-4, Multi-Family Residential. The development concept proposed by the applicant includes thirteen (13) RV parking sites, internal drive aisles, and pedestrian amenities, including a walking trail. The applicant proposes to utilize the existing single-family residence located near the entrance of the property as a clubhouse for RV tenants, which would serve as a centralized management and amenity area and include common facilities such as restrooms, showers, laundry, and office space. The site plan also illustrates designated fire lanes, on-site parking, landscaped buffer areas, and the preservation of open space and natural features toward the rear of the property.

Adjacent Land Use & Zoning
The subject property is currently developed with a single-family residence and zoned R-4, Multi-Family. The surrounding zoning and land uses are as follows:

Direction	Comprehensive Plan	Current Zoning	Land Use
North	Single Family Residential	R-1, Single Family	Undeveloped & Residential
South (Across E. Main St.)	Commercial	B-2, General Business & R-4, Multi-Family	Commercial & Residential
East	Commercial & Single Family Residential	B-2, General Business & R-1, Single Family	Undeveloped
West	Single Family Residential, Commercial & Multi-Family Residential	R-1, Single Family	Residential

The surrounding area consists of a mix of commercial, single-family residential, and multi-family land uses and zoning districts.

STAFF REVIEW:
This item was withdrawn by the applicant on March 2, 2026. Per Section 118.139 of

the Nacogdoches Zoning Ordinance, the following conditions shall be considered when reviewing an application for zoning change:

Compatibility: The specific use will be compatible with and not injurious to the use and enjoyment of other property in the immediate vicinity, nor significantly diminish or impair property values within the immediate vicinity;
The proposed Travel Trailer/RV Park is located in an area characterized by a mix of commercial, single-family residential, and multi-family development along the East Main Street and N.E. Stallings Drive commercial corridors. The site plan reflects an internalized layout, with RV spaces oriented away from adjacent residential properties and significant buffering and open space maintained along property lines. The proposed use is limited in scale, with thirteen (13) RV sites on approximately 9.88 acres. Based on the site layout and surrounding development pattern, the proposed use can be compatible with adjacent properties.

Orderly Growth and Development: The establishment of the specific use will not impede the normal and orderly development and improvement of surrounding vacant property;
The proposed Travel Trailer/RV Park is designed as a low-intensity development with a limited number of sites and an internal circulation pattern that concentrates activity within the interior of the property. The site plan preserves significant open space and buffering along property boundaries and does not extend development in a manner that would restrict access to, or future development of, adjacent properties. Based on the proposed layout and scale, the establishment of the specific use would not impede the orderly development of surrounding vacant or underdeveloped land in accordance with existing zoning and future land use patterns.

Supporting Facilities: Adequate utilities, access roads, drainage and other necessary supporting facilities have been or will be provided;
The subject property is served by existing public water and sanitary sewer infrastructure located along East Main Street, and access to the site is provided from an arterial roadway with sufficient capacity to serve the proposed use. The site plan indicates internal circulation, designated fire lanes, and areas reserved for supporting facilities necessary to serve the RV park. Detailed evaluation of utility connections, drainage design, and access improvements will occur at the time of site development and permitting. Based on available infrastructure and the proposed development scale, adequate supporting facilities can be provided to serve the proposed use.

Drives and Parking: The design, location and arrangement of all driveways and parking spaces provides for the safe and convenient movement of vehicular and pedestrian traffic without adversely affecting the general public or adjacent developments;
The site plan illustrates a single, controlled access point from East Main Street with an internal private drive loop designed to serve RV spaces and on-site amenities. Vehicular circulation and pedestrian movement are internalized, which limits interaction with adjacent properties and concentrates activity within the site. Final driveway design, internal circulation, and parking arrangements will be reviewed at the time of site development to ensure compliance with applicable City and TxDOT standards. Based on the proposed layout and limited number of RV sites, the arrangement of drives and parking can provide for safe and convenient vehicle circulation without adversely affecting surrounding development.

Nuisances: Adequate nuisance-prevention measures have been or will be taken to prevent or control offensive odor, fumes, dust, noise and vibration;
The applicant has indicated that the proposed RV park will operate as a professionally managed facility with established rules addressing tenant conduct and site operations. Full utility hookups are proposed for each RV space, which would eliminate the routine use of generators. The site layout internalizes RV spaces and activity away from adjacent residential properties and

incorporates buffering and separation along property lines. Compliance with applicable City ordinances related to noise, waste disposal, and property maintenance would be required, and additional operational conditions may be imposed through the Specific Use Permit to address nuisance-related concerns. Based on these measures, nuisance impacts can be adequately controlled.

Lighting: Any lighting to be provided will be directional so as not to disturb or adversely affect neighboring properties;
Any exterior lighting associated with the proposed RV park would be required to comply with the City's lighting standards, including requirements for shielding and directionality to minimize impacts on adjacent properties. Detailed lighting design will be reviewed at the time of site development to ensure that lighting is directed inward and does not create glare or spillover onto neighboring residential areas.

Landscaping: Sufficient landscaping and screening to ensure harmony and compatibility with adjacent property exists or will be provided;
The zoning ordinance requires that a minimum six-foot-tall wooden fence with an accompanying ten-foot-wide landscaped buffer be installed along property lines adjacent to residential-zoned properties. The applicant's site plan proposes an eight-foot-tall wooden fence with a fifteen-foot-wide landscaped buffer along the portion of the site where RV spaces are located. The site plan also indicates that the rear portion of the property will remain undeveloped and wooded, providing additional natural screening. Final review of landscaping and screening improvements will occur at the time of plan review for development to ensure compliance with applicable ordinance requirements.

Comprehensive Plan: The proposed use is in accordance with the comprehensive plan.
Future Land Use
The Future Land Use Map designates the southern portion of the subject property as Commercial and the northern portion as Single-Family Residential. The proposed Travel Trailer/RV Park is considered a Multi-Family type of use, which is not consistent with the Future Land Use Map of the Comprehensive Plan. However, the approved R-4, Multi-Family zoning provides a residential transition between the commercial corridor along East Main Street and lower-density residential development to the north. The proposed Travel Trailer/RV Park is limited in scale and designed with internal circulation, buffering, and open space, which is consistent with the Comprehensive Plan's goals of providing transitions in land use intensity and accommodating a variety of residential types within areas served by existing infrastructure.

PUBLIC ENGAGEMENT:

- January 13, 2026 – Staff mailed twenty-five (25) neighborhood meeting notice postcards to property owners within 500 feet of subject property.
- January 26, 2026 – Staff coordinated a combined neighborhood meeting in the city hall council chambers on behalf of the applicant to receive input from surrounding property owners on the SUP and the corresponding zone change for the proposed RV Park. The meeting was canceled due to inclement weather and rescheduled for February 2, 2026. One neighboring property owner attended the meeting with concerns regarding noise, traffic congestion and safety with the nearby school, and the compatibility of an RV park with adjacent residential properties.
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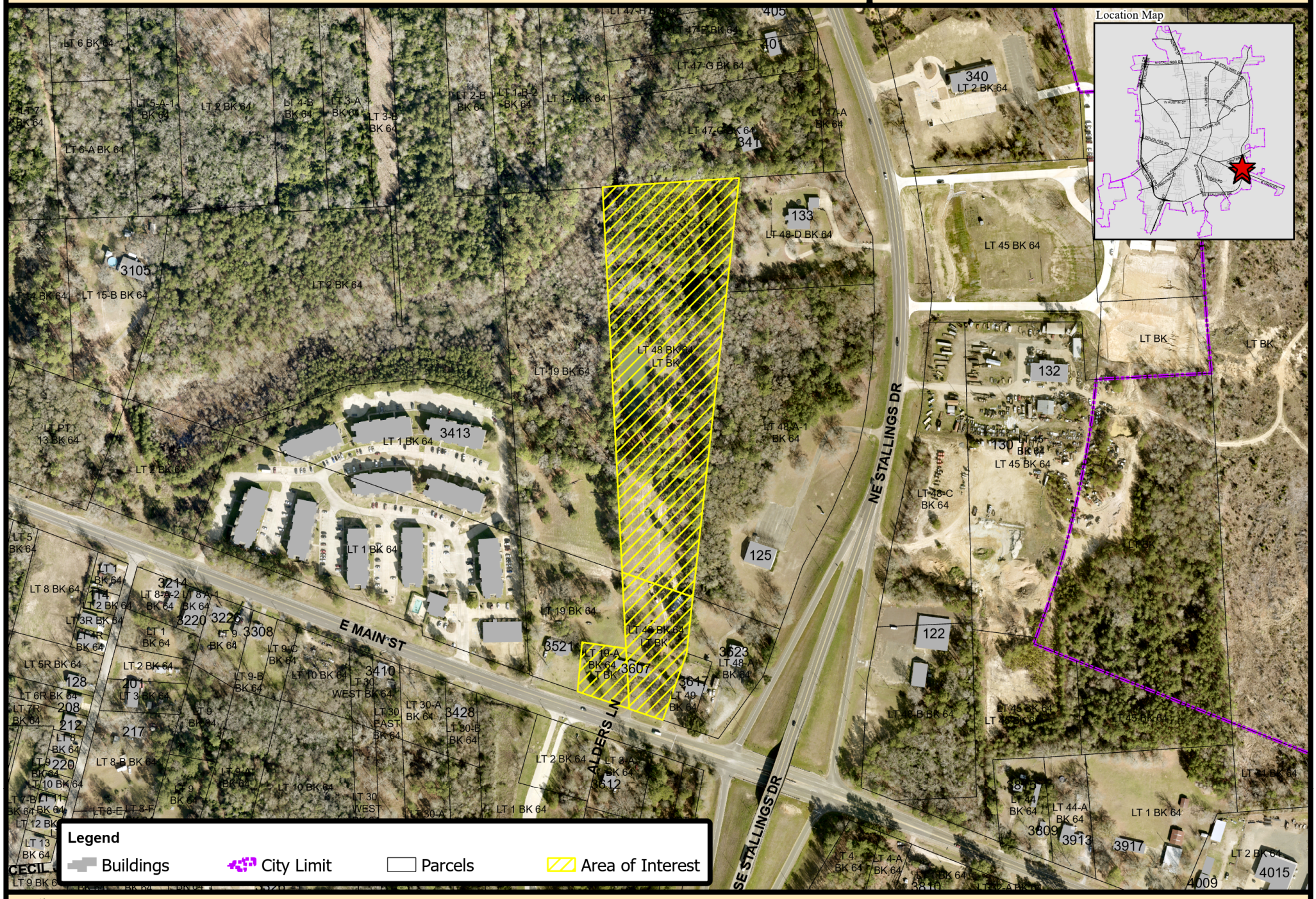
NOTE – This application is subject to additional notification procedures, including signage posted on the subject property, as well as notices on the City website and social media pages.

This item is scheduled for City Council consideration on March 17, 2026.

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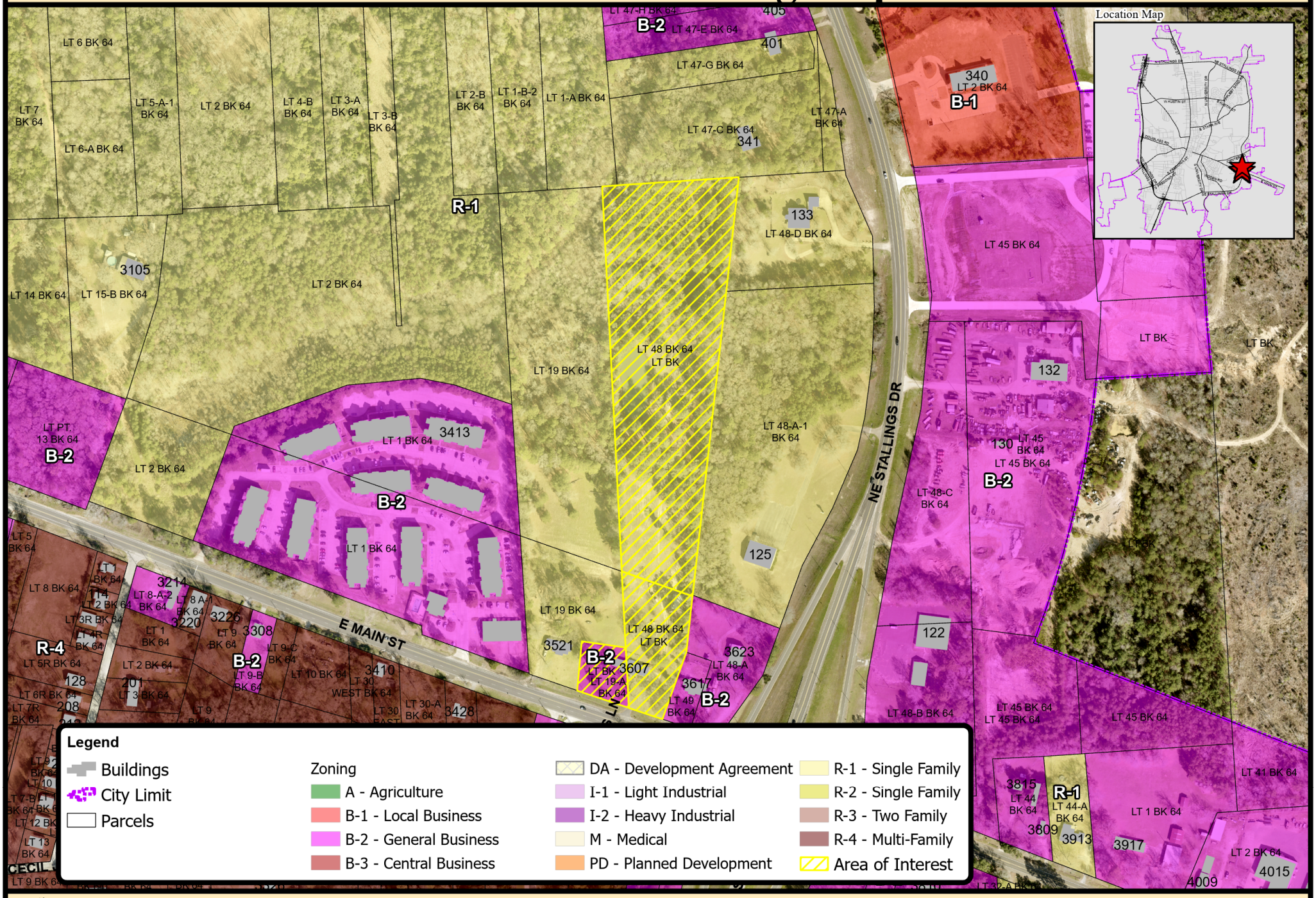


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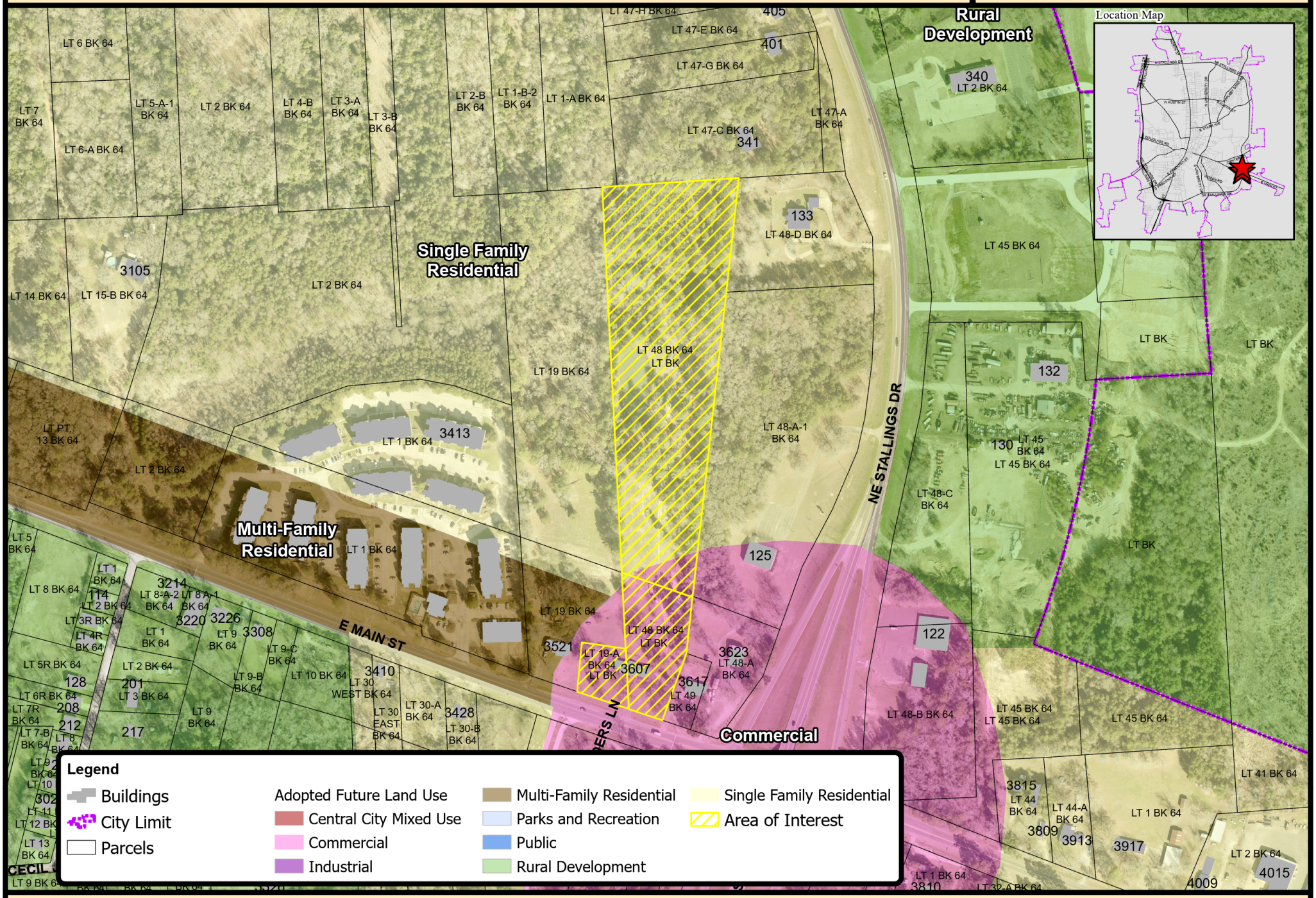
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Nacogdoches
Engineering Department
GIS Division

SUP2026-01 Zoning Map


Location Map
NE STALLINGS DR
E MAIN ST
B-2
R-1
R-4
LT 48 BK 64 LT BK
LT 19 BK 64
LT 48-A-1 BK 64
LT 45 BK 64
LT 1 BK 64
LT 2 BK 64
LT 47-C BK 64
LT 47-G BK 64
LT 47-E BK 64
LT 48-D BK 64
LT 48-B BK 64
LT 48-C BK 64
LT 48-A BK 64
LT 19-A BK 64
LT 49 BK 64
LT 44 BK 64
LT 44-A BK 64
LT 41 BK 64
LT 45 BK 64
LT 45 BK 64
LT 45

SUP2026-01 Future Land Use Map

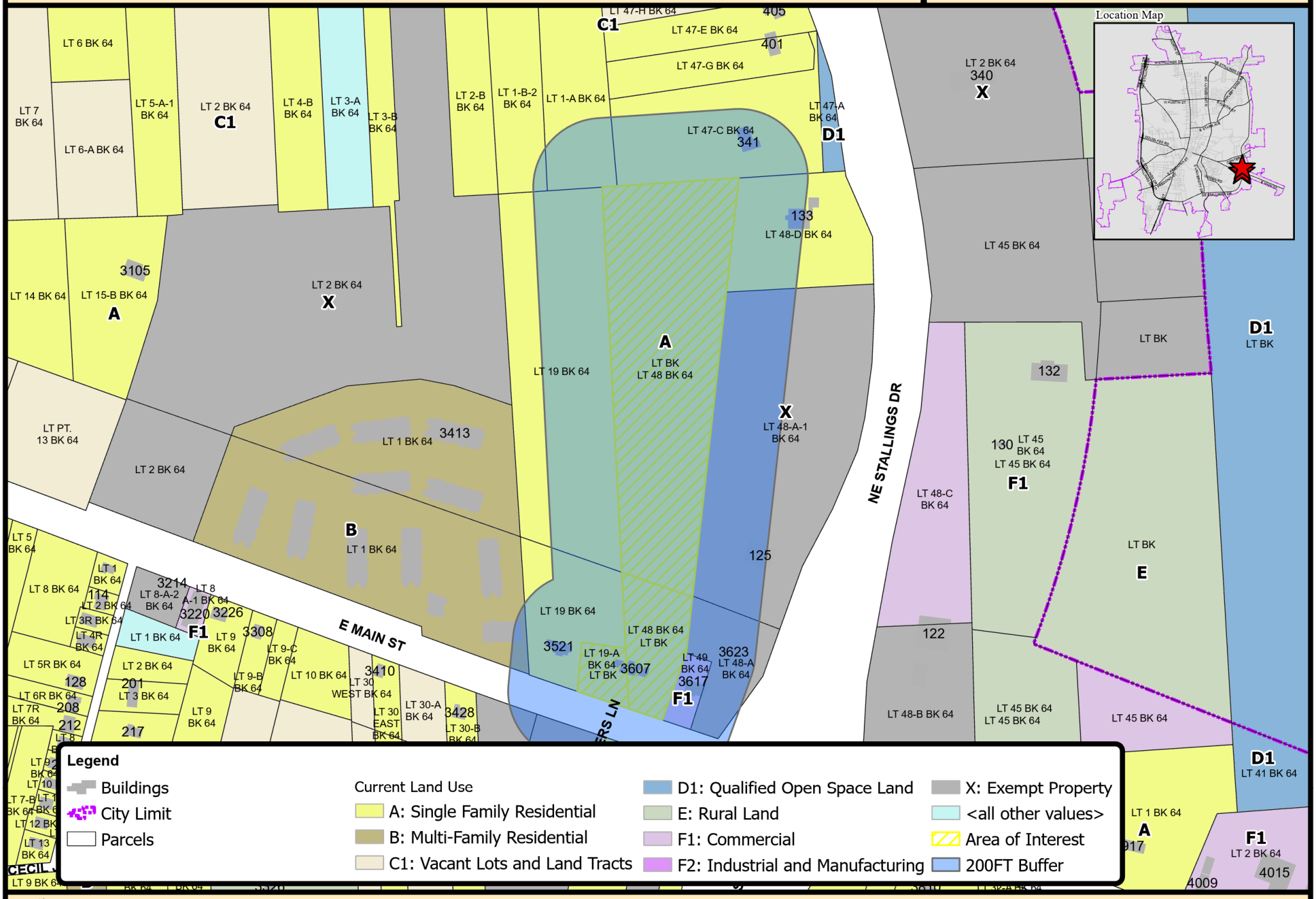


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SUP2026-01 Notification Map



0 150 300 450 600 Feet

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Nacogdoches
The oldest town in Texas
Engineering Department
GIS Division

Pollette, Juan <pollettej@nactx.us>

Online Form Submission #11558 for Public Comments Request

1 message

noreply@civicplus.com <noreply@civicplus.com> Thu, Jan 22, 2026 at 7:56 PM
Reply-To: noreply@civicplus.com
To: citysec@nactx.us, pz@nactx.us

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(Section Break)	
First Name	ronald
Last Name	johnson

Do you live within Nacogdoches city limits?	Yes
Home Address	3521 East Main
City	Nacogdoches
State	Texas
Zip	75961
Phone Number	[redacted]
Email Address	[redacted]
My comments apply to the following meeting:	Planning & Zoning Commission

Please see Agendas & Minutes for a list of upcoming meeting dates, times, and agendas. This form must be submitted no later than 24 hours before the posted meeting start time.

My comments apply to the following meeting date:	1/26/2026
My agenda item or case number:	SUP2026-01
My position on the above agenda item or case number:	I am AGAINST this item.
I want to include comments at the meeting:	Yes. But I only want my written comments added to the meeting record.
My written comments	To Zoning Commission. SPU-SUP2026-01 I am against this and am writing in response to the rezoning of Parcel 26228. The request includes a Specific Use Permit to allow a Travel Trailer/RV Park on this property. I have 8 acres that join this property, and a member of my family has lived on the property since 1943 (3521 East Main). The property line in one area is about 10 yards from my house. There will likely be people coming and going at all hours, running generators and other activities that create a lot of noise. Improper waste disposal by more people can lead to litter and unpleasant odors. This will create a big problem for my neighbors and me, especially at night. There is already a traffic congestion problem because of two schools in the area. The driveway to the elementary school is just across the street from this property, and in the morning and afternoon, there is bumper-to-bumper traffic coming from two

directions trying to get into the driveway. There have already been several accidents, and I can only imagine what it will be like with travel trailers and RVs trying to get in their driveway, possibly having to cross the road. This is a real concern for the safety of children and their parents trying to access the school. These are two very narrow strips of land, and anything put on Parcel 26228 will be close to my property line. I am sure people will be trespassing on my land, and this needs to be addressed by a fence or other barrier. These will not be people who live here as neighbors, but strangers passing through. There is a lot of wildlife in this area that will be displaced because of a loss of habitat. The last thing is that property values will stagnate or decline for people who own land bordering this park. I don’t know of many people who would buy land next to an RV park. 3521 East Main is my family's home, and I, along with my neighbors, will be greatly inconven

Nacogdoches

To Zoning Commission.

SPU-SUP2026-01

I am against this and am writing in response to the rezoning of Parcel 26228. The request includes a Specific Use Permit to allow a Travel Trailer/RV Park on this property. I have 8 acres that join this property, and a member of my family has lived on the property since 1943 (3521 East Main). The property line in one area is about 10 yards from my house. There will likely be people coming and going at all hours, running generators and other activities that create a lot of noise. Improper waste disposal by more people can lead to litter and unpleasant odors. This will create a big problem for my neighbors and me, especially at night.

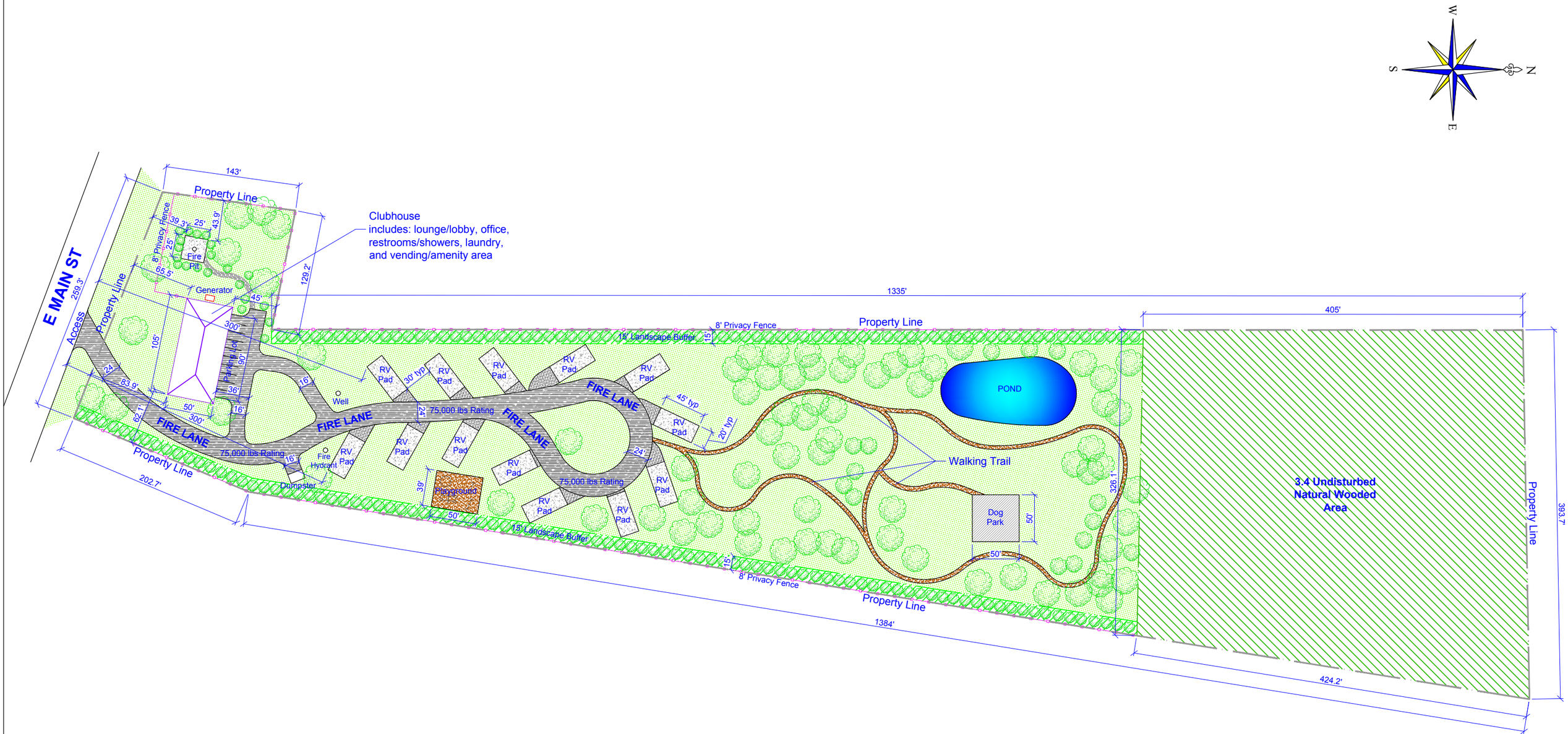
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Ronald Johnson
3521 East Main
Nacogdoches

(Optional) I want to upload a file with this form	*Field not completed.*

Email not displaying correctly? View it in your browser.

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You received this message because you are subscribed to the Google Groups "Planning & Zoning" group.
To unsubscribe from this group and stop receiving emails from it, send an email to pz+unsubscribe@nactx.us.
To view this discussion visit https://groups.google.com/a/nactx.us/d/msgid/pz/010f019be891a832-5663b82f-4ffd-49dc-9e56-9de0d832b9e1-000000%40us-east-2.amazonses.com.



0' 10' 30' 50' 100' 200' 300' 400'

1" SCALE 1"=100'

3607 E MAIN ST **NACOGDOCHES, TX 75961**	Scale:1"=100'	Date: 12-16-2025 Size: 11'x17'	Sheet 1 of 1

Parcel No. (APN)	26228
Land Use	RESIDENTIAL MISCELLANEOUS RESIDENTIAL
Buildings	1 Building
Building Area	1,920 SF
Lot Area	430,373 SF (9.88 ACRES)
Zoning Code	B-2 / R-1

THIS IS NOT A LEGAL SURVEY, NOR IS IT INTENDED TO BE OR REPLACE ONE

This work product represents only generalized locations of features, objects or boundaries and should not be relied upon as being legally authoritative for the precise location of any feature, object or boundary.

SUP2026-01 Site Photos

Subject property



Back of the subject property





Residential home across E. Main St.



Entrance to Carpenter Elementary



Adjacent commercial property to the east



E. Main St. & Loop 224 intersection (east)



Adjacent single family home to the west



Multi-Family Apartments to the west



PRESENTER: Case Opperman, Director of Public Works

ITEM/SUBJECT: Consider approval of a contract by and between the City of Nacogdoches and SCS Engineers for professional engineering services for Phase II of Landfill Major Permit Amendment and Expansion (CIP Project SW-25-201) in the amount of $657,635.00. (Director of Public Works/City Engineer)

SUMMARY/BACKGROUND: On June 18, 2024, the City approved a contract with SCS Engineers for professional engineering services for a Type I Major Amendment Permit Application (PA) for the City of Nacogdoches Landfill. This permit application will consist of a vertical and lateral expansion of the landfill. Specifically, the City intends to connect Blocks M and P, raise the top elevation of Blocks M, P, and O, and to expand the landfill waste footprint of Block O.

Due to the multiyear nature of this effort, the work was divided into phases with a Phase I contract being entered into in November 2024. SCS is now at a point in their work that a Phase II contract is needed to begin. SCS and subcontractor Hydrex Environmental Consulting, LLC (Hydrex) will perform the following Phase II tasks for this major amendment at the specified fees:

Task 1: Type I Major Amendment Permit Application – Phase II		$ 327,300
Task 2: Hydrogeolic/Geotechnical, Groundwater, Gas Management		$ 160,335
Task 3: Response to TCEQ NOD Comments		$ 100,000
Task 4: Notices		$ 20,000
Task 5: Allowance for Unanticipated Services (City Approval)		$ 50,000
	Total	$ 657,635

This time and materials (hourly) contract is budgeted as part of the Landfill Major Permit Amendment and Expansion (CIP Project SW-25-201) in the Fiscal Year 2026 Sanitation Fund CIP.

FINANCIAL:
Item is budgeted:
Account No.: 31.41 680.97
Account Name: *Sanitation Fund CIP*
Amount: $ 657,635

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES
Infrastructure

CITY CONTACT: Case Opperman, PE – Director of Public Works/City Engineer

oppermanc@nactx.us
(936) 559-2515

ATTACHMENTS:
1. Contract
2. PowerPoint

CITY OF NACOGDOCHES
ARCHITECTURAL & ENGINEERING
PROFESSIONAL SERVICES CONTRACT

This Contract is between the **City of Nacogdoches**, a Texas home-rule municipal corporation, (the "City") and **SCS Engineers** (the "Consultant"), whereby the Consultant agrees to provide the City with certain professional services as described herein and the City agrees to pay the Consultant for those services.

ARTICLE I
Scope of Services

1.01 In consideration of the compensation stated in paragraph 2.01 below, the Consultant agrees to provide the City with the professional services as described in **Exhibit A,** the Scope of Services, which is incorporated herein by reference for all purposes, and which services may be more generally described as follows: **Landfill Major Permit Amendment – Phase II Services** (the "Project").

ARTICLE II
Payment

2.01 In consideration of the Consultant's provision of the professional services in compliance with all terms and conditions of this Contract, the City shall pay the Consultant according to the terms set forth in **Exhibit B**. Except in the event of a duly authorized change order, approved by the City as provided in this Contract, the total cost of all professional services provided under this Contract may not exceed **Six Hundred Fifty-Seven Thousand Six Hundred Thirty-Five and 00/100 Dollars ($ 657,635.00).**

ARTICLE III
Time of Performance and Construction Cost

3.01 The Consultant shall complete the professional services within the times set forth in **Exhibit A**. Consultant expressly agrees that such times are as expeditious as is prudent considering the ordinary professional skill and care of a competent engineer or architect.

3.02 **Time is of the essence of this Contract.** The Consultant shall be prepared to provide the professional services in the most expedient and efficient manner possible in order to complete the work by the times specified. Promptly after the execution of this Contract, the Consultant shall prepare and submit for the City to approve in writing, a detailed schedule for the performance of the Consultant's services to meet the City's project milestone dates which are included in this Contract. The Consultant's schedule shall include allowances for periods of time required for the City's review and for approval of submissions by authorities having jurisdiction over the Project. The schedule will also specify payment milestones associated with design tasks.

3.03 The Consultant's services consist of all of the services required to be performed by Consultant, Consultant's employees and Consultant's sub-consultants under the terms of this Contract. Such services are set forth in the attached Exhibit A. The Consultant shall contract and employ at its expense sub-consultants necessary for the design of the Project, and such sub-consultants shall be licensed as required by the State of Texas and approved in writing by the City.

3.04 The Consultant shall designate a principal of the firm reasonably satisfactory to the City who shall, for so long as acceptable to the City, be in charge of Consultant's services to be performed hereunder through to completion, and who shall be available for general consultation throughout the Project. Any replacement of that principal shall be approved in writing (which shall not be unreasonably withheld) by the City, prior to replacement.

3.05 Consultant shall be responsible for the coordination of all drawings and design documents relating to Consultant's design and used on the Project, regardless of whether such drawings and documents are prepared by Consultant. Consultant shall be responsible for the completeness and accuracy of all drawings and specifications submitted by or through Consultant and for its compliance with all applicable codes, ordinances, regulations, laws and statutes.

3.06 Consultant's evaluations of the City's project budget and the preliminary estimates of construction cost and detailed estimates of construction cost represent the Consultant's best judgment as a design professional familiar with the construction industry.

[Scope Item – Refer to Exhibit A]

ARTICLE IV
Conceptual Design

4.01 Consultant shall meet with the City for the purpose of determining the nature of the Project. The Consultant shall inquire in writing as to the information it believes the City may have in its possession that is necessary for the Consultant's performance. The City shall provide the information within its possession that it can make available to the Consultant. The City shall designate a representative to act as the contact person on behalf of the City.

4.02 The Consultant shall determine the Project needs, including, but not limited to, tests, analyses, reports, site evaluations, surveys, comparisons with other municipal projects, review of budgetary constraints and other preliminary investigations necessary for the Project. Consultant shall verify the observable existing conditions of the Project and verify any existing as-built drawings. Consultant shall confirm that the Project can be designed and constructed within the time limits outlined in this Contract. Consultant shall prepare a detailed design phase schedule which includes all review and approval periods during the project phases from Conceptual Design to Construction, design development and construction document phases. Consultant shall confirm that the Project can be designed and constructed for the dollar amount of the Project budget, if applicable. Consultant shall generally review the City's available budget for the Project and provide an early opinion of the adequacy of funds for the intended scope of work.

4.03 The Consultant shall prepare a Conceptual Design that shall include preliminary schematic layouts, alternative ideas, surveys, sketches and exhibits demonstrating the considerations involved in the Project. The Conceptual Design shall contemplate compliance with all applicable laws, statutes, ordinances, codes and regulations. Upon the City's request, the Consultant shall meet with City staff and/or City Council to make a presentation of its report.

ARTICLE V
Preliminary Design

5.01 The City shall direct the Consultant to commence work on the Preliminary Design by sending to the Consultant a letter of authorization to begin work on the Preliminary Design pursuant to this Contract. Upon receipt of the letter of authorization to commence Preliminary Design, the Consultant shall meet with the City for the purpose of determining the extent of any revisions to the Conceptual Design.

5.02 The Consultant shall prepare the Preliminary Design of the Project, including, but not limited to, the preliminary drawings and specifications and other documents to fix and describe the size and character of the Project as to civil, architectural, structural, mechanical and electrical systems, materials and such other elements as may be appropriate. The Consultant shall submit to the City a detailed estimate of the construction costs of the Project, based on current area, volume, or other unit costs. This estimate shall also indicate costs for allowances, contingencies, fees, permits, and all other costs involved in constructing the Project and the time required for construction of the Project from commencement to final completion.

5.03 Upon completion of the Preliminary Design of the Project, the Consultant shall so notify the City. Upon request the Consultant shall provide a Preliminary Engineering Report and meet with the City staff and/or City Council to make a presentation of its Preliminary Design of the Project. The Consultant shall provide an explanation of the Preliminary Design and cost estimate and shall verify that, to the best of Consultant's belief, the Project requirements and construction can be completed within the Project budget and schedule.

~~ARTICLE VI~~
~~Final Design~~

6.01 ~~The City shall direct the Consultant to commence work on the Final Design of the Project by sending to the Consultant a letter of authorization to begin work on the Final Design phase of the Project. Upon receipt of the Letter of Authorization to proceed with Final Design of the Project, the Consultant shall immediately prepare the Final Design, including, but not limited to, the bid documents, contract, drawings, and specifications, to fix and describe the size and character of the Project as to civil, structural, mechanical, and electrical systems, materials, and such other elements as may be appropriate. The Final Design of the Project shall comply with all applicable laws, statutes, ordinances, codes and regulations.~~

6.02 ~~Notwithstanding the City's approval of the Final Design, the Consultant warrants that the Final Design will be sufficient and adequate to fulfill the purposes of the Project. Additionally, Consultant will provide technical criteria, written descriptions and design data for the City's use in filing applications for permits from other governmental authorities or entities. Consultant shall assist the City in the preparation of permits and consultations with other entities having jurisdiction over the Project.~~

6.03 ~~The Consultant shall prepare and separately seal the special provisions, the technical specifications, and bid proposal form(s) in conformance with the City's *current* pre-approved, "Standard Form of Construction Agreement" for the construction contract between the City and the construction contractor. The Consultant hereby agrees that no changes, modifications, supplementations, alterations, or deletions will be made to the City's standard form without the prior written approval of the City.~~

6.04 ~~The Consultant shall provide the City with complete construction design plans and contract documents sufficient to be advertised for bids by the City. The contract documents shall include the design and specifications and other changes that are required to fulfill the purpose of the Project. Upon completion of the Final Design of the Project, with the submission of the complete contract documents, and upon request of the City, the Consultant shall meet with City staff and/or the City Council to present the Final Design of the Project. The Consultant shall provide an explanation of the Final Design and cost estimate.~~

~~ARTICLE VII~~
~~Bid Preparations & Evaluation~~

7.01 ~~The Consultant shall assist the City in advertising for and obtaining bids or negotiating proposals for the construction of the Project. Upon request, the Consultant shall meet with City staff and/or the City Council to present, and make recommendations on, the bids submitted for the construction of the Project.~~

7.02 ~~The Consultant shall review the construction contractors' bids, including subcontractors, suppliers, and other persons required for completion of the Project. The Consultant shall~~

evaluate each bid and provide these evaluations to the City along with a recommendation on each bid. The Consultant shall also review the qualifications and references of the lowest responsible bidder. A written evaluation of the bids shall be provided to the City by Consultant and shall include any bidding irregularities subject to waiver. If the lowest bid for the construction of the Project exceeds the final cost estimate set forth in the Final Design of the Project, then the Consultant, at its sole cost and expense, shall revise the construction documents so that the total construction costs of the Project will not exceed the final cost estimate contained in the Final Design of the Project.

7.03 Where substitutions are requested by a construction contractor, the Consultant shall review the substitution requested and shall recommend approval or disapproval of such substitutions.

ARTICLE VIII
Construction Administration

8.01 The Consultant shall be a representative of, and shall advise and consult with, the City (1) during construction, and (2) at the City's direction from time to time during the correction or warranty period described in the construction contract. The Consultant shall have authority to act on behalf of the City only to the extent provided in this Contract unless modified by written instrument.

8.02 The Consultant shall make visits to the site, with a frequency appropriate to the scope of the Project, to inspect the progress and quality of the executed work of the construction contractor and its subcontractors and to determine if such work is proceeding in accordance with the contract documents. Consultant shall periodically review the as-built drawings for accuracy and completeness, and shall report its findings to the City.

8.03 Resident Project Representative (RPR): The Consultant shall provide the services of an RPR to support more frequent and extensive observations of the contractor's work. The presence of the RPR will not diminish the responsibilities of the Consultant's design professionals to provide site visits to monitor the progress of the project. Duties and responsibilities of the RPR include:

a. The RPR will generally deal directly with the contractor and report to the Consultant, who in turn will report to the City. The RPR works under the direction of the Consultant. The RPR may communicate directly with the City, but only with the knowledge of the Consultant.

b. The RPR will not normally direct the work of the contractor but shall observe its compliance with the plans and specifications and report such directly to the Consultant. The RPR can communicate any concerns directly to the contractor, but all observed conditions will always be given to the Consultant as well.

c. If the RPR observes unsafe conditions, or other potentially hazardous conditions that might risk life and safety to anyone, he/she will immediately report such to the

contractor, Consultant and City. In such circumstances, the RPR will have the authority to stop the work of the contractor until the issue can be resolved.

d. The RPR shall, on behalf of the Consultant, make and keep as-built drawings in the field to record any variances from the original designs shown in plans and specifications.

e. The RPR shall keep and maintain inspection reports for each day he/she is present on the project site. These reports shall be made available to the City at the end of the project. The daily reports shall include times of observations, activities observed, materials used or delivered to the job, problems encountered and solutions or adjustments made in the field.

f. The RPR shall review pay estimates from the contractor, on behalf of the Consultant, to verify the quantity and quality of work requested for payment. At no time will the RPR approve pay estimates, contract addendums, modifications, or change orders involving changes in the contract price.

g. The RPR shall be present to observe and witness all testing of on-site equipment and installed materials under the direction of the Consultant.

8.04 The Consultant shall keep the City informed of the progress and quality of the work through periodic project meetings and written monthly status reports. The Consultant shall employ the professional skill and care ordinarily provided by competent engineers or architects practicing in the same or similar locality and under the same or similar circumstances and professional license in discovering and promptly reporting to the City any defects or deficiencies in such work and shall disapprove or reject any work failing to conform to the contract documents.

8.05 The Consultant shall review and approve shop drawings and samples, the results of tests and inspections, and other data that each construction contractor or subcontractor is required to provide. The Consultant's review and approval shall include a determination of whether the work complies with all applicable laws, statutes, ordinances and codes and a determination of whether the work, when completed, will be in compliance with the requirements of the contract documents.

8.06 The Consultant shall determine the acceptability of substitute materials and equipment that may be proposed by construction contractors or subcontractors. The Consultant shall also receive and review maintenance and operating instruction manuals, schedules, guarantees, and certificates of inspection, which are to be assembled by the construction contractor in accordance with the contract documents.

8.07 The Consultant shall issue all instructions of the City to the construction contractor as well as interpretations and clarifications of the contract documents pertaining to the performance of the work. Consultant shall interpret the contract documents and judge the performance thereunder by the contractor constructing the Project, and Consultant shall,

~~within a reasonable time, render such interpretations and clarifications as it may deem necessary for the proper execution and progress of the work. Consultant shall receive no additional compensation for providing clarification of the drawings and specifications.~~

~~8.08 The Consultant shall review the amounts owing to the construction contractor and recommend to the City, in writing, payments to the construction contractor of such amounts. The Consultant's recommendation of payment, being based upon the Consultant's on-site inspections, observations, and its experience and qualifications as a design professional, shall constitute a recommendation by the Consultant to the City that the quality of such work is in accordance with the contract documents and that the work has progressed to the point reflected in Consultant's recommendation for payment.~~

~~8.09 Upon notification from the construction contractor that the Project is substantially complete, the Consultant shall conduct an inspection of the site to determine if the Project is substantially complete. The Consultant shall prepare a checklist of items that shall be completed prior to final acceptance. Upon notification by the construction contractor that the checklist items designated by the Consultant for completion have been completed, the Consultant shall inspect the Project to verify final completion.~~

~~8.10 The Consultant shall not be responsible for the work of the construction contractor or any of its subcontractors, except that the Consultant shall be responsible for the construction contractor's schedules or failure to carry out the work in accordance with the contract documents if such failures result from the Consultant's negligent acts or omissions. This provision shall not alter the Consultant's duties to the City arising from the performance of the Consultant's obligations under this Contract.~~

~~8.11 The Consultant shall conduct at least one on-site inspection during the warranty period and shall report to the City as to the continued acceptability of the work.~~

~~8.12 The Consultant shall recommend and prepare change orders, work directives and clarification notices on behalf of the City but shall not execute and issue such documents or otherwise alter the financial scope of the Project without an advance, written authorization from the City.~~

~~8.13 The Consultant shall perform all of its duties under this Article VIII so as to not cause any delay in the progress of construction of the Project.~~

~~8.14 The Consultant shall assist the construction contractor and City in obtaining a Certificate of Occupancy by accompanying governing officials during inspections of the Project if requested to do so by the City.~~

ARTICLE IX
Change Orders & Documents & Materials

9.01 No changes shall be made, nor will invoices for changes, alterations, modifications, deviations, or extra work or services be recognized or paid to Consultant except upon the prior written order from authorized personnel of the City. The Consultant shall not execute change orders on behalf of the City or otherwise alter the financial scope of the Project, except upon the prior written approval from authorized personnel of the City.

9.02 a. When the original contract amount plus all change orders is less than $50,000, the City Manager or his delegate may approve the written change order provided the change order does not increase the total amount set forth in the contract to more than $50,000. For such contracts, when a change order results in a total contract amount that exceeds $50,000, the City Council must approve such change order prior to commencement of the services or work.

b. When the original contract amount plus all change orders is equal to or greater than $50,000, the City Manager or his delegate may approve the written change order. For such contracts, when a change order exceeds $50,000, the City Council must approve such change order prior to commencement of the services or work.

c. **Any request by the Consultant for an increase in the Scope of Services and an increase in the amount listed in paragraph two of this Contract shall be made and approved by the City prior to the Consultant providing such services ~~or the right to payment for such additional services shall be waived~~.** If there is a dispute between the Consultant and the City respecting any service provided or to be provided hereunder by the Consultant, including a dispute as to whether such service is additional to the Scope of Services included in this Contract, the Consultant agrees to continue providing on a timely basis all services to be provided by the Consultant hereunder, including any service as to which there is a dispute.

9.03 The Consultant shall furnish the City one (**1**) set of major permit amendment documents contemplated in the proposal in Exhibit A. It is hereby agreed that additional copies shall be provided to the City at the City's expense. ~~The Consultant shall provide the City _____ (__) sets of reproducible, mylar record drawings that clearly show all the changes made during the construction process, based upon the marked-up prints, drawings, and other data furnished by the construction contractor to the Consultant.~~ The Consultant shall provide copies of documents, computer files if available, surveys, notes, and tracings used or prepared by the Consultant. The foregoing documentation, the Consultant's work product, and other information in the Consultant's possession concerning the Project shall be the property of the City from the time of preparation. The Consultant shall furnish one set of digital files representing the final record drawings.

ARTICLE X
Warranty, Indemnification & Release

10.01 Pursuant to Section 271.904(d) of the Texas Local Government Code, the Consultant shall perform the services with the professional skill and care ordinarily provided by competent engineers or architects practicing under the same or similar circumstances and professional license and as expeditiously as is prudent considering the ordinary skill and care of a competent engineer or architect. The information provided by the Consultant, the design, the preparation of drawings, the designation or selection of materials and equipment, the selection and supervision of personnel, and the performance of all other services under this Contract are performed with the professional skill and care ordinarily provided by competent engineers or architects practicing in the same or similar circumstances and professional license. Approval of the City shall not constitute, or be deemed, a release of the responsibility and liability of the Consultant, its employees, agents, or associates for the exercise of skill and diligence to promote the accuracy and competency of their designs, information, plans, specifications or any other document, nor shall the City's approval be deemed to be the assumption of responsibility by the City for any defect or error in the aforesaid documents prepared by the Consultant, its employees, associates, agents, or subcontractors.

10.02 The Consultant shall promptly correct any designs or specifications furnished by the Consultant at no cost to the City. The City's approval, acceptance, use of, or payment for, all or any part of the Consultant's services hereunder or of the Project itself shall in no way alter the Consultant's obligations or the City's rights hereunder.

10.03 In all activities or services performed hereunder, the Consultant is an independent contractor and not an agent or employee of the City. The Consultant and its employees are not the agents, servants, or employees of the City. As an independent contractor, the Consultant shall be responsible for the professional services and the final work product contemplated under this Contract. Except for materials furnished by the City, the Consultant shall supply all materials, equipment, and labor required for the professional services to be provided under this Contract. The Consultant shall have ultimate control over the execution of the services it is to provide under this Contract. The Consultant shall have the sole obligation to employ, direct, control, supervise, manage, discharge, and compensate all of its employees or subcontractors, and the City shall have no control of or supervision over the employees of the Consultant or any of the Consultant’s subcontractors.

10.04 The Consultant must at all times exercise reasonable precautions on behalf of, and be solely responsible for, the safety of its officers, employees, agents, subcontractors, licensees, and other persons, as well as its personal property, while in the vicinity of the Project or any of the work being done on or for the Project. It is expressly understood and agreed that the City shall not be liable or responsible for the negligence of the Consultant, its officers and employees.

10.05 INDEMNITY. THE CONSULTANT SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS, EMPLOYEES,

~~REPRESENTATIVES, CONTRACTORS, ASSIGNEES AND/OR DESIGNEES~~ **(SEPARATELY AND COLLECTIVELY REFERRED TO IN THIS PARAGRAPH AS "INDEMNITEE"), FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS OR SUITS, AND ALL RELATED DAMAGES, COSTS, ATTORNEY FEES, AND EXPENSES CAUSED BY, ARISING OUT OF, OR RESULTING FROM ANY ACTS OF NEGLIGENCE, INTENTIONAL TORTS, WILFULL MISCONDUCT, PERSONAL INJURY OR DAMAGE TO PROPERTY AND OTHERWISE RELATED TO CONSULTANT'S PERFORMANCE, AND/OR FAILURES TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY THE CONSULTANT OR ITS AGENTS, EMPLOYEES, SUB-CONTRACTORS, ORDER FULFILLERS, OR CONSULTANTS UNDER CONTRACT TO CONSULTANT, OR ANOTHER ENTITY OVER WHICH THE CONSULTANT EXERCISES CONTROL, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT.**

10.06 CONSULTANT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS AND/OR IN CONNECTION WITH OR ARISING FROM: (1) THE PERFORMANCE OR ACTIONS OF CONSULTANT PURSUANT TO THIS CONTRACT; (2) ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR THE CITY'S AND /OR CONSULTANT'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO THE CITY BY CONSULTANT ~~OR OTHERWISE TO WHICH THE CITY HAS ACCESS AS A RESULT OF CONSULTANT'S PERFORMANCE UNDER THE CONTRACT~~.

10.07 CONSULTANT AND THE CITY AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM UNDER 10.05 OR 10.06. CONSULTANT SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES. THE DEFENSE OF ANY LAWSUIT SHALL BE COORDINATED BY THE CONSULTANT WITH THE CITY ATTORNEY WHEN THE CITY IS NAMED DEFENDANT IN ANY LAWSUIT AND CONSULTANT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE CITY ATTORNEY. IF THE CITY DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF CONSULTANT OR IF THE CITY IS REQUIRED BY LAW TO SELECT SEPARATE COUNSEL, THE CITY WILL BE PERMITTED TO SELECT SEPARATE COUNSEL AND THE CONSULTANT WILL PAY ALL REASONABLE COSTS OF THE CITY'S COUNSEL.

~~**10.08 Release. The Consultant releases, relinquishes, and discharges the City, its officers, agents, employees, and volunteers from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to,**~~

~~**sickness or death of the Consultant or its employees and any loss of or damage to any property of the Consultant or its employees that is caused by or alleged to be caused by, arises out of, or is in connection with the Consultant's work to be performed hereunder. Both the City and the Consultant expressly intend that this release shall apply regardless of whether said claims, demands, and causes of action are covered, in whole or in part, by insurance and in the event of injury, sickness, death, loss, or damage suffered by the Consultant or its employees, but not otherwise, this release shall apply regardless of whether such loss, damage, injury, or death was caused in whole or in part by the City, any other party released hereunder, the Consultant, or any third party.**~~

10.09 It is agreed with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification, release or other obligations under Paragraphs 10.05, 10.06, 10.07 and 10.08 such legal limitations are made a part of the obligations and shall operate to amend same to the minimum extent necessary to bring the provision(s) into conformity with the requirements of such limitations, and as so modified, the obligations set forth therein shall continue in full force and effect.

ARTICLE XI
Insurance

11.01 The Consultant shall procure and maintain at its sole cost and expense for the duration of this Contract insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, volunteers, employees or subcontractors. The policies, limits and endorsements required are as set forth on **Exhibit C.**

ARTICLE XII
Use of Drawings, Specifications and Other Documents

12.01 The drawings, specifications and other documents prepared by the Consultant and Consultant's sub-consultants for this Project shall become the property of the City whether the Project is completed or not. The City shall be furnished and permitted to retain reproducible copies and electronic versions of Consultant's drawings, specifications and other documents.

12.02 The documents prepared by Consultant may be used as a prototype for other facilities by the City. The City may elect to use the Consultant to perform the site adaptation and other architectural or engineering services involved in reuse of the prototype. If so, the Consultant is obligated to perform the work for an additional compensation that will fairly compensate the Consultant and its sub-consultants only for the additional work involved. It is reasonable to expect that the fair additional compensation will be significantly less than the fee provided for under this Contract. If the City elects to employ a different architect or engineer to perform the site adaptation and other architectural or engineering services involved in reuse of the prototype, that architect or engineer will be entitled to use

Consultant's sub-consultants on the same basis that Consultant would have been entitled to use them for the work on the reuse of the prototype, and such architect or engineer will be entitled, to the extent allowed by law, to duplicate the design and review and refer to the construction documents, approved shop drawings and calculations, and change order drawings in performing its work. The Consultant will not be responsible for errors and omissions of a subsequent architect or engineer. The Consultant shall commit its sub-consultants to the terms of this subparagraph. The provisions of this section shall survive termination of this Contract.

12.03 In the event of termination of this Contract for any reason, the City shall receive all original documents prepared to the date of termination and shall have the right to use those documents and any reproductions in any way necessary to complete the Project.

12.04 Only the details of the drawings relating to this Project may be used by the Consultant on other projects, but they shall not be used as a whole without written authorization by the City. The City-furnished forms, conditions, and other written documents shall not be used on other projects by the Consultant.

ARTICLE XIII
Termination

13.01 The City may terminate this Contract at any time upon **thirty (30)** calendar days' written notice. Upon the Consultant's receipt of such notice, the Consultant shall cease work immediately. To the extent of funds appropriated or otherwise legally available for such purposes, the Consultant shall be compensated only for the services satisfactorily performed prior to the termination date.

13.02 If, through any cause, the Consultant fails to fulfill its obligations under this Contract, or if the Consultant violates any of the agreements of this Contract, the City has the right to terminate this Contract by giving the Consultant **five (5)** calendar days written notice to the Consultant. The Consultant will be compensated for the services satisfactorily performed prior to the termination date.

13.03 No term or provision of this Contract shall be construed to relieve the Consultant of liability to the City for damages sustained by the City because of any breach of contract and/or negligence by the Consultant. The City may withhold payments to the Consultant for the purpose of setoff until the exact amount of damages due the City from the Consultant is determined and paid.

ARTICLE XIV
Miscellaneous Terms

14.01 This Contract has been made under and shall be governed by the laws of the State of Texas. The parties agree that performance and all matters related thereto shall be in Nacogdoches County, Texas.

14.02 The City, or if State funds are used to pay any part of this contract, the State Auditor, may conduct an audit or investigation of any entity receiving funds directly under this contract or indirectly through a subcontract under the contract. Acceptance of funds under the contract or through a subcontract under the contract acts as acceptance of the authority of the City or the State Auditor to conduct an audit or investigation. Consultant agrees to cooperate and must provide the City and/or State Auditor with access to any information the City and/or State Auditor considers relevant to the investigation or audit. The Consultant agrees to refund to the City any overpayments disclosed by any such audit.

14.03 The Consultant shall retain all such records for a period of four (4) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Consultant are resolved, whichever is longer.

14.04 Consultant hereby assigns to the City any and all claims for overcharges associated with this Agreement which arise under the antitrust laws of the United States, 15 USCA Section 1 et seq., and/or which arise under the antitrust laws of the State of Texas, Business and Commerce Code Ann., Section 15.01, et seq.

14.05 Notices shall be mailed to the addresses designated herein or as may be designated in writing by the parties from time to time and shall be deemed received when sent postage prepaid U.S. Mail to the following addresses:

City of Nacogdoches
Attn: City Manager
202 East Pilar Street
P.O. Box 635030
Nacogdoches, Texas 75961

Consultant:
SCS Engineers
Attn: Jeff Reed
12651 Briar Forest Drive, Suite 205
Houston, Texas 77077

14.06 No waiver by either party hereto of any term or condition of this Contract shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

14.07 This Contract represents the entire and integrated agreement between the City and the Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. This Contract may only be amended by written instrument approved and executed by the parties.

14.08 This Contract and all rights and obligations contained herein may not be assigned by the Consultant without the prior written approval of the City.

14.09 If any provision of this Contract shall be held to be invalid or unenforceable for any reason,

the remaining provisions shall continue to be valid and enforceable. If a court of competent jurisdiction finds that any provision of this Contract is invalid or unenforceable, but that by limiting such provision it may become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

14.10 The Consultant, its agents, employees, and subcontractors must comply with all applicable federal and state laws, the charter and ordinances of the City of Nacogdoches, and with all applicable rules and regulations promulgated by local, state, and national boards, bureaus, and agencies. The Consultant must obtain all necessary permits and licenses required in completing the work and providing the services required by this Contract.

14.11 **Contractor Affirmations:** If this contract is funded in whole or in part by money from the State of Texas, State law requires the following certifications, representations and/or warranties. Regardless of funding by the State, by signature hereon affixed, the Contractor hereby certifies that:

(a) Contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract.

(b) Contractor represents and warrants that it has no actual or potential conflicts of interest in the goods and or services described in the scope of work to this contract.

(c) **Antitrust**. Pursuant to 15 U.S.C. §1, et seq. and Tex. Bus. & Comm. Code §15.01, et seq. neither the contractor nor the firm, corporation, partnership, or institution represented by the contractor, or anyone acting for such a firm, corporation or institution has violated the antitrust laws of this state, federal antitrust laws, nor communicated directly or indirectly the bid made to any competitor or any other person engaged in such line of business.

(d) **Debarment**. Contractor certifies that Contractor and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Contractor is in compliance with the State of Texas statutes and rules relating to procurement. Entities ineligible for state procurement are listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts and the System for Award Management (SAM) maintained by the General Services Administration. Entities ineligible for federal procurement are listed at http://www.sam.gov/content/exclusions .

(e) **Terrorism Watch List.** Contractor represents and warrants that it does not do business with Iran, Sudan or a foreign terrorist organization as prohibited by Texas Government Code 2252.152. Contractor certifies that it is not listed on the federal government's terrorism watch list as described in Executive Order 13224.

(f) **Convictions**. Under Sections 2155.006, 2155.0061 and 2261.053 of the Texas Government Code, Contractor certifies that it is not ineligible to receive the specified contract and may be terminated and payment withheld if this certification is inaccurate. These sections prohibit contracts that include proposed financial participation by an individual or business entity who has been convicted in the past five years of (a) violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by §418.004, Gov't Code, occurring after September 24, 2005; and (b) of any offense related to the direct support or promotion of human trafficking.

(g) **COVID Vaccinations**. Contractor certifies that it does not require its customers to provide any documentation certifying the Customer's COVID-19 vaccination or post-transmission recovery on entry to, or to receive service from the Contractor's business.

(h) **Boycotts.** (a) To the extent this Contract is considered a Contract for goods or services subject to § 2270.002 Texas Government Code, Contractor verifies that it: (i) does not boycott Israel; and (ii) will not boycott Israel during the term of this Contract.

(b) To the extent this Contract has a value of $100,000 or more and Contractor is an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit that employs 10 or more full time employees, Contractor certifies that it: (i) does not and will not boycott energy companies during the term of the contract (*See Texas Government Code 2274.002, et seq.*); and (ii) does not and will not discriminate against a firearm entity or firearm trade association (*See Texas Government Code 2274.002, et seq.*).

14.12 The parties acknowledge that they have read, understood, and intend to be bound by the terms and conditions of this Contract. If there is a conflict between a provision in any documents provided by Consultant made a part of this Contract and any other provision in this Contract, the latter controls.

14.13 This Contract will be effective when signed by the last party whose signing makes the Contract fully executed. The parties may execute this Contract in duplicate originals, each of equal dignity.

14.14 **Notice of Indemnification. City and Consultant hereby acknowledge and agree that this Contract contains certain indemnification obligations and covenants.**

SCS ENGINEERS
12651 Briar Forest Drive, Suite 205 Houston, Texas 77077

By: _____
Printed Name: Jeffrey K. Reed
Title: Vice President
Date: March 10, 2026
Firm Registration No.: F-3407

CITY OF NACOGDOCHES
P. O. Box 635030
Nacogdoches, Texas 75963-5030

By: _____
Printed Name: _____
Title: City Manager
Date: _____

APPROVED AS TO CONTENT:

_____
Director of Public Works

APPROVED AS TO FORM:

_____
City Attorney

Exhibit A
Scope of Services

Preparation of a Type I Major Amendment Permit Application (PA) for the City of Nacogdoches Landfill in Nacogdoches County, Texas. This permit application will consist of a vertical and lateral expansion of the City of Nacogdoches landfill. The City intends to connect Blocks M and P, raise the top elevation of Blocks M, P and O and to expand the landfill waste footprint of Block O. Phase II services are as outlined below:

Task 1 - Type I Major Amendment Permit Application – Phase II Services

This task is for Phase II services related to the preparation of a Type I Major Permit Amendment Application for a lateral and horizontal expansion of the City of Nacogdoches Landfill. This application will be prepared for the City's submittal to the Texas Commission on Environmental Quality (TCEQ). The application design will be based on the selected conceptual grading plans from Task 1 of the prior Phase I Services contract.

SCS will prepare a Type I Permit Amendment Application in accordance with the requirements of 30 TAC 330.5(a)(3) and 330.9(g)(2). The services related to Phase II of the application will include the following:

- **Submittal Letter;**
- **Correspondence Cover Sheet - 20714;**
- **Core Data Form - 10400;**
- **MSW Application Checklist;**
- **Plain Language Summary of Municipal Solid Waste Permit or Permit Amendment Application – 20947 and 20947 esp;**
- **Public Involvement Form – 20960;**
- **Closure Plan for Municipal Solid Waste Type I Landfill and Facility – 20720;**
- **Closure Cost Estimate Form for Municipal Solid Waste Type I Landfills – 20721;**
- **Post-Closure Care Plan for Municipal Solid Waste Type I Landfill Units and Facilities – 20722;**
- **Post-Closure Care Cost Estimate Form for Municipal Solid Waste Type I Landfills – 20723;**
- **Adjacent Landowner List and Map (1/4 mile radius)** *(obtain from City surveyor)***;**
- **Part I/II in accordance with 30 TAC 330.59 and 330.61 (Parts I and II are typically combined):**
    - Supplemental Technical Report;
    - Existing Conditions Summary;
    - Waste Acceptance Plan;
    - Impact on Surrounding Area;
    - Geology and Soils Statement;
    - Groundwater and Surface Water (*utilize existing hydrogeologic and surface water information, no additional studies proposed*);
    - Floodplains and Wetlands Statement;
    - Endangered or Threatened Species;
    - Texas Historical Commission Review (*assumes no archeological study required*);
    - Council of Governments and Local Government Review Request;

- Permit Fee Letter (*Fee included*);
- Legal Description and drawing *(obtain from City surveyor)*;
- Applicant's Statement *(obtain from City)*;
- Property Owners Affidavit *(obtain from City)*;
- Applicant's Appointment and Legal Authority *(obtain from City)*;
- Engineer's Appointment *(obtain from City)*;
- Evidence of Competency *(obtain from City)*;
- Adjacent and Potentially Affected Landowners *(obtain from City)*;
- Permit Related Correspondence, Including:
    - TxDOT;
    - Texas Historical Commission;
    - TCEQ Water Quality;
    - Federal Aviation Agency;
    - Deep East Texas Council of Governments;
    - US Army Corps of Engineers;
    - Texas Parks and Wildlife Department; and
    - US Fish and Wildlife Service.

- **Part III in accordance with 30 TAC 330.63:**
    - **Site Development Plan (SDP):**
        - All text and attachments, including:
            - Attachment 2 - Surface Water Drainage Report:
                - Drainage Analyses (Subchapter G);
                - Flood Control Analyses;
                - Floodplain Demonstration.
            - Attachment 5 - Groundwater Characterization and Monitoring Plan (Subchapter J) (see Task 2 below);
            - Attachment 6 - Landfill Gas Management Plan (Subchapter I) (see Task 2 below);
            - Attachment 7 - Closure Plan (Subchapter K);
                - Final Cover Quality Control Plan
            - Attachment 8 - Post-Closure Plan (Subchapter K);
            - Attachment 9 - Cost Estimate for Closure and Post-Closure Care (Subchapter L).

- **Part IV in accordance with 30 TAC 330.65:**
    - **Site Operating Plan**, including:
        - Subchapter D
            - Pre-Operation Notice;
            - Recordkeeping and Reporting Requirements;
            - Site Operating Plan;
            - Fire Protection;
            - Access Control;
            - Unloading of Waste;
            - Facility Operating Hours;
            - Site Sign;
            - Control of Windblown Solid Waste and Litter;
            - Easements and Buffer Zones;

- Landfill Markers and Benchmark;
- Materials Along the Route to the Site;
- Disposal of Large Items;
- Odor Management Plan;
- Disease Vector Control;
- Site Access Roads;
- Salvaging and Scavenging;
- Endangered Species Protection;
- Landfill Gas Control;
- Oil, Gas, and Water Wells;
- Compaction;
- Landfill Cover;
- Ponded Water;
- Disposal of Special Wastes;
- Disposal of Industrial Wastes;
- Visual Screening of Deposited Wastes; and
- Leachate and Gas Condensate Recirculation.

Hydrex will finalize the ecological, wetlands, waters of the US, prepare the gas management, and finalize geological and hydrogeological studies in the tasks described below.

SCS will prepare waste slope stability analyses, final cover veneer analyses, ballast and under drain design, floodplain demonstration, revise the stormwater design and ditches, update all appropriate permit drawings to accommodate new design, and update all plans and narratives to meet applicable TCEQ rules or accommodate the new design.

SCS will prepare up to eight (8) copies of the final Type I Permit Amendment Application for City's use and submittal of 4 of the 8 to the TCEQ. Per 30 TAC 330.57(e)1, "Applications shall initially be submitted in four copies". One of the copies will be housed at a public facility, such as a library, near the landfill for public review.

Further, SCS will generate a pdf version of the application for placement on the SCS or TCEQ website for public view.

Task 2 – Hydrogeologic/Geotechnical, Groundwater and Gas Management

This task includes work in accordance with the requirements of 30 TAC §330.63(e) and (f). The services related to Phase II of the application services include the following information:

- Geology and Soils Statement (*utilize existing geologic information*);
- Water well search;
- Faulting and other location restrictions;
- Groundwater and Surface Water;
- Floodplains and Wetlands Statement;
- Groundwater Sampling and Analysis Plan (*Subchapter J*); and
- Landfill Gas Management Plan (Subchapter I).

For Task 2, Hydrex will develop and prepare the required Groundwater Sampling and Analysis Plan (GWSAP), and the Landfill Gas Management Plan (LFGMP).

Task 2 also includes development of the required GWSAP. The GWSAP provides the required groundwater monitoring and reporting programs and groundwater monitoring system design. The GWSAP also includes laboratory and statistical protocols, all necessary groundwater elevation data and piezometric elevation maps, and specific development of background, compliance, assessment, and corrective action monitoring programs. The GWSAP also presents information regarding existing contaminant plumes from known historical releases and will address potential contaminant pathways. Additionally, the GWSAP provides for maintenance and upkeep of the monitoring system.

Under Task 2, Hydrex will address Landfill Gas Management at the facility. This effort will address any current migration, known and potential gas migration pathways, historical exceedances, and any in-place remedial equipment or system(s). The LFGMP also establishes the required monitoring and reporting programs and provides for maintenance and upkeep of monitoring system.

In addition, Task 2 addresses surface water requirements associated with NPDES/TPDES compliance. This effort will describe and evaluate existing surface water flow at the facility and any changes to flow associated with proposed construction-required drainage modifications. Task 2 also includes coordination and assistance with floodplain demonstrations, if required.

Task 3 - Response to TCEQ NOD Comments

This task is typically for addressing TCEQ comments on the Type I Permit Amendment application. Since the complexity and scope of the TCEQ's comments are difficult to estimate, it is typical to expect at least one administrative and two to three technical Notice of Deficiency (NOD) rounds of comments. ***SCS has included staff time in this proposal for comments likely sufficient to address possible administrative and one technical round of comments.*** A review of the comments and an estimate of the expected costs will be submitted for the City's review and approval prior to exceeding that amount budgeted herein. It may also be necessary to address attorney comments. Actual work on this task will be on a time and expense basis.

Task 4 - Notices

The TCEQ will conduct both an administrative and a technical review of the PA. It is anticipated SCS will perform the following items for this task:

- Communicate with and assist the City to post English and Spanish signs along the property frontage in accordance with TCEQ rules (*The City will pay directly for preparation and installation of the signs)*;
- Communicate with TCEQ's Chief Clerk's Office regarding the notice of administrative completeness to be published in the local newspaper;
- Communicate with the local newspaper (both English and Spanish) regarding publishing the notice of administrative completeness in the newspaper *(The City will pay directly for publishing)*;
- Coordinate completion of Publishing Affidavit's with the City for the Administrative Completeness newspaper notices;

• Contact TCEQ Chief Clerk's Office for a list of interested parties (local, county, statewide) that need to be included in our notice of technical completeness/draft permit distribution to the landowners within one-quarter mile of the permit boundary;
• Finalize Notice to be mailed to those on the list (property owners, listed agencies, interested parties per TCEQ Chief Clerk's Office)(SCS will mail these notices);
• Obtain City's signature and submit the Certificate of Notice to the Chief Clerk's Office after the prescribed period (as indicated in the TCEQ's "Notice of Technically Complete");
• Communicate with TCEQ's Chief Clerk's Office regarding the notice of technical completeness to be published in the local newspaper;
• Communicate with the local newspaper (both English and Spanish) regarding publishing the notice of technical completeness in the newspaper *(The City will pay directly for publishing)*; and
• Coordinate completion of Publishing Affidavit's with the City for the Technical Completeness newspaper notices.

Task 5 – Allowance for Unanticipated Services

The preceding Scope of Services has been developed based on the Consultant's understanding of the project. However, additional services (not included in the fee estimate) may be needed to address outside agency comments not contemplated in the scope of work above but may be described in potential additional services below.

ADDITIONAL SERVICES

The preceding Scope of Services has been developed based on Consultant's understanding of the project. The following is a list of additional services (not included in the fee estimate) for the City's current and future consideration:

• Prepare and submit a Notice of Intent (NOI) to obtain coverage under the Texas Pollutant Discharge Elimination System (TPDES) general permit and prepare the required Stormwater Pollution Prevention Plan prior to submittal of the NOI.
• Substantive revisions associated with comments by the City or City's attorney prior to initial submittal. Consultant will work closely with the City to ensure that the Application is consistent with City plans. As such, substantive revisions due to such reviews are not anticipated but may be incorporated into Task 1.
• Air Permitting: If requested, SCS will provide the City with a separate proposal to prepare these air permits (Subchapter U and Title V) once the landfill's proposed capacity has been set so that the air permit applications can be submitted and processed while the Landfill's solid waste application is being processed.
• Specialty Subconsultant for Habitat Evaluation for Rare and Endangered Species. It is possible, though unlikely, that a study of this nature will be required by the U.S. Fish and Wildlife Service and the Texas Parks and Wildlife Department for the expansion area. If needed, SCS or Hydrex will obtain proposals for the City's consideration in the near future.
• Specialty Archaeology Subconsultant. It is possible, though unlikely, that an archaeological study will be required by the Texas Historical Commission, a review agency for solid waste permits. If needed, SCS or Hydrex will obtain proposals to address this potential concern for City consideration in the near future.

• Other Specialty Consultants (Transportation, Land Use, etc.). Depending on subsequent reviews of the Application, specialty consultants may be required.
• Professional support for the preparation and/or participation in public meetings or public hearings. The project team has significant experience in preparing for and serving as expert witnesses at permit hearings and various other legal proceedings.
• Activities including studies, calculations, meetings, etc. beyond the scope discussed above are not included in the cost estimate.
• Cost of publishing notices in newspapers or other media.
• Other activities not specifically noted above, including additional public meetings, additional copies of the Application, etc.

Exhibit B
Payment Terms and Schedule

Compensation for services shall be as outlined below:

Time and Materials Services (hourly, rate schedule attached)

Task 1:	Type I Major Amendment Permit Application – Phase II	$ 327,300
Task 2:	Hydrogeolic/Geotechnical, Groundwater, Gas Management	$ 160,335
Task 3:	Response to TCEQ NOD Comments	$ 100,000
Task 4:	Notices	$ 20,000
Task 5:	Allowance for Unanticipated Services (City Approval)	$ 50,000
	Total	$ 657,635

Unless amended by a duly authorized written change order, the total payment for all invoices on this job, including both salary and non-salary expenses, shall not exceed the amount set forth in paragraph 2.01 of this Contract **($ 657,635.00**).

The Consultant must submit ***monthly*** invoices to the City, accompanied by an explanation of charges, professional fees, services, and expenses. The City will pay such invoices according to its normal payment procedures.

Environmental Management Consultants
Offices Nationwide

1901 Central Drive
Suite 550
Bedford, Texas 76021
817.571.2288 Main

12651 Briar Forest Drive
Suite 205
Houston, Texas 77077
281.293.8494 Main

SCS ENGINEERS

SCS ENGINEERS FEE SCHEDULE

(Effective March 1, 2026 through March 31, 2027)

Labor Category	Rate/Hour ($)
Business Unit Director	290
Senior Project Advisor	280
Project Advisor	275
Satellite Office Manager	280
Project Director II	265
Project Director I	255
Project Manager II	245
Project Manager I	235
CQA Manager	205
Project Professional III	190
Project Professional II	175
Project Professional I	160
Staff Professional III	155
Staff Professional II	150
Staff Professional I	145
Associate Staff Professional II	140
Associate Staff Professional I	130
CAD Designer	150
CAD Draftsperson	120
Office Service Manager	145
Secretarial/Clerical	95
Sr. Technician	140
Technician	130
CQA Technician	110

1. The hourly rates are effective through March 31, 2027. Work performed thereafter is subject to a new Fee Schedule issued for the period beginning April 1, 2027. Consistent with federal regulations, a factor of 150% will be applied to overtime hours for field personnel.
2. The above rates include salary, overhead, administration, and profit. Other direct expenses, such as analyses of air, water and soil samples, reproduction, travel, subsistence, subcontractors, long distance telephone, computers, etc., are billed at actual cost plus 15 percent. Vehicle mileage is billed at $0.90 per mile for autos and $1.00 per mile for company trucks. Daily rates apply on long-term projects.
3. Invoices will be prepared monthly for work in progress unless otherwise agreed. Invoices are due and payable upon receipt.
4. Payment of SCS Invoices for services performed will not be contingent upon the client's receipt of payment from other parties, unless otherwise agreed. Client agrees to pay legal costs, including attorney's fees, incurred by SCS in collecting any amount past due and owing on client's account.
5. For special situations, such as expert court testimony and limited consultation, hourly rates for principals of the firm will be on an individually-negotiated basis.

Exhibit C
Insurance Requirements

During the term of this Contract all Consultants' insurance policies shall meet the following requirements:

I. Standard Insurance Policies Required:

A. Commercial General Liability
B. Business Automobile Liability
C. Workers' Compensation
D. Professional Liability

II. For each of these policies, the Consultant's insurance coverage shall be primary insurance with respect to the City, its officials, agents, employees and volunteers. Any self-insurance or insurance policies maintained by the City, its officials, agents, employees or volunteers, shall be considered in excess of the Consultant's insurance and shall not contribute to it. No term or provision of the indemnification provided by the Consultant to the City pursuant to this Contract shall be construed or interpreted as limiting or otherwise affecting the terms of the insurance coverage. All Certificates of Insurance and endorsements shall be furnished to the City's Representative at the time of execution of this Contract, attached hereto as **Exhibit D,** and approved by the City before any letter of authorization to commence planning will issue or any work on the Project commences.

III. General Requirements Applicable to All Policies

A. Only insurance carriers licensed and authorized to do business in the State of Texas will be accepted.
B. Deductibles shall be listed on the Certificate of Insurance.
C. "Claims made" policies will not be accepted, except for Professional Liability insurance.
D. Coverage shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) calendar days prior written notice has been given to the City of Nacogdoches.
E. The Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent on the most current State of Texas Department of Insurance-approved forms.
F. The City of Nacogdoches, its officials, employees and volunteers, are to be named as "Additional Insured" to the Commercial General, Umbrella and Business Automobile Liability policies. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees or volunteers.
G. Waiver of subrogation in a form at least as broad as ISO form 2404 shall be provided in favor of the City on all policies obtained by the Contractor in compliance with the terms of this Agreement.

IV. Commercial (General) Liability requirements:

A. Coverage shall be written by a carrier rated "A:VIII" or better in accordance with the current A. M. Best Key Rating Guide.
B. Minimum Limit of $1,000,000 per occurrence for bodily injury and property damage with a $2,000,000 annual aggregate.
C. No coverage shall be excluded from the standard policy without notification of individual exclusions being attached for review and acceptance.
D. The coverage shall not exclude premises/operations; independent contracts, products/completed operations, contractual liability (insuring the indemnity provided herein), and where exposures exist, Explosion Collapse and Underground coverage.
E. The City shall be included as an additional insured and the policy shall be endorsed to waive subrogation and to be primary and non-contributory.

V. Business Automobile Liability requirements:

A. Coverage shall be written by a carrier rated "A:VIII" or better in accordance with the current. A. M. Best Key Rating Guide.
B. Minimum Combined Single Limit of $1,000,000 per occurrence for bodily injury and property damage.
C. The Business Auto Policy must show Symbol 1 in the Covered Autos portion of the liability section in Item 2 of the declarations page.
D. The coverage shall include owned autos, leased or rented autos, non-owned autos, any autos and hired autos.

VI. The worker's compensation insurance requirements:

1. Employer's Liability shall be no less than the required statutory minimum limits for each accident, each disease and cover all employees of Consultant, the Consultant, and all employees of any and all subconsultants or subcontractors of Consultant providing services on the Project.

2. "Texas Waiver of Our Right to Recover From Others Endorsement, WC 42 03 04" shall be included in this policy.

3. Texas must appear in Item 3A of the Workers Compensation coverage or Item 3C must contain the following: All States except those listed in Item 3A and the States of NV, ND, OH, WA, WV, and WY.

VII. Professional Liability requirements:

A. Coverage shall be written by a carrier rated "A:VIII" or better in accordance with the current A.M. Best Key Rating Guide.
B. Minimum of $1,000,000 per claim and $2,000,000 aggregate, with a maximum deductible of $100,000.00. Financial statements shall be furnished to the City of

Nacogdoches when requested.

C. Policy must include availability of a two-year extended reporting period.

D. Retroactive date must be shown on certificate.

Exhibit D
Certificates of Insurance

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 03/26/2025

3/31/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies, LLC DBA Lockton Insurance Brokers, LLC in CA CA license #0F15767 8110 E Union Ave., Ste. 100 Denver CO 80237 denver-certs@lockton.com	**CONTACT NAME:** **PHONE (A/C, No, Ext):** **FAX (A/C, No):** **E-MAIL ADDRESS:**
INSURED 1528446 SCS Engineers 3900 Kilroy Airport Way, Ste 300 Long Beach, CA 90806-6816	**INSURER(S) AFFORDING COVERAGE** — **NAIC #** **INSURER A :** Zurich American Insurance Company — 16535 **INSURER B :** Steadfast Insurance Company — 26387 **INSURER C :** **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 18259734 **REVISION NUMBER:** XXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [X] PRO-JECT [X] LOC [ ] OTHER:	Y	Y	GLO 0112778-10	03/31/2025	03/31/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$ 1,000,000 $ 1,000,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $
A	AUTOMOBILE LIABILITY [X] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY	N	N	BAP 0112780-10	04/01/2025	04/01/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) $	$ 1,000,000 $ XXXXXXX $ XXXXXXX $ XXXXXXX $ XXXXXXX
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $			NOT APPLICABLE			EACH OCCURRENCE AGGREGATE $	$ XXXXXXX $ XXXXXXX $
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N: N If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	WC0112779-10	04/01/2025	04/01/2026	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
B	Env Prof (E&O)- Prof Liab - Claims Made	N	N	PEC 0112862-10	03/31/2025	03/31/2026	Per Claim: $1,000,000 Aggregate: $2,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: SCS Project # 16209006.XX. Job Description: Architectural & Engineering Professional Services Contract - City of Nacogdoches LF, 4602 Northwest Stalling Dr., Nacogdoches 75964. Commercial General Liability Deductible $10,000, Auto Liability Deductible $10,000, Workers' Compensation Deductible $0, and Professional Liability Deductible $100,000. The Professional Liability retroactive date is 04/01/1970. The City of Nacogdoches is included as additional insured on a primary and non-contributory basis in accordance with the policy provisions of the Commercial General Liability policy. Continued on the next page.

CERTIFICATE HOLDER

18259734
City of Nacogdoches
Attn: City Manager
PO Box 635030
Nacogdoches, TX 75961

CANCELLATION See Attachments

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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A Waiver of Subrogation in favor of the City of Nacogdoches in accordance with the policy provisions of the Commercial General Liability and Workers' Compensation policies.

Additional Insured – Automatic – Owners, Lessees Or Contractors

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.	
Policy No. GLO 0112778-10	Effective Date: 03/31/2025

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

A. Section **II – Who Is An Insured** is amended to include as an additional insured any person or organization whom you are required to add as an additional insured under a written contract or written agreement executed by you, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" and subject to the following:

1. If such written contract or written agreement specifically requires that you provide that the person or organization be named as an additional insured under one or both of the following endorsements:

a. The Insurance Services Office (ISO) ISO CG 20 10 (10/01 edition); or

b. The ISO CG 20 37 (10/01 edition),

such person or organization is then an additional insured with respect to such endorsement(s), but only to the extent that "bodily injury", "property damage" or "personal and advertising injury" arises out of:

(1) Your ongoing operations, with respect to Paragraph **1.a.** above; or

(2) "Your work", with respect to Paragraph **1.b.** above,

which is the subject of the written contract or written agreement.

However, solely with respect to this Paragraph **1.**, insurance afforded to such additional insured:

(a) Only applies if the "bodily injury", "property damage" or "personal and advertising injury" offense occurs during the policy period and subsequent to your execution of the written contract or written agreement; and

(b) Does not apply to "bodily injury" or "property damage" caused by "your work" and included within the "products-completed operations hazard" unless the written contract or written agreement specifically requires that you provide such coverage to such additional insured.

2. If such written contract or written agreement specifically requires that you provide that the person or organization be named as an additional insured under one or both of the following endorsements:

a. The Insurance Services Office (ISO) ISO CG 20 10 (07/04 edition); or

b. The ISO CG 20 37 (07/04 edition),

such person or organization is then an additional insured with respect to such endorsement(s), but only to the extent that "bodily injury", "property damage" or "personal and advertising injury" is caused, in whole or in part, by:

(1) Your acts or omissions; or

(2) The acts or omissions of those acting on your behalf,

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in the performance of:

(a) Your ongoing operations, with respect to Paragraph **2.a.** above; or

(b) "Your work" and included in the "products-completed operations hazard", with respect to Paragraph **2.b.** above,

which is the subject of the written contract or written agreement.

However, solely with respect to this Paragraph **2.**, insurance afforded to such additional insured:

(i) Only applies if the "bodily injury", "property damage" or "personal and advertising injury" offense occurs during the policy period and subsequent to your execution of the written contract or written agreement; and

(ii) Does not apply to "bodily injury" or "property damage" caused by "your work" and included within the "products-completed operations hazard" unless the written contract or written agreement specifically requires that you provide such coverage to such additional insured.

3. If neither Paragraph **1.** nor Paragraph **2.** above apply and such written contract or written agreement requires that you provide that the person or organization be named as an additional insured:

a. Under the ISO CG 20 10 (04/13 edition, any subsequent edition or if no edition date is specified); or

b. With respect to ongoing operations (if no form is specified),

such person or organization is then an additional insured only to the extent that "bodily injury", "property damage" or "personal and advertising injury" is caused, in whole or in part by:

(1) Your acts or omissions; or

(2) The acts or omissions of those acting on your behalf,

in the performance of your ongoing operations, which is the subject of the written contract or written agreement.

However, solely with respect to this Paragraph **3.**, insurance afforded to such additional insured:

(a) Only applies to the extent permitted by law;

(b) Will not be broader than that which you are required by the written contract or written agreement to provide for such additional insured; and

(c) Only applies if the "bodily injury", "property damage" or "personal and advertising injury" offense occurs during the policy period and subsequent to your execution of the written contract or written agreement.

4. If neither Paragraph **1.** nor Paragraph **2.** above apply and such written contract or written agreement requires that you provide that the person or organization be named as an additional insured:

a. Under the ISO CG 20 37 (04/13 edition, any subsequent edition or if no edition date is specified); or

b. With respect to the "products-completed operations hazard" (if no form is specified),

such person or organization is then an additional insured only to the extent that "bodily injury" or "property damage" is caused, in whole or in part by "your work" and included in the "products-completed operations hazard", which is the subject of the written contract or written agreement.

However, solely with respect to this Paragraph **4.**, insurance afforded to such additional insured:

(1) Only applies to the extent permitted by law;

(2) Will not be broader than that which you are required by the written contract or written agreement to provide for such additional insured;

(3) Only applies if the "bodily injury" or "property damage" occurs during the policy period and subsequent to your execution of the written contract or written agreement; and

(4) Does not apply to "bodily injury" or "property damage" caused by "your work" and included within the "products-completed operations hazard" unless the written contract or written agreement specifically requires that you provide such coverage to such additional insured.

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B. Solely with respect to the insurance afforded to any additional insured referenced in Section **A.** of this endorsement, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services including:

1. The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
2. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

C. Solely with respect to the coverage provided by this endorsement, the following is added to Paragraph **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** of Section **IV – Commercial General Liability Conditions**:

The additional insured must see to it that:

(1) We are notified as soon as practicable of an "occurrence" or offense that may result in a claim;

(2) We receive written notice of a claim or "suit" as soon as practicable; and

(3) A request for defense and indemnity of the claim or "suit" will promptly be brought against any policy issued by another insurer under which the additional insured may be an insured in any capacity. This provision does not apply to insurance on which the additional insured is a Named Insured if the written contract or written agreement requires that this coverage be primary and non-contributory.

D. Solely with respect to the coverage provided by this endorsement:

1. The following is added to the **Other Insurance** Condition of Section **IV – Commercial General Liability Conditions**:

Primary and Noncontributory insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured provided that:

a. The additional insured is a Named Insured under such other insurance; and

b. You are required by written contract or written agreement that this insurance be primary and not seek contribution from any other insurance available to the additional insured.

2. The following paragraph is added to Paragraph **4.b.** of the **Other Insurance** Condition under Section **IV – Commercial General Liability Conditions**:

This insurance is excess over:

Any of the other insurance, whether primary, excess, contingent or on any other basis, available to an additional insured, in which the additional insured on our policy is also covered as an additional insured on another policy providing coverage for the same "occurrence", offense, claim or "suit". This provision does not apply to any policy in which the additional insured is a Named Insured on such other policy and where our policy is required by a written contract or written agreement to provide coverage to the additional insured on a primary and noncontributory basis.

E. This endorsement does not apply to an additional insured which has been added to this Coverage Part by an endorsement showing the additional insured in a Schedule of additional insureds, and which endorsement applies specifically to that identified additional insured.

F. Solely with respect to the insurance afforded to an additional insured under Paragraph **A.3.** or Paragraph **A.4.** of this endorsement, the following is added to Section **III – Limits Of Insurance**:

Additional Insured – Automatic – Owners, Lessees Or Contractors Limit

The most we will pay on behalf of the additional insured is the amount of insurance:

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1. Required by the written contract or written agreement referenced in Section **A.** of this endorsement; or
2. Available under the applicable Limits of Insurance shown in the Declarations,

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms, conditions, provisions and exclusions of this policy remain the same.

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POLICY NUMBER: GLO 0112778-10

COMMERCIAL GENERAL LIABILITY
CG 24 04 05 09

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:
ANY PERSON OR ORGANIZATION THAT REQUIRES YOU TO WAIVE YOUR RIGHTS OF RECOVERY, IN A WRITTEN CONTRACT OR AGREEMENT WITH THE NAMED INSURED THAT IS EXECUTED PRIOR TO THE ACCIDENT OR LOSS.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV -- Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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Policy Number: WC0112779-10 (Ed. 6-14)

TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item 3.A. of the Information Page

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule where you are required by a written contract to obtain this
waiver from us.

This endorsement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

The premium for this endorsement is shown in the Schedule.

Schedule

1. (□) Specific Waiver

   Name of person or organization
   ALL PERSONS AND/OR ORGANIZATIONS THAT ARE REQUIRED BY WRITTEN CONTRACT OR AGREEMENT WITH THE INSURED, EXECUTED PRIOR TO THE ACCIDENT OR LOSS, THAT WAIVER OF SUBROGATION BE PROVIDED UNDER THIS POLICY FOR WORK PERFORMED BY YOU FOR THAT PERSON AND/OR ORGANIZATION

   (□) Blanket Waiver

   Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

2. Operations:

3. Premium:
   The premium charge for this endorsement shall be 2 percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.

4. Advance Premium: INCL

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Landfill Major Permit Amendment Phase II Services

Item 6B

Case Opperman, PE
Director of Public Works & City Engineer

. . .

March 17, 2026

Nacogdoches
the oldest town in Texas

Type I Major Permit Amendment

- Vertical and Lateral Expansion of the City of Nacogdoches Landfill
- City intends to:
  - Connect Blocks M and P
  - Raise top elevation of Blocks M, P and O
  - Expand waste footprint of Block O
- Multi-year effort; Phase I Services contract approved in November 2024

Project Benefits

- Increases Waste Boundary by ~17 acres (36.6 acres to 53.4 acres)
- Increases Landfill height by approx. 50 feet
- Increases remaining waste capacity from 3 million to 10 million cubic yards
- Increases potential revenue up to $150 million+
- Increases Landfill “life” up to 50 years
- Relocates Site Entrance

Phase II Services

• Continuation of Type I Major Permit Amendment Applicatio	$327,300
• Hydrogeologic/Geotechnical, Groundwater, Gas Management	$160,335
• Response to TCEQ Notice of Deficiency Comments	$100,000
• Notices related to TCEQ reviews	$ 20,000
• Unanticipated Services possible based on agency requirements	$ 50,000
Total	$657,635

Questions?

PRESENTER: Jerry Baker, City Attorney

ITEM/SUBJECT: Consider approval of an Encroachment Agreement between the City of Nacogdoches and Fredonia Hospitality, LLC related to property located at 200 N. Fredonia Street. (City Attorney)

SUMMARY/BACKGROUND: The proposed Encroachment Agreement concerns property owned by Fredonia Hospitality, LLC. The previous owners of the subject property constructed and located certain improvements within the City's right of way alongside of Hospital Street, to include several parking spaces. The proposed Agreement would formally recognize the encroachment and grant a license to Fredonia Hospitality, LLC to maintain the encroachment throughout the term of the Agreement. Under the terms of the Encroachment Agreement, Fredonia Hospitality, LLC would be required to meet certain obligations as set forth therein, including the maintenance and upkeep of the encroachment area, the payment of an annual fee, and to defend and indemnify the City from any claims related to the encroachment.

FINANCIAL:
Item is estimated to generate additional revenue: $500 per year.

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES
Not Applicable

CITY CONTACT: Jerry Baker, City Attorney
(936) 559-2503
bakerj@nactx.us

ATTACHMENTS:
1. Encroachment Agreement_Fredonia Hotel
2. 25048_FN Hospital St
3. 25048_V-053

ENCROACHMENT AGREEMENT

THIS ENCROACHMENT AGREEMENT (the "Agreement") is to be effective as of the 17th day of March, 2026 (the "Effective Date"), and is made and entered into by and between the **CITY OF NACOGDOCHES**, a municipal corporation of Nacogdoches County, Texas, acting herein by and through its City Manager or his duly authorized representative, hereinafter referred to as the "City," and **FREDONIA HOSPITALITY, LLC**, a Texas limited liability company, hereinafter referred to as "Licensee," the owners of the property located at 200 North Fredonia Street, Nacogdoches, Texas, 75961 ("Property").

AGREEMENT

1. For and in consideration of the payment by Licensee of the fee set out below and the true and faithful performance of the mutual covenants herein contained, the City hereby grants to Licensee permission to construct, install, maintain, and/or allow to remain, certain improvement(s) (the "Improvement") that encroaches upon, uses, and/or occupies portions of the space under, on, and/or above the City's public land, streets, rights-of-way, alleys, and easements ("public right-of-way"), such Improvement is described as follows:

> *All that certain 0.016 acres of land, lying and being situate in the City of Nacogdoches, Nacogdoches County, Texas, on the OLD TOWNSITE, being part of a right-of-way tract for Hospital described in Warranty Deed dated January 20, 1953, from R.G. Muckleroy to the City of Nacogdoches, recorded in Volume 177, Page 440 of the Deed Records of Nacogdoches County, Texas (DR), and part of a right-of-way tract described in Warranty Deed dated January 20, 1953, from S.B. Tucker to the City of Nacogdoches, recorded in Volume 177, Page 441 DR*

The location and description of said Improvement and the encroachment is more particularly identified in Exhibit "A," attached hereto, incorporated herein, and made a part hereof for all purposes. There shall be no encroachments in, under, on, or above the surface area of the City's public land, streets, alleys, easements, and other public rights-of-way involved, except as described herein and shown in Exhibit "A" or further agreed to by the parties.

2. Licensee has indicated and hereby agrees that the sole purpose of the Improvement and the encroachment made the basis of this Agreement is for parking and other business-related activity located at or operating on the Property. Licensee shall not use the Improvement or otherwise modify the purpose of this encroachment, as stated herein, without first obtaining written permission from the City.

3. Licensee shall be responsible for any general maintenance, upkeep, and/or repairs of the Improvement throughout the Term of the Agreement. Further, Licensee shall be responsible for maintaining the exclusive use of the Improvement for the purpose stated herein, to include the use of signage or other such markings to indicate a non-public use, as well as the enforcement of any unauthorized use of the Improvement by anyone other

than Licensee, their customers, employees, lessees, licensees, or invitees, as well as the City, its employees, contractors, or other such licensees for the reasons set forth herein.

4. Licensee shall pay an annual fee to the City of Five Hundred Dollars and 00/100 ($500.00) as consideration for the City's permission for Licensee to construct, install, and/or maintain the Improvement upon the public right-of-way.

5. Any construction, maintenance, or operation in connection with such Improvement, use, and occupancy shall be performed by the Licensee in strict compliance with this Agreement, the Charter, Ordinances, and policies of the City, and in accordance with the directions of the City Manager or his duly authorized representative. All plans and specifications related to the construction, maintenance, or operation of the Improvement shall be subject to the prior written approval of the City Planner, Building Inspector, Historic Preservation Officer (where applicable), or their duly authorized representatives.

6. Licensee, at no expense to the City, shall make proper provisions for the relocation and installation of any existing or future utilities affected by such encroachment use and occupancy, including the securing of approval and consent from the affected utility companies and the appropriate agencies of the State and its political subdivisions.

7. The City may enter and utilize the public right-of-way, including the location of the subject encroachment, at any time for the purpose of installing or maintaining improvements necessary for the health, safety, and welfare of the public or for any other public purpose. In this regard, Licensee understands and agrees that the City shall bear no responsibility or liability for any disruption of Licensee's use of the Improvement, but that the City will make reasonable efforts to minimize damage to the Improvement and make repairs to restore it to the condition existing prior to such work, if at all possible.

8. The term of this Agreement shall be for a period of one (1) year commencing on the Effective Date (the "Initial Term"), and shall automatically renew for subsequent one (1) year periods thereafter (each a "Renewal Term", and together with the Initial Term, the "Term"), unless terminated earlier in accordance with the provisions of this Agreement.

9. The City shall notify Licensee of any non-compliance of any terms of this Agreement, and if not cured within thirty (30) days from the date of notification, this Agreement shall be deemed terminated.

10. It is further understood and agreed upon between the parties hereto that the public right-of-way to be used and encroached upon as described herein, are held by the City as trustee for the public; that the City exercises such powers over the public right-of-way as have been delegated to it by the Constitution of the State of Texas, by the Texas Legislature, or by the City Charter; and that the City cannot contract away its duty and its legislative power to control the public right-of-way for the use and benefit of the public. It is accordingly agreed that if the governing body of the City determines, in its sole discretion, at any time during the Term to use or cause or permit the public right-of-way to be used for any other public purpose, including but not limited to underground, surface, or overhead

communication, drainage, storms or sanitary sewerage, transmission of natural gas or electricity, or any other public purpose, whether presently contemplated or not, that this Agreement shall automatically terminate upon notice by the City to Licensee. Licensee may also terminate this Agreement at any time during the Term by providing thirty (30) days written notice to the City.

11. Upon termination of this Agreement, Licensee shall, at the option of the City and at no expense to the City, restore the public right-of-way to a condition acceptable to the City Manager or his/her duly authorized representative, and in accordance with then existing City specifications. It is understood and agreed to by Licensee that if this Agreement terminates and Licensee fails to remove the Improvement, Licensee hereby gives the City permission to remove the Improvement and any supporting structures.

12. Licensee agrees and acknowledges that this Agreement is solely for the purpose of permitting Licensee to construct, locate, and/or maintain the Improvement over or within the described public right-of-way and is not a conveyance of any right, title, or interest in or to the public right-of-way nor is it meant to convey any right to use or occupy property in which a third party may have an interest. Moreover, nothing in this Agreement precludes a utility, whether publicly or privately owned or operated, from accessing the public right-of-way for purposes related to the production, transmission, or delivering of utility services or other such public services, to include water, gas, electricity, sanitary sewer, storm drain, and/or telecommunications.

13. Licensee agrees to comply fully with all applicable federal, state, and local laws, statutes, ordinances, codes, or regulations in connection with the operation and maintenance of said Improvement, encroachment, and uses.

14. Licensee agrees to pay promptly when due all fees, taxes, or rentals provided for by this Agreement or by any federal, state, or local statute, law, or regulation, if any.

15. Licensee covenants and agrees that it shall operate hereunder as an independent contractor as to all rights and privileges granted hereunder and not as an officer, agent, servant, or employee of the City, and Licensee shall have exclusive control of and the exclusive right to control the details of its operations, and all persons performing same, and shall be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. The doctrine of respondeat superior shall not apply as between the City and Licensee, its officers, agents, servants, employees, contractors, and subcontractors, and nothing herein shall be construed as creating a partnership or joint enterprise between the City and Licensee.

16. LICENSEE COVENANTS AND AGREES TO INDEMNIFY, AND DOES HEREBY INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS, AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS OR SUITS FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF WHATSOEVER KIND OR CHARACTER, WHETHER REAL OR ASSERTED,

ARISING OUT OF OR IN CONNECTION WITH, DIRECTLY OR INDIRECTLY, THE CONSTRUCTION, MAINTENANCE, OCCUPANCY, USE, EXISTENCE, OR LOCATION OF SAID IMPROVEMENT AND ENCROACHMENT AND USES GRANTED HEREUNDER; AND LICENSEE HEREBY ASSUMES ALL LIABILITY AND RESPONSIBILITY FOR SUCH CLAIMS OR SUITS. LICENSEE SHALL LIKEWISE ASSUME ALL LIABILITY AND RESPONSIBILITY AND SHALL INDEMNIFY THE CITY FOR ANY AND ALL INJURY OR DAMAGE TO CITY PROPERTY ARISING OUT OF OR IN CONNECTION WITH ANY AND ALL ACTS OR OMISSIONS OF LICENSEE, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, LICENSEES, INVITEES, OR TRESPASSERS.

17. In any action brought by the City for the enforcement of the obligations of Licensee, the City shall be entitled to recover interest and reasonable attorney's fees.

18. Licensee covenants and agrees that it will not assign all or any of its rights, privileges, or duties under this contract without the prior written approval of the City Manager or his designee. Any attempted assignment without prior written approval will be void.

19. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. Nothing in this Agreement is intended, nor shall be deemed, to confer any benefits on any third party.

20. This Agreement shall be construed and governed according to the laws of the State of Texas, without giving effect to its conflict of laws provisions. Nacogdoches County, Texas shall be the sole and exclusive venue for any litigation or other proceeding between the parties that may be brought in connection with or that arises out of this Agreement.

21. Waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any prior, concurrent, or subsequent breach. None of the provisions of this Agreement shall be considered waived by either party except when such waiver is given in writing.

22. If any term or provision of this Agreement is held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

23. This Agreement, any amendments or addenda hereto, and any exhibits specifically mentioned therein, constitute the entire agreement between the parties regarding the subject matter hereof and supersede all prior or contemporaneous discussions, representations, correspondence and agreements, or whether oral or written, pertaining thereto. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party or anyone acting on behalf of any party, in relation to the subject matter of this Agreement, that are not embodied in this written Agreement, and that no such other agreement, statement, or promise relating to the subject matter of this Agreement and not set forth in this Agreement has been relied

upon or shall be valid or binding. This Agreement may be amended or modified only by a writing duly executed by both parties. The language of this Agreement shall be construed as a whole according to its fair and common meaning and shall not be construed for or against either of the parties hereto.

24. THE PARTIES AGREE THAT THE DUTIES AND OBLIGATION CONTAINED IN PARAGRAPHS 11 AND 16 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

CITY:	**LICENSEE:**
CITY OF NACOGDOCHES, **a Texas municipal corporation**	**FREDONIA HOSPITALITY, LLC,** **a Texas limited liability company**
By: _____ Name: Richard Beverlin, III Title: City Manager	By: _____ Name: Richard DeWitt Title: Manager
ATTEST:	APPROVED AS TO FORM:
_____ Karen Hadnot, City Secretary	_____ Jerry Baker City Attorney

EXHIBIT A

ENCROACHMENT AGREEMENT

All that certain 0.016 acres of land, lying and being situate in the City of Nacogdoches, Nacogdoches County, Texas, on the **OLD TOWNSITE**, being part of a right-of-way tract for Hospital described in Warranty Deed dated January 20, 1953, from R.G. Muckleroy to the City of Nacogdoches, recorded in Volume 177, Page 440 of the Deed Records of Nacogdoches County, Texas (DR), and part of a right-of-way tract described in Warranty Deed dated January 20, 1953, from S.B. Tucker to the City of Nacogdoches, recorded in Volume 177, Page 441 DR, and being more particularly described as follows, to wit:

-oOo-

Note that in the following description:

- **Bearings and distances** are based upon the Texas Coordinate System of 1983 (2011), Central Zone, U.S. Survey Feet, having a convergence angle of 2°55'33" and a scale factor of 0.99992674 at the point of beginning,
- **½" iron rod set** denotes a 1-1/2" stainless steel cap stamped "TWO FIFTEEN 10194339" affixed to a ½" iron rod (#4 rebar),
- **See plat** dated March 2, 2026.

-oOo-

BEGINNING at a "X" cut in concrete for corner in the north right-of-way of Hospital Street and south boundary line of a tract described in a Memorandum of Ground Lease dated June 21, 2017, from the City of Nacogdoches to Fredonia Hospitality LLC, recorded in Volume 4606, Page 80 of the Official Public Records of Nacogdoches County, Texas (OPR), from which a 1/2 " iron rod found with a red plastic cap for the southeast corner the lease tract bears S 75°31'37" E, 40.00 feet, said point of beginning having a coordinate of N: 10,592,353.2 feet, E: 4,064,275.5 feet;

THENCE S 14°37'38" W, 4.66 feet across the right-of-way of Hospital Street to a 1/2" iron rod set for corner at the north back-of-curb of Hospital Street;

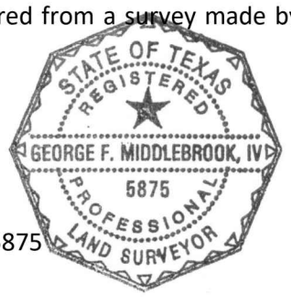
THENCE N 75°27'28" W, 156.79 continuing across the right-of-way of Hospital Street and with the back of curb of Hospital Street to a 1/2" iron rod set for corner at the north back-of-curb of Hospital Street;

THENCE N 14°28'23" E, 4.47 feet continuing across the right-of-way of Hospital Street to a mag spike with washer marked "TWO FIFTEEN 10194339" set for corner in the north right-of-way of Hospital Street and the south boundary line of the lease tract;

THENCE S 75°31'37" E, 156.80 feet (called S 73°03'37" E in 4606/80 OPR) with the north right-of-way of Hospital Street and the south boundary line of the lease tract to the place of **BEGINNING,** containing within these calls 0.016 acres**.**

I, George Middlebrook, IV, a duly Registered Professional Land Surveyor in the State of Texas, do hereby certify that above field note description was prepared from a survey made by me on the ground, completed March 2, 2026.

Witness my hand and seal of registration:



_____ TX RPLS #5875

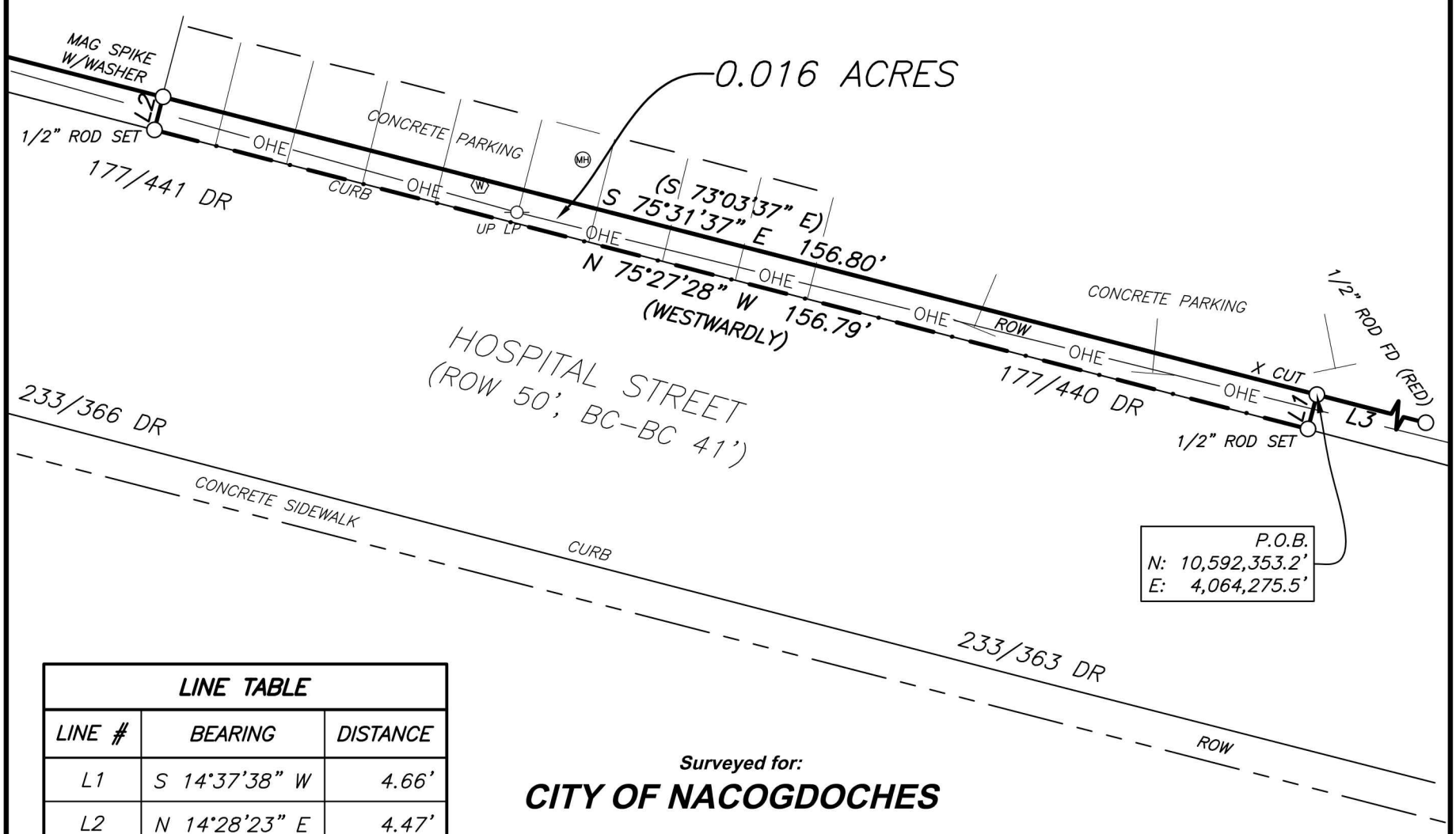
(original impression sealed and signed in blue ink)

1. Surveyor did not abstract for easements or ownership.
2. Survey prepared without benefit of title commitment.
3. Bearings, distances and coordinates are based upon the Texas Coordinate System of 1983 (2011), Central Zone, U.S. Survey Feet, having a convergence angle of 2°55'33" and a combined scale factor of 0.99992674.
4. See Field Notes dated March 2, 2026.

THIS DRAWING AND OTHER RELATED DOCUMENTS, INCLUDING DOCUMENTS ON ELECTRONIC MEDIA, WERE PREPARED BY TWO FIFTEEN CONSULTING AND SHALL REMAIN THE PROPERTY OF TWO FIFTEEN CONSULTING. ALL INFORMATION SHALL BE USED ONLY FOR THE PURPOSES OF LOCATING REAL PROPERTY BOUNDARIES, SUBDIVIDING REAL PROPERTY AND LOCATING IMPROVEMENTS IN RELATION TO REAL PROPERTY BOUNDARIES, AND THIS INFORMATION SHOULD ONLY BE RELIED UPON AT THE SCALE SPECIFIED HEREIN. ANY OTHER USE OF THIS DRAWING, INCLUDING WITHOUT LIMITATION, ANY REPRODUCTION OR ALTERATION IS STRICTLY PROHIBITED, AND TWO FIFTEEN CONSULTING SHALL BE INDEMNIFIED FROM LIABILITY ARISING FROM, OR AS THE RESULT OF, SUCH UNAUTHORIZED USE OR CHANGES.

20 0 20 40

4606/80 OPR
MEMORANDUM OF GROUND LEASE
FREDONIA HOSPITALITY, LLC
LOTS 8, 8-A, 8-B, 8-C, 11, 12, 15, 16, 16-A, AND 16-B
BLOCK 3 CITY OF NACOGDOCHES



LINE TABLE		
LINE #	BEARING	DISTANCE
L1	S 14°37'38" W	4.66'
L2	N 14°28'23" E	4.47'
L3	S 75°31'37" E	40.00'

Surveyed for:

CITY OF NACOGDOCHES

HOSPITAL STREET ENCROACHMENT AGREEMENT

CITY OF NACOGDOCHES NACOGDOCHES COUNTY, TEXAS

I, George F. Middlebrook, IV, a duly Registered Professional Land Surveyor in the State of Texas, do hereby certify that this plat of Hospital Street, surveyed for the City of Nacogdoches, accurately depicts the results of a survey made on the ground, under my supervision, completed March 2, 2026.

Witness my hand and seal of registration.

STATE OF TEXAS
REGISTERED
GEORGE F. MIDDLEBROOK, IV
5875
PROFESSIONAL
LAND SURVEYOR

TX RPLS #5875
(original signed in blue ink)

TWO FIFTEEN CONSULTING
ENGINEERS + SURVEYORS

412 North St.
Nacogdoches, TX 75961
p: 936-569-0505

TBPE F-17461
TBPLS 10194339

PRESENTER: Jerry Baker, City Attorney

ITEM/SUBJECT: Consider approval and adoption of the Amended Bylaws for The City of Nacogdoches Development Corporation. (City Attorney)

SUMMARY/BACKGROUND: The Texas Development Corporation Act of 1979, Texas Local Government Code §§501.001 et seq., authorizes municipalities to create Type A and Type B nonprofit development corporations for the promotion and development of industrial and manufacturing enterprises which encourage employment and the public welfare. Type B economic development corporations can fund projects related to the creation or retention of primary jobs which are eligible for authorization under Type A corporations. However, Type B corporations can, in addition to such authority, fund economic development initiatives, such as parks, sports facilities, entertainment and tourist facilities, affordable housing, and public infrastructure, including water and sewer lines and similar projects that will promote new or expanded business enterprises.

As authorized by Tex. Local Gov't Code §§501.051 and 505.003, the City Council approved the creation of a Type B economic development corporation at its regular meeting of July 1, 2025. The City Council subsequently approved the Certificate of Formation and Bylaws for The City of Nacogdoches Development Corporation at its regular meeting of August 19, 2025, and authorized City staff to file the Certificate of Formation with the Secretary of State. Since its formation, the Board of Directors for The City of Nacogdoches Development Corporation have met each month.

The Board of Directors seek to amend a portion of the Bylaws of The City of Nacogdoches Development Corporation to address the ability to cancel a regular meeting when there is no business to be conducted. The proposed Amended Bylaws would grant the President, and in his absence the Vice-President, such authority. The Amended Bylaws were presented to the Board of Directors for review at its regular meeting of March 5, 2026. The Board voted unanimously to recommend to the City Council that the Amended Bylaws be approved.

FINANCIAL:
No financial impact associated with this item

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES
Economic Development

CITY CONTACT: Jerry Baker, City Attorney
(936) 559-2503
bakerj@nactx.us

ATTACHMENTS: 1. Bylaws_TCONDC_amended

AMENDED BYLAWS
OF
THE CITY OF NACOGDOCHES DEVELOPMENT CORPORATION

ARTICLE I
PURPOSE AND POWERS

1.01 Purpose. The City of Nacogdoches Development Corporation (the "Corporation") is incorporated for the purposes set forth in Article IV of its Certificate of Formation, the same to be accomplished on behalf of the City of Nacogdoches, Texas (the "City") to encourage employment and the public welfare in accordance with the Development Corporation Act of 1979, Chapters 501, 502 and 505 of the Local Government Code, as may be amended (collectively, the "Act") and other applicable laws.

1.02 Nonprofit Corporation. The Corporation shall be a nonprofit corporation as defined by the Internal Revenue Code 1986, as amended, and the applicable regulations of the United States Treasury Department and the rulings of the Internal Revenue Service of the United States prescribed and promulgated thereunder, and formed in accordance with the Texas Nonprofit Corporation Act, Texas Business Organizations Code, Title 2, Chapter 22.

1.03 Powers. In the fulfillment of its corporate purpose, the Corporation shall be governed by the Act, and shall have all of the powers set forth and conferred in the Development Corporation Act for Type B corporation, and in its Certificate of Formation and other applicable laws, subject to the limitations prescribed therein and herein.

ARTICLE II
BOARD OF DIRECTORS OF DIRECTORS

2.01 Number, Appointment, and Term of Office.

a) The business and affairs of the Corporation shall be managed by a board of directors, consisting of seven (7) members (the "Board of Directors"), which may exercise all powers of the Corporation.

b) Directors shall be appointed by the City Council, and no more than four (4) directors may be City employees, officers, or members of the City Council. All directors must be residents of the City of Nacogdoches, Texas.

c) Each member of the Board of Directors shall serve for a term of two (2) years[1].

d) Positions Nos. 1 through 3 of the Board of Directors shall be permanently held by the City Mayor, Mayor Pro Tem, and City Manager for the City of Nacogdoches, Texas, and said positions may be filled by election and/or appointment during the duration of

[1] During the initial year of the Corporation's existence, Position No. 6 shall serve a one (1) year term only for transitional purposes and thereafter serve a two (2) year term.

the Corporation's existence. Position No. 4 shall be held[2] by the Chair[3] of the Nacogdoches Economic Development Corporation ("NEDCO"). Position Nos. 5 and 7 will be appointed in odd-numbered years, and Position No. 6 shall be appointed in even-numbered years:

The City of Nacogdoches Development Corporation – Board of Directors

Position No. 1 (*Mayor*)	Permanent
Position No. 2 (*Mayor Pro Tem*)	Permanent
Position No. 3 (*City Manager*)	Permanent
Position No. 4 (*NEDCO Chair/Representative*)	Permanent*
Position No. 5.	Term expires in odd-numbered years.
Position No. 6.	Term expires in even-numbered years.
Position No. 7.	Term expires in odd-numbered years.

e) A director's term begins on the regularly scheduled meeting of the Board of Directors held in October of each year, or the first available meeting thereafter, following his/her appointment by the Council.

2.02 Removal. Directors serve at the pleasure of the City Council and may be removed from office, with or without cause, by a majority vote of the Council.

2.03 Resignation. A director may resign at any time. Resignations shall be made in writing and shall take effect at the time specified in the resignation, or, if no time is specified, at the time of its receipt of the resignation by the President or the Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly stated in the resignation.

2.04 Vacancy. In case of a vacancy on the Board of Directors, whether by death, resignation, removal or otherwise, the City Council shall appoint a successor to serve the remainder of the unexpired term. A vacancy of Position Nos. 1 through 3 may be filled by an interim until such time as an election and/or appointment may take place in accordance with the Charter for the City of Nacogdoches and State law, as may be applicable.

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[2] *Position No. 4 shall be held by the Chair or a representative of NEDCO throughout the duration of the Economic Development Services Agreement between the City and NEDCO, and may, at the discretion of the City Council, transition to an appointed position should the agreement be terminated in the future.

[3] Should the Chair of NEDCO be unable to serve on the Board of Directors due to a conflict of interest, NEDCO may appoint another representative of the organization to serve in said capacity.

2.05 Organizational Meetings. After approval of the Certificate of Formation by the City Council and the filing of the Certificate of Formation with the Texas Secretary of State, the Board of Directors shall hold an organizational meeting to adopt and approve the Bylaws, elect officers, and to transact such other business as may be included in the meeting agenda.

2.06 Regular Meeting; Place of Meeting.

a) Regular meetings of the Board of Directors shall be held on the 1st Thursday of each month, beginning at 5:00 p.m., unless otherwise determined by resolution of the Board of Directors.

~~a)~~b) Should the President[4] determine that there is no business of the Corporation to be conducted on a date scheduled for a regular meeting of the Board of Directors, the President may cancel the meeting. Notice of cancellation of a regular meeting shall be made in the same manner as for holding a meeting, as specified in paragraph 2.08 below.

~~b)~~c) Meetings shall be held at the City of Nacogdoches Council Chambers, 202 E. Pilar Street, Nacogdoches, Texas 75961, or at such place or places within the corporate limits of the City of Nacogdoches as the Board of Directors may from time to time determine.

~~c)~~d) All meetings shall be called and held in accordance with the Texas Open Meetings Act, Chapter 551, Government Code, as amended.

2.07 Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the President or upon written request by two directors.

2.08 Notice of Meetings. The Secretary shall cause notice of the time and place of holding each meeting of the Board of Directors to be given to each director. The notice may be in writing, in person, or in person by telephone. Notice of each meeting shall also be given to the public in accordance with the provisions of the Texas Open Meetings Act.

2.09 Quorum.

a) A majority of the Directors shall constitute a quorum for the conduct of the official business of the Corporation.

b) No meeting of the Board of Directors may occur unless a quorum is present. If any time during a meeting less than a quorum is found to be present, the meeting shall be adjourned.

c) The act of a majority of the directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Directors and of the Corporation unless the act of a greater number is required by law.

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[4] The Vice-President may exercise the authority to cancel a regular meeting, as set forth in this sub-paragraph 2.06(b), if the President is absent or otherwise unable to exercise such authority.

d) Directors must be present in order to vote at any meeting.

2.10 Order of Business. Matters pertaining to the order of business of any meetings of the Board of Directors shall be considered in accordance with any rules of procedure as may be adopted by the Board of Directors and approved by the City Council.

2.11 Presiding Officer. All meetings of the Board of Directors shall be presided over by the President, or in the President's absence, the Vice-President, or in the absence of both of these officers, a member of the Board of Directors selected by the directors present at the meeting.

2.12 Conflict of Interest. In the event that a director is aware that he/she has a conflict of interest or potential conflict of interest with regard to any particular matter or vote coming before the Board of Directors, the director shall bring the same to the attention of the Board of Directors and shall abstain from discussion and voting thereof.

2.13 Compensation of Directors. Directors shall not receive any salary or compensation for their services but may be reimbursed for expenses incurred in furtherance of the Corporation's business, including, but not limited to, the cost of travel, lodging, and incidental expenses reasonably related to the corporate duties of the Board of Directors.

2.14 Additional Powers. In addition to the powers conferred by these Bylaws, the Board of Directors may exercise all powers of the Corporation and do all lawful acts and things that are not prohibited by statute, or these Bylaws including, but not limited to the following powers:

1) To purchase, or otherwise acquire for the Corporation, any property, rights, or privileges which the Corporation is authorized to acquire at such price or consideration and generally on such terms and conditions as they determine to be appropriate, and at their discretion to pay therefore either wholly or partly in money, notes, bonds, debentures, or other securities or contracts of the Corporation as may be lawful.

2) To create, make and issue notes, mortgages, bonds, deeds of trust, trust agreements and negotiable or transferable instruments and securities, secured by mortgage or deed of trust on any real property of the Corporation or otherwise, and to do every other act or thing necessary to affect the same.

3) To sell or lease the real or personal property of the Corporation on such terms as the Board of Directors may see fit and to execute all deeds, leases, and other conveyances or contracts that may be necessary for carrying out the purposes of this Corporation.

ARTICLE III
OFFICERS

3.01 Officers.

a) The officers of the Corporation shall be a President, Vice-President, Secretary, and Treasurer. Officers shall be elected by a majority vote of a quorum of the Board of Directors.

b) The Board of Directors shall elect officers annually at the regularly scheduled meeting held in October of each year or at the first available meeting thereafter.

c) A director may hold more than one office, except that the President shall not hold the office of Secretary. The Board of Directors may appoint such other officers as it deems necessary, who shall have such authority, and shall perform such duties as from time to time may be prescribed by the Board of Directors.

d) Terms of office shall be for a one (1) year term, but no individual shall serve more than two (2) consecutive terms, unless such officer is a City employee or member of the City Council, in which case the officer is not subject to term limits.

e) All officers shall be subject to removal from office, with or without cause, at any time by a vote of the majority of the entire Board of Directors.

f) A vacancy of any office due to death, resignation, removal, or otherwise shall be filled for the unexpired portion of the term by a majority vote of the Board of Directors.

3.02 President. The President shall be the chief executive officer of the Corporation and shall, subject to the authority of the Board of Directors and approval of the City Council, preside at all meetings of the directors. He/she shall have the power to sign and execute all contracts and instruments of conveyance in the name of the Corporation, to sign checks, drafts, notes and orders for the payment of money, and to appoint and discharge agents and employees of the Corporation, subject to the approval of the Board of Directors. He/she shall perform all the duties usually incident to the office of President. The President may be asked to appear before the City Council to give reports on the status of activities of the Corporation.

3.03 Vice-President. The Vice-President shall have such powers and duties as may be prescribed by the Board of Directors and shall exercise the powers of the President during that officer's absence or inability to act. Any action taken by the Vice-President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such actions were taken.

3.04 Secretary. The Secretary of the Corporation shall sit as Secretary at all meetings of the Board of Directors, and in case of the Secretary's absence, the presiding officer shall designate any director to act as Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose; shall provide all notices; may sign with the President or Vice-President, in the name of the Corporation, all contracts and instruments of conveyance authorized by the Board of Directors; shall have charge of the books and papers of the Board of Directors; and shall in general perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors.

Records of the Corporation shall be maintained and filed in the office of the City Secretary of the City of Nacogdoches.

3.05 **Treasurer.** The Treasurer shall have custody of all funds and securities of the Corporation and shall endorse on behalf of the Corporation for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or depository as the Board of Directors may designate. Whenever required by the Board of Directors, the Treasurer shall render a statement of the Corporation's cash account; enter regularly in the books of the Corporation, a full and accurate account of the Corporation; and perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors. All written statements and accounts shall be maintained and filed in the office of the Director of Finance for the City of Nacogdoches. The Treasurer shall, if required by the Board of Directors, give such bond for the faithful discharge of his/her duties in such form and amount as the Board of Directors or the City Council may require. Any bond so required shall be at the expense of the Corporation.

ARTICLE IV
CORPORATE SEAL

The Board of Directors may obtain a corporate seal which shall bear the words "Corporate Seal of The City of Nacogdoches Development Corporation" and the Board of Directors may thereafter use the corporate seal and corporate name. These Bylaws shall not be construed to require the use of the corporate seal.

ARTICLE V
FISCAL YEAR

The fiscal year of the Corporation shall be the same as the fiscal year of the City.

ARTICLE VI
MISCELLANEOUS

6.01 **Certificate of Formation.** These Bylaws are subject to and governed by the Certificate of Formation, and in the event of any conflict between the terms of these Bylaws and the Certificate of Formation, the Certificate of Formation shall control.

6.02 **Notices and Waivers.** Whenever under the provisions of these Bylaws notice is required to be given to any director, unless otherwise provided, the notice may be given personally, or it may be given in writing by depositing it in the post office, or other depository under the care or custody of the United States Postal Service, in a postpaid envelope addressed to the director, at the address as appears on the books of the Corporation, and the notice shall be deemed to be given at the time when it is mailed. Whenever any notice to directors is required to be given by law, or by these Bylaws, a waiver in writing signed by the person or persons entitled to the notice, whether before or after the time stated, shall be deemed the equivalent of notice. This paragraph does not eliminate the requirement to comply with the Texas Open Meetings Act.

6.03 **Negotiable Instruments.** All checks, drafts, notes or other obligations of the Corporation shall be signed by the Treasurer, any other such officers of the Corporation necessary to effectuate same, or by such persons as may be authorized by the Board of Directors. All checks shall require the signature of two persons.

6.04 **Contracts.** All contracts or other instruments, which the Board of Directors has approved and authorized in the name and on behalf of the Corporation, shall carry the signature of the President, any other such officers of the Corporation necessary to effectuate same, or by such persons as may be authorized by the Board of Directors. When appropriate, the Board of Directors may grant a specific or general power of attorney to carry out some action on behalf of the Board of Directors, provided, however that no such power of attorney may be granted unless an appropriate resolution of the Board of Directors authorizes the same to be done.

6.05 **City Staff Services.** The Board of Directors may make requests for services to be performed by City staff. Any such requests should be made to the City Manager. The City Manager may approve the requests for services when he/she finds that the requested services can be provided by the City, the City shall be reimbursed for any costs associated with the provision of such services, and the performance of such services does not materially interfere with the other duties of City personnel.

6.06 **Contracts for Services.** The Corporation, with approval of the City Council, may contract with any qualified and appropriate person, association, corporation, or governmental entity to perform and discharge designated tasks which will aid or assist the Board of Directors in the performance of its duties.

6.07 **Approval of the City Council.** To the extent these Bylaws refer to any approval or other action to be taken by the City, such action, approval, advice, or consent shall be evidenced by a motion, resolution, or ordinance duly passed by the City Council and reflected in the minutes of the City Council.

6.08 **Organizational Control.** The City Council at its sole discretion, and at any time, may alter or change the structure, organization, or activities of the Corporation (including the termination of the Corporation), subject to any limitation on the impairment of contracts entered into by such Corporation. The foregoing notwithstanding, the City, at all times during which any indebtedness of the Corporation remains outstanding, will maintain a beneficial interest in the Corporation.

6.09 **Quarterly Reports.** The Corporation or, upon request, the City staff shall prepare a quarterly activity report, detailing the projects and work accomplished during the previous quarter. This report shall be submitted to the Board of Directors and City Council by the 15th day of the month following the end of each quarter.

6.10 State Comptroller Report. The Treasurer shall submit an annual report to the State Comptroller's Office in accordance with Tex. Local Gov't Code §502.151 in the form and by the deadline specified by the Comptroller.

6.11 Indemnification of Directors, Officers, and Employees.

a) As provided in the Act, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its action are governmental functions.

b) The Corporation shall indemnify each and every member of the Board of Directors, its officers and employees, and each member of the City Council and employee of the City, to the fullest extent permitted by law, against any and all liability or expense, including attorney's fees, incurred by any of such persons by reason of any actions or omissions that may arise out of the lawful functions and activities of the Corporation.

ARTICLE VII
PROVISIONS REGARDING BYLAWS

7.01 Effective Date. These Bylaws shall become effective only upon the occurrence of the following events:

1) the approval of these Bylaws by the City Council; and

2) the adoption of these Bylaws by the Board of Directors of Directors.

7.02 Amendments to Bylaws. These Bylaws may be amended at any time and from time to time either by a majority vote of the directors, then in office, with approval of the City Council, or by the City Council itself, at its sole discretion.

7.03 Interpretation of Bylaws. These Bylaws shall be liberally construed to effectuate their purposes. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstances, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE VIII
DISSOLUTION OF CORPORATION

Upon the dissolution of the Corporation after payment of all obligations of the Corporation, all remaining assets of the Corporation shall be transferred to the City of Nacogdoches, Texas.

CITY COUNCIL PASSED AND APPROVED these Amended Bylaws on this ___ day of ~~August~~March, ~~2025~~2026.

City Council Meeting

Date: March 17, 2026

Agenda Item: 6.I.

PRESENTER: Jody Chandler, Division Chief/Fire Marshal

ITEM/SUBJECT: Consideration and possible approval of a permit for the installation of a 30,000-gallon bulk above-ground liquefied petroleum (LP) gas storage tank. (Fire Marshal)

SUMMARY/BACKGROUND:
The City has received a request from Nexio Power Inc. for a permit to install a 30,000-gallon above-ground liquefied petroleum (LP) gas storage tank at an industrial facility within the city limits. Industry standards and safe practices consider installations exceeding 2,000 gallons of aggregate water capacity are classified as bulk LP-Gas storage and are required to comply with the International Fire Code (IFC) and NFPA 58 – Liquefied Petroleum Gas Code, which regulate design, installation, separation distances, operational safety, and fire protection requirements.

The proposed installation will be reviewed to ensure compliance with all applicable fire and life safety standards, including required separation distances from buildings and property lines, fire department access, impact protection, security measures, emergency shutoff accessibility, and required signage. The installation will also be subject to final inspection and testing prior to being placed into service.

Due to the presence of a large-capacity LP-Gas tank and the facility not being protected by an automatic fire sprinkler system, the Fire Marshal will require that one internal fire hydrant be installed on the property to improve fire protection capabilities and ensure adequate water supply for emergency response operations. The internal hydrant location will be coordinated between the property owner and Fire Marshal's Office staff.

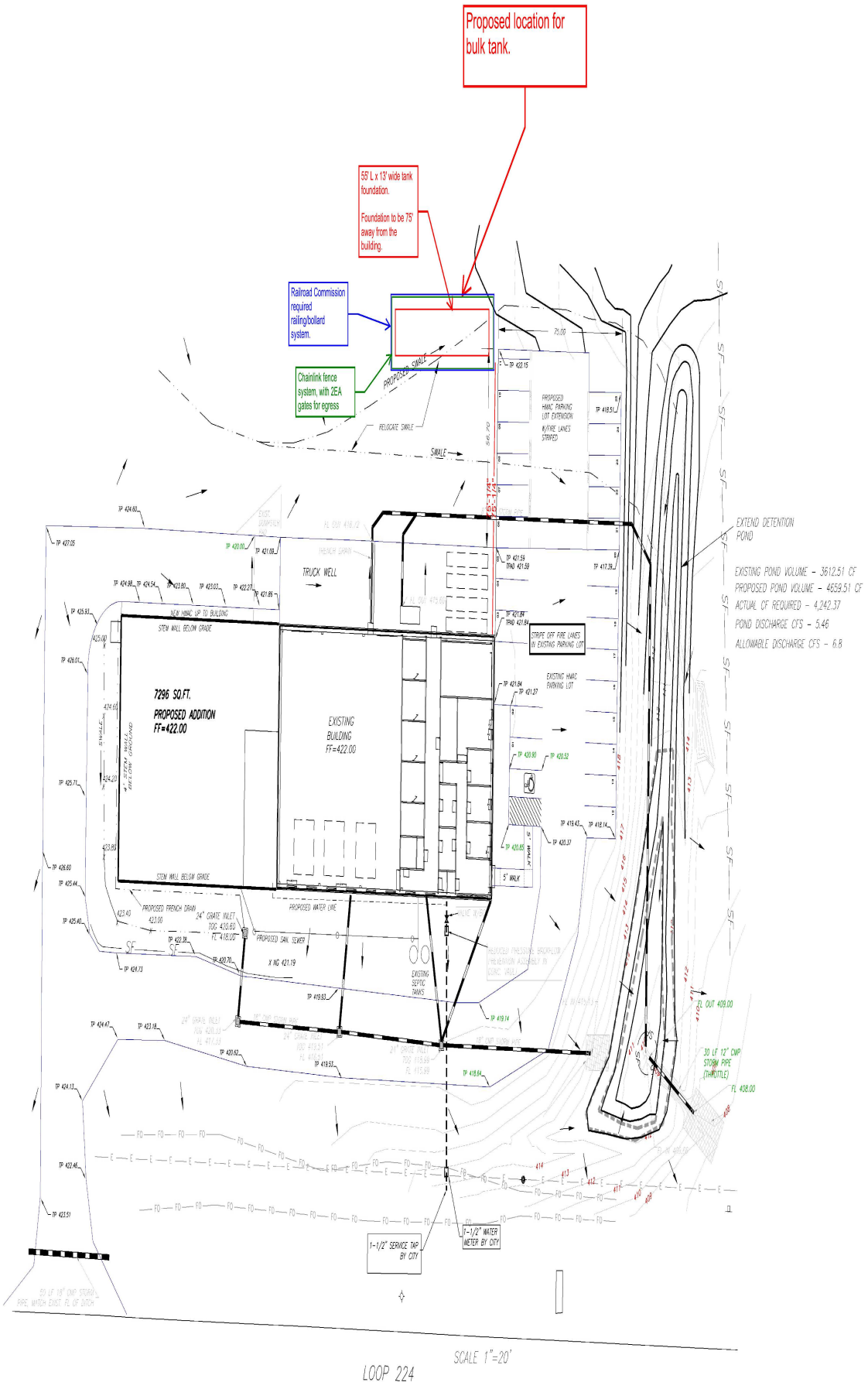
The applicant has acknowledged that they understand that the International Fire Code 2024 edition and NFPA 58 – Liquefied Petroleum Gas Code 2024 edition will be followed in its entirety.

FINANCIAL:
No Financial Impact

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES
Not Applicable

CITY CONTACT: Jody Chandler
Fire Marshal
chandlerj@nactx.us
(936)559-2542

ATTACHMENTS:
1. Nexio Power Inc- GW Sketch - for City of Nac Coucil Meeting
2. Nexio Parcel Map


Proposed location for bulk tank.
55' L x 13' wide tank foundation.
Foundation to be 75' away from the building.
Railroad Commission required railing/bollard system.
Chainlink fence system, with 2EA gates for egress
PROPOSED SWALE
RELOCATE SWALE
SWALE
75.00
PROPOSED HMAC PARKING LOT EXTENSION W/FIRE LANES STRIPED
EXTEND DETENTION POND
EXISTING POND VOLUME = 3612.51 CF
PROPOSED POND VOLUME = 4659.51 CF
ACTUAL CF REQUIRED = 4,242.37
POND DISCHARGE CFS = 5.46
ALLOWABLE DISCHARGE CFS = 6.8
TRUCK WELL
7296 SQ.FT.
PROPOSED ADDITION
FF=422.00
EXISTING BUILDING
FF=422.00
STRIPE OFF FIRE LANES IN EXISTING PARKING LOT
EXISTING HMAC PARKING LOT
STEM WALL BELOW GRADE
PROPOSED FRENCH DRAIN
PROPOSED WATER LINE
PROPOSED SAN. SEWER
EXISTING SEPTIC TANKS
1-1/2" SERVICE TAP BY CITY
1-1/2" WATER METER BY CITY
30 LF 12" CMP STORM PIPE (THROTTLE)
SCALE 1"=20'
LOOP 224

SITE PLAN

City of Nacogdoches GIS



3/6/2026, 11:10:20 AM

Buildings
Parcels

Zoning
Agriculture: A
Local Business: B-1
General Business: B-2
Central Business: B-3
Development Agreement: DA
Light Industrial: I-1
Heavy Industrial: I-2
Medical: M
Outside
Planned Development: PD
Single Family: R-1
Single Family: R-2
Two Family: R-3
Multi Family: R-4
City Limits

Image
Red: Red
Green: Green
Blue: Blue

1:1,570

0 62.5 125 250 ft

0 15 30 60 m

City of Nacogdoches
City of Nacogdoches

PRESENTER:

ITEM/SUBJECT: Discuss options regarding the appointment of Planning and Zoning Commission alternate members. (Executive Director of Development and Infrastructure)

SUMMARY/BACKGROUND: The City of Nacogdoches Code of Ordinances, Chapter 118 (Zoning), provides for the organization of the Planning and Zoning Commission, which consists of five members, each appointed by the City Council for a term of two years. Regular meetings of the Commission are typically held on the second Monday of each month, and the Commission primarily has the power to: (1) Advise the city council and make recommendations concerning adoption of or amendments to the city's comprehensive plan and thoroughfare plan, and implementation thereof; (2) Serve as an advisory body to the city council concerning adoption of, or amendments to, the zoning regulations and zoning map and to make recommendations thereon; and (3)To call a public hearing to determine proper zoning for a tract of land or for an area.

In 2019, the Texas Legislature passed H.B. 3167, significantly amending the statutes governing municipal platting and subdivision requirements. This bill, among other things, broadened the applicability of platting regulations to plans as well as plats, introduced a strict timeframe for plat and plan approval, and provided for automatic approval of applications that were not processed in a timely manner under the newly introduced procedures. Chapter 212 of the Texas Local Government Code mandates a "shot clock" requiring municipal authorities to approve, approve with conditions, or disapprove a plat application within 30 days of filing, or it is deemed automatically approved. Amended by H.B. 3699 in 2023, the law applies to "plats" (not "plans") and mandates that reasons for disapproval must be specific and based on existing regulations.

In 2024 and 2025, on average, Commissioners have maintained close to 90% attendance at monthly meetings. However, with recent legislative constraints imposed upon the platting and zoning process (i.e. 30-day "shot clock"), and in consideration of possible future constraints, it may be beneficial for the City to consider the appointment of alternate members to the Planning and Zoning Commission. Changes may ensure that Commission business involving time-sensitive property entitlement and development considerations would not be delayed or deferred due to Commission member absences.

FINANCIAL:

COUNCIL PRIORITIES: THIS AGENDA ITEM IS CONSISTENT WITH THE FOLLOWING CITY COUNCIL PRIORITIES

CITY CONTACT:

ATTACHMENTS: