



**City Council Meeting
June 16, 2026**

Amended

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:
 - A. Consider approval of minutes for the City Council workshop meetings held on May 12, 2026, and June 2, 2026; and for the City Council regular meetings held on May 19, 2026, and June 2, 2026. (City Secretary)
 - B. Consider approval of the purchase of services from T&K Fence Co. for safety rail installation under Wastewater Treatment Plant General Improvements (CIP Project WW-25-504), utilizing TIPS Cooperative Purchasing Contract No. 26010401, in the amount of \$49,000.00. (Director of Public Works/City Engineer)
 - C. Consider approval of the purchase of a tractor from John Deere & Company for the Public Works Streets Division, utilizing Sourcwell Cooperative Purchasing Contract No. 082923-DAC, in the amount of \$51,051.64. (Public Works Operations Manager)
6. REGULAR AGENDA:

- A. Consider selection of the submission by Pape-Dawson in response to solicitation RFQ 26-10-136 for Professional Services associated with Texas Water Development Board funding requests, grant administration, and project administration under the Water Supply and Infrastructure Grants program. (Director of Public Works/City Engineer)
 - B. Consider approval of a contract by and between the City of Nacogdoches and Alliant Insurance Services to provide employee health benefits consulting, as described in solicitation RFQ-26-10-106, for a term of three (3) years in the total contract amount of \$210,000.00. (HR Director)
 - C. Consider approval of a contract between the City of Nacogdoches and ISI Water Company, utilizing TIPS Purchasing Cooperative Contract No. 250601, for services involving the audit and examination of the City's utility system for accuracy in metering, billing, and collections; and authorize the City Manager to execute any and all necessary documents. (Assistant Director of Finance)
 - D. Consider approval of an Ordinance of the City of Nacogdoches, Texas, Amending Chapter 18—"Business", Article III—"Food Service Establishments", of the Code of Ordinances of the City of Nacogdoches, Texas; providing a severability clause; providing a continuation clause; providing a repeal clause; and providing an effective date. (City Attorney)
7. EXECUTIVE SESSION:
- A. Personnel Matters – Pursuant to Texas Government Code Section 551.074, deliberations regarding the appointment or employment of a public officer or employee. The subject of this executive session is the Director of Economic Development.
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 or before June 10, 2026, pursuant to Chapter 551 of the Texas Government Code.

Karen Hadnot, City Secretary



City Council Meeting

Date: June 16, 2026

Agenda Item: 5.A.

PRESENTER:

ITEM/SUBJECT: Consider approval of minutes for the City Council workshop meetings held on May 12, 2026, and June 2, 2026; and for the City Council regular meetings held on May 19, 2026, and June 2, 2026. (City Secretary)

SUMMARY/BACKGROUND: This document contains draft City Council minutes for workshop meetings on May 12 and June 2, 2026, and for regular meetings on May 19 and June 2, 2026.

FINANCIAL:

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

CITY CONTACT: Karen Hadnot
citysec@nactx.us
(936) 559-2504

ATTACHMENTS:

1. Draft Workshop Meeting 05122026
2. Draft Workshop Meeting 06022026
3. Draft Regular Meeting 05192026
4. Draft Regular Meeting 06022026



Workshop
Nacogdoches City Council
May 12, 2026 – 5:30 p.m.
C.L. Simon Recreation Center
1112 North Street , Nacogdoches, TX

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

1. Called to order at 5:30 p.m.
2. Pledge of Allegiance
3. Work Session

Mayor Johnson announced the next item on the agenda.

- 3A. Presentation and discussion regarding current Capital Improvement Program projects and future project planning and prioritization.

Mayor Johnson announced that the work session was intended to study and discuss issues without taking any formal action. However, Mayor Johnson canceled the workshop immediately due to Council Member Maule's absence and an internal miscommunication regarding the meeting.

4. **ADJOURNED:** 5:33p.m.

A full recording of the Workshop City Council Meeting for May 12, 2026, may be viewed here: [Workshop City Council Meeting – 20260512](#)

ATTEST:

Karen Hadnot, City Secretary

Randy Johnson, Mayor
City Council
City of Nacogdoches



Workshop
Nacogdoches City Council
June 2, 2026 – 4:00 p.m.
Council Chambers of City Hall
202 E. Pilar Street , Nacogdoches, TX

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

1. Called to order at 4:00 p.m.
2. Pledge of Allegiance
3. Work Session

Mayor Johnson announced the next item on the agenda.

- 3A. Consider zoning district options and related ordinance amendments for HUD-code manufactured housing.

Michael Neu, the Executive Director of Infrastructure, addressed the council and presented the staff report. He explained the Legislative Context and that Senate Bill 785 requires municipalities with zoning regulations to allow HUD-code manufactured homes as a permitted use in at least one residential district. Additionally, the legislation prohibits the requirement of a specific use permit for these homes on single lots, a regulation that the city currently enforces. Applications for this type of housing must be approved if no action is taken within 45 days. The state law exempts historic districts and respects existing Homeowners Association (HOA) deed restrictions. Currently, the city effectively bans manufactured housing on single lots, meaning the regulations do not comply with the upcoming state law.

Don Shoemaker, the Building Official, reported on the Manufactured Housing standards and Local demographics. Mr. Shoemaker stated that HUD upgraded construction standards in September 2024. These standards now require the use of higher-quality materials, such as copper wiring and plumbing that meets ICC standards. With these improvements and proper permanent installation, the estimated lifespan of a new manufactured home is at least 20 years before any major maintenance is needed. In Texas, manufactured homes cost approximately 59% less than traditional stick-built homes. This type of housing addresses local affordability issues, especially considering the city's average low-to-moderate household income of \$38,855 and the anticipated growth in the university student population.

Mr. Neu proposed a zoning strategy that includes the creation of a new zoning district called R-3M. The zoning subcommittee recommended an infill-focused approach rather than a broad city-wide zoning change to reduce arbitrary impacts and disputes among property owners. The R-3M district would permit traditional single-family homes, two-family homes, and HUD-code manufactured homes. Millard's Apple Park subdivision was identified as the ideal candidate for the initial zone change, as it is already an R-3 district with covenants that permit manufactured homes. Council members raised concerns about infrastructure capacity, and the Executive Director confirmed that the proposed density in these targeted areas would not place an excessive burden on the existing city infrastructure.

Mr. Neu also discussed supplemental regulations and their implementation. The state legislation permits the city to enforce reasonable standards and location criteria based on sound planning principles. Proposed supplemental regulations include a requirement that homes be anchored to a permanent foundation, which can also help homeowners obtain financing. Additionally, the city plans to establish a minimum age requirement for

incoming manufactured homes to ensure compliance with the newly adopted 2023/2024 building codes.

Mr. Neu, the Executive Director of Infrastructure, announced that the planning staff will schedule and conduct two neighborhood meetings. One meeting will focus specifically on the zone change for Millard's Apple Park, while the other will gather general community feedback regarding the amendments to the comprehensive plan. The staff will provide the council with ongoing updates about public feedback and any necessary adjustments to the proposal. The final amendments to the ordinance must be drafted and presented to the council for a formal vote by the state deadline of September 1st. The staff will carefully coordinate this process to ensure it does not conflict with the council's upcoming budget approval schedule.

4. **ADJOURNED:** 5:06p.m.

A full recording of the Workshop City Council Meeting for June 2, 2026, may be viewed here: [Workshop City Council Meeting – 20260602](#)

ATTEST:

Randy Johnson, Mayor
City Council
City of Nacogdoches

Karen Hadnot, City Secretary



Regular Session
Nacogdoches City Council
May 19, 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.

4. ITEMS TO BE REMOVED FROM THE CONSENT AGENDA:

There being no item removed for the consent agenda.

5. CONSENT AGENDA:

Council Member Belanger made a motion to approve Consent Agenda Items. Council Member Maule seconded the motion, which was unanimously approved.

6. REGULAR AGENDA:

Mayor Johnson announced the next item on the agenda.

6A. Consider approval of the Fiscal 2026-2027 Budget Calendar.

Karen Hadnot, the City Secretary, presented the budget calendar for the 2026-2027 fiscal year. She noted that a scheduling conflict required a change to the date of the first budget workshop in July. The workshop originally scheduled for July 14 will now take place on July 7, preceding the regularly scheduled council meeting.

Council Member Huckaby made a motion to approve the 2026-2027 fiscal year budget calendar. Council Member Williams seconded the motion, and it was approved with a unanimous vote.

Mayor Johnson announced the next item on the agenda.

6B. Consider allowing the City Manager to go into negotiations with Alliant Insurance Services as the benefits consultant/broker for the City's benefits.

Mayor Johnson announced that this item will be postponed and heard later in the meeting because the representative is currently stuck in traffic.

Mayor Johnson announced the next item on the agenda.

6C. Consider approval of a contract between the City of Nacogdoches and RAD Civil Services for Raguet Street Sanitary Sewer Improvements (CIP Project WW-26-204) in the amount of \$658,553.20.

Case Opperman, the Director of Public Works and City Engineer, presented the staff report for the agenda item. He explained that the project involves replacing approximately 2,200 linear feet of an existing 8-inch sewer line and upgrading it to a 12-inch line to increase future capacity.

Mr. Opperman noted that the lowest bid was submitted by RAD Civil Services, located in Tyler, Texas. The engineering consultant, Schaumburg & Polk, conducted a thorough vetting of the contractor based on their ongoing projects and positive references. This construction project will lead to temporary traffic disruptions since the work will occur in the middle of the roadway.

He also pointed out that this project is accounted for in the Wastewater Capital Improvement Plan (CIP).

Mayor Johnson then opened the floor for comments, but there were none.

Council Member Maule made a motion to approve the contract between the City of Nacogdoches and RAD Civil Services for the Raguet Street Sanitary Sewer Improvements (CIP Project WW-26-204) for a total of \$658,553.20. Council Member Huckaby seconded the motion, which received a unanimous affirmative vote.

Mayor Johnson announced the next item on the agenda.

- 6D. Consider approval of a contract by and between the City of Nacogdoches and Hydrex Environmental Consulting, LLC for Environmental Services for the Lanana and Banita Sewer Replacement Projects (CIP Projects WW-25-203 and WW-25-202) in the amount of \$468,350.00.

Case Opperman, the Director of Public Works and City Engineer, presented the request and staff report. He announced that Hydrex Environmental Consulting was selected for the Request for Qualifications (RFQ) related to environmental services for the long-anticipated Lanana and Banita Sewer Replacement Project. The study will encompass archaeological, cultural, endangered species, and soil assessments.

Mr. Opperman mentioned that 215 Consulting, our surveyor, and Hydrex have been collaborating on project alignments. This surveying effort is extensive, requiring thousands of person-hours over an estimated one to two-year period.

Mayor Johnson opened the floor for comments but received none.

Council Member Maule made a motion to approve the contract between the City of Nacogdoches and Hydrex Environmental Consulting LLC for environmental services related to the Lanana and Banita Sewer Replacement Project. Council Member Belanger seconded the motion, and it was approved unanimously.

Mayor Johnson announced the next item on the agenda.

- 6E. Consider approval of a contract by and between the City of Nacogdoches and Two Fifteen Consulting for Professional Surveying Services for the Lanana and Banita Sewer Replacement Projects (CIP Projects WW-25-203 and WW-25-202) in the amount of \$1,003,972.00.

Case Opperman, the Director of Public Works and City Engineer, presented the request and staff report regarding the Lanana and Banita sewer replacement project. Mr. Opperman noted that staff have been in discussions with Two-Fifteen, who have been selected as the surveyor for this project. Staff have met with Two-Fifteen several times, and they have conducted a thorough evaluation of the project, which is expected to take one to two years, or possibly longer, to complete. They also provided projections for the person-hours required to finish the project. Mr. Opperman said that the staff feels confident in the proposed fees from Two-Fifteen.

Mayor Johnson then opened the floor for comments, but there were none.

Council Member Belanger made a motion to approve the contract between the City of Nacogdoches and Two-Fifteen Consulting, as outlined in agenda item 6E. Council Member Huckaby seconded the motion, which received a unanimous affirmative vote.

Mayor Johnson announced the next item on the agenda.

- 6B. Consider allowing the City Manager to go into negotiations with Alliant Insurance Services as the benefits consultant/broker for the City's benefits.

Brittany Tucker-Veuleman, the Human Resources Director, presented a request and staff report to the Council. She recommended Alliant Insurance Services as the new benefits consultant broker. Mrs. Tucker-Veuleman explained that the City issued a Request for Qualifications (RFQ) for these services for the first time since the 1980s to ensure competitive pricing and modernized services. An evaluation committee reviewed eight submissions, interviewed five finalists, and narrowed the selection down to three before making the final recommendation. During the presentation, Mrs. Tucker-Veuleman used slides to outline the information.

She highlighted that Alliant Insurance Services, based in Houston, was chosen for its strong public-sector expertise, favorable cost comparisons, and high customer service ratings. The broker will assist employees directly with claims, onboarding, and open enrollment while helping the city negotiate better rates with vendors such as Blue Cross Blue Shield.

Council Member Huckaby inquired about the process that staff followed, and Mrs. Tucker-Veuleman explained it in detail.

Council Member Maule asked if the city had previously had a local representative. Mrs. Tucker-Veuleman confirmed this was the case and added that while the new company is based in Houston, it would still be considered local for the city.

Mayor Johnson then made a motion to authorize the City Manager to enter negotiations with Alliant Insurance Services to serve as the City's benefits consultant and broker. Council Member Huckaby seconded the motion, which received unanimous support from the Council.

7. **ADJOURNED:** 5:48p.m.

A full recording of the Regular City Council Meeting for May 19, 2026, may be viewed here: [Regular City Council Meeting – 20260519](#)

ATTEST:

Randy Johnson, Mayor
City Council
City of Nacogdoches

Karen Hadnot, City Secretary



Regular Session
Nacogdoches City Council
June 2, 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 opened the floor for public comments.

Ruby Woodard, who lives at 413 King Street, expressed her appreciation to the Council. She also raised concerns about the construction of a residential fence on King Street, noting that her neighbor would be seeking a variance for the fence.

4. ITEMS TO BE REMOVED FROM THE CONSENT AGENDA:

Council Member Belanger removed Consent Agenda Item 5D for further discussion.

Michael Neu, the Executive Director of Development and Infrastructure, addressed the request and provided an overview. He explained that the item under consideration is the approval of an FBO agreement with DrewAeros LLC to establish Category B FBO operations at the airport, which primarily involves plane rentals.

Mr. Neu noted that the operator has requested a variance to bypass standard requirements for a dedicated restroom, parking, and office space due to low operational volume and associated cost burdens.

The Airport Advisory Board unanimously approved of this variance on May 14th. The Board also recommended that the Council reevaluate current ordinances, as the frequency of variance requests suggests a need for updated codes. Council Member Belanger inquired about the number of planes the city has that operate under this model. Mr. Neu responded that there is one.

Council Member Belanger then made a motion to approve Consent Agenda Item 5D, as outlined in the agenda. Council Member Williams seconded the motion, which passed unanimously.

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 announced the next item on the agenda.

- 6A. Discuss and consider approval of a Professional Services Contract for design and build services for the Lake Nacogdoches West restroom project in an amount not to exceed \$124,000.00.

Jessica Sowell, Community Service Director, presented a request and staff report regarding a professional services contract with Cox Jones for the design and

construction of a replacement restroom. The previous structure had been severely damaged by a hollow tree.

The project budget is strictly capped at the insurance payout amount of \$124,000. Mrs. Sowell also shared slides illustrating the damage caused by the tree to the restroom.

To save costs, Mrs. Sowell noted that the parks staff will handle in-house demolition, the existing foundation and utilities will be reused, and leftover stainless-steel fixtures from previous project will be utilized.

Council Member Maule inquired about the cost of a prefabricated restroom, to which Mrs. Sowell replied that one prefab restroom costs \$275,000.

Council Member Belanger then made a motion to approve the Professional Services Contract for design and build services for the Lake Nacogdoches West restroom project, not to exceed the amount of \$124,000. Council Member Huckaby seconded the motion, and it was approved with a unanimous affirmative vote.

Mayor Johnson announced the next item on the agenda.

- 6B. Discuss and consider approval of the purchase of four (4) prefabricated restrooms from CorWorth Restroom Facilities for park restroom improvements (CIP Projects PR-24-201, PR-24-202, PR-24-203, and PR-24-205) for a total amount of \$1,143,515.00.

Jessica Sowell, the Community Service Director, presented a request and staff report regarding the purchase of four prefabricated restrooms from CorWorth Restroom Facilities for a total of \$1,143,515. She noted that this purchase is funded by the 2023 general bond election.

Mrs. Sowell explained that the proposal includes one larger unit for Banita Creek Park and three smaller units for Mill, McCrimmon, and Ritchie Parks. The production of these restrooms will take five months, followed by a one-week installation period for each site.

She also mentioned that the fifth planned restroom for Pioneer Park is temporarily delayed due to necessary sewer line repairs and poor road access for semi-truck deliveries. Additionally, Mrs. Sowell provided a slide presentation to the Council showing the restroom floor plans.

Mayor Johnson opened the floor for comments, but there were none.

Mayor Johnson then made a motion to approve regular agenda item 6B to purchase four prefabricated restrooms from CorWorth Restroom Facilities for park restroom improvements (CIP Projects PR-24-201, PR-24-202, PR-24-203, and PR-24-205). Council Member Huckaby seconded the motion, and a unanimous affirmative vote was recorded.

Mayor Johnson announced the next item on the agenda.

- 6C. Approval of Reimbursement Resolution for Capital Equipment Funded Through Tax-Exempt Lease-Purchase Financing with U.S. Bancorp Government Leasing and Finance, Inc.

Kevin Sardinha, Assistant Director of Finance, presented a request and provided the staff report. He introduced a reimbursement resolution for a fire apparatus that was recently purchased. This resolution authorizes tax-exempt lease-purchase financing with U.S. Bancorp Government Leasing and Finance Incorporated.

Mr. Sardinha explained that this financial strategy allows the city to maintain a strong equity position in the equipment replacement fund by issuing tax notes.

Mayor Johnson then opened the floor for comments, but none were made.

Council Member Huckaby made a motion to approve the reimbursement resolution as presented in regular agenda item 6C. Council Member Williams seconded the motion, which was then unanimously approved.

Mayor Johnson announced the next item on the agenda.

7. EXECUTIVE SESSION

The Mayor and Council entered Executive Session at 5:50 p.m. Council Member Belanger exited the session at 7:05 p.m.

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

No action taken on the Executive Session item.

Council Member Belanger was absent during the adjournment of the regularly scheduled council meeting.

9. ADJOURNED: 7:13p.m.

A full recording of the Regular City Council Meeting for June 2, 2026, may be viewed here: [Regular City Council Meeting – 20260602](#)

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 the purchase of services from T&K Fence Co. for safety rail installation under Wastewater Treatment Plant General Improvements (CIP Project WW-25-504), utilizing TIPS Cooperative Purchasing Contract No. 26010401, in the amount of \$49,000.00. (Director of Public Works/City Engineer)

SUMMARY/BACKGROUND: Water Utilities Division staff have procured a quote for the installation of approximately 1,400 linear feet of two-rail black pipe safety rail around the perimeter of the sewage circulating pond at the Wastewater Treatment Plant (WWTP) from T&K Fence Co. in the amount of \$49,000.00. They are a Nacogdoches-based company under a TIPS cooperative purchasing contract (TIPS Contract No. 26010401) which is exempt from the competitive bidding process under Texas Local Government Code Section 252.022(a)(12)(D). There is funding budgeted for this CIP project (WW-25-504) in the FY 2026 Utility Fund.

FINANCIAL:

Item is budgeted:

Account No.: 30.39 680.97

Account Name: *Wastewater Treatment - CIP*

Amount: \$49,000

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. Quote



QUOTE

The Professional Difference

5742 County Road 302
Nacogdoches, TX 75961-6726

Date: 5/28/2026

Quote No: TK-2026-WW01
TIPS Contract #: 26010401
Valid for 30 days

SUBMITTED TO

City of Nacogdoches
Wastewater Treatment Plant
Nacogdoches, Texas

PROJECT

Safety Rail Installation
Sewage Circulating Pond Perimeter
Approx. 1,400 Linear Feet

SCOPE OF WORK

Furnished through TIPS Cooperative Purchasing Contract #26010401, T&K Fence proposes to furnish all labor, materials, equipment, and supervision necessary to install approximately 1,400 linear feet of two-rail black pipe safety rail around the perimeter of the sewage circulating pond at the City of Nacogdoches Wastewater Treatment Plant. Posts shall be 2-7/8" black pipe (ASTM F1043), 4' in length, set approximately 2' below grade in concrete footings and approximately 2' above grade, positioned a few feet back from the sloped concrete bank in undisturbed soil. Rail shall be 1-7/8" black pipe with two (2) continuous rails and two (2) rail brackets per post. All work to be performed in accordance with facility safety requirements for the wastewater environment.

QUOTE SCHEDULE

Description	Amount
Furnish & install 2-rail black pipe safety rail, approx. 1,400 LF (material, footings, labor, equipment, mobilization)	\$46,500.00
Site safety provisions — PPE, hygiene logistics, and portable H2S / gas monitoring for wastewater environment	\$2,500.00
TOTAL	\$49,000.00

Unit basis: approximately \$35.00 per linear foot. Final quantity to be verified by field measurement.

CLARIFICATIONS & CONDITIONS

- This quote is furnished under TIPS Cooperative Purchasing Contract #26010401 and is consistent with the pricing terms of that award; purchase may be made by the City through the TIPS program.
- Pricing is based on installation in undisturbed soil set back from the concrete bank. Coring or anchoring into existing concrete, rock excavation, or unsuitable subsurface conditions are not included and would be priced separately.
- Quantity is approximate (1,400 LF) and subject to field verification; final billing adjusts to actual installed footage at the unit rate.

- Owner to provide clear site access, staging area, and locates for any underground utilities.
- This bid assumes standard prevailing site conditions. Bonding, prevailing-wage, or additional facility-specific safety/onboarding requirements, if applicable, are not included and will be addressed upon review of bid documents.
- Proposal valid for 30 days from the date above. Material pricing subject to supplier availability at time of order.
- Payment terms: net 30 days from invoice unless otherwise agreed.

Submitted by:

Accepted by (City of Nacogdoches):

T&K Fence
5742 County Road 302
Nacogdoches, TX 75961-6726

Signature / Date

Thank you for the opportunity to submit this proposal.



City Council Meeting

Date: June 16, 2026

Agenda Item: 5.C.

PRESENTER: Case Opperman, Director of Public Works

ITEM/SUBJECT: Consider approval of the purchase of a tractor from John Deere & Company for the Public Works Streets Division, utilizing Sourcewell Cooperative Purchasing Contract No. 082923-DAC, in the amount of \$51,051.64. (Public Works Operations Manager)

SUMMARY/BACKGROUND: Staff has procured a quote for the replacement of a tractor used in the Public Works Streets Division from John Deere & Company in the amount of \$51,051.64, which includes the trade-in of a non-functional, City-owned tractor. This equipment is listed under a cooperative purchasing contract (Sourcewell Contract No. 082923-DAC) which is exempt from the competitive bidding process under Texas Local Government Code Section 252.022(a)(12)(D).

FINANCIAL:

Item is budgeted:

Account No.: 60.60 680.25

Account Name: *Equipment Replacement Fund – General Fund*

Amount: \$ 51,051.64

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

Not Applicable

CITY CONTACT: Cary Walker - Public Works Operations Manager
walkercl@nactx.us
(936) 559-2582

ATTACHMENTS: 1. Quote

Prepared For

CITY OF NACOGDOCHES
FINANCE DEPARTMENT A.L.
MANGUM JR. REGIONAL AIRPORT

FINANCE DEPARTMENT PO BOX
635070

NACOGDOCHES, TX 759635070

(936) 559-2528

Prepared By

Gunner Fleming

United Ag & Turf

3927 NW Stallings Drive

Nacogdoches, TX 75964

936-564-7303

GunnerFleming@unitedagt.com

Quote Id 2188243

Creation Date 03-Jun-2026

Expiration Date 03-Jul-2026

Customer Notes

Account # 139280

MAKE PO TO : United Ag & Turf
7736 Central Park Dr
Waco Tx 76712

Quote Summary

Equipment Summary	Suggested List	Selling Price	QTY In Group	Extended
5075E Cab Utility Tractor	\$63,924.00	\$55,051.64	1	\$55,051.64
Contract: Sourcewell Ag 082923-DAC (PG BA CG 76)				
Equipment Total				\$55,051.64
<hr/>				
Trade In Summary				Extended
2009 John Deere 5065E - PY5065U000308				\$4,000.00
Final Trade Allowance				\$4,000.00
<hr/>				
Quote Summary				
Total Selling Price				\$55,051.64
Total Trade-In Allowance				(\$4,000.00)
Trade Difference				\$51,051.64
Sub-total				\$51,051.64
Balance Due				\$51,051.64

Salesperson : X _____

Accepted By : X _____

Selling Equipment

Quote # 2188243

Customer CITY OF NACOGDOCHES FINANCE DEPARTMENT A.L. MANGUM JR. REGIONAL AIRPORT

5075E Cab Utility Tractor

QTY In Group : 1

Hours	---	Suggested List
Serial Number	---	\$63,924.00
Stock Number	---	Selling Price
Contract	Sourcewell Ag 082923-DAC (PG BA CG 76)	\$55,051.64
PUK Parent Serial #		Discount Amount
		(\$8,872.36)

Equipment Summary

Code	Description	Qty	List Price	Discount %	Discount \$	Adjusted Selling Price
08C1LV	5075E Cab Utility Tractor	1	\$47,711.00	14.0%	(\$6,679.54)	\$41,031.46

Base / Options

Code	Description	Qty	List Price	Discount %	Discount \$	Adjusted Selling Price
0202	United States	1	\$0.00	14.0%	\$0.00	\$0.00
0409	English Operator's Manual	1	\$0.00	14.0%	\$0.00	\$0.00
0500	Less Package	1	\$0.00	14.0%	\$0.00	\$0.00
183N	JDLINK™ Modem	1	\$0.00	14.0%	\$0.00	\$0.00
2050	Standard Cab	1	\$0.00	14.0%	\$0.00	\$0.00
1381	PowerReverser™ 12F/12R Transmission with 540/540E PTO	1	\$3,592.00	14.0%	(\$502.88)	\$3,089.12
3420	Dual Mid Valves with Mechanical Joystick Control	1	\$1,559.00	14.0%	(\$218.26)	\$1,340.74
3310	Single Mechanical Stackable Rear SCV	1	\$0.00	14.0%	\$0.00	\$0.00
6040	Mechanical Front Wheel Drive (MFWD)	1	\$7,103.00	14.0%	(\$994.42)	\$6,108.58
5185	16.9-28 In. 6PR R1 Bias	1	\$0.00	14.0%	\$0.00	\$0.00

6111	11.2-24 10PR R1 Bias	1	\$1,517.00	14.0%	(\$212.38)	\$1,304.62
1725	Loader Prep Package	1	\$1,892.00	14.0%	(\$264.88)	\$1,627.12
Total Base / Options			\$63,374.00		(\$8,872.36)	\$54,501.64

Dealer Attachments

Code	Description	Qty	List Price	Discount %	Discount \$	Adjusted Selling Price
Open Market	water rear tires Serial Number: --- Stock Number: ---	1	\$550.00	0.0%	\$0.00	\$550.00
Total Dealer Attachments			\$550.00		\$0.00	\$550.00
Selling Price Subtotal						\$55,051.64
Total Selling Price			\$63,924.00		(\$8,872.36)	\$55,051.64

PRESENTER: Case Opperman, Director of Public Works

ITEM/SUBJECT: Consider selection of the submission by Pape-Dawson in response to solicitation RFQ 26-10-136 for Professional Services associated with Texas Water Development Board funding requests, grant administration, and project administration under the Water Supply and Infrastructure Grants program. (Director of Public Works/City Engineer)

SUMMARY/BACKGROUND:

House Bill 500, passed during the previous Legislative Session (89th), appropriated more than \$1 billion for water supply and infrastructure projects to the Texas Water Development Board (TWDB). The TWDB will provide this funding in the form of 100% grants to eligible cities, counties and other political subdivisions for projects that address water loss, TCEQ violations or provide additional water supply which could include upgrading or replacing existing water systems. For cities of our size, the funding cap per project is \$21 million, however awarded projects must be completely constructed by February 2031. Due to this constricted timeline, City staff has identified several potential projects from the Water CIP which we believe could feasibly be designed, easements acquired, and the project constructed between 2027 and the end of 2030 with the most likely candidate being a large diameter transmission line replacement between the Southwest Pump Station and the west loop, estimated to cost between \$7-8 million. Projects will be evaluated and scored by the TWDB based on several criteria including the Water Provider's service area's Annual Median Household Income (AMHI) and population. Applications for this funding are due on July 30, 2026 with commitments starting in the Fall of 2026.

The City recently sent out a Request for Qualifications (RFQ) for professional services for this grant opportunity. The consultant will be responsible for all professional services related to this grant including submission of the application by the deadline, all related grant administration services, planning and design of the selected project, any easement documentation necessary, and bidding and construction administration services. Three (3) submissions were received for these services on June 2. City staff evaluated the submissions based on criteria such as firm experience in similar projects, grant program management, professional engineering services and proposed project approach. An accumulation of independent scoring by staff found Pape-Dawson to be the firm most qualified to perform these services.

Staff recommends selection of Pape-Dawson for this professional services contract. Once selected, the Consultant will work to submit the application to TWDB for the City. Upon project grant award, a contract for professional services would be negotiated and brought to City Council for 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. Scoring
2. PowerPoint

City of Nacogdoches TWDB Grant Water Supply and Infrastructure RFQ Evaluation

		Bleyl Engineering	Pape Dawson	Stokes & Associates
40	Firm or Team Introduction Summary of administration, organization and staffing of firm Organizational Chart. Prior Experience working in Nacogdoches and for the City Team members within 100 miles of Nacogdoches	29	40	32
160	Grant Program Management Demonstrate the competence and qualifications of the firm(s) directly responsible for the management and delivery of the grant program.	125	147	107
120	Professional Engineering Services Firms must demonstrate the competence and qualifications and must possess the skills, experience and staffing services.	120	120	114
80	Proposed Approach for the Project Work Plan for accomplishing the Scope of Work on proposed.	75	80	75
400	TOTAL POINTS	349	387	328

Texas Water Development Board (TWDB) Water Supply & Infrastructure Grants (WSIG) Professional Services Item 6A

Case Opperman, PE
Director of Public Works & City Engineer

...

June 16, 2026

No
Image

House Bill 500 (89th Legislative Session)

- **\$1 billion+ to TWDB for water supply and infrastructure projects**
- **100% grants to eligible cities, counties, other political subdivisions**
- **Projects must address water loss, TCEQ violations or provide additional water supply**
 - **Can include upgrading or replacing existing water systems**
- **Applications due July 30, 2026**
- **Commitments starting in Fall 2026**
- **Awarded projects must be completely constructed by February 2031**

Professional Services for TWDB WSIG

- **Request for Qualifications (RFQ #26-10-136) released May 2026**
- **Scoring criteria – firm experience, grant program management, engineering services, proposed project approach**
- **Three (3) Submissions received June 2 for Professional Services**
- **Independent staff scoring identified Pape-Dawson as most qualified**
- **If selected, Pape-Dawson would work to submit application to TWDB by deadline**
- **Upon grant award, contract for professional services negotiated and presented to City Council**

Questions?



PRESENTER: Brittany Tucker, Director of Human Resources

ITEM/SUBJECT: Consider approval of a contract by and between the City of Nacogdoches and Alliant Insurance Services to provide employee health benefits consulting, as described in solicitation RFQ-26-10-106, for a term of three (3) years in the total contract amount of \$210,000.00. (HR Director)

SUMMARY/BACKGROUND: City staff charged with securing annual employee benefits are seeking approval of a recommendation to select Alliant Insurance Services (Alliant) as the one who best meets our needs and is the most suitable benefits brokerage firm to assist in the acquisition of City employee benefits.

After multiple rounds of evaluations, presentations and consideration, the evaluation committee consisting of HR and Finance staff have selected Alliant as the recommended firm. Alliant will serve as the broker/consultant for the City and select the best carriers for the City's employee benefits package. Alliant is a full-service brokerage consultancy that offers many qualities that the evaluation committee found suitable to serve as the City's employee benefits consulting firm.

If approved, Alliant will serve as the City's benefits broker after proper notice.

FINANCIAL:

Contract fee is \$70,000 per year for a 3-year term. Item is budgeted:

Account No.: 65.75.630.66

Account Name: *Health Insurance Admin Fees*

Amount: \$845,493.00

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

CITY CONTACT: Brittany Tucker, Director of Human Resources

ATTACHMENTS: 1. Client Service Agreement

This Consulting Services Agreement (“**Agreement**”) is effective June 16, 2026 (“**Effective Date**”) between Alliant Insurance Services, Inc., a California corporation with its principal place of business at 18100 Von Karman Ave., 10th Floor, Irvine, CA 92612 (“**Alliant**”), and City of Nacogdoches, a Texas municipal unit of government with its principal place of business at 202 E Pilar St, Nacogdoches, TX 75961 (“**Client**”). Alliant and Client may be referred to in this Agreement individually as a “**Party**” and together as the “**Parties**.” The schedules, attachments and exhibits referenced in and attached to this Agreement shall be deemed an integral part of this Agreement and the term Agreement as referenced herein shall include all schedules, attachments and exhibits. In the event any inconsistency or conflict exists between the provisions of this Agreement and any schedules, attachments or exhibits attached hereto, the provisions of this Agreement shall supersede the provisions of any such schedules, attachments or exhibits.

1. Services.

a. Scope of Services. Alliant shall provide the services described in Schedule I (collectively, “**Services**”) for Client’s employee benefit plan(s) for which Alliant is designated as the broker of record (“**Plan(s)**”).

b. Services Warranty. Alliant warrants that the Services will be performed in a professional manner by appropriately qualified personnel in accordance with applicable laws and generally accepted industry practices. This warranty is contingent upon Client’s timely provision of complete and accurate information as required under Section 3. Alliant disclaims all other warranties, express or implied, including warranties of title, merchantability or fitness for a particular purpose.

2. Compensation Disclosure. In consideration for the Services, Alliant shall receive, and disclose to the Client, the compensation it receives pursuant to this Agreement in Schedule II.

3. Client Obligations.

a. Service-Specific Obligations. Client shall be responsible for all client obligations identified in Schedule I.

b. Client-Provided Information. Client shall, promptly after the Effective Date and thereafter upon Alliant’s request, provide all information requested by Alliant that may be necessary for Alliant to perform the Services, including, without limitation, information about Client, Client’s existing employee benefits plans, loss experience, and risk exposures; provided that, Client shall not provide Alliant with any individual’s personally identifiable information unless Alliant specifically requests such information to perform the Services. Client acknowledges that Alliant relies on such Client-provided information to perform the Services. Client confirms that all information it provides to Alliant will be complete and accurate.

c. Material Changes. Client shall promptly report to Alliant in writing any significant changes in exposures, loss-related data, Client’s operations, coverages or limits, lines of coverage, or any other change that will change the scope or nature of Client’s insurance plans.

d. Review. Client shall promptly review coverage documents, templates, and other documents for the Plan(s) provided by Alliant, the insurer, or the third-party administrator (“**TPA**”), to ensure that the documents are consistent with Client’s specifications. Client shall promptly inform Alliant of any

discrepancies or required changes.

- e. **Delay.** Client shall perform its obligations under this Section 3, including the obligation to provide all information requested by Alliant, as soon as practicable but no later than the dates agreed upon by Alliant and Client. Alliant is not liable for any delay or partial performance in performing the Services to the extent such delay or partial performance arises from Client's delay in performing its obligations under this Section 3 or promptly making decisions related to the Plan(s).

4. **Disclaimers.**

- a. **Not Legal or Tax Advice.** Alliant is not responsible for Client's compliance with any laws, regulations, and/or statutes affecting the Plan(s). None of the services, advice, recommendations, or communications provided by Alliant constitutes legal or tax advice, analysis, or opinion, and Client shall not interpret or rely on any of Alliant's Services, advice, recommendations, or communications as legal or tax advice, analysis, or opinion.
- b. **No Fiduciary Relationship.** Alliant will not have discretionary authority or discretionary control with respect to the administration or management of any of the Plan(s). Alliant also will not have authority to exercise any discretion or control with regard to the management, use, or disposition of any assets of the Plan(s) and will not render any investment advice with respect to the Plan(s) or any assets of the Plan(s). Alliant does not provide services as a fiduciary of the Plan(s), and its performance of the Services will not make it a "fiduciary" for purposes of the Employee Retirement Income Security Act of 1974 ("**ERISA**"), as amended. Client shall not represent that Alliant is a fiduciary for purposes of ERISA.
- c. **Plan Recommendations and Funding.** Any plans or plan provisions recommended by Alliant are solely recommendations, and Client, not Alliant, has the ultimate authority to select and modify the plans. Alliant shall have no responsibility, risk, liability, or obligation for funding the Plan(s). All responsibility, risk, liability, and obligation for funding the Plan(s) lies solely with the Plan(s) and the plan sponsor(s).
- d. **Other Brokers.** Alliant is not responsible for, and hereby disclaims all liability for, any acts, errors, and/or omissions of Client's previous or current brokers, consultants, and/or advisors. If Client has any employee benefits plan(s) for which Alliant is not the broker of record, Alliant is not responsible for performing any services with respect to such plan(s) and hereby disclaims all liability for any acts, errors, and/or omissions of Client's other brokers, consultants, and/or advisors.

5. Confidentiality.

- a. **Definitions.** The Services and work product exchanged by the Parties under this Agreement are to be used exclusively to carry out the terms, conditions, and purposes set forth in this Agreement. During the Term, the Parties may each exchange information considered confidential, proprietary, and/or trade secret, including, without limitation, financial information, pricing information, intellectual property, ideas, concepts, systems, designs, research and technical information, business and operational policies, plans, processes, procedures and strategies, system design and operating specifications, data, recommendations, proposals, reports and similar information (collectively, “**Confidential Information**”). Confidential Information specifically includes the compensation information contained in Schedule II and any amendments or addendums to this Agreement containing information on the compensation Alliant receives under the terms of this Agreement. For purposes of this Section 5, the Party disclosing Confidential Information is the “Disclosing Party” and the Party receiving Confidential Information is the “**Receiving Party**”.
- b. **Exclusions.** Confidential Information does not include information that is (i) in, or that becomes part of, the public domain other than as a result of a breach of this Section 5; (ii) independently developed by the Receiving Party as demonstrated by its records; (iii) lawfully known by the Receiving Party, without any obligation of confidentiality or other restriction on use or disclosure, prior to disclosure of the information by Disclosing Party; or (iv) disclosed by a third party whom the Receiving Party has no reason to believe has any confidentiality or fiduciary obligation to such information’s owner.
- c. **Legal Compulsion.** A Receiving Party may disclose Confidential Information only to the extent necessary to comply with a valid order of a court or governmental agency with proper jurisdiction or as required by law or regulation; provided that, the Receiving Party shall, to the extent allowed by law, promptly advise the Disclosing Party of the order, subpoena, or request in order to enable the Disclosing Party to employ lawful means to avoid or limit disclosure. Either Party is also entitled to release Confidential Information as required to prosecute or defend any claim under this Agreement; provided however, that the Party seeking to release or use the information shall take all reasonable steps necessary to avoid disclosing Confidential Information, including filing documents and papers under seal.
- d. **Non-Disclosure; Reasonable Efforts.** Except as otherwise provided in this Agreement or as required by applicable law, a Receiving Party shall not distribute, use, or rely upon Confidential Information without the Disclosing Party’s permission. Additionally, except as otherwise provided in this Agreement, a Receiving Party shall not directly or indirectly communicate, divulge, or otherwise disclose the Confidential Information to any unauthorized person or entity. The Parties shall employ reasonable and customary business practices to protect and secure Confidential Information from unauthorized release or distribution and to limit access and usage of Confidential Information to those employees, officers, directors, agents, subcontractors, representatives, and advisors (including, without limitation, attorneys, accountants, and financial advisors) (collectively, its “Representatives”) who have legitimate “need to know” the information in order to perform under this Agreement and who are bound by obligations of confidentiality no less restrictive than this Section 5. The Receiving Party will be liable for any breach of this Agreement by any of its Representatives. Notwithstanding anything in this Section 5 to the contrary, Client agrees and acknowledges that Alliant may also disclose Client’s Confidential Information to Client’s insurers, underwriters, and other recognized intermediaries and administrators solely as needed to market and service Client’s Plan(s), insurance programs, or portions thereof; provided, however, that Alliant shall first inform such recipients of the confidential nature of the information.

- e. **Ownership of Confidential Information.** Except as otherwise provided in this Agreement, Confidential Information is and remains the absolute and exclusive property of the Disclosing Party and its unique and variable asset.
- f. **Return or Destruction of Confidential Information.** Upon this Agreement's termination or earlier upon the Disclosing Party's written request, the Receiving Party shall promptly return or destroy all Confidential Information, including all copies, received in non-electronic form and shall destroy all information received electronically. Notwithstanding anything to the contrary in this Agreement, the Receiving Party may retain copies of Confidential Information in order to comply with legal or regulatory requirements and any electronic files automatically saved pursuant to its archiving and document retention procedures and that cannot reasonably be deleted; with respect to all such retained copies, the Receiving Party will remain subject to the confidentiality obligations stated in this Section 5 for so long as the copies are retained.
- g. **Business Associate Agreement.** To the extent applicable, if the performance of this Agreement involves the use or disclosure of Protected Health Information ("PHI"), as that term is defined in 45 C.F.R. § 160.103, then the Parties acknowledge and agree to comply with the Business Associate Agreement, attached as an exhibit to this Agreement and hereby incorporated by reference.
- h. **Survival.** The obligations contained in this Section 5 will survive termination of this Agreement for a period of two years or longer as required by law. Nothing in this section limits or otherwise diminishes the protections afforded to trade secret information or by applicable law.
- i. **Injunctive Relief.** A breach of this Section 5 may cause irreparable injury to a Disclosing Party. For this reason, in the event of a breach, a Disclosing Party is entitled to seek injunctive relief or other equitable relief, without prejudice to any other remedies that may be available.

6. Licenses and Ownership.

- a. **Media License.** To the extent that Alliant will prepare benefit brochures, open enrollment materials, or other benefit communications for Client's employees (collectively, "**Benefit Materials**"), and Client has or will provide photographs, images, other media, trademarks, and/or logos (collectively, "**Media**") to include in the Benefit Materials, Client hereby grants Alliant a worldwide, royalty-free, non-exclusive, sublicensable right and license to use the Media solely in the Benefit Materials. This license includes the right to use, reproduce, edit, crop, retouch, distribute, and create derivative works of the Media as needed to incorporate the Media into the Benefit Materials and to otherwise prepare and distribute the Benefit Materials. Client represents and warrants that (i) it is the owner of the Media or has the right to grant Alliant the licenses to use the Media, free of all liens, claims, and encumbrances; and (ii) Alliant's use of the Media as specified in this Agreement will not infringe the rights, including the personal or proprietary rights, of any other party.
- b. **Other Client Information.** Client hereby authorizes and grants Alliant the right to use all Client-provided information solely as necessary to provide the Services. Client represents and warrants that it has or will obtain the necessary consents from each individual before providing or otherwise disclosing any of the individual's personally identifiable information to Alliant.
- c. **Ownership.** Except as otherwise expressly stated in this Agreement, Client will retain all ownership rights in the Media and other Client-provided information. Alliant will retain all ownership rights to all

information, data, benefit analysis, materials, specifications, and products supplied by Alliant (collectively, “**Work Product**”), together with all intellectual property rights in the Work Product. Work Product is solely for use by Client and its Plan(s) and may not, without Alliant’s prior written consent, be shared with anyone other than Client’s employees and advisors who have a legitimate need to know as a result of their services to the Plan, Plan participants and beneficiaries, or as required by law, but in no event may the Client share the Work Product with any third party for the purpose of creating derivative works or competitive products.

7. **Term and Termination.**

- a. Term.** Unless terminated in accordance with this Section 7, this Agreement will have an initial term of three (3) years from the Effective Date (“**Initial Term**”), after which it will automatically renew for successive one-year periods (“**Renewal Term(s)**”). The Initial Term and all Renewal Term(s) are collectively the “**Term.**”
- b. Termination.**
- i. **For Convenience.** Either Party may terminate this Agreement by notifying the other Party in writing of its intent not to renew the Agreement at least sixty (60) days before the end of the Initial Term or the then-current Renewal Term. Additionally, during any Renewal Term, either Party may terminate this Agreement for any reason upon ninety (90) days’ prior written notice.
 - ii. **For Cause.** During the Initial Term or any Renewal Term, either Party may terminate this Agreement if the other Party’s material breach remains uncured for thirty (30) days following its receipt of the terminating Party’s written notice of the breach.
 - iii. **Immediate Termination.** Either Party may terminate this Agreement immediately upon written notice if the other Party becomes insolvent, makes an assignment for the benefit of creditors, or files for bankruptcy.
- c. Final Fees.** No later than thirty (30) days after this Agreement’s termination, Alliant shall issue a final invoice for any services performed and expenses incurred by Alliant on or before the Agreement’s effective date of termination and that remain payable by Client. The Client shall pay such invoice within forty-five (45) days of its receipt of the invoice.
- d. Survival.** Except as otherwise stated in this Agreement, the rights and obligations contained in Sections 5, 6, 7, 8, 9, and 10 of this Agreement shall survive the termination of this Agreement.

8. **Indemnification.**

- a. Claims Subject to Indemnification.** With respect to any action, claim, suit, investigation, or proceeding brought by a third party and that arises out of this Agreement (each, a “**Third Party Claim**”), and to the extent permitted by the Constitution and laws of the State of Texas, each Party (“**Indemnitor**”) shall indemnify, defend, and hold harmless the other Party, including its affiliates and each of their officers, directors, employees, and assigns (each, an “**Indemnitee**”), from and against all losses, damages, claims, fines, penalties, costs, and expenses (including reasonable attorneys’ fees) (collectively, “**Losses**”) arising out of that Third Party Claim to the extent the Losses resulted from the Indemnitor’s breach of this Agreement, negligence, willful misconduct, and/or violation of applicable law or regulation.

b. Process. Indemnitee shall promptly notify Indemnitor in writing of any claims subject to indemnification under this Section 8, provided that Indemnitee’s delay in providing such notice will not relieve Indemnitor of its indemnification obligations except to the extent that Indemnitor is materially prejudiced by the delay. Indemnitor, at its sole expense, will have the right to control the defense and settlement of the claim. Indemnitor may settle or consent to the entry of any judgment with respect to any claim involving only the payment of money, but shall not, without the Indemnitee’s prior written consent, which shall not be unreasonably withheld, settle any other claim or consent to any judgment that obligates Indemnitee to take any independent action or pay money. Indemnitee shall reasonably cooperate with the Indemnitor, at Indemnitor’s expense, in connection with the defense of any claim subject to this Section 8 and shall, at the Indemnitor’s expense, provide all information reasonably requested for defense of such claim. The Indemnitee may, at its own expense, retain separate counsel and participate in (but not control) any action under this Section 8.

9. LIMITATION OF LIABILITY. NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES ARISING OUT OF THIS AGREEMENT, EVEN IF THAT PARTY KNOWS OF THE POSSIBILITY OF SUCH DAMAGES. ADDITIONALLY, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR DAMAGES OF ANY KIND IN AN AMOUNT IN EXCESS OF THE TOTAL AMOUNT PAID OR PAYABLE TO ALLIANT FOR THE SERVICES IN THE TWELVE-MONTH PERIOD PRECEDING THE INCIDENT GIVING RISE TO SUCH LIABILITY. NOTWITHSTANDING THE FOREGOING, NOTHING SHALL LIMIT A PARTY’S LIABILITY RESULTING FROM THE PARTY’S FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

10. Miscellaneous.

a. Independent Contractor. Alliant is an independent contractor for Client. This Agreement does not create a partnership, joint venture, franchise, employment, or any agency relationship between the Parties. Neither Party has any authority to act on behalf of the other Party or bind the other Party in any respect; provided, however, that Alliant has the authority to act as a broker on behalf of Client as contemplated hereunder.

b. Notice. All notices given under this Agreement shall be in writing and deemed given: (i) on the business day when delivered personally; (ii) one business day after being sent by a reputable overnight courier services (charges prepaid); or (iii) five business days after being sent by certified mail (charges prepaid). Notices must be sent to the Party’s following address or any other address that the Party designates by proper notice:

<p>If to Client: City of Nacogdoches 202 E Pilar St Nacogdoches, TX 75961 Attn: City Manager</p>	<p>If to Alliant: Alliant Insurance Services, Inc. 3600 N Capital of Texas Hwy Building B Austin, TX 78746 Attn: Clint Scott</p> <p>With a copy to: Legal Department (EB) 701 B Street, 6th Floor San Diego, CA 92101 ContractsAdministration@alliant.com</p>
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c. Governing Law; Waiver of Jury Trial; Venue. This Agreement will be governed by and construed in

accordance with the laws of Texas without regard to its conflicts of law principles, and the Parties each consent to the exclusive jurisdiction of the state and federal courts in Nacogdoches, Texas and waive to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement.


- d. **Assignment.** Neither Party may assign this Agreement without the prior written consent of the other Party, except that prior written consent will not be required for a Party to assign this Agreement to its successor in interest in connection with a merger, consolidation, reorganization, or sale of substantially all that Party's assets. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the Parties and their permitted successors and assigns.
- e. **Waiver.** A Party's failure to enforce any provision of this Agreement shall not be construed as a waiver of that provision and shall not prevent the subsequent enforcement of each and every provision of this Agreement.
- f. **No Third-Party Beneficiaries.** Except as stated in this Agreement, this Agreement does not create any right or cause of action in or on behalf of any person or entity other than the Parties.
- g. **Counterparty; Electronic Signature.** This Agreement may be executed in several counterparts, each of which so executed will be deemed to be an original, and such counterparts together will constitute one and the same instrument. The Parties acknowledge and agree that this Agreement may be executed by electronic signature, which will be considered as an original signature for all purposes and shall have the same force and effect as an original signature.
- h. **Entire Agreement; Amendments; Severability.** This Agreement, together with its attached Initial SOW and exhibits, constitutes the entire agreement between the Parties relating to its subject matter and supersedes all prior or contemporaneous agreements, negotiations, representations and proposals of any kind, whether written, oral, express or implied, related to its subject matter. Any modification to this Agreement must be in writing and signed by authorized representatives of both Parties. If any provision of this Agreement is declared invalid by a court of competent jurisdiction, that provision will be severed from this Agreement without affecting the validity or enforceability of all other provisions of this Agreement, which will remain in full force and effect.
- i. **Construction.** The Parties jointly negotiated the terms of this Agreement, and each Party had an opportunity to review and discuss each provision with legal counsel, to the extent desired. Therefore, the normal rule of construction that construes any ambiguities against the drafting party shall not be employed in the interpretation of this Agreement.
- j. **Authority.** Each person signing this Agreement warrants that he or she is authorized to enter into this Agreement on behalf of the Party he or she represents.

SO AGREED:

City of Nacogdoches

By: _____
Name:
Title:

Alliant Insurance Services, Inc.

By:  _____
Name: CLINT L. SCOTT
Title: EVP, AD

SCHEDULE I Services

1. **Plans and Lines of Coverage.** The services set forth in Schedule I.a. apply to the following Client's current group benefits programs. Core benefits included:

- Medical benefit plans
- Pharmacy benefit plans
- Stop loss insurance
- Dental benefit plans
- Vision benefit plans
- Employee Assistance Programs
- Life and Accident insurance plans
- Disability insurance plans
- Administrative plans (does not include provision of actual TPA services)
- Flexible Spending Accounts
- Health Savings Accounts ("**HSA**")
- Wellness plans
- Voluntary benefits plans

A. Standard Services

Service	Frequency
Overall Strategy	
Set/review goals and objectives against financial strategies	Annually
<ul style="list-style-type: none"> Evaluate market trends, competitive environment, and culture 	Annually
<ul style="list-style-type: none"> Develop/refresh multiyear strategic glide path and financial plan to support goals and objectives 	Annually
<ul style="list-style-type: none"> Benchmark plan designs, costs and contributions 	Annually
<ul style="list-style-type: none"> Facilitate planning meetings and prepare executive-level documents as necessary 	Annually
<ul style="list-style-type: none"> Evaluate funding and risk retention strategies 	As Needed
<ul style="list-style-type: none"> Develop and manage service/benefit calendar 	Annually
Financial and Renewal Management	
Deliver expected vs. budget reports including claim experience, fixed fees, and high-cost claims	Monthly
<ul style="list-style-type: none"> Prepare pre-renewal analysis to inform renewal strategy 	Annually
<ul style="list-style-type: none"> Initiate renewals with vendors, negotiate annual rates and terms and conditions 	Annually
<ul style="list-style-type: none"> Conduct self-insured underwriting analysis 	Annually
<ul style="list-style-type: none"> Price plan design alternatives 	Annually
<ul style="list-style-type: none"> Develop employer premiums and calculate COBRA rates 	Annually
<ul style="list-style-type: none"> Model employee contributions 	Annually
<ul style="list-style-type: none"> Develop budget projections 	Annually
<ul style="list-style-type: none"> Calculate annual reserve (IBNR) estimates 	Annually
Marketing and Placement Support	
Prepare request for proposals (“RFP”) - evaluate potential vendors and develop bid specifications	As needed
<ul style="list-style-type: none"> Conduct detailed bid analysis – compare financial and quality responses, review plan designs, evaluate alternative cost and funding alternatives, negotiate performance guarantees 	As needed
<ul style="list-style-type: none"> Facilitate finalist meetings and scorecard analysis; negotiate best and final rates 	As needed
<ul style="list-style-type: none"> Implementation support: facilitate project plan management, review administrative agreements and contract terms and conditions 	As needed
Conduct network discount and disruption analysis	As needed
Vendor Management	
Manage and regularly evaluate insurance carrier and service provider relationships	Ongoing
<ul style="list-style-type: none"> Conduct utilization review meetings 	Semi-annually
<ul style="list-style-type: none"> Support escalated claim or plan design issues 	As needed
<ul style="list-style-type: none"> Review plan document changes (contracts, policies, SBCs) 	Annually
Health, Well-Being Productivity	
Develop well-being strategy (including incentive design) in combination with annual benefit objective setting and strategy discussions	Annually
<ul style="list-style-type: none"> Assist in navigating the vendor landscape as it pertains to well-being programs and point solutions 	Ongoing

Service	Frequency
<ul style="list-style-type: none"> Support marketing of vendors 	As needed
<ul style="list-style-type: none"> Provide access to standard communication toolkit including monthly newsletter, annual communications calendar, health educational flyers and pamphlets on relevant health conditions and well-being initiatives 	As needed
<ul style="list-style-type: none"> Share clinical opinion guides and infographics on common topics such as preventive care, cancer, diabetes, stress, screenings and biometrics 	As needed
<ul style="list-style-type: none"> Support annual review of program engagement, participation and outcomes reports and provide feedback and recommendations 	As needed
<ul style="list-style-type: none"> Provide templates for employee and employer surveys and assessments 	As needed
Compliance	
Offer ongoing education through webcasts, podcasts, white papers, and legislative alerts	Ongoing
Provide daily Q&A support by designated Alliant compliance consultant on client’s group health plan compliance questions, e.g. ERISA, COBRA, HIPAA, ACA, section 125, etc.	Ongoing
Prepare 5500s, SARs, and PCORI fees	Annually
Provide consolidated annual notices package that includes the main Federal requirements including Medicare Part D, HIPAA privacy, Women’s Healthcare Rights Act	Annually
Provide template documents for ERISA compliance including wrap plan documents, SPD’s, Summary Material Modifications, COBRA model notices, customizable HIPAA Privacy and Security policies and procedures	As needed

B. Analytics Services

Service	Frequency
Financial Services	
Underwriting service and support on self-funded medical plan, including models and assumption recommendations	As needed
IBNR development	Once annually
Migration analysis, including advice on potential enrollment changes based on plan structure	Once annually
Contribution analysis, including advising on potential employee contribution structure to achieve strategic goals	Once annually
Plan design change analysis	As needed
Creditable coverage analysis—Medicare or state specific	Once annually
Provide financial impact of new regulation	As needed
Carrier change discount database comparison (major carrier networks only)	Once annually
Track and monitor stop loss claim reimbursements through plan year	As needed
Trend analysis	Once annually

SCHEDULE II COMPENSATION DISCLOSURE

As consideration for the Services Alliant provides pursuant to this Agreement, Alliant will receive the compensation set forth below. To the extent applicable, this compensation information is disclosed pursuant to ERISA section 408(b)(2), and in order for Client to comply with its fiduciary duty under ERISA to determine the reasonableness of the compensation Alliant will receive under the Agreement.

Alliant may be paid both direct and indirect compensation for the Services provided. Indirect compensation may include both base and contingent commissions from certain insurance carriers. Contingent commissions are generally calculated at the calendar year end and contingent upon a number of factors not directly related to Client’s plan. Whether Alliant receives contingent commissions is a decision made exclusively by each carrier based on their own unique set of factors. These factors include the overall number of employer plans and/or plan participants in plans for which Alliant placed insurance, and retention rates, among others. In general, payment of contingent commissions does not impact your plans’ premiums. Historically, these contingent commissions are in the ranges noted in the table below. Alliant uses this contingent and supplemental compensation to staff and resource proprietary programs specifically designed to maximize the performance of your plan and provide the highest quality experience for your employees and their dependents.

1. Direct Compensation.

- a. **Fees.** Client shall pay Alliant the following fees for the Services set forth above.

The fee for the standard Services will be \$5,833.33 per month.

Policy Year	Fee
June 1, 2026 – May 31, 2027	\$70,000
June 1, 2027 – May 31, 2028	\$70,000
June 1, 2028 – May 31, 2029	\$70,000

- b. **Payment.** Client shall pay any fee hereunder within forty-five (45) days of its receipt of Alliant’s invoice.

2. Indirect Compensation.

Projected Base Compensation			
Carrier/ Vendor	Funding Type	Line of Coverage	Base Compensation
		Voluntary Benefits	Level 25%

- a. **Contingent Commission Opt Out.** As set forth above, Alliant may receive income as a result of contingent commission agreements with certain insurance carriers. Client may opt-out of having its plan premiums included in the calculation of these contingent commissions by accessing the “opt-out” form from the link on Alliant’s website: <http://www.alliant.com/Legal-Notices/Pages/Disclosure-Policy.aspx>. The parties acknowledge that these commissions, if any, are determined by insurance carriers, and if the Client does not opt-out, it remains the carriers’ exclusive decision to include or exclude certain premiums in any calculation. The availability of information related to the carriers’ decision-making process on the payment of these contingent commissions is solely within the discretion of each insurance carrier. Note that if your organization has opted out of contingent or override commissions, Alliant returns those commissions to the carrier per the opt-out request, if received.
- b. **Noncash Compensation.** Alliant may, as is standard in the industry, receive certain non-cash compensation from Plan insurance carriers, vendors, and service providers that is not connected to any particular employer plan or Alliant client. Provision of non-cash compensation is solely within the discretion of the entity providing Alliant the non-cash compensation. This compensation can include gifts valued at less than \$100 annually, an occasional dinner, or ticket to a sporting event, or other entertainment, or reimbursements in connection with educational meetings or training events, client workshops or events, or marketing or advertising initiatives. Plan vendors, insurance carriers, and service providers may also occasionally pay or reimburse Alliant for the costs associated with, education or training events that certain Alliant team members attend, and for Alliant sponsored conferences and events.
- c. **Changes in Compensation.** As required under ERISA 408(b)(2), Alliant will provide timely, updated disclosures for any changes in the compensation set forth above.
- d. **Changes in Services.** If Client requests a change in Services or if changes in Client’s size, operations, or organization require a change in the scope and/or nature of the Services and/or Plans, the compensation described in this Section 1 will be adjusted accordingly.
- e. **Disclosure by Other Plan Service Providers.** Any other plan service provider that is subject to the 408(b)(2) disclosure requirements is required to make its own independent 408(b)(2) disclosure and any such disclosure is not included in this Agreement.



PRESENTER: Kevin Sardinha, Assistant Director of Finance

ITEM/SUBJECT: Consider approval of a contract between the City of Nacogdoches and ISI Water Company, utilizing TIPS Purchasing Cooperative Contract No. 250601, for services involving the audit and examination of the City's utility system for accuracy in metering, billing, and collections; and authorize the City Manager to execute any and all necessary documents. (Assistant Director of Finance)

SUMMARY/BACKGROUND: ISI Water Company, doing business as Water Company of America (WCA), will review the City's water and wastewater utility accounts and infrastructure to assess billing accuracy, system performance, and revenue capture opportunities, and will recommend any appropriate adjustments to support complete and accurate billing and collection. The contract will be awarded through the TIPS cooperative purchasing program Contract No. 250601.

FINANCIAL:

Compensation to WCA will be paid as a percentage of increased collected utility revenues identified and recovered under this program; no upfront or fixed fee is required. No Utility Fund impact is anticipated, other than possible increased revenue.

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

CITY CONTACT: Kevin Sardinha, Assistant Director of Finance
sardinhak@nactx.us
(936) 559-2533

ATTACHMENTS: 1. WCA_Nac_Proposal_TIPS_021726
2. WCA_Slide Deck Nac



WATER COMPANY OF AMERICA

Proposal for Services
Review of Unbilled or Misbilled Utility Services
The Interlocal Purchasing System TIPS #250601
Consulting and Other Related Services

February 17, 2026

Submitted to:

City of Nacogdoches

Rick Beverlin, City Manager
202 East Pilar Street

Submitted by:

ISI WATER COMPANY

Shane Sangalli
Region Manager
5215 Fidelity Street
Houston, TX 77029
shane.s@watercompanyofamerica.com
(501) 414-1885



**Proposal For Services
Review of Unbilled or Misbilled Utility Services**

February 17, 2026

Rick Beverlin, City Manager
City of Nacogdoches
202 East Pilar Street
Nacogdoches, TX 75961
beverlinr@nactx.us

**Re: The Interlocal Purchasing System (TIPS) – 250601
Consulting and Other Related Services**

ISI Water Company (referred to herein as Water Company of America “WCA”) is pleased to submit this Proposal for Services entitled “Review of Unbilled or Misbilled Utility Services” to the City of Nacogdoches utilizing the TIPS 250601 Consulting and Other Related Services Contract.

As outlined in this proposal, and as with all previous contracts undertaken, WCA’s program of revenue enhancement is offered on a performance fee basis. WCA will bear all of its study costs. WCA will be entitled solely to a share of increased collected revenues generated by this program.

Water Company of America has a proven program for revenue recovery. We most sincerely appreciate the opportunity to provide assistance to the City in this project. The contact information for WCA related to this proposal is as follows:

Shane Sangalli, Region Manager, ISI Water Company
5215 Fidelity St. Houston TX 77029
(501) 414-1885, shane.s@watercompanyofamerica.com

Attached: Section 1 – Program Overview (page 2)
Section 2 – Scope of Services (page 3)
Section 3 – Cost of Services (page 7)
Section 4 – Contract for Services (page 9)

This proposal is valid for a minimum period of 120 days subsequent to the submittal date of February 17, 2026. Thank you for your consideration of our proposal for “Review of Unbilled or Misbilled Utility Services.”

EMAIL PO & VENDOR QUOTE TO: TIPSP@TIPS-USA.COM - PO AND QUOTE MUST REFERENCE VENDOR TIPS CONTRACT NUMBER - ATTACH PO AS A PDF

Respectfully submitted,

Shane Sangalli
Regional Director



Section 1 – Program Overview

Water Company of America is registered to do business in the State of Texas and is pleased to submit this Proposal for Services to the City of Nacogdoches entitled “*Review of Unbilled or Misbilled Utility Services*”.

WCA is uniquely qualified to perform the work outlined in the proposal. The study proposed is similar to previous and current projects performed by WCA for Municipal Utility Departments nationwide. Since initiating the first ever project of this nature in 1989, we have gained substantial experience from a diverse group of very successful contract opportunities. While teaming with utilities as large as 374,000 accounts and as small as 1,600, WCA has increased the billings and collections to our clients by substantial amounts.

WCA will perform the service with trained management and field personnel with the requisite experience to accomplish the goals of the project. These employees are familiar with field procedures; appreciate the need for a clear understanding of applicable Utility billing policies, Ordinances, Rules and Regulations; comprehend variations in water distribution and sewer collection systems, and thus are capable of rapid mobilization for the Utility. Staffing needs for this project will be met in the following three manners:

1. Bringing experienced personnel from other locations
2. Recruiting, hiring and training from the local area
3. Utilizing sub-contractors and engineers experienced with Water Loss Audit Processes

By approaching the issue of staffing in this manner, WCA can effectively perform the Scope of Project in a timely and effective manner.

The WCA program utilizes technical work methods conducted in an efficient manner and designed to optimize revenue impact without disruption to normal operating procedures of the Utility. All WCA field operations will be conducted in a manner consistent with requirements imposed by the Utility on its own personnel. Some of the basic WCA rules of staff operational conduct are listed below.

- WCA will conduct all operations to comply with applicable Utility procedures.
- WCA employees will adhere to all safety requirements of the Utility and WCA.
- WCA will insure that property conditions affected by field research activity will be returned to original or better than original condition.
- WCA vehicles will be clean and clearly marked with the Company Logo.
- WCA employees will be uniformed.
- WCA employees will display picture identification badges affixed to the employee's uniform.
- WCA employees will at all times maintain a neat and clean appearance that represents the professionalism of the Utility and WCA.
- WCA employees will exhibit a courteous and polite manner when dealing with any customer of the Utility.



Section 2 – Scope of Services

2.01 - System Concept and Solution

The Study work shall consist of 3 general tasks and 13 specific steps that involve actions and decision points of the utility and of WCA. The steps are shown below in written form to explain the detail of each, and a flow chart diagram is included to illustrate the process.

A “start work” meeting shall be conducted with key members of each affected Department. Objectives are spelled out, an overview of the *method of approach* is discussed, and a clear chain of command and reporting is determined. Guidelines for subsequent updates can be established as well. An operational methodology based on good clear communication facilitates maximum production for the City.

TASK 1 – IDENTIFY AND ANALYZE

- Step 1: Account Data Information Gathering and Review**
Account data is accessed in two ways, first, a download of raw unjoined data run at a consistent point in time each month and second, an electronic link for review of real time data. All necessary data queries and reports are created and run by WCA personnel on WCA computers with no City staff time requirement.
- Step 2: Account Information Analysis Criteria**
WCA analyzes the reliability of the account data as it relates to billing, identifying those key fields that could negatively impact billing if entered incorrectly. WCA will review customer accounts for instances of no bills, underbilling and over billing on an individual basis to identify increase revenue opportunities. The accuracy of CIS data pertinent to billing is critical to the success of the project. The Utility’s historical data is essential to Step 2 and is the basis upon which the remaining steps are predicated.
- Step 3: Internal Property Selection Report**
WCA produces a Property Report of suspect locations from the data analysis process described in Step 2. This “first cut” report provides a list of accounts ear-marked for further research. Each account record is scrutinized for additional facts that can validate account problems as probable.
- Step 4: Field Work Selection Report**
WCA prepares a Field Work Selection Report that identifies the individual accounts and in some cases areas to be researched in the field. WCA submits the report to the Utility for review and approval. This step informs the Utility of WCA’s intended field operations, and the location of its personnel within the system.



- Step 5: Field Work Order Issued**
After the Project Manager approves the Field Work Selection Report, WCA issues a Field Work Order to its field personnel. This document will be completed on site and is used to confirm all current property data. All causes of revenue loss will be explored including: meter inaccuracy, service theft, unmetered fire lines, wastewater service problems, coding problems, billing accuracy, and unlisted connections or meters.
- Step 6: Field Research & Account Documentation**
Field personnel conduct site visits to research the property for all information required on the Field Work Order.
- Step 7: *DECISION POINT: Potential Revenue Enhancement***
Once field account analysis and field work are complete, WCA selects specific accounts with the potential for revenue enhancement for submission to the City. Accounts not selected will be filed systematically for future reference.

TASK II – QUANTIFYING REVENUE ENHANCEMENT

- Step 8: Formal Work Order submission**
WCA will submit to the Utility a Formal Work Order on an account-by-account basis with complete documentation where additional revenue recovery is possible. This report provides complete and accurate documentation for use by the City to update and correct customer records. The document is a report produced by the WCA software, written specifically for CITY. Included in this standard document is the projection of incremental revenue increase. *This projection is essential to the utility, in that accurate projections must be in hand before decisions can be made as to the relative importance of problem correction and as to the cost effectiveness of the remedy.* This projection is supported by precise calculations that are based on the property analysis and the analysis of the meter or meters in question. All problems noted in the system are mapped by address in the mapping software to determine the frequency and location of problems in the system.
- Step 9: *DECISION POINT:***
The City will review the Formal Work Order and approve WCA's recommended changes. The City retains the ultimate unilateral right to approve each Formal Work Order submitted. Any Formal Work Order not initially approved will be returned to WCA for additional work and resubmission, and/or filed for future reference.



TASK III – COORDINATING THE IMPLEMENTATION AND EXECUTION OF CORRECTIVE ACTION

Step 10: Corrective Action

Following Formal Work Order approval, the necessary changes will be made to the account. These changes fall into two broad categories; changes in billing and changes to the physical service. WCA will assist the utility by coordinating the necessary activities and/or procedures between the various disciplines by acting as liaison to resolve issues that might otherwise stalemate the remedy. Examples of this assistance: generating interdepartmental correspondence, preparing letters for City signature that notify customers, as well as the assimilation of signed hardcopy for archive purposes.

Step 11: Identified New Revenue on Accounts

Once the change to the account is complete, the Utility will identify (flag) the account in the Utility Billing Database as one to which WCA is eligible for participation in a share of increase revenue.

Step 12: Reports and Proposed Revenue Sharing Plan

WCA compiles and delivers a monthly report (Detailed Revenue Report) to the City that details the collected revenue for the period and calculates WCA compensation. This amount is based on actual account collection. The collection activity is monitored from the same monthly download of account data identified in Step 1. The revenue report is generated on an account-by-account basis, for review and approval by the Department.

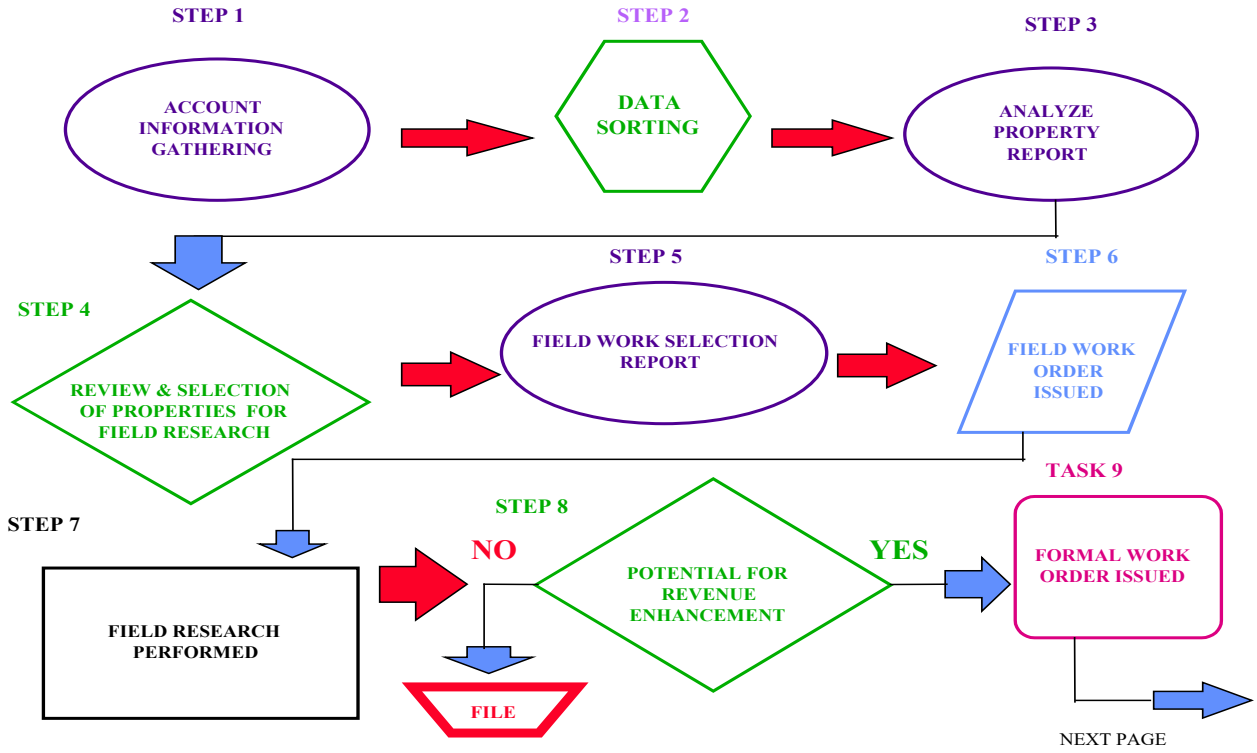
In addition, WCA will prepare a Status Report, on a frequency determined by the City. This custom report details those specific pieces of information meaningful to the City related to the documentation of revenue findings. This report is not “canned” but is tailored to the needs and desires of the City.

WCA will prepare a Final Report on the specific results of the project including an assessment of existing billing and metering practices and an estimate of annual recovery by area of deficiency.

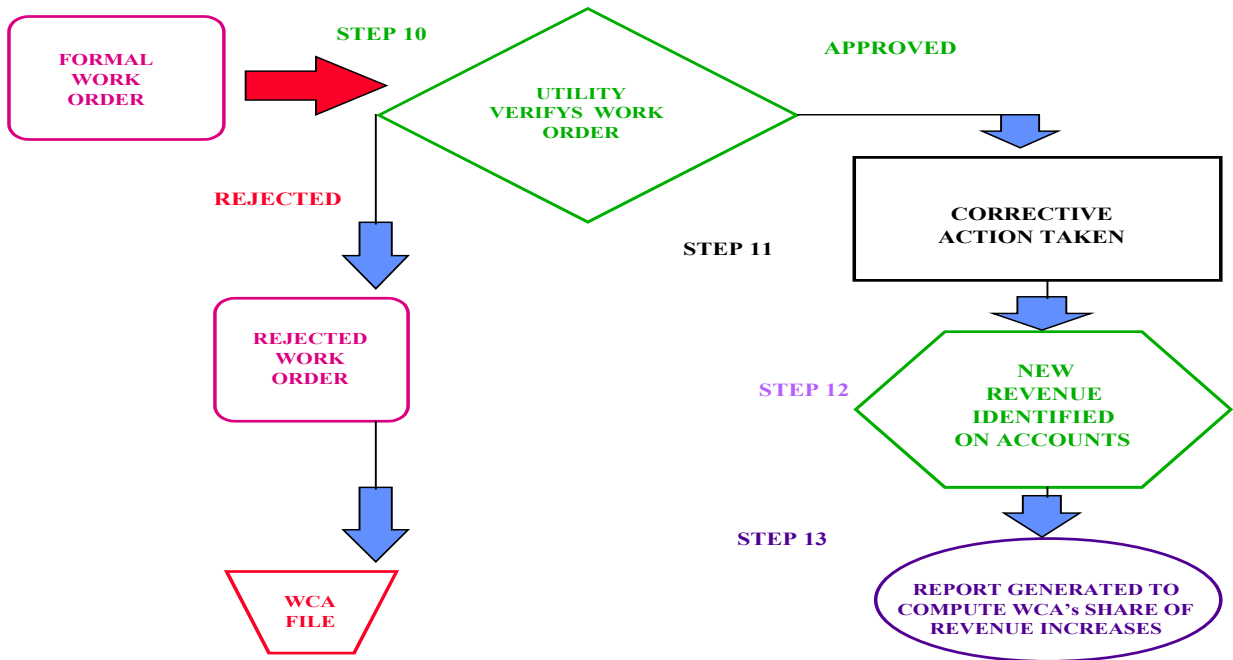
The above 12 tasks are illustrated in the flow diagram charts on the following two pages:



PROGRAM TASK PROCESS - RESPONSIBILITIES OF WCA



PROGRAM TASK PROCESS - RESPONSIBILITIES OF THE UTILITY





2.02 - Proposed schedule for completing the work

Data access through read only link and the data download process (described in Section 4, Task I. Step 1.) is a function of the City - over which WCA has no control. Because this period of time is impossible to forecast, it is not included in the Contract Term.

“Notice to Proceed” is defined as the written notification by the City to WCA to initiate Work. This notification is issued upon the successful receipt and conversion of Account data from the City by WCA. The date of the Notice to Proceed shall mark the initiation of the Contract Term.

Contract Term - It is anticipated that the period of time necessary for the “Work”, (described in Section 4, Task I. Steps 2-8 and Task II.) for this project is three years. In addition, renewal option should be included. Because every Contract undertaken by WCA in years past has proven to be unique – in terms of results and the amount of time necessary to produce those results - adequate opportunity for the City to achieve maximum benefit must be allowed.

Insofar as the day to day and week to week schedule is concerned, WCA will gear the frequency of reports, updates and submittals of Work Orders according to the limitations, requests and requirements of the City.

Section 3 - Proposed Cost of Services

3.01 – Review of Unbilled or Misbilled Services

For any work performed by WCA which results in increased revenue for the City of Nacogdoches in accordance with the provisions of the proposal, WCA shall be paid **fifty (50%) percent** of all increase revenue for a term of **forty-eight (48)** months thereafter.

For the purpose of this proposal, increased revenue shall mean the difference between the amount of monthly income received by the City on an account, over and above the Base Revenue, including any rate increases, subsequent to corrective action being taken on that Account, including both income derived from ongoing usage, as well as retroactive billing.



Section 4 – Contract for Services

THE STATE OF: TEXAS

COUNTY OF: NACOGDOCHES

KNOW ALL MEN BY THESE PRESENTS:

THIS CONTRACT FOR SERVICES ("Contract") is made on the date of countersignature, hereinafter specified, by and between the City of Nacogdoches ("Client"), and ISI Water Company, a Texas corporation, with its principal office in Houston, Harris County, Texas (referred to herein as Water Company of America "WCA"). The initial addresses of the parties are as follows:

WCA
ISI Water Company
5215 Fidelity St
Houston, Texas 77029

CLIENT
City of Nacogdoches
202 East Pilat Street
Nacogdoches, TX 75961

WITNESSETH:

WHEREAS, the CLIENT desires to secure the performance of services of the highest quality by trained, skilled personnel; and

WHEREAS, the CLIENT desires to secure the performance of services with WCA pursuant to the CLIENT's existing master interlocal agreement with The Interlocal Purchasing System (TIPS) Contract 250601, and

WHEREAS, WCA desires to provide such services in exchange for the fees hereinafter specified; and

WHEREAS, WCA has submitted information describing the proposed service;

NOW, THEREFORE, for and in consideration of the premises and mutual covenants herein contained, it is agreed as follows:



ARTICLE I

Definitions

As used in this Contract, the following terms shall have meanings as set out below:

"Account" is defined as a particular Utility Service of the CLIENT (including but not limited to Water, Wastewater, Stormwater, Solid Waste). This definition includes all unauthorized taps discovered by WCA that previously had not been given an Account number by the CLIENT.

"Base Revenue" Is defined as the average of the monthly Account billings during the period of time when the Account experienced the problem and which immediately precedes the completion of the Work, for up to a twelve-month period. By way of example, and not limitation, if WCA discovers a meter which has been broken for a six-month period, resulting in consumption of zero usage during such six-month period, the Base Revenue is zero, and shall not include in the Base Revenue average the preceding six-month period during which time the meter operated properly.

"WCA Share" is defined as the fee to be paid by the CLIENT to WCA for performance of duties under this Contract, computed in accordance with Section 5.02 hereof.

"CLIENT" is defined in the preamble of this Contract and includes its successors and assigns.

"WCA" is defined in the preamble of this Contract and includes its successors and assigns.

"Customer Information System" (or "CIS") is defined as the system used by the CLIENT to bill and to account for customer activities.

"Contract Administrator" is defined as that person designated by the Director by notice to WCA, to administer this Contract on behalf of the CLIENT. This individual shall have a working knowledge of CLIENT protocol and operating procedures of the CLIENT, and shall have the authority and responsibility of administering all day-to-day aspects of this contract on behalf of the CLIENT.

"Director" is defined as the CLIENT's designated Utility manager who has ultimate authority and responsibility over this Contract.

"Documenting the Find" is defined as the notation by WCA on the Research report to the CLIENT or the approval of a submitted Formal Work Order.



"Find" is defined as the discovery by WCA of an Account condition, as the result of the Work, which causes a specific Utility Service to be improperly or inaccurately billed.

"Force Majeure" as used herein, shall include but not be limited to, acts of God, acts of the public enemy, war, blockades, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, tornadoes, hurricanes, arrests, and restraints of government and people, explosions, breakage or damage to machinery or equipment and any other abilities of either party, whether similar to those enumerated or otherwise, and not within the reasonable control of the party claiming such inability.

"Increased Revenue" is defined as the amount of monthly income received by the CLIENT on an Account, over and above the Base Revenue, including any rate increases, subsequent to corrective action being taken on that Account, including both income derived from ongoing usage, as well as retroactive billing.

"Notice to Proceed" is defined as the written notification by the CLIENT to WCA to initiate Work. This notification shall be issued upon the successful conversion of Account data from the CIS by WCA. The date of the Notice to Proceed shall mark the initiation of the Contract Term.

"Research Report" is defined as the reports delivered to the CLIENT by WCA pursuant to Section 2.01 (C) (1) hereof.

"Utility Service" is defined as the physical location of a CLIENT consumer, both known and unknown to the CLIENT, which utilizes services provided by the CLIENT.

"Work" is defined as all of WCA's efforts towards determining needed changes and recommending the corrective actions necessary in order for the specific Utility Service to be properly and accurately billed.

"Work Order" shall be defined to mean that certain standard document that defines relevant information about a CLIENT Account that WCA has evaluated and determined to be defective.

ARTICLE II

Scope of Service

2.01 - Basic Service

WCA shall provide the investigation, Work Orders, and field services necessary to maximize the billable revenue for the CLIENT's utility Service.

A) Investigation and Field Work



**Proposal For Services
Review of Unbilled or Misbilled Utility Services**

- B) Upon receiving the Account information described in Section 3.01 (A) hereof WCA shall:
- 1) Investigate each Account and determine if there is a loss of revenue to the CLIENT associated with that Account.
 - 2) Submit Work Orders with recommendation for changes in billing procedures and/or changes in physical service. This information will be provided for each Account.
- C) Reports
- 1) WCA shall provide to the CLIENT on a periodic basis a complete list of all Accounts researched on which WCA has identified potential increased revenues to the CLIENT. This Research Report shall be submitted for the purpose of "Documenting the Find" and WCA shall be entitled to its portion of the Increased Revenues on said Accounts (the WCA Share), if the Work Order(s) included therein are subsequently approved by the Contract Administrator.
 - 2) On each Account for which WCA has Documented the Find and the CLIENT has collected Increased Revenue, WCA shall provide a detailed report that quantifies Increased Revenue prepared from the information received from the CLIENT in the monthly account data download. This report typically contains at least the following information:
 - a) Work Order number
 - b) Account Number
 - c) Cycle counter (indicates progression through the revenue sharing period)
 - d) Amount of customer billing (from the download)
 - e) Base Revenue
 - f) Calculation of Increased Revenue
 - g) Calculation of WCA Share
 - 3) WCA may provide the Contract Administrator a status report on a frequency agreed to by the parties. This report is to be inclusive of all Accounts that are deemed by WCA to justify action and on which a Work Order has been generated in the prior month.
- D) WCA warrants that all work shall be performed in a good and workmanlike manner meeting the standards of quality prevailing in the CLIENT ordinances for services of like kind. WCA further warrants that trained and skilled persons who have been previously approved by the CLIENT shall perform all Work.

2.02 - Services in General

WCA shall coordinate all of its activities herein described with the CLIENT, the Director, WCA Administrator, or their designated representative(s).

2.03 – Finds Exempted

In certain rare cases, WCA may discover a Find on an Account of which the CLIENT has prior knowledge and is attempting to remedy. Such a Find being remedied by the CLIENT is exempted from WCA Work.

These cases fall into two categories and require that WCA shall:

- 1) for a period of 60 calendar days from the date of the inception of a new Account problem that originates during the term of this agreement, refrain from submitting a Work Order related to that Find, and



2) for a period of 60 calendar days beginning at the Notice to Proceed date, refrain from submitting a Work Order for any specific problem on an Account that is known to the CLIENT and is made known to WCA, that the CLIENT is in the process of remedying on that Account.

It is agreed by the parties hereto that the purpose of this Section 2.03 is to define and agree to the period of time for the CLIENT to remedy new problems that it discovers, and/or to remedy known situations. This will minimize duplication of effort, thus keeping project resources focused on providing maximum benefit to the CLIENT.

ARTICLE III

CLIENT Duties, Data Records, Work Products, Etc.

3.01 - Certain Duties of the CLIENT:

- A) In addition to its other duties under this Contract, the CLIENT shall, to the extent permitted by law for each Account, promptly provide access to all the data and records in the possession of the CLIENT and provide copies of any documents in the possession or control of the CLIENT or available to the CLIENT which are requested by WCA and are reasonably necessary for WCA to perform its duties under this Contract. CIS data shall be in two forms.
- 1) The CLIENT will create a monthly download consisting of a .bak (backup) file of the Utility Billing System.
 - a) The CLIENT will exercise all reasonable haste in timely creation of download #1
 - b) The download will be created monthly by the CLIENT on the same day of each month for the duration of the project to support both field operations and Increased Revenue calculation.
 - c) The day of the month selected for download will be determined solely by the CLIENT.
 - d) The download content and naming of tables and fields will be consistent and not vary unless first agreed to by the CLIENT and WCA.
 - e) The CLIENT will transmit via SFTP or the best secure method agreed to by the CLIENT and WCA.
 - f) In the event that the provision of data is interrupted for any period of time, the Term shall be extended by an equal period of time.
 - 2) The CLIENT will establish a password protected "read only" live link to the CIS for the viewing and extracting of "real time" information by WCA. At no time will WCA be able to input a change or modification to an Account by way of this link.
- B) Upon execution of this Contract by all parties, the CLIENT will establish the day of the month for the bimonthly Contract meeting for Work Order status which is to be attended by the key stakeholders (Contract Administrator, Billing, Customer Service, Meter Operations).



- C) The CLIENT shall review all Work Orders submitted by WCA under Section 2.01 (B) hereof and within ten (10) working days of the date of submittal, the CLIENT shall advise WCA of the disposition of the Work Order request (approved or denied).
- D) The CLIENT shall timely implement the recommended corrective action identified in the Work Order once approved and notify WCA of this action once complete and the date of completion. Changes to account data such as billing code changes shall be accomplished within thirty calendar days. Should this not occur within the time frame specified, the CLIENT shall issue to WCA written notification of a fifteen-day extension. Work Orders that involve changes to physical service shall be expedited with all reasonable haste. Both parties recognize and agree that the purpose and intent of the project cannot be realized until approved changes have been implemented and accounts are fairly and accurately billed. If Account changes are not completed by the CLIENT within the time frames described, the CLIENT shall approve and pay an estimate of the WCA Share (ref 5.02 C).
- E) The Contract Administrator shall assist WCA in its dealings with any CLIENT department.
- F) The CLIENT shall acknowledge that WCA has Documented the Find pursuant to Section 2.01 (C) (1), by promptly entering the appropriate information related to the Account within the "CIS" System, or by whatever other method the CLIENT chooses. Once documented, the CLIENT shall not deny approval of a Work Order due to any action taken by the CLIENT during the approval process.
- G) Matters not specifically covered by this Contract will have procedures established by mutual agreement of WCA and the Contract Administrator.
- H) At all times, the spirit of this Contract will be upheld by both the CLIENT and WCA. WCA is performing a service to the CLIENT by increasing revenue to the CLIENT. The CLIENT has given WCA authorization to perform the defined duties of this Contract and will not hinder, restrict, delay or compete with WCA's performance of these duties.

ARTICLE IV

Indemnification and Insurance

4.01 - Indemnification

WCA HEREBY AGREES AT ALL TIMES TO DEFEND, INDEMNIFY AND HOLD THE CLIENT HARMLESS FROM AND AGAINST ANY AND ALL LIABILITY, LOSSES OR COSTS ARISING FROM CLAIMS FOR DAMAGES, OR SUITS FOR LOSS OR DAMAGE, INCLUDING WITHOUT LIMITATION OUT-OF-POCKET COSTS AND REASONABLE ATTORNEY'S FEES, WHICH ARISE AS A RESULT OF WCAS NEGLIGENCE OR FAILURE TO PROPERLY PERFORM THIS CONTRACT, WHETHER SUCH CLAIMS ARE ASSERTED BEFORE OR AFTER THE TERMINATION OF THIS CONTRACT.

4.02 - Insurance

Throughout the term of this Contract, WCA shall carry and maintain the following insurance coverage with a company or companies reasonably satisfactory to the Director, and policies of



insurance that meet the requirements of the State. The CLIENT shall be named as an additional insured on all such policies for this Contract, and the policy shall provide that the Director will be given at least ten (10) days' notice in case of cancellation. Such insurance coverage shall have the minimum limits of liability in not less than the following amounts:

- A) Comprehensive General Liability Insurance including Contractual Liability:
 - Bodily Injury & Property Damage
 - \$ 1,000,000 per occurrence
 - \$ 2,000,000 aggregate
- B) Worker's Compensation with Employees Liability including Broad Form All States Endorsement: \$ 1,000,000

ARTICLE V

Payment

5.01 - Limitation of Funds

Any and all fees due to WCA under this Contract shall be payable solely from the funds collected pursuant to this Agreement. WCA acknowledges and agrees that the CLIENT's liability for any and all payments hereunder shall be limited by this provision. No other funds are available nor will they be appropriated for the purpose of this Contract.

5.02 - Payment for Services

- A) If any Work performed by WCA to an Account results in Increased Revenues to the CLIENT, WCA shall be entitled to a WCA Share for such Work equal to 50% of all Increased Revenues (as defined in Article I of this Contract) for a term of 48 months thereafter, referred to in 6.01 TERM as Phase Two. The 48-month term may be suspended in the event that the account problem persists which eliminates Increased Revenue and restarted following remedy.
- B) Documentation substantiating and calculating Increased Revenue shall be reviewed and approved by the CLIENT within thirty calendar days of submission and thereafter processed for payment within the time frame stipulated by Statute. Interest on all amounts remaining unapproved and/or unpaid beyond the time frame stipulated by Statute shall accrue at a rate of 10% per annum until paid.
- C) If all of the data necessary to compute the WCA Share is not available in time to make such payment when due, or if the condition described in 3.01 D) occurs, the CLIENT shall approve a good faith estimate of such Increased Revenue and compute the WCA Share accordingly. Adjustments to such WCA Share shall be made on succeeding monthly payments after actual Increased Revenues are determined.

5.03 – Early Payment Option

In the event that the CLIENT should desire, for any reason, to make payment of any and all fees due WCA sooner than defined in Article V, the CLIENT shall have the right to approve a calculation of any and all remaining fees based on a Work Order by Work Order payment



average to date, multiplied by the remaining number of months, factored down by a “present value discount” using the prime interest rate in effect at the time of the early payment.

5.04 - Arbitration

The CLIENT and WCA shall promptly notify each other of any controversy which shall arise with respect to the computation of any payments or fees due to WCA hereunder. Each party shall act in good faith and shall make its best reasonable effort to resolve the dispute within thirty (30) days after receipt of any invoice disputing such payments or fees. In the event the parties are not able to resolve the dispute within such thirty (30) day period, the controversy shall be considered and resolved by majority vote of an arbitration panel ("Panel") consisting of three (3) persons selected and designated as follows:

1. The CLIENT shall within ten (10) days thereafter designate an independent certified public accountant which may be the independent auditors regularly retained by the CLIENT;
2. WCA shall within ten (10) days thereafter designate an independent certified public accountant which may be a certified public accountant regularly retained by WCA; and
3. The two (2) certified public accountants and/or independent auditors thus designated shall agree upon and promptly designate a third certified public accountant and/or independent auditor which shall not have then or previously had any significant relationship with the CLIENT or WCA.

The parties agree that the arbitration procedure provided above shall be the sole remedy for dispute of the payments or fees due WCA hereunder and shall be binding on the parties thereto; provided, however, in the event the CLIENT's certified public accountant and WCA's certified public accountant cannot agree upon a third accountant, or the Panel does not resolve the controversy within a reasonable period, not to exceed one hundred twenty (120) days from the date the independent certified public accountants are retained by the parties, either party may pursue any other remedy provided by law. Each party shall bear the expenses of its designated accountant, and the expense of the third accountant shall be borne equally by the parties.

ARTICLE VI

Term and Termination

6.01 - Term

The Contract term is initiated by the CLIENT upon the issuance of the Notice to Proceed. The term of the Contract is divided in two phases. Phase one is the operations period when WCA is performing the Work and shall continue for a primary term equal to thirty-six (36) months.

At the end of the primary term of phase one, the phase one term may be renewed for successive periods of twelve (12) months, upon written agreement of both parties.



Phase two is the period of time, on a Work Order by Work Order basis, during which the WCA Share is determined (reference 5.02 A).

Therefore, the Contract Term is the total time from the date of the Notice to Proceed, through phase one, including any renewal periods, and including phase two which is the 48 month Work Order by Work Order revenue sharing period for each Find approved by the CLIENT.

6.02 - Termination

Either party may terminate phase one (the operations period) of this Contract by giving a thirty day written notice to the other party of the intent to terminate. The CLIENT agrees that for three (3) years after termination of this Agreement, however brought about, the CLIENT shall, during normal business hours, provide WCA with access to and the determination of fees and payments owed to WCA hereunder.

6.03 - Earned Fees

The duties and obligations of the CLIENT to pay WCA under the terms of Article V shall continue in full force and effect as outlined therein and shall survive the completion of phase one (the operations period) of this Contract.

ARTICLE VII

Miscellaneous Provisions

7.01 - Independent Contractor

The relationship between WCA and the CLIENT shall be that of an independent contractor.

7.02 - Business Structure and Assignments

Other than by operation of law, WCA shall not delegate or assign any portion of this Contract without the written consent of the Director, which shall not be unreasonably withheld. WCA however may assign any portion of its WCA Share under this Contract. Before an assignment of this sort can become effective, WCA shall furnish reasonable proof of the assignment by providing a notice to the Director containing the following information: a) the name, address and telephone number of WCA with clear reference to this Contract; b) the name, address and telephone number of assignee; and c) the identity of the fees to be assigned. If reasonable proof as described above is not provided to the Director, the CLIENT may continue to pay the assignor.

7.03 - Subcontractors

WCA may subcontract any part of its performance under this Contract with the approval of the Director or Contract Administrator. Any subcontractor shall be treated under the Contract as if they were employees of WCA, except in regard to fees.



7.04 - Parties in Interest

This Contract shall not bestow any rights upon any third party, but rather, shall bind and benefit the CLIENT and WCA only.

7.05 - Non-waiver

Failure of either party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on or to enforce by any appropriate remedy strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

7.06 - Applicable Laws

This Contract is subject to all laws of the State of domicile of the CLIENT, the CLIENT Charter and Ordinances of the CLIENT, the laws of the federal government of the United States of America and all rules and regulations of any regulatory body having jurisdiction.

7.07 - Notices

All 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 States Postal Services post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the other party at the address prescribed in the preamble hereof or at such other address as the receiving party may have therefore prescribed by notice to the sending party.

7.08 - Equal Employment Opportunity

WCA will comply with all laws, ordinances and policies set by the CLIENT in reference to Equal Employment Opportunities.

7.09 - Force Majeure

In the event either party is rendered unable, wholly or in part, by Force Majeure to perform under this Contract, it is agreed that, upon such party's giving notice specifying such Force Majeure in writing or by telefax to the other party as soon as possible after the occurrence of the Force Majeure, the obligations of the party giving such notice, to the extent it is affected by Force Majeure and to the extent that due diligence is being used to cure the Force Majeure and resume performance at the earliest practicable time, shall be suspended during the continuance of the Force Majeure, but for no longer extended by the period of time during which either party was unable to perform its obligations hereunder as a result of the occurrence of a Force Majeure.

7.10 - Approvals; Authority

An approval by the Director, or by any other instrumentality of the CLIENT, of any part of WCA's performance shall not be construed to waive compliance with this Contract or to



establish a standard of performance other than required by this Contract or by law. No party is authorized to vary the terms of this Contract.

7.11 - Remedies Cumulative

The rights and remedies contained in this Contract shall not be exclusive but shall be cumulative of all other rights and remedies, now or hereafter existing, whether by statute, at law, or in equity; provided however, that none of the parties shall terminate this Contract except in accordance with the provision hereof.

7.12 - Representations

- A) WCA represents that it and its employees, agents and subcontractors are fully competent and qualified to perform all the service required to be performed under this Contract. WCA represents that it has experience in performing all of the services to be performed hereunder and these services shall be of the highest professional quality.
- B) The CLIENT represents that it is a duly authorized and empowered to enter into this Agreement and to carry out its obligations hereunder. By proper action of its members, the CLIENT has duly authorized the execution, delivery and performance by this Agreement.

7.13 - Captions

The captions at the beginning of the Articles of this Contract are guides and labels to assist in location and reading such Articles and, thereto, will be given no effect in construing this Agreement and shall not be restrictive of or be used to interpret the subject matter of any article, section or part of this Contract.

7.14 - Personnel of WCA

WCA shall replace any personnel assigned to provide services under this Contract which are deemed unsuitable by the Director or Contract Administrator.

7.15 - Entire Agreement

This Contract contains all the agreements of the parties relating to the subject matter hereof and is the full and final expression of the agreement between the parties.

7.16 - Amendment

This Contract may be modified or amended by written agreement signed by all parties hereto.

7.17 - Exclusive Contract

WCA shall have the sole and exclusive franchise, license and privilege to provide the services described in this Contract within the bounds of the Contract service area.



**Proposal For Services
Review of Unbilled or Misbilled Utility Services**

**Re: 791 Purchasing Cooperative Contract #791202409008 –
Utility Billing and Metering Consulting**

Witnesseth:

WCA

CLIENT

ISI WATER COMPANY

CITY of NACOGDOCHES

By: _____
Steven Hooper

By: _____
Rick Beverlin

Title: General Manager

Title: City Manager

Date: _____

Date: _____



Utility Revenue Enhancement

UTILITY REVENUE ENHANCEMENT PARTNERSHIP

June 4, 2026





SOURCES OF UTILITY REVENUE



SOURCES OF UTILITY REVENUE



Water / Electric / Gas

- Residential/Commercial Customers
- Wholesale Customers
- Fire Service Fees
- Tap Fees

Wastewater

- Residential/Commercial Customers
- Tap Fees
- Excessive Loading Fees
- Grease Trap Fees

Stormwater / Drainage

- Residential/Commercial Customers

Solid Waste

- Residential/Commercial Customers

Various Fees

- Impact, Construction, Permits, etc.



REASONS FOR LOST REVENUE



REASONS FOR LOST REVENUE - BILLING



Each year millions of dollars are lost by utilities because of unbilled and/or misbilled utility services.



Unbilled or Misbilled Utility Services

- 90% { Taps & Connections not listed in the UBS
- Rate Discrepancies
- Account Coding Errors
- Unknown Sewer and Water Connections
- Inconsistencies in customer billing
- 10% { By-passed or Malfunctioning Meters



HOW MUCH IS BEING LOST?



HOW MUCH REVENUE IS BEING LOST?—UTILITY BILLING

Average \$\$ lost per account (increased revenue / number of accounts)

\$18.52	<10,000 Accounts
\$19.80	10,001-25,000 Accounts
\$18.67	25,001-50,000 Accounts
\$8.33	50,001-100,000 Accounts
\$8.13	>100,000 Accounts



Increased Revenue per Utility

HARRISON, AR – 7,000 ACCOUNTS

- \$ 159,166.00 - NEW ANNUAL REVENUE / \$ 22.74/ACCOUNT

LAFAYETTE UTILITY SYSTEM – 43,000 ACCOUNTS

- \$ 687,027.33 – NEW ANNUAL REVENUE / \$ 15.98/ACCOUNT

PEARL, MS – 9,000 ACCOUNTS

- \$ 161,391.00 – NEW ANNUAL REVENUE / \$ 17.97/ACCOUNT

WOODLANDS WATER – 31,000 ACCOUNTS

- \$ 776,130.00 – NEW ANNUAL REVENUE / \$ 24.71/ACCOUNT

BEAUMONT, TX – 42,000 ACCOUNTS (POTENTIAL)

- \$ 5,049,509.00 – NEW ANNUAL REVENUE / \$ 120.23/ACCOUNT

HOT SPRINGS, AR – 31,000 ACCOUNTS (POTENTIAL)

- \$ 478,800.00 – NEW ANNUAL REVENUE / \$ 15.45/ACCOUNT

NACOGDOCHES – 13,200 ACCOUNTS (POTENTIAL)

- \$ 261,361.00 – NEW ANNUAL REVENUE / \$ 19.80/ACCOUNT



WHY SHOULD WE FIX IT?



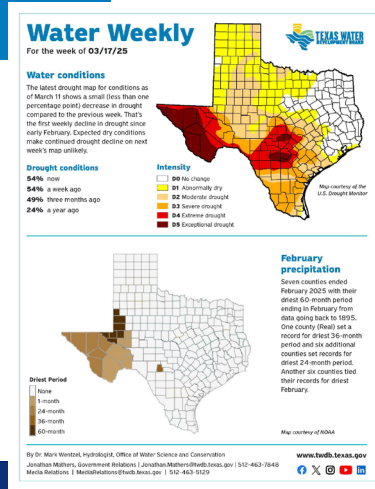
WHY SHOULD WE FIX IT?



It's the Right Thing to Do!

- Accountability to Citizens
- Rate Payer Equity
- Rate payers being billed accurately are making up the difference for those that are not
- Rate Payer Confidence suffers
- Fiduciary Duty
- Data Integrity Leads to Trust

WHY SHOULD WE FIX IT?



Fund Critical Infrastructure

- Address Deferred Maintenance
- Proactively Replace Aging Infrastructure
- Technology Upgrades & Resiliency

Operational Efficiency & Services

- Time = Money
- Transparency = Enhanced Customer Service
- Wise Use of Taxpayer Funds
- Promote Conservation

TWDB New Requirements

- Water Loss Validation
- Water Loss = Revenue Loss



HOW DO WE FIX IT?





Utility Revenue Enhancement

- We are a unique performance-based service working with Public Utilities to identify and correct NON-REVENUE SERVICES
- WCA is headquartered in Houston, Texas.
- We have proudly been doing business since 1989.
- WCA has 125+ completed or ongoing projects nationwide.



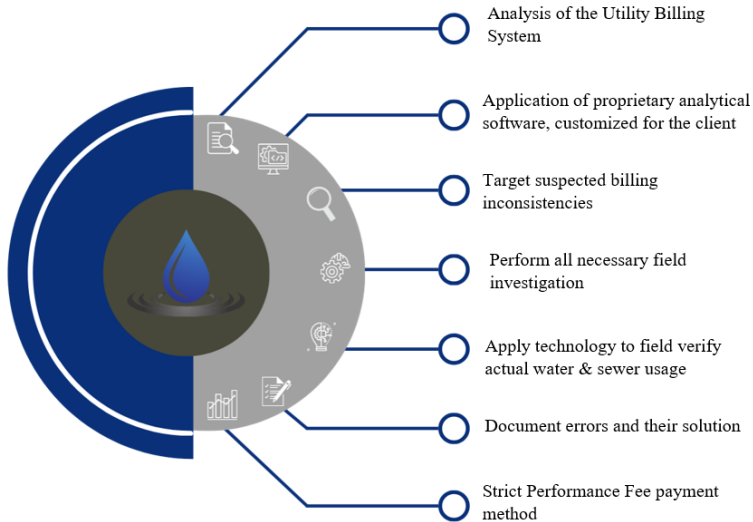
About Us

Since 1989, Water Company of America (WCA) has specialized in locating, assessing and correcting problem conditions in the field related to water metering, wastewater collection and stormwater; as well as utility billing database discrepancies, thereby increasing utility revenues.



THE PROGRAM

Water Company of America, through consultation with Department staff, will examine the utility billing system and the distribution and collection systems in the field for accuracy in metering, billing, and collection.



WCA locates this unbilled and misbilled service through a proprietary system analysis, unique to the industry, and subsequent physical investigation of all accounts identified as having potential revenue recovery characteristics.

Performance-Based Payment

Your utility does not pay WCA unless we produce increased revenue for you; our fee structure, compared to the approach of your paying us whether or not we find any deficient accounts, does seem to be in your best interests. It “incentivizes” WCA to do a most thorough analysis of your billing records to maximize revenue recovery. And remember, at the end of the day, the utility keeps a share of the recovered revenue for the revenue sharing period and 100% after that.

WHY NOT WCA?

Performance-Based Payment – No Risk to Utility

Best Practices are commonplace in Government Finance

WCA is a Friend not Foe – Not an Auditor

In the end, it's about being good stewards of the utilities money and ensuring rate payer equity

The share that WCA receives is only paid out on NEW FOUND INCREASED REVENUE. Revenue the Utility did not know it was missing

GET IN TOUCH



Utility Revenue Enhancement

Shane Sangalli - WCA
Regional Director



shane.s@watercompanyofamerica.com



501.414.1885

PRESENTER: Jerry Baker, City Attorney

ITEM/SUBJECT: Consider approval of an Ordinance of the City of Nacogdoches, Texas, Amending Chapter 18—"Business", Article III—"Food Service Establishments", of the Code of Ordinances of the City of Nacogdoches, Texas; providing a severability clause; providing a continuation clause; providing a repeal clause; and providing an effective date. (City Attorney)

SUMMARY/BACKGROUND: This ordinance seeks to amend portions of Chapter 18 of the Code of Ordinances, and specifically Article III related to the City's regulation of food establishments, including food trucks, within the jurisdictional limits of the City of Nacogdoches. The Texas Department of State Health Services (DSHS) adopts food safety standards in keeping with the U.S. Food and Drug Administration (FDA) Food Code. Local health departments, including those operated by municipalities, are granted a certain level of authority under the Texas Health and Safety Code to require permits and enforce regulations applicable to food establishments within their jurisdictions.

During the 89th Legislative Session, the Texas Legislature enacted, and Governor Abbott signed into law, two bills specifically amending the Health and Safety Code in order to address perceived overregulation and the imposition of burdensome fees and other costs by municipalities and other local authorities in relation to the food service industry in the State of Texas. S.B. 1008 was enacted to limit the payment of local food establishment permits and fees to what DSHS requires for food service businesses and employees, as well as prohibit the imposition of local alcohol license and permit fees on restaurants and other food establishments that are also required to pay for local food permits. H.B. 2844 was enacted to create a uniform, statewide licensing and regulation of mobile food units (i.e. food trucks) through DSHS, and to preclude the enforcement of any local rules, regulations, and permit requirements that may conflict with the State's regulations.

In light of the enactment of S.B. 1008 and H.B. 2844, the City has prepared the proposed amendment to its food establishment ordinance. The amendments include: (1) reformatting Article III with separate divisions for the general provisions, including definitions, for the permitting requirements for food establishments, and for food truck regulations; (2) modification of current license and permit fees to conform with the limitations specified by DSHS; (3) the addition of provisions for a waiver of local alcohol license and permit fees; and (4) removal of language related to local permitting and health inspections for food trucks.

FINANCIAL:

Item will remove the collection of local permit and license fees from the Master Fee Schedule in compliance with limitations under the Texas Health and Safety Code.

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

Not Applicable

CITY CONTACT: Jerry Baker, City Attorney
(936) 559-2505
bakerj@nactx.us

- ATTACHMENTS:**
1. Master Fee Schedule-Ch. 18 amendments
 2. Ordinance_18-56_food service establishment
 3. Ordinance_18-56_food service establishment (clean)

CODE OF ORDINANCES CITY OF NACOGDOCHES, TEXAS

Appendix A

Master Fee Schedule

Chapter 18 – BUSINESSES

Ordinance Reference	Description	Fee
Sec. 18-26	Local alcoholic beverage permit fee	TABC maximum local permit fee
	Local alcoholic beverage license	TABC maximum local fee license fee
Sec. 18-27	Permit for consumption, possession and/or sale of alcoholic beverages at city facilities	\$0
Sec. 18-58	Mobile food unit permit fee	\$0
	Operation on city-owned property permit fee	\$0
Sec. 18-87	Food establishment permit:	
	5 or less employees	\$50.00
	6-10 employees	\$75.00
	11-20 employees	\$100.00
	21-30 employees	\$125.00
	31-40 employees	\$150.00
	41-50 employees	\$150.00
	51+ employees	\$200.00
	Food sales permit:	
	5 or less employees	\$50.00
	6-10 employees	\$75.00
	11-20 employees	\$100.00
	21-30 employees	\$125.00
	Night club permit:	
	5 or less employees	\$150.00
	6-10 employees	\$150.00
	11-20 employees	\$200.00
	over 20 employees	\$200.00
	Roadside vendor permit	\$100.00
	Temporary (less than 14 days) food permit	\$75 2.00
	Temporary food permit for charitable event	\$10.00
	Food manufacturing	\$350.00
	<u>Inspection</u>	<u>\$25.00</u>

	<u>Reinspection</u>	<u>\$50.00</u>
Sec. 18-142	<u>Health care permit</u>	<u>\$75.00</u>
	Bed and breakfast permit	\$50.00
	Daycare permit	\$100.00
	<u>Nursing home permit</u>	<u>\$150.00</u>
	Lodging permit	\$150.00
Sec. 18-197	Public or semipublic pool permit	\$100.00
Sec. 18-263	Itinerant merchant license	\$25.00
	Open air vendor license	\$100.00
Sec. 18-374	Massage establishment license	\$0
Sec. 18-447	Sexually oriented business license	\$0
Sec. 18-483	Alarm registration	\$30.00
	Alarm registration renewal fee	\$30.00
Sec. 18-484	Alarm registration reinstatement fee	\$30.00
	Alarm registration late fee	\$20.00
Sec. 18-489	<u>False alarm fines:</u>	
	<u>Number of false burglary or intrusion alarms:</u>	
	<u>1-5</u>	<u>\$0.00</u>
	<u>6</u>	<u>\$50.00</u>
	<u>7 or more</u>	<u>\$50.00</u>
	<u>Number of false panic, duress, robbery, or fire alarms:</u>	
	<u>1-2</u>	<u>\$0.00</u>
	<u>3</u>	<u>\$100.00</u>
	<u>4 or more</u>	<u>\$100.00</u>
	<u>Nonregistered alarm system</u>	<u>\$50.00/each</u>
Sec. 18-492	Alarm registration late fee	1/2 of fine

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF NACOGDOCHES, TEXAS, AMENDING CHAPTER 18 – “BUSINESS”, ARTICLE III. – “FOOD SERVICE ESTABLISHMENTS”, OF THE CODE OF ORDINANCES OF THE CITY OF NACOGDOCHES, TEXAS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A CONTINUATION CLAUSE; PROVIDING A REPEAL CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

RECITALS:

WHEREAS, the Texas Department of State Health Services (DSHS) adopts food safety standards in keeping with the U.S. Food and Drug Administration (FDA) Food Code. Local health departments, including those operated by municipalities, also have the authority under the Texas Health and Safety Code to require permits and enforce regulations applicable to food establishments within their jurisdictions; and

WHEREAS, during the prior legislative session, the Legislature passed two bills amending the Health and Safety Code in order to address perceived overregulation and the imposition of burdensome fees and other costs by municipalities and other local authorities in relation to the food service industry in the State of Texas; and

WHEREAS, S.B. 1008 was enacted to limit the payment of local food establishment permits and fees to what DSHS requires for food service businesses and employees, as well as prohibit the imposition of local alcohol license and permit fees on restaurants and other food establishments that also pay for the issuance of local food permits; and

WHEREAS, H.B. 2844 was enacted to create a uniform, statewide licensing and regulation of mobile food units (i.e. food trucks) through DSHS, and to preclude the enforcement of any local rules, regulations, and permit requirements that may conflict with the State’s regulations; and

WHEREAS, the City of Nacogdoches has previously adopted ordinances for the purpose of regulating food establishments within the jurisdictional limits of the City under Chapter 18 of its Code of Ordinances; and

WHEREAS, the City Council has determined the need to amend certain portions of these ordinances as set forth herein in compliance with the recently enacted legislation;

NOW, THEREFORE BE IT ORDAINED BY THE CITY OF NACOGDOCHES:

SECTION I

All above premises are hereby found to be true and correct legislative and factual findings.

SECTION II

CHAPTER 18 – “BUSINESS”, ARTICLE III. – “FOOD SERVICE ESTABLISHMENTS” of the Code of Ordinances of the City of Nacogdoches, Texas, is hereby amended, as set hereafter to include the following:

ARTICLE III. – FOOD ~~SERVICE~~ ESTABLISHMENTS

DIVISION 1. – GENERALLY

Sec. 18-56. Adoption of laws and regulations.

~~The City of Nacogdoches adopts by reference the provisions of the current rules or rules as amended by The Executive Commissioner of the Health and Human Services Commission found in 25 Texas Administrative Code, Chapter 228, regarding the regulation of food establishments in this jurisdiction. All federal and state laws, rule and regulations applicable to the production, manufacture, distribution, disposition and consumption of meat products, milk and milk products, restaurants and any other food, food products or food handling not specifically adopted elsewhere within this article are adopted and made a part of this Code as if fully set out in this article. The city Food Sanitation Manual is adopted. Copies of such manual shall be on file in the office of the city secretary, available to all persons for inspection.~~

(Code 1971, § 14-28)

State law reference(s)—Food regulations, ~~V.T.C.A., Texas~~ Health and Safety Code § 437.001 et seq.; 25 Texas Administrative Code, Chapter 228

Sec. 18-57. ~~Food service owner and manager training and certification~~ Definitions.

(a) —The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

~~*Approved food source kitchen* means a kitchen meeting minimum requirements of state and local jurisdiction.~~

Commissary means an approved food source facility which meets the minimum requirement of state and/or local jurisdiction.

~~*Food establishment* means an operation that stores, prepares, packages, serves, or otherwise provides food for human consumption, such as a food service establishment, a retail food store, a temporary food service establishment, a mobile food unit, and/or a roadside food vendor, regardless of whether there is a charge for the food. The term does not include a kitchen in a private home or a bed and breakfast~~

(limited) which has seven or fewer rooms for rent and only serves breakfast to overnight guests.

Manager means the person in charge during the absence of the legal owner, to include assistant managers.

Mobile food unit means a self-contained, licensed, motorized vehicle or trailer, which is temporarily located where food items are cooked, processed or portioned for service, sales, and are sold to the general public.

Owner means the legal owner of any food ~~service~~ establishment.

Premises means a tract of land with buildings operating as a single developed unit.

~~(b) Training of food service owners and managers shall consist of a basic 15 hours of food service sanitation training and an annual refresher of three hours.~~

~~(c) The environmental health department will be available to assist any manager in establishing and conducting training of employees.~~

~~(d) The required training and certification shall be conducted on the following basis:~~

~~(1) The basic course — quarterly.~~

~~(2) Refresher course — twice yearly.~~

~~(e) Certification shall be required annually for all food service owners and managers. The certification shall attest to the completion of the required training. The certification shall also attest to the establishment by the management of on-the-job training of food service employees.~~

~~(f) There shall be affixed in a prominent place a conspicuous placard or decal attesting to the certification of the personnel of the establishment.~~

~~(Code 1971, § 14-29; Ord. No. 1739-7-17, § 2, 7-18-2017)~~

~~State law reference(s) — Food service employees and programs, V.T.C.A., Health and Safety Code § 438.031 et seq.~~

Secs. 18-62—18-85. Reserved.

DIVISION 2. FOOD ESTABLISHMENT PERMITS AND INSPECTIONS

Sec. 18-86. Permit required.

It shall be unlawful for any person to operate a food ~~service or sales~~ establishments, other than a mobile food unit, within the city or its police jurisdiction who does not possess a valid permit issued ~~to him~~ by the City's health inspector. Only a person who complies with the requirements of this article shall be entitled to receive and retain such a permit. Permits shall not be transferred from one person to another person or place. A valid permit shall be posted in every food ~~service~~ establishment. Permits for temporary food ~~service~~ establishments shall be issued for a time not to exceed 14 days.

(Code 1971, § 14-30)

Sec. 18-87. Food establishment permit Fees.

~~(a) The fees charged annually for the issuance of a permit and inspections for the operation of any food establishment within the jurisdictional limits of the City of Nacogdoches described in section (a) of this section are set forth in the Master Fee Schedule, Appendix A to the Code of Ordinances, as follows:~~

~~Food establishment permit 5 or less employees \$50.00
Food establishment permit 6-10 employees 75.00
Food establishment permit 11-20 employees 100.00
Food establishment permit 21-30 employees 125.00
Food establishment permit 31-40 employees 150.00
Food establishment permit 41-50 employees 150.00
Food establishment permit 51+ employees 200.00
Food sales permit 5 or less employees 50.00
Food sales permit 6-10 employees 75.00
Food sales permit 11-20 employees 100.00
Food sales permit 21-30 employees 125.00
Night club permit 5 or less employees 150.00
Night club permit 6-10 employees 150.00
Night club permit 11-20 employees 200.00
Nightclub permit over 20 employees 200.00
Roadside vendor permit 100.00
Temporary food permit 75.00~~

~~(b) The fees charged annually for the issuance of a permit and inspections for the operation of any establishment described in subsection (a) of this section are on file in the city secretary's office.~~

(Code 1971, § 14-30(1)a, (2); Ord. No. 1388-9-05, 10-1-2005)

Sec. 18-88. Application for food establishment permit.

~~(a) Any applicant desiring to operate a food establishment must make a written application for a permit on forms provided by the health inspector. The application must contain the name and address of each applicant, the location and type of the~~

proposed food establishment, and the applicable fee. An incomplete application will not be accepted.

- (b) Failure to provide all required information or falsifying information in the application may result in denial or revocation of the permit. Renewals of permits are required on an annual basis and the same information is required for a renewal permit as for an initial permit.
- (c) Prior to the approval of an initial permit or the renewal of an existing permit, the health inspector shall inspect the proposed food establishment to determine compliance with the Texas Food Establishment Rules, 25 Texas Administrative Code, Chapter 228, and this ordinance. A food establishment that does not comply with these rules will be denied a permit or the renewal of a permit.

Sec. 18-89. Alcoholic beverage permit and license.

The recipient of a food establishment permit, who has paid the fee for said permit in accordance with section 18-87, shall be exempt from payment of the local fees for an alcoholic beverage permit and license as would otherwise be required under section 18-26.

Sec. 18-90. Suspension or revocation of food establishment permit.

- (a) A permit may be suspended or revoked by the health inspector if it is determined:
 - (1) The permit was issued in error;
 - (2) The recipient of a food establishment permit provided materially false or incomplete information on the permit application;
 - (3) The recipient of a food establishment permit fails to comply with any applicable provisions of this chapter;
 - (4) The recipient of a food establishment permit engages in serious or repeated violations of any of the requirements of this chapter and/or the Texas Food Establishment Rules;
 - (5) The recipient of a food establishment permit interferes or attempts to interfere with the health inspector in the performance of his/her duties; or
 - (6) The continued operation of the food establishment constitutes an imminent hazard to public health.
- (b) If the food establishment permit is suspended or revoked for any reason, all activity associated with the permit shall immediately cease. Failure to terminate the activity

following the suspension or revocation of said permit shall constitute a separate offense.

Sec. 18-91. Appeal.

(a) If an application for a food establishment permit is denied or a permit that has been issued is subsequently revoked or suspended for any reason, an appeal of the decision may be made to the city manager as follows:

(1) The appeal shall be filed with the city secretary no later than ten (10) days from the date of notification of the decision to deny, revoke, or suspend the permit; and

(2) The appeal must be presented in writing, and specify the decision being appealed and the grounds for the appeal.

(b) The city manager, after hearing the appeal, shall make written findings as to whether or not grounds exist for the denial, revocation, or suspension of the permit, and may uphold, reverse, or modify the decision. The city manager's findings shall be final.

Sec. 18-92. - Penalty.

Any person who violates the provisions of this article shall, upon conviction, be fined in accordance with section 1-14 of the Code of Ordinances.

Sec. 18-93. Food service owner and manager training and certification.

(ba) Training of food service owners and managers shall consist of a basic 15 hours of food service sanitation training and an annual refresher of three hours.

(c) The environmental health department will be available to assist any manager in establishing and conducting training of employees.

(db) The required training and certification shall be conducted on the following basis:

(2) The basic course—quarterly.

(2) Refresher course—twice yearly.

(ec) Certification shall be required annually for all food service owners and managers. The certification shall attest to the completion of the required training. The certification shall also attest to the establishment by the management of on-the-job training of food service employees.

(fd) There shall be affixed in a prominent place a conspicuous placard or decal attesting to the certification of the personnel of the establishment.

(Code 1971, § 14-29; Ord. No. 1739-7-17, § 2, 7-18-2017)

State law reference(s)—Food service employees and programs, V.T.C.A., Health and Safety Code § 438.031 et seq.

Secs. 18-94—18-100. Reserved.

DIVISION 3. MOBILE FOOD UNIT

Sec. 18-58101. Mobile food unit Ppermit and application.

~~(a) No mobile food unit shall operate before first obtaining a permit from the City of Nacogdoches.~~

~~Permit application.—No person shall operate a mobile food unit in the City of Nacogdoches without a permit issued by the Department of State Health Services (DSHS)City of Nacogdoches. Every permit shall be displayed at all times in a conspicuous place where it can be read by the general public on the mobile food vendor's vehicle or trailer. A person shall make application for a permit to the city on forms furnished by the city health inspector.~~

~~(b) All mobile food units shall have a valid vehicle registration, motor vehicle operator's license, proof of vehicle liability insurance, and a Texas Sales Tax permit. Proof of these items will be required at the time of permit application and available at time of any city inspection.~~

~~(c) All fees required by this section shall remain on file in the city secretary's office.~~

~~(d) The city will evaluate the data furnished by the applicant and may require additional information. Within 30 days of receipt of a complete permit application, the city will determine whether or not to issue a mobile food vendor permit. The city may deny an application for a permit for any of the following grounds:~~

~~(1) Failing to provide all of the information required by the city;~~

~~(2) The applicant's past record of ordinance violations;~~

~~(3) Safety record of the applicant or any driver based on such things as civil and criminal lawsuits and violations of health and life safety codes and ordinances;~~

~~(4) Providing false, misleading, or inaccurate information to the city; or~~

~~(5) Other valid grounds.~~

~~(e) Permits shall be issued for a time period not to exceed 180 days.~~

~~(f) A new permit is required to be submitted within 15 days of the following, whereupon the previous permit will be voided and the previous permit canceled:~~

~~(1) When ownership of the operating entity is changed; or~~

~~(2) The city determines that operations or management methods are no longer adequately described by the existing permit application.~~

~~(h) Permits are not transferrable.~~

~~(i) A permit may be revoked by the city for any violation of this section.~~

~~(j) A mobile food unit owner or operator has the right to appeal a determination made by the health inspector to the city manager by submitting a written appeal to the city secretary, with a copy to the health inspector, not more than five days after receiving notice of the suspension or denial of permit. The city manager or his or her designee will hear the appeal and issue a written finding not more than 30 days after the notice was delivered to the city secretary. The city manager's determination is final.~~

~~(k) City-owned property permit.~~

~~(1) In addition to the mobile vendor permit described in section 18-57 above, a mobile food unit operating in a public park must obtain a city-owned property permit.~~

~~(2) City-owned permit process.~~

~~a. — A person wishing to operate in a public park must submit a completed application on a form provided by the city to the city manager or designee.~~

~~b. — The public park permit shall be valid for a time not to exceed 180 days from the date of approval by the city manager or designee, unless revoked for violations of this chapter.~~

~~c. — The city manager or designee shall have the authority to limit the total number of public park mobile food unit permits issued for each quarter.~~

~~d. — The city manager or designee shall have the authority to regulate the hours of operation for mobile food units on city-owner property.~~

~~(3) A valid public park permit must be displayed at all times the mobile food unit is located in a public park.~~

(Ord. No. 1739-7-17, § 2, 7-18-2017; Ord. No. 1791-09-19, § 2, 9-3-2019)

Sec. 18-~~59~~102. Mobile food unit zoning and location.

- (a) Mobile food units inside the city limits shall only be stored and operated in areas zoned M, medical, B-2, general business, B-3, central business, I-1, light industrial, or I-2, heavy industrial, unless operating with a city property permit.
- (b) Mobile food units, including snow cone vendors, shall not conduct sales at a stationary location:
 - (1) ~~(1)~~—More than five consecutive days at a location.
 - (2) More than 16 hours per location per day.
 - (3) In public parking spaces, except in the B-3, central business district. No more than three public parking spaces may be utilized by the mobile food unit in the B-3, central business district.
 - (4) On a city-owned property, unless ~~the mobile food unit is operating under section 18-59~~permitted by the city manager or his designee.
 - (5) Within 500 feet of the B-3, central business district, during special events permitted through the city, except for any mobile food units approved as vendors under a special event permit.
- ~~(c) Mobile food units shall locate on private property only with written permission to do so and must comply if asked to leave by the property owner or city official. A copy of the written permission to operate in a specific location, signed by the private property owner, shall be kept within the mobile food unit at all times. Additionally, this written permission must also contain a statement confirming the mobile food unit's customers access to a public restroom. The mobile food unit may not operate if a public restroom is not accessible.~~
- ~~(d)~~ (dc) No mobile food units, their merchandise, advertising, or seating shall obscure traffic sight visibility or be located within the visibility triangle as described in section 118-426 of this Code.
- ~~(e)~~ (ed) Mobile food units shall not operate in driveways or fire lanes.
- ~~(f)~~ (fe) Mobile food units including seating may operate in parking spaces if the required parking for the permanent establishment located on the same premises remains in compliance with the parking requirements found in chapter 118 of this Code.
- (h) Mobile food units shall be removed from the premises and may not be parked longer than 16 hours.
- ~~(i) The mobile food unit will be subject to inspection by the city upon permit application and may be subject to random inspection and upon reissuance of the permit.~~

(Ord. No. 1739-7-17, § 2, 7-18-2017; Ord. No. 1791-09-19, § 3, 9-3-2019)

Sec. 18-~~60~~103. Mobile food unit operations.

- (a) All mobile food units ~~shall have a valid vehicle registration, motor vehicle operator's license, proof of vehicle liability insurance, and a Texas Sales Tax permit~~operating in the city shall meet the operational standards set forth under chapter 467B of the Texas Health and Safety Code and 25 Texas Administrative Code 226, Mobile Food Vendors, as may be amended.
- ~~(b) Mobile food units shall operate from a commissary and shall report at least daily to such location for supplies and for all cleaning and servicing operations. A notarized letter identifying the mobile food unit, the commissary and confirming the mobile food unit is operating from that commissary is required at the time of permit application and at each renewal of the permit. The mobile food unit shall maintain a log documenting the date and time of each supply, cleaning, or servicing operation at the commissary or other fixed food establishment. Receipts from an approved source must also be kept. The log and receipts shall be kept in the mobile food unit, shall be signed by a responsible person, and shall be made available to the city upon request.~~
- ~~(c) Mobile food units selling only containerized beverages, fountain drinks, iced drinks or prepackaged foods are not required to operate from a commissary but must meet all other applicable provisions of this division.~~
- ~~(d) All mobile food units shall be equipped with a self-closing, lidded, trash receptacle. The trash receptacle must be placed outside next to the mobile food units for use by the patrons of the unit. The area around the mobile food units shall be kept clean and free from litter, garbage, and debris.~~
- ~~(e) Temporary connections to potable water are prohibited. Water shall be from an internal tank, and electricity shall be from a generator or an electrical outlet via a portable cord that is in conformance with the electrical code as adopted by the City of Nacogdoches.~~
- ~~(f) Liquid waste shall be contained in a permanently installed retention tank located on the mobile food unit.~~
- ~~(g) Liquid waste shall be characterized as food service waste and shall meet the waste removal, manifesting, disposal, and treatment requirements of the city's sewer use ordinance prior to legal discharge.~~
- ~~(h) Except as otherwise limited by this Code of Ordinances, a mobile food unit may utilize outside seating consisting of a portable table and a seating capacity of no more than four.~~

(i)(b) Mobile food units shall maintain the following fire prevention devices:

- (1) All mobile food units selling food cooked in the mobile food unit shall keep at least one Class ABC fire extinguisher with a minimum 3A40BC rating, with visible current inspection (tagged), fully charged, and located within 30 feet of cooking equipment;
- (2) All mobile food units producing grease-laden vapors (grills, fryers, etc.) shall keep, in addition to the extinguisher required above, a Class K rated portable fire extinguisher, with visible current inspection (tagged), fully charged, and located within 30 feet of cooking equipment.
- (3) All mobile food units producing grease-laden particles within the mobile unit shall install an extinguishing vent hood (Type 1 or other, if approved by the City of Nacogdoches Fire Marshal or designee), which must be tested in the presence of the City of Nacogdoches Fire Marshal or designee before a permit may be issued.
- (4) All mobile food units using compressed gas (LP/propane cylinders, etc.) shall keep gas containers secured outside of the passenger area of the vending unit. Compressed gas cylinders shall be secured by one or more restraints to a fixed object or nested and secured by one or more restraints and cannot be located closer than ten feet from any trash or combustible material. All valves, hoses, and connections used shall be rated for use with petroleum gas; and
- (5) While cooking operations are being conducted, mobile food units shall be located at least ten feet away from all habitable structures.

(Ord. No. 1739-7-17, § 2, 7-18-2017; Ord. No. 1791-09-19, § 4, 9-3-2019)

Sec. 18-104. Alcoholic beverage permit and license.

An owner or operator of a mobile food unit, who has obtained a permit from DSHS and paid the associated fee, shall be exempt from payment of the local fees for an alcoholic beverage permit and license as would otherwise be required under section 18-26.

Sec. 18-~~64~~105. Exemptions.

- (a) All events, activities, and festivals specifically approved by the city council and/or by the City of Nacogdoches ~~festivals~~special event permit process are exempt from these regulations but shall comply with appropriate health and life safety regulations of this Code of Ordinances.
- (b) All vendors operating at the Nacogdoches Farmer’s Market are exempt from these regulations but shall comply with appropriate health and life safety regulations of this Code of Ordinances and all processes set forth by the Nacogdoches Farmer’s Market Board of Directors.

(Ord. No. 1739-7-17, § 2, 7-18-2017)

Secs. 18-~~88106~~—18-115. Reserved.

SECTION III

APPENDIX A – “MASTER FEE SCHEDULE”, of the Code of Ordinances of the City of Nacogdoches, Texas, is hereby amended, as set forth in the attached Exhibit “A”.

SECTION IV

Severability. If any word, article, phrase, paragraph, sentence, clause, or provision of this Ordinance shall be held to be invalid or unconstitutional, such holding shall in no way affect other provisions or applications of this Ordinance which can be given effect without the invalid provision, and to this end provisions of this Ordinance are declared to be severable.

SECTION V

Continuation. All provisions of Chapter 18 of the Code of Ordinances existing prior to the date of passage of this Ordinance remain in full force and effect.

SECTION VI

Repeal. This Ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Nacogdoches, and this Ordinance shall not operate to repeal or affect any such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with provisions of this Ordinance, in which such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION VII

Effective Date. This Ordinance shall take effect ten (10) days from its passage and publication as may be required by governing law.

SECTION VIII

Proper Notice & Open Meeting. It is hereby officially found and determined the meeting at which this Ordinance was passed was open to the public as required and public notice of time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

SECTION IX

Official Public Records. The City Secretary is hereby authorized and instructed to file a signed and sealed copy of this Ordinance in and among the records of the City of Nacogdoches.

PASSED AND APPROVED this the ____ day of _____, 2026, by a vote of ____ (ayes) to ____ (nays) of the City Council of the City of Nacogdoches.

ATTEST:

CITY OF NACOGDOCHES

Karen Hadnot, City Secretary

BY: _____
Randy Johnson, Mayor

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Jerry Baker, City Attorney

Kevin Hammett, Health Inspector

Exhibit A

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF NACOGDOCHES, TEXAS, AMENDING CHAPTER 18 – “BUSINESS”, ARTICLE III. – “FOOD SERVICE ESTABLISHMENTS”, OF THE CODE OF ORDINANCES OF THE CITY OF NACOGDOCHES, TEXAS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A CONTINUATION CLAUSE; PROVIDING A REPEAL CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

RECITALS:

WHEREAS, the Texas Department of State Health Services (DSHS) adopts food safety standards in keeping with the U.S. Food and Drug Administration (FDA) Food Code. Local health departments, including those operated by municipalities, also have the authority under the Texas Health and Safety Code to require permits and enforce regulations applicable to food establishments within their jurisdictions; and

WHEREAS, during the prior legislative session, the Legislature passed two bills amending the Health and Safety Code in order to address perceived overregulation and the imposition of burdensome fees and other costs by municipalities and other local authorities in relation to the food service industry in the State of Texas; and

WHEREAS, S.B. 1008 was enacted to limit the payment of local food establishment permits and fees to what DSHS requires for food service businesses and employees, as well as prohibit the imposition of local alcohol license and permit fees on restaurants and other food establishments that also pay for the issuance of local food permits; and

WHEREAS, H.B. 2844 was enacted to create a uniform, statewide licensing and regulation of mobile food units (i.e. food trucks) through DSHS, and to preclude the enforcement of any local rules, regulations, and permit requirements that may conflict with the State’s regulations; and

WHEREAS, the City of Nacogdoches has previously adopted ordinances for the purpose of regulating food establishments within the jurisdictional limits of the City under Chapter 18 of its Code of Ordinances; and

WHEREAS, the City Council has determined the need to amend certain portions of these ordinances as set forth herein in compliance with the recently enacted legislation;

NOW, THEREFORE BE IT ORDAINED BY THE CITY OF NACOGDOCHES:

SECTION I

All above premises are hereby found to be true and correct legislative and factual findings.

SECTION II

CHAPTER 18 – “BUSINESS”, ARTICLE III. – “FOOD SERVICE ESTABLISHMENTS” of the Code of Ordinances of the City of Nacogdoches, Texas, is hereby amended, as set hereafter to include the following:

ARTICLE III. – FOOD ESTABLISHMENTS

DIVISION 1. – GENERALLY

Sec. 18-56. Adoption of laws and regulations.

The City of Nacogdoches adopts by reference the provisions of the current rules or rules as amended by The Executive Commissioner of the Health and Human Services Commission found in 25 Texas Administrative Code, Chapter 228, regarding the regulation of food establishments in this jurisdiction.
(Code 1971, § 14-28)

State law reference(s)—Food regulations, Texas Health and Safety Code § 437.001 et seq.; 25 Texas Administrative Code, Chapter 228

Sec. 18-57. Definitions.

The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Commissary means an approved food source facility which meets the minimum requirement of state and/or local jurisdiction.

Food establishment means an operation that stores, prepares, packages, serves, or otherwise provides food for human consumption, such as a food service establishment, a retail food store, a temporary food service establishment, a mobile food unit, and/or a roadside food vendor, regardless of whether there is a charge for the food. The term does not include a kitchen in a private home or a bed and breakfast (limited) which has seven or fewer rooms for rent and only serves breakfast to overnight guests.

Manager means the person in charge during the absence of the legal owner, to include assistant managers.

Mobile food unit means a self-contained, licensed, motorized vehicle or trailer, which is temporarily located where food items are cooked, processed or portioned for service, sales, and are sold to the general public.

Owner means the legal owner of any food establishment.

Premises means a tract of land with buildings operating as a single developed unit.

Secs. 18-62—18-85. Reserved.

DIVISION 2. FOOD ESTABLISHMENT PERMITS AND INSPECTIONS

Sec. 18-86. Permit required.

It shall be unlawful for any person to operate a food establishment, other than a mobile food unit, within the city or its police jurisdiction who does not possess a valid permit issued by the City's health inspector. Only a person who complies with the requirements of this article shall be entitled to receive and retain such a permit. Permits shall not be transferred from one person to another person or place. A valid permit shall be posted in every food establishment. Permits for temporary food establishments shall be issued for a time not to exceed 14 days.

(Code 1971, § 14-30)

Sec. 18-87. Food establishment permit fees.

The fees charged for the issuance of a permit and inspections for the operation of any food establishment within the jurisdictional limits of the City of Nacogdoches are set forth in the Master Fee Schedule, Appendix A to the Code of Ordinances.

(Code 1971, § 14-30(1)a, (2); Ord. No. 1388-9-05, 10-1-2005)

Sec. 18-88. Application for food establishment permit.

- (a) Any applicant desiring to operate a food establishment must make a written application for a permit on forms provided by the health inspector. The application must contain the name and address of each applicant, the location and type of the proposed food establishment, and the applicable fee. An incomplete application will not be accepted.
- (b) Failure to provide all required information or falsifying information in the application may result in denial or revocation of the permit. Renewals of permits are required on an annual basis and the same information is required for a renewal permit as for an initial permit.
- (c) Prior to the approval of an initial permit or the renewal of an existing permit, the health inspector shall inspect the proposed food establishment to determine compliance with the Texas Food Establishment Rules, 25 Texas Administrative Code, Chapter 228, and this ordinance. A food establishment that does not comply with these rules will be denied a permit or the renewal of a permit.

Sec. 18-89. Alcoholic beverage permit and license.

The recipient of a food establishment permit, who has paid the fee for said permit in accordance with section 18-87, shall be exempt from payment of the local fees for an alcoholic beverage permit and license as would otherwise be required under section 18-26.

Sec. 18-90. Suspension or revocation of food establishment permit.

- (a) A permit may be suspended or revoked by the health inspector if it is determined:
- (1) The permit was issued in error;
 - (2) The recipient of a food establishment permit provided materially false or incomplete information on the permit application;
 - (3) The recipient of a food establishment permit fails to comply with any applicable provisions of this chapter;
 - (4) The recipient of a food establishment permit engages in serious or repeated violations of any of the requirements of this chapter and/or the Texas Food Establishment Rules;
 - (5) The recipient of a food establishment permit interferes or attempts to interfere with the health inspector in the performance of his/her duties; or
 - (6) The continued operation of the food establishment constitutes an imminent hazard to public health.
- (b) If the food establishment permit is suspended or revoked for any reason, all activity associated with the permit shall immediately cease. Failure to terminate the activity following the suspension or revocation of said permit shall constitute a separate offense.

Sec. 18-91. Appeal.

- (a) If an application for a food establishment permit is denied or a permit that has been issued is subsequently revoked or suspended for any reason, an appeal of the decision may be made to the city manager as follows:
- (1) The appeal shall be filed with the city secretary no later than ten (10) days from the date of notification of the decision to deny, revoke, or suspend the permit; and
 - (2) The appeal must be presented in writing, and specify the decision being appealed and the grounds for the appeal.

- (b) The city manager, after hearing the appeal, shall make written findings as to whether or not grounds exist for the denial, revocation, or suspension of the permit, and may uphold, reverse, or modify the decision. The city manager's findings shall be final.

Sec. 18-92. - Penalty.

Any person who violates the provisions of this article shall, upon conviction, be fined in accordance with section 1-14 of the Code of Ordinances.

Sec. 18-93. Food service owner and manager training and certification.

- (a) Training of food service owners and managers shall consist of a basic 15 hours of food service sanitation training and an annual refresher of three hours.
- (b) The required training and certification shall be conducted on the following basis:
 - (1) The basic course—quarterly.
 - (2) Refresher course—twice yearly.
- (c) Certification shall be required annually for all food service owners and managers. The certification shall attest to the completion of the required training. The certification shall also attest to the establishment by the management of on-the-job training of food service employees.
- (d) There shall be affixed in a prominent place a conspicuous placard or decal attesting to the certification of the personnel of the establishment.

(Code 1971, § 14-29; Ord. No. 1739-7-17, § 2, 7-18-2017)

State law reference(s)—Food service employees and programs, V.T.C.A., Health and Safety Code § 438.031 et seq.

Secs. 18-94—18-100. Reserved.

DIVISION 3. MOBILE FOOD UNIT

Sec. 18-101. Mobile food unit permit.

No person shall operate a mobile food unit in the City of Nacogdoches without a permit issued by the Department of State Health Services (DSHS). Every permit shall be displayed at all times in a conspicuous place where it can be read by the general public on the mobile food vendor's vehicle or trailer.

(Ord. No. 1739-7-17, § 2, 7-18-2017; Ord. No. 1791-09-19, § 2, 9-3-2019)

Sec. 18-102. Mobile food unit zoning and location.

- (a) Mobile food units inside the city limits shall only be stored and operated in areas zoned M, medical, B-2, general business, B-3, central business, I-1, light industrial, or I-2, heavy industrial, unless operating with a city property permit.
- (b) Mobile food units, including snow cone vendors, shall not conduct sales at a stationary location:
 - (1) More than five consecutive days at a location.
 - (2) More than 16 hours per location per day.
 - (3) In public parking spaces, except in the B-3, central business district. No more than three public parking spaces may be utilized by the mobile food unit in the B-3, central business district.
 - (4) On a city-owned property, unless permitted by the city manager or his designee.
 - (5) Within 500 feet of the B-3, central business district, during special events permitted through the city, except for any mobile food units approved as vendors under a special event permit.
- (c) No mobile food units, their merchandise, advertising, or seating shall obscure traffic sight visibility or be located within the visibility triangle as described in section 118-426 of this Code.
- (d) Mobile food units shall not operate in driveways or fire lanes.
- (e) Mobile food units including seating may operate in parking spaces if the required parking for the permanent establishment located on the same premises remains in compliance with the parking requirements found in chapter 118 of this Code.
- (h) Mobile food units shall be removed from the premises and may not be parked longer than 16 hours.

(Ord. No. 1739-7-17, § 2, 7-18-2017; Ord. No. 1791-09-19, § 3, 9-3-2019)

Sec. 18-103. Mobile food unit operations.

- (a) All mobile food units operating in the city shall meet the operational standards set forth under chapter 467B of the Texas Health and Safety Code and 25 Texas Administrative Code 226, Mobile Food Vendors, as may be amended.
- (b) Mobile food units shall maintain the following fire prevention devices:
- (1) All mobile food units selling food cooked in the mobile food unit shall keep at least one Class ABC fire extinguisher with a minimum 3A40BC rating, with visible current inspection (tagged), fully charged, and located within 30 feet of cooking equipment;
 - (2) All mobile food units producing grease-laden vapors (grills, fryers, etc.) shall keep, in addition to the extinguisher required above, a Class K rated portable fire extinguisher, with visible current inspection (tagged), fully charged, and located within 30 feet of cooking equipment.
 - (3) All mobile food units producing grease-laden particles within the mobile unit shall install an extinguishing vent hood (Type 1 or other, if approved by the City of Nacogdoches Fire Marshal or designee), which must be tested in the presence of the City of Nacogdoches Fire Marshal or designee before a permit may be issued.
 - (4) All mobile food units using compressed gas (LP/propane cylinders, etc.) shall keep gas containers secured outside of the passenger area of the vending unit. Compressed gas cylinders shall be secured by one or more restraints to a fixed object or nested and secured by one or more restraints and cannot be located closer than ten feet from any trash or combustible material. All valves, hoses, and connections used shall be rated for use with petroleum gas; and
 - (5) While cooking operations are being conducted, mobile food units shall be located at least ten feet away from all habitable structures.

(Ord. No. 1739-7-17, § 2, 7-18-2017; Ord. No. 1791-09-19, § 4, 9-3-2019)

Sec. 18-104. Alcoholic beverage permit and license.

An owner or operator of a mobile food unit, who has obtained a permit from DSHS and paid the associated fee, shall be exempt from payment of the local fees for an alcoholic beverage permit and license as would otherwise be required under section 18-26.

Sec. 18-105. Exemptions.

- (a) All events, activities, and festivals specifically approved by the city council and/or by the City of Nacogdoches special event permit process are exempt from these

regulations but shall comply with appropriate health and life safety regulations of this Code of Ordinances.

(b) All vendors operating at the Nacogdoches Farmer’s Market are exempt from these regulations but shall comply with appropriate health and life safety regulations of this Code of Ordinances and all processes set forth by the Nacogdoches Farmer’s Market Board of Directors.

(Ord. No. 1739-7-17, § 2, 7-18-2017)

Secs. 18-106—18-115. Reserved.

SECTION III

APPENDIX A – “MASTER FEE SCHEDULE”, of the Code of Ordinances of the City of Nacogdoches, Texas, is hereby amended, as set forth in the attached Exhibit “A”.

SECTION IV

Severability. If any word, article, phrase, paragraph, sentence, clause, or provision of this Ordinance shall be held to be invalid or unconstitutional, such holding shall in no way affect other provisions or applications of this Ordinance which can be given effect without the invalid provision, and to this end provisions of this Ordinance are declared to be severable.

SECTION V

Continuation. All provisions of Chapter 18 of the Code of Ordinances existing prior to the date of passage of this Ordinance remain in full force and effect.

SECTION VI

Repeal. This Ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Nacogdoches, and this Ordinance shall not operate to repeal or affect any such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with provisions of this Ordinance, in which such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION VII

Effective Date. This Ordinance shall take effect ten (10) days from its passage and publication as may be required by governing law.

SECTION VIII

Proper Notice & Open Meeting. It is hereby officially found and determined the meeting at which this Ordinance was passed was open to the public as required and public notice of time,

place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

SECTION IX

Official Public Records. The City Secretary is hereby authorized and instructed to file a signed and sealed copy of this Ordinance in and among the records of the City of Nacogdoches.

PASSED AND APPROVED this the ____ day of _____, 2026, by a vote of ____ (ayes) to ____ (nays) of the City Council of the City of Nacogdoches.

ATTEST:

CITY OF NACOGDOCHES

Karen Hadnot, City Secretary

BY: _____
Randy Johnson, Mayor

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Jerry Baker, City Attorney

Kevin Hammett, Health Inspector

Exhibit A