CITY OF SULPHUR SPRINGS, TEXAS
REGULAR MEETING OF THE
CITY COUNCIL
June 2, 2026
7:00 p.m.

The following council members and staff were present:

Mayor Tyler Law
Mayor Pro Tem Oscar Aguilar
Councilman Jay W. Julian
Councilman Craig Johnson
Councilman Tommy Harrison
Councilman Gary Spraggins
Councilwoman Tiffany Gebel

Absent: None

Staff: Marc Maxwell, City Manager
Natalie Burling, City Secretary
Daniel Ray, Interim City Attorney
Tory Niewiadomski, Director of Community Development/Asst City Manager
Lesa Smith, Finance Director/Assistant City Manager
Jason Ricketson, Chief of Police
Jerry Maynard, Director of Parks and Recreation

An Executive Session was to be held at 6:00 p.m. The City Council was to recess from open session and convene in closed executive session pursuant to Chapter 551 of the Texas Government Code to deliberate the matters set out below. No final action, decision, or vote will be made in executive session. Upon conclusion of the executive session, the Council will reconvene in open session and may take such action on the matters considered in closed session as it deems appropriate.

E.1. Executive session under Texas Government Code § 551.071 (consultation with attorney concerning pending and contemplated litigation, settlement offers, and matters as to which the duty of the City Attorney to the City under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Chapter 551); § 551.072 (deliberation regarding the purchase, exchange, lease, or value of real property where deliberation in open session would have a detrimental effect on the City's position in negotiations with a third person); and § 551.087 (deliberation regarding commercial or financial information received from a business prospect that the City seeks to have locate, stay, or expand in or near the City's territory and with which the City is conducting economic development negotiations, and deliberation

regarding the offer of a financial or other incentive to such business prospect), regarding:

(a) The Letter of Intent dated December 19, 2024, between the City and MSB Global Services concerning the proposed hyperscale data center development known as the "Matrix Project" on portions of the former Luminant/Thermo site — including, without limitation, the legal rights, duties, obligations, and remedies of the City and the other party thereto; pending and contemplated litigation arising from or relating to said Letter of Intent; the City's potential ratification, reaffirmation, modification, or other action with respect thereto; commercial and financial information received from the business prospect; the offer of financial and other incentives to the business prospect; the purchase, exchange, lease, conveyance, or value of real property in connection therewith; and all related matters.

(b) The previously approved Chapter 380 Economic Development Agreement between the City and SSDC1, LLC concerning approximately 1,677 acres of the former Luminant/Thermo site — including, without limitation, the legal rights, duties, obligations, and remedies of the City and the other party thereto; pending and contemplated litigation arising from or relating to said Agreement; the City's potential ratification, reaffirmation, modification, or other action with respect thereto; commercial and financial information received from the business prospect; the offer of financial and other incentives to the business prospect; the purchase, exchange, lease, conveyance, or value of real property in connection therewith; and all related matters.

(c) The previously approved Chapter 380 Economic Development Agreement between the City and SSDC1, LLC concerning approximately 72 acres of the former Luminant/Thermo site — including, without limitation, the legal rights, duties, obligations, and remedies of the City and the other party thereto; pending and contemplated litigation arising from or relating to said Agreement; the City's potential ratification, reaffirmation, modification, or other action with respect thereto; commercial and financial information received from the business prospect; the offer of financial and other incentives to the business prospect; the purchase, exchange, lease, conveyance, or value of real property in connection therewith; and all related matters.

E.2. Executive session under Texas Government Code § 551.071 (consultation with attorney concerning pending litigation, settlement offers, and matters as to which the duty of the City Attorney to the City under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with Chapter 551), regarding the pending litigation styled *City of Sulphur Springs v. Vistra Corp. and Luminant Generation Co.*, Cause No. CV45943, and *Jack Curtis v. City of Sulphur Springs, Texas, et al.*, Cause No. CV46082,; communications and advice protected by the attorney-client privilege and attorney work-product doctrine; and all related legal matters.

Mayor Law opened for public comment on agenda items at 6:05 pm. There was no one to speak to the issue. Mayor Law closed the public comments. Councilman Spraggins moved to go into executive session. Councilman Harrison seconded and the vote was unanimous.

The motion carried.

Councilman Spraggins moved to close the executive session at 7:13 pm. Mayor Protem Aguilar seconded and the vote was unanimous. The motion carried.

RECONVENE

Mayor Law called to order the regular meeting of the Sulphur Springs City Council at 7:14 p.m.

PLEDGE OF ALLEGIANCE TO THE UNITED STATES FLAG, TEXAS FLAG, AND INVOCATION

Mayor Law led in the pledge of allegiance to the United States Flag and the Texas Flag, and Councilman Spraggins led the invocation.

PRESENTATIONS, PROCLAMATIONS, AND ANNOUNCEMENTS

City Secretary Burling swore in new Councilwoman Gebel publicly after being previously officially sworn in prior to the executive meeting.

Councilman Julian announced that a groundbreaking ceremony for the Bright Star baseball field (the future Celebration Field) would be held June 3, 2026 at 10:30 a.m. at Buford Park, across from the Skate Park, and invited the public to attend.

DISCUSSION/ACTION ON A MOTION TO ACCEPT HAROLD NASH'S RESIGNATION FROM PLACE 2 OF THE SULPHUR SPRINGS CITY COUNCIL

Harold Nash Sr. submitted a letter of resignation from Place 2 of the Sulphur Springs City Council, effective June 2, 2026. Councilman Spraggins moved to accept the resignation and wish him well. Councilman Harrison seconded and the vote was unanimous.

The motion carried.

EXHIBIT 1

DISCUSSION/ACTION ON A MOTION TO APPOINT SOMEONE TO FILL THE UNEXPIRED TERM OF SULPHUR SPRINGS CITY COUNCIL PLACE 2

Councilman Spraggins moved to appoint Craig Johnson to Place 2. Councilman Harrison seconded.

Councilman Julian reviewed the history of Council appointments and elections beginning in December 2019, when four members resigned and Reverend Harold Nash was appointed to Place 2, through the 2020 elections, postponements, and runoff that ultimately restored the Council to its full seven members. He stated that the City is not at risk of losing a quorum and that, given low public confidence, the Council should consider calling a special

election.Cale McClure of County Road 3341 requested postponing the appointment and calling for a special election.

Interim City Attorney Ray explained the controlling law in detail. He read Section 2 of the City Charter, which provides that on a vacancy the remaining members shall appoint a qualified resident elector to serve until the next regular city election, at which a council member is chosen to serve the remainder of the term. He explained that because the City has three-year terms, Article XI, Section 11 of the Texas Constitution applies, and that subsection (c), added in 2013, allows a municipality to provide by charter for filling a vacancy for an unexpired term of 12 months or less. Because the remaining term is approximately 11½ months, the Charter controls and the Council is required to appoint a qualified resident elector at the next regular meeting. He explained that the only options under the Charter and Robert's Rules were to appoint at this meeting or, if the motion did not pass, to take the matter up at the next regular meeting, and that calling an election contrary to the Charter would be an ultra vires act. The City Attorney stated that the ambiguity concerned the term "next"—i.e., that upon a vacancy the appointment could be made at the next regularly scheduled meeting whether it be now or the next meeting.

In response to questions from Councilman Julian regarding the 2019 appointments, Attorney Ray stated that whether those prior actions complied with the law depended on the length of the unexpired terms at the time, but that prior actions that may not have complied with the law are not an excuse to depart from the law now.

Jaime Mitchell of Country Club Road asked that the council put off the appointment to a later date with public input, to build trust and to give the candidate time to catch up on current city business.

James Schumacher of Main Street recommended delaying the appointment until after the runoff election so that the council seated at that time can make the decision and believed it to be a lack of transparency to appoint at this meeting.

James Showalter, Reservoir Street, stated that social media should not dictate changes to the three-year council process, expressed appreciation for the City Attorney's explanation, and urged the Council to follow the established rules.

Mayor Law called for the vote. The motion carried by a vote of 4 to 2, and a roll-call vote was taken at Councilman Julian's request:

AYES: AGUILAR, HARRISON, SPRAGGINS, LAW

NOES: JULIAN, GEBEL

The motion carried.

City Secretary Burling swore in Craig Johnson for Place 2 of the Sulphur Springs City Council and he took his seat.

DISCUSSION/ACTION ON MAYOR AND MAYOR PRO TEM

Cale McClure of County Road 3341 asked that this be delayed to the next regular meeting.
Councilman Spraggins moved to delay the appointment of Mayor and Mayor Pro tem until after the runoff election. Mayor Law seconded and the vote was unanimous.

The motion carried.

MANAGER'S REPORT WILL INCLUDE A STATUS REPORT OF CAPITAL IMPROVEMENTS, MUNICIPAL OPERATIONS, ACCIDENTS AND CLAIMS FOR THE MONTH, AND A REVIEW OF EXPENDITURES AND REVENUES
Manager Maxwell presented the staff report.

Claims

Two workers' compensation claims were reported during May. A Police Officer sustained a head injury during a vehicle accident involving a patrol unit and has not required medical treatment. A Wastewater Treatment Plant employee suffered a fractured foot while performing maintenance duties and has returned to light duty.

One liability claim was filed involving an alleged sewer backup at a residence on Marianne Circle. The claim has been submitted to TML and remains under investigation.

One property claim was submitted for lightning damage to Police Department repeater equipment located on the Hospital District communications tower. Estimated damages are $12,518.04.

No notices of claim or lawsuits were received during the month.

Thermo 21" Sewer Line

Progress continued on the Thermo 21-inch sewer line project. Crews installed 350 feet of new sewer line and one new manhole during the month, bringing the total installed sewer line to 518 feet. Work also is going very slowly on the 700-foot bore crossing, The project will ultimately provide approximately 11,900 feet of new sewer line at an estimated cost of $2.5 million

Bright Star Field

Construction on the Bright Star Field (formerly Miracle League Field) at Buford Park began yesterday. Elsewhere on the agenda you will consider an item to award the contract for the concession stand construction.

Street Improvement Program (SIP) – 2026

Street	Between	Length
Asphalt/Conc. Repair	various soft spot repairs	1000
Hodge	League to Barbara	1130
Colorado	Longino to Jackson	401
Fleming	Church to Rosemont	428
~~Putman~~	~~Carter to Como~~	~~2360~~
Mulberry	Park to Glover	1299
League	Connally to Houston + curve	1316
Moore	Main to Connally	1193
Gaines	Fuller to Putman	422
Raintree	Loop 301 to Loop 301	2978
N. Lake Rd. and ramp	Peerless Hwy to ramp	3200
Towne	Hinnant to Robertson	412
Lemon	Bill Bradford-McGrede to Sprite	1088
Able and Ava	Putman to Fuller	820
Davis St.	South Davis from RR to Kyle	2149
Southland	Davidson to end	898
Simms	Freeman to end	400
Cranford	Austin to Hodge	891
Total Feet		**22385**
Total Miles		**4.24**

S.E.C.O. LED Light Upgrade

The contractor has begun replacing the lights on baseball/softball fields 3,4 and 5 at Coleman Park. The project is paid for by a grant from the State Energy Conservation Office.

Departmental Activity

Public Works

• Repaired 206 potholes and cleaned storm drains six times.
• Repaired streets following 11 water and sewer repairs.
• Continued citywide tree-trimming program to maintain roadway clearance.
• Removed two fallen trees from city streets.
• Cleaned drainage channels and removed accumulated vegetation and debris at multiple locations throughout the city.
• Installed four light-pole foundations at Coleman Park.

Utilities — Water

• Repaired 5 water-main breaks (¾″–2; 1″–1; 6″–2).
• Replaced 15 water meters and 5 meter boxes.
• Located over 27,500 feet of water mains for contractors.
• Installed three 1-inch water taps, two ¾-inch meter sets, and one 2-inch meter set.
• Repaired one fire hydrant.

Utilities — Sewer (City Lines Only)

• Responded to 14 city sewer calls.
• Repaired three 6-inch sewer lines, one 8-inch sewer line, and two 21-inch sewer lines.
• Washed more than 79,000 feet of sewer mains as part of the F.O.G. program.
• Installed two new sewer taps and completed two manhole repairs.
• Located over 27,750 feet of sewer mains for contractor coordination.

Wastewater Treatment Plant

• Monthly average effluent TSS measured 0.90 mg/L.
• Hauled 519.97 tons of sludge to the Maloy Landfill.

Community Development

• Conducted 61 building inspections, 17 electrical inspections, 13 plumbing inspections, and 2 mechanical inspections.

• Issued 27 building permits and 32 trade permits.
• Planning & Zoning approved a preliminary plat for the proposed QuikTrip development and approved amendments to the subdivision ordinance regarding minor plat approvals.

Fire Department

• Responded to 195 calls for service.
• Conducted 30 inspections and maintained 76 fire hydrants.
• Logged 178 hours of continuing education training.
• Responded to 2 structure fires, 2 vehicle fires, 4 non-structure fires, and 15 fire alarms.

Police Department

• Responded to 2,238 calls for service.
• Investigated 28 traffic accidents resulting in 7 injuries and no fatalities.
• Issued 490 citations, recorded 66 offenses, and made 73 arrests.

Animal Control

• Responded to 130 complaint calls.
• Picked up 8 dogs and cats and accepted 6 owner drop-offs.
• Returned 4 animals to their owners and facilitated 3 adoptions.
• Issued 2 citations and responded to 2 animal bite reports.
• Shelter adoption rate was 78 percent.

Library

• Recorded 4,247 visitors and 3,238 checkouts.
• 204 users downloaded 879 eBooks and audiobooks.

Parks & Recreation

Downtown and park maintenance activities continued throughout the month, including landscaping, mowing, playground improvements, and support for community events. Staff assisted with four downtown events, completed repairs to the Kids Kingdom playground, applied 40 yards of playground mulch at Pacific Park, and restored operation of the Imagination Mountain waterfall.

Parks staff hosted three tournaments, prepared sports fields for youth activities, and completed preparations for 20 rentals at the Grays Building. Installation of the Coleman Park LED lighting project is nearing completion.

Senior Center staff assisted with 100 activities during the month, including a Mother's Day luncheon attended by 85 seniors and a Silver Saturday Night event attended by 50 participants.

Airport & Tourism

• Recorded 2,178 aircraft operations.
• Sold 5,027 gallons of AvGas and 9,497 gallons of Jet-A fuel.
• Continued tourism promotion efforts and assisted local organizations with community events.

Finance Director/ACM Smith presented the finance report ending April 30, 2026.
EXHIBIT 2

Cale McClure of County Road 3341 questioned why mechanics liens and attorney hire is not included.

Manager Maxwell explained that the lien he referred to is not against the city and that the city did hire Attorney Gaylord Hughey.

DISCUSSION/ACTION ON CONSENT AGENDA
City Secretary Burling presented the staff report. Consider for approval the City Council Regular meeting minutes of 05/05/2026; the City Council Special Retreat Meeting Minutes of 05/12/2026; the Planning and Zoning Meeting Minutes of 04/20/2026; and the Economic Development Corporation Meeting Minutes of 04/13/2026.
Councilman Spraggins made a motion to approve the consent agenda as presented. Councilman Aguilar seconded.

Cale McClure of County Road 3341 referred to a citizen comment in minutes when he believed that a citizen spoke off topic and requested a town hall meeting in reference to data centers.

There was a motion and a second to accept the minutes as presented. The vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE NO. 2898 FOR A ZONING ORDINANCE AMENDMENT REGARDING PERMITTED ZONING DISTRICTS FOR "TATTOO AND BODY PIERCING PARLORS"
Community Development Director/Assistant City Manager Niewiadomski presented the

staff report. Recently members of the public have addressed City Council regarding the need for expansion of permitted locations for tattoo/body piercing parlors which has prompted this proposed amendment. Mayor Law opened the public hearing at 8:00 pm Dakota Cortez, Turtle Creek Drive, spoke in support, describing his year-long effort to open a tattoo shop in Sulphur Springs, his desire to operate legally with inspections and state regulation, and the additional revenue his clients bring to local businesses.

Mayor Law closed public comment at 8:02 pm.

Councilman Julian moved to approve the ordinance as presented. Councilwoman Gebel seconded and the vote was unanimous.

The motion carried.

EXHIBIT 3

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND AND FINAL READING OF ORDINANCE NO. 2899 FOR A ZONING ORDINANCE AMENDMENT FOR "MOBILE FOOD UNITS AND MOBILE FOOD VENDOR COURTS" TO REGULATE THE LOCATION AND SITE DEVELOPMENT STANDARDS WITHIN CERTAIN AREAS OR ZONING DISTRICTS CONSISTENT WITH STATE LAW

Community Development Director/Assistant City Manager Niewiadomski presented the staff report. City staff is recommending a zoning ordinance amendment to establish regulations governing the location and site development of Mobile Food Units (MFUs), commonly known as food trucks. The amendment defines MFUs as a land use and allows them by right in Heavy Commercial (HC) zoning districts, with additional provisions for Mobile Food Vendor Courts (food truck parks). MFUs are permitted in the Central Commercial (CC) District only as part of city-approved special events. The ordinance also establishes site standards addressing parking, access, circulation, waste management, and fire safety. Recent changes in state law, specifically House Bill 2844, limit the City's authority to regulate mobile food vendors through licensing, inspections, or operational requirements. These functions are now administered at the state level by the Texas Department of State Health Services (DSHS). HB 2844 will go into effect on July 1, 2026. As a result, this amendment focuses strictly on land use, zoning, and site-related impacts, which remain within the City's authority. The amendment is structured to avoid conflict with state law while maintaining the City's ability to manage compatibility, traffic, and infrastructure impacts. Without zoning standards in place, mobile food units will be able to operate anywhere in the city starting July 1, 2026. The ordinance provides a legally defensible framework that aligns with state law while allowing for reasonable regulation of land use impacts and supporting economic development opportunities. The Planning and Zoning Commission held a Public Hearing and recommended sending to the City Council to consider for approval.

Mayor Law opened the public hearing at 8:04 p.m. Cale McClure, County Road 3341, asked whether the ordinance would affect food truck events at the high school. Director

Niewiadomski explained that mobile food units would be allowed on publicly owned land, including the school. Mayor Law closed the public hearing at 8:05 p.m.

Councilman Spraggins made a motion to approve the ordinance on the second reading. Mayor Pro tem Aguilar seconded and the vote was unanimous.

The motion carried.

EXHIBIT 4

DISCUSSION/ACTION FOR SECOND AND FINAL READING OF ORDINANCE NO. 2900 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, AMENDING ORDINANCE NO. 2885, THE 2025-2026 ANNUAL BUDGET ORDINANCE

Finance Director/Assistant City Manager Smith presented the staff report. This budget amendment addresses changes that have occurred during the fiscal year resulting from action by the City Council since the adoption of the budget in September. An explanation of amendments to expenditure and source of funds is included as Exhibit A of the Ordinance. This budget amendment increases the overall expenditure limit by $1,668,000. The budget amendment also recognizes the use of $1,200,000 of available fund balance in the General Fund and $468,000 of the Enterprise Fund's available cash balance.

Jaime Mitchell of Country Club Road requested that the council reduce items in the current budget to cover the cost.

Cale McClure of County Road 3341 asked why it wasn't addressed at the Budget Retreat.

Manager Maxwell explained that the Council Retreat is not a budget retreat. It is to discuss board appointments, Mayor and Mayor Pro tem and that department heads are invited to do presentations at the meeting. He added that the budget was not on the retreat agenda.

Councilman Julian added that he viewed the Council Retreat to be the beginning of budget season.

Councilman Spraggins moved to approve Ordinance No. 2900 on the second reading. Councilman Harrison seconded. Mayor Law called for the vote and then Councilman Julian requested a roll-call vote. The vote was as follows:

AYES: JOHNSON, AGUILAR, HARRISON, SPRAGGINS, LAW, GEBEL
NOES: JULIAN

The motion carried 6-1.

EXHIBIT 5

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE 2902 TO AMEND THE SUBDIVISION ORDINANCE TO UPDATE THE APPROVAL PROCEDURE FOR MINOR PLATS AND TO DESIGNATE ADMINISTRATIVE APPROVAL AUTHORITY

Director of Community Development/Assistant City Manager Niewiadomski presented the staff report. City staff is recommending a subdivision ordinance amendment to update minor plat approval procedure. Currently, Section 12(B) of the subdivision ordinance addresses minor plat approval procedure. State law permits administrative "minor" plats to be approved in situations where the proposed subdivision is ready for development where existing utilities and streets are adequate to serve the development into four or fewer lots of proper lot frontage. The process currently requires the Community Development Director, City Manager, and City Attorney to review and approve these plats. Staff is recommending streamlining the process by designating the Community Development Director as the approval authority to limit delays in the approval process. There was a brief discussion.

Councilman Spraggins moved to approve the minor plat as presented. Councilman Johnson seconded and the vote was unanimous.

The motion carried.

EXHIBIT 6

DISCUSSION/ACTION ON RESOLUTION NO. 1530 GRANTING AN EASEMENT TO ONCOR ELECTRIC DELIVERY COMPANY, LLC AT THERMO PROPERTY ACROSS LOT 1R-4 OF THE THERMO ADDITION

Director of Community Development/Assistant City Manager Niewiadomski presented the staff report. Oncor Electric Delivery Company LLC is requesting an easement for the NW Corner of their new substation located along CR 2307 to gain access to the existing 230' wide easement that contains the overhead electric transmission lines that bisect the Thermo property. Most of the proposed easement lies within the existing electrical easements on the property. This is an area that is currently not developable due to the existing electrical transmission line easement in place. There was a brief discussion. Councilman Spraggins made a motion to approve the easement as presented. Mayor Pro tem Aguilar seconded and the vote was unanimous.

The motion carried.

EXHIBIT 7

DISCUSSION/ACTION ON RESOLUTION NO. 1531 AUTHORIZING A THREE-YEAR AGREEMENT WITH VERTOSOFT, LLC FOR THE PURCHASE OF OPENGOV FINANCIAL SOFTWARE LICENSING THROUGH TEXAS DIR PURCHASING COOPERATIVE CONTRACT DIR-CPO-5327; AUTHORIZING THE CITY MANAGER TO EXECUTE APPROPRIATE AGREEMENTS AND

PROVIDE FOR PAYMENT ON THE CITY'S BEHALF; AND PROVIDING AN EFFECTIVE DATE

Authorization of 3-year contract with Vertosoft, LLC for the continued use of OpenGov Financial Software. The software system is of vital importance to the City because of the financial data it calculates and stores along with handling all accounts payable, utility billing functions, and payroll processing. In our experience, the software currently used has been accurate, secure, and reliable and we believe the same will continue to be true. The City has used the same financial software for 25+ years; originally with STW, Inc. which was later purchased by OpenGov. The City occasionally utilizes purchasing cooperatives in lieu of requesting sealed bids or proposals. Chapter 271 of the Local Government Code authorizes cities to join with cooperatives for the purpose of procuring goods and services. Texas DIR is one of those that the City has joined in the past. There was no one else to speak to the issue.

Councilman Julian made a motion to approve the resolution as presented. Councilman Harrison seconded and the vote was unanimous.

The motion carried.

EXHIBITS 8

DISCUSSION/ACTION ON RESOLUTION NO. 1532 RATIFYING, REAFFIRMING, MODIFYING, OR TAKING OTHER RELATED ACTION REGARDING THE PREVIOUSLY APPROVED LETTER OF INTENT DATED DECEMBER 19, 2024, BETWEEN THE CITY AND MSB GLOBAL SERVICES CONCERNING THE PROPOSED HYPERSCALE DATA CENTER DEVELOPMENT KNOWN AS THE "MATRIX PROJECT" ON PORTIONS OF THE FORMER LUMINANT/THERMO SITE, AND ALL RELATED ISSUES

Attorney Ray presented the staff report, explaining that Items 15, 16, and 17 (Resolutions 1532 through 1534) relate to the data center development and are intended to correct problems with the previous resolutions. He explained that the December 2024 Letter of Intent had been the subject of a lawsuit alleging it was not adopted in compliance with the Texas Open Meetings Act, and that Resolution 1532 reissues the Letter of Intent in a manner reviewed for compliance with state law, the City Charter, and the Council's adopted rules. He stated that, for all practical purposes, the resolution does the same thing as the December 2024 action, with expanded "whereas" detail regarding the legal basis and the property affected, and that approving it would change the City's position only as to the legal enforceability of the Letter of Intent.

Mayor Law provided additional context, disclosing that he had been given approval shortly before the meeting to share that MSB is bringing on a new development partner, an international data center operator and developer with numerous sites worldwide, including several in Texas, whose name could not yet be disclosed, with a public announcement expected in the next week or two.

Councilman Julian raised a point of order regarding whether the announcement was within the scope of the item. Attorney Ray explained the parameters of discussion under the Open Meetings Act and concluded that the comments related to the project in general, which relates to the Letter of Intent.

Councilman Julian read into the record an e-mail dated December 18, 2024 that he had sent to Manager Maxwell concerning the Letter of Intent, setting out suggested improvements relating to proof of financial soundness, development milestones and performance guarantees, the City's oversight and control of the development, utility agreements and the "as-is" condition, exclusivity and marketing of the property, dispute resolution and safeguards, claw-back and termination rights, and environmental and land condition, together with requests for disclosure regarding litigation involving MSB Global's corporate officers and board members. He stated that most of those matters remained outstanding. (The e-mail is included as Exhibit 9.)

Councilman Spraggins made a motion to approve the resolution and LOI as presented. Councilman Harrison seconded.

Jaime Mitchell, 1242 Country Club Road, asked the newly appointed council member whether he had received and thoroughly reviewed the meeting packet and background materials before voting. Councilman Johnson responded that he had reviewed the materials before the meeting.

Melissa Harris of County Road 2326 in Como asked to see the LOI and posed numerous questions and concerns about the LOI and data center project.

Manager Maxwell answered that the letter of intent she asked to see was shared online in the agenda packet. He explained that the project began as a project across four phases intended to be connected to the grid. He also noted the property was later found to have limited available capacity, that the agreement included claw-back provisions allowing the City to take the land back, and that the "as-is, where-is" conveyance is broad. He stated that much of what Councilman Julian raised was good advice that belongs in a development agreement rather than a letter of intent and explained his preference to retain the option to go directly to court rather than be limited to mediation and arbitration.

Councilman Julian responded that his arbitration and mediation suggestion should have been brought to the Council for decision.

Mayor Law stated there was a motion and a second. The vote was as follows:

AYES: JOHNSON, AGUILAR, HARRISON, SPRAGGINS, LAW

NOES: JULIAN, GEBEL

The motion carried.

EXHIBIT 9

EXHIBIT 10

DISCUSSION/ACTION ON RESOLUTION NO. 1533 RATIFYING, REAFFIRMING, MODIFYING, OR TAKING OTHER RELATED ACTION REGARDING THE PREVIOUSLY APPROVED CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT WITH SSDC1, LLC CONCERNING APPROXIMATELY 1,677 ACRES OF THE FORMER LUMINANT/THERMO SITE, AND ALL RELATED ISSUES

Councilwoman Gebel noted, for the integrity of the Council, that the updated documents with notations had just been provided to the Council in executive session and made available to the newly appointed council member shortly before the vote.

Attorney Ray presented the staff report, explaining that Resolution 1533 relates to the larger 1,677-acre parcel and the next item to the 72 acres, and that both ratify and re-approve the previously adopted Chapter 380 agreements while correcting problems with the language of the prior resolutions and the City's technical actions. He explained that some additions were not in the packet, reflecting new claims brought to the City's attention and items found during the firm's review of 15 to 16 years of prior Council agendas and minutes, and described a new Section 7 distinguishing the City's various Chapter 380 policies (the 2014 policy as amended in 2020 and 2021, and a separate 2018 rebate policy) and explaining the difference between tax abatements and tax rebates. He stated that the resolution re-adopts the previously approved Chapter 380 agreement, addresses issues raised in pending litigation (amended that morning), and does not grant any new economic incentives to the developer.

Councilman Julian asked what would happen if we postponed this and would it apply to the new developer if passed.

In response to questions from Councilman Julian, Attorney Ray explained the Council's options, including postponing to a specific time (noting the new five-day notice requirement under recent amendments to the Open Meetings Act), approving as written or with changes, or denying the resolution. He confirmed that the Chapter 380 agreement would apply to a new development partner, who would be subject to its terms unless the parties renegotiated and repeated the full process.

Councilman Julian presented several issues he wanted to be spoken into the record. **(See Exhibit 11)** Attorney Ray responded that he could not discuss matters not on the agenda but could address it after the meeting or place it on a future agenda. Councilman Julian stated that he was not comfortable approving the resolution without thoroughly reviewing the materials he had received that evening.

Councilman Johnson asked Attorney Ray about the City's liability on public property and the limits of sovereign immunity. Attorney Ray explained the Texas Tort Claims Act, the distinction between governmental and proprietary functions, the effect of transferring property to a new owner, premises liability, the City's membership in the Texas Municipal League risk pool and its deductible, and that the changes made to the resolution, while not preventing a lawsuit, make an adverse result less likely if the City were sued over the

resolution.

Councilman Spraggins moved to approve the resolution as presented during the executive session. Councilman Harrison seconded.

Phil Smith of Plano Street stated that he is a voter in Sulphur Springs, thanked the Council members for their service, and urged the Council to remember its responsibility to the city's taxpayers and voters. He expressed his respect for most of the Council and for Manager Maxwell and asked that speakers state whether they are city voters.

Brad Johnson of Junell Street spoke of his support and that he lives near Thermo. He added that the city has a 31-million-gallon surplus of water and that onsite electric generation would not cause utility cost increase.

Don Roundtree of Briarwood Circle expressed support and stated that he has been in a data center and does not understand the problem and said he believed the Council was trying to do the right thing.

John Heilman of Jackson Street thanked the Council and stated that the project would bring money into the city and benefit local businesses while it is built and after completion.

Robert Lenington of County Road 3640 spoke in support and thanked the Council members even those he does not always agree with, acknowledged that serving is difficult and involves public criticism, and thanked the Council for its vision and leadership, noting the vote would affect the community for years.

Mayor Law stated that they had a motion and a second and called for a vote. The vote was as follows:

AYES: JOHNSON, AGUILAR, HARRISON, SPRAGGINS, LAW

NOES: JULIAN, GEBEL

The motion carried.

EXHIBIT 11

EXHIBIT 12

DISCUSSION/ACTION ON RESOLUTION NO. 1534 RATIFYING, REAFFIRMING, MODIFYING, OR TAKING OTHER RELATED ACTION REGARDING THE PREVIOUSLY APPROVED CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT WITH SSDC1, LLC CONCERNING APPROXIMATELY 72 ACRES OF THE FORMER LUMINANT/THERMO SITE, AND ALL RELATED ISSUES

Attorney Ray presented the staff report, explaining that Resolution 1534 is very similar to Resolution 1533, with additional "whereas" sections added since the packet, a new section disambiguating the 2018 Chapter 380 policy from the 2014, 2020, and 2021 policies, and renumbered sections. He stated that it re-adopts the Chapter 380 agreement for the 72 acres

from May 2025 with added legal protection and intentional observance of the Open Meetings rules, and is essentially a mirror image of the prior resolution.

Councilman Spraggins made a motion to approve the resolution as presented. Mayor Pro Tem Aguilar seconded. Attorney Ray noted that public comment should be taken before the vote; there were no speakers signed up for Item 17.

Councilman Julian stated that he just received the updated document and feels it would be irresponsible for him to support this.

Manager Maxwell explained that this is 72 acres that is not part of the Thermo land and it is conveyed to the developer for power generation.

Mayor Law stated that there was a motion and a second and called for a vote. The vote was as follows:

AYES: JOHNSON, AGUILAR, HARRISON, SPRAGGINS, LAW

NOES: JULIAN, GEBEL

The motion carried.

EXHIBIT 13

DISCUSSION/ACTION ON PRELIMINARY PLAT CASE PPL#260501 BEING A REQUEST BY QT SOUTH, LLC FOR APPROVAL OF A PRELIMINARY PLAT ON A 1.923-ACRE TRACT OF LAND INTO ONE COMMERCIAL LOT, GENERALLY LOCATED ON THE NORTH SIDE OF I-30/INDUSTRIAL DR. E. AND EAST SIDE OF S. BROADWAY

Director of Community Development/Assistant City Manager Niewiadomski presented the staff report. Discussion/Action on Preliminary Plat Case PPL#260501 being a request by QT South, LLC for approval of a Preliminary Plat on a 1.923-acre tract of land into one commercial lot, generally located on the north side of I-30/Industrial Dr. E. and east side of S. Broadway. Applicant is proposing development of the property into one commercial lot. Applicant has submitted full construction plans for all public improvements necessary to serve this development. Construction of the public improvements necessary for this development have not yet been constructed, the developer will commence construction after approval of the preliminary plat and community facilities contract. The developer will put up a performance & warranty bond for the all of the proposed public improvements in accordance with applicable City requirements.

Councilman Johnson asked if there is access to Mockingbird Road. Niewiadomski stated that they had an easement with Wendy's. There was a brief discussion.

Councilman Spraggins moved to approve the preliminary plat as presented. Councilman Johnson seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON AWARD OF CONSTRUCTION ADMINISTRATION (CA) SERVICES WITH BRW ARCHITECTS FOR THE CITY HALL EXPANSION PROJECT

Director of Community Development/Assistant City Manager presented the staff report. The city previously awarded a proposal with BRW to perform design services for the City Hall Expansion. BRW completed the construction plans earlier this year and the city has progressed to the next phase. BRW provided this scope of (CA) in their original proposal but it was optional at the time until a Certificate of Obligation was issued and a construction contract being awarded. This proposal authorization would allow them to proceed with the scope of work during this phase of the project. In December, 2024 City Council authorized design services with BRW Architects for Basic and Additional Services. It was determined that the city could elect to add construction administration once the Certificate of Obligation (CO) was issued at a later date. The issuance of the CO was earmarked for the specifically for the City Hall project. These funds could not be utilized on other city projects that are not included in the CO. Staff recommend the City Council award the construction administration proposal with BRW Architects up to $187,000 and authorize the City Manager to execute all necessary contract documents on behalf of the City. A Certificate of Obligation was issued in 2025 for $7 million and the budget included a total of $7.2 million for the project. Originally, it was estimated $6.7 million for construction and $500,000 in architectural fees for the project. It is recommended to include additional funding in the FY 2027 budget to account for any overages not covered by the CO. Once the contracts are awarded, staff will value engineer some elements of the project to mitigate financial impacts of the budget. There was a brief discussion. Councilman Harrison moved to award Construction administration as presented to BRW. Councilman Julian seconded.

Jamie Mitchell of Country Club Road asked if there is a need for this project.

Manager Maxwell explained that the City is out of space, needs additional staff and a central location for citizen transactions, and that the project provides room for the Police Department.

Councilwoman Gebel noted that the executive session had been held at the Police Department for lack of space.

Councilman Spraggins described the City's prior planning when the building was remodeled and dedicated as City Hall on July 15, 2014, one hundred years after its dedication as a post office.
Councilman Julian stated that he supports the project because the $7 million Certificate of Obligation has already been issued.

Mayor Law stated that there was a motion and a second and called for a vote. The vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON AWARD OF A CONSTRUCTION CONTRACT BETWEEN THE CITY OF SULPHUR SPRINGS AND SCI CONSTRUCTION, LTD. FOR THE CITY HALL PHASE 2 EXPANSION

Director of Community Development/Assistant City Manager presented the staff report. The purpose of the project is to expand city hall to provide better service delivery to citizens by having a "one stop" shop with Utility Billing, Finance, Human Resources, Municipal Court, Community Development, and Administration housed at one location. The expansion allows for future growth of the above listed departments as well as the Police Department to expand at 125 S. Davis Street. The goal of the project was to respect the historic nature of the existing city hall building, to utilize similar finishes in the expansion, to enhance the outdoor space as a gathering location Downtown, and to mirror the footprint of the existing building to the west to create symmetry in the design of the complex. The City of Sulphur Springs publicly solicited competitive sealed proposals for construction services associated with the City Hall Phase 2 project. Proposals were received on May 4, 2026, and nine (9) proposals were submitted. After review of the submitted proposals, SCI Construction, Ltd. was determined to be the lowest responsible proposer with a base proposal amount of $6,913,000.00. SCI Construction also submitted pricing for alternates, including:

Alternate No. 1 (Trellis Structure): $70,909.00

Alternate No. 2 (Transfer Grille): $1,675.00 each

Alternate No. 3 (Cast Stone and GFRC Support): No cost submitted.

SCI Construction proposed a substantial completion timeline of 303 calendar days and final completion within 333 calendar days. The project consists of the construction of the City Hall Phase 2 expansion and associated renovation work to the existing facility. SCI Construction acknowledged receipt of the bid documents and submitted all required bid forms, bonds, insurance documentation, and conflict of interest disclosures with their proposal package. Staff has reviewed the proposals and qualifications submitted and recommend award of the construction contract to SCI Construction, Ltd. based upon the lowest responsible bid and demonstrated qualifications for the project. In December, 2024 City Council authorized design services with BRW Architects for Basic and Additional Services. It was determined that the city could elect to add construction administration once the Certificate of Obligation (CO) was issued at a later date. The issuance of the CO was earmarked for the specifically for the City Hall project. There was a brief discussion. Councilman Harrison moved to approve the award of the construction contract between the City of Sulphur Springs and SCI Construction for the City Hall Phase 2 expansion. Mayor Law seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON CONTRACT WITH RBC CONSTRUCTION UTILIZING THE INTERLOCAL PURCHASING SYSTEM (TIPS) FOR TPWD GRANT #48-01277 BUFORD PARK FIELD PROJECT

Parks Director Maynard presented the staff report. In August 2025, City Council rejected bids received for the project due to cost. Since August, staff has worked with Kimley-Horn on changes to plans as well as methods for reducing the cost of the project. Rather than hiring a general contractor, staff has been working to secure proposals for different components of the project. This proposal is for the construction of the concession stand, bathrooms and sidewalks around the building. The TPWD grant requires compliance with Build America, Buy America (BABA). Please see attached letter from RBC Construction that all BABA requirements will be met.

Sealed bids were not requested, as this is recommended to be purchased using the TIPS Contract. TIPS is a national purchasing cooperative that streamlines the procurement process by developing RFPs and IFBs for national, competitive solicitations that meet or exceed local requirements.

The City occasionally utilizes purchasing cooperatives in lieu of requesting sealed bids. Chapter 271 of the Local Government Code authorizes cities to enter into cooperatives for the purpose of procuring goods and services. A total of $1,169,185.00 is budgeted for the Buford Park Field Project utilizing the TPWD Grant Funding, donations from Brightstar Baseball as well as City Match Funds. There was a brief discussion.

Councilman Spraggins moved to approve the contract with RBC. Councilman Aguilar seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON EXECUTIVE SESSION ITEM, IF ANY

None.

VISITORS AND PUBLIC FORUM

Doug Moore, of Raintree Circle, acknowledged that serving in public office is a difficult undertaking and recognized that the Council does not serve for personal benefit. He noted that a considerable amount of inaccurate information is circulating online.

Cale McClure, of County Road 3341, acknowledged that serving on the Council is a difficult position. He read from the contract of Attorney Gaylord Hughey and added that the attorney is a lobbyist.

Rebecca Wix, of County Road 2321, stated that county residents support the city's restaurants, grocery stores, and retailers, that some had discussed a boycott and that she pays city taxes without having a vote.

Bernice Fitzgerald, of Cherrywood Drive, stated that she was born in Hopkins County. She recalled that approximately 30 years ago the community opposed Pilgrim's Pride coming

to Sulphur Springs and the Council at that time listened to the people, which led to her involvement in politics; she served on the Council, including as Mayor Pro Tem and as Mayor.

Sally Tolliver, of County Road 3640, addressed the Council regarding the Comprehensive Plan. She stated that the draft plan is outdated and lacking important information, citing limited references to the data center, the Thermo/Luminant site, and the Matrix property, and to schools and certain streets, and urged the Council to address current infrastructure needs and prepare for growth.

Tyler Stout, of Plano Street, addressed the Council regarding the actions and statements made at the previous Council meeting he believed to be wrong. He raised questions concerning the data center project.

ADJOURN

With all business concluded, Mayor Law closed the meeting at 10:07 p.m.