

CITY OF SULPHUR SPRINGS, TEXAS
REGULAR MEETING OF THE
CITY COUNCIL
August 4, 2026
7:00 p.m.

The following council members and staff were present:

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

Absent: None

Marc Maxwell, City Manager
Natalie Burling, City Secretary
Daniel Ray, City Attorney
Tory Niewiadomski, Director of Community Development/Asst City Manager
Lesa Smith, Finance Director/Assistant City Manager
Jason Ricketson, Chief of Police
Gordon Frazier, H.R. Director
Joey Baker, Director of Aviation & Tourism

CALL TO ORDER

Mayor Spraggins called to order the regular meeting of the Sulphur Springs City Council at 7:00 p.m. at City Hall, 201 North Davis Street.

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

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

PRESENTATIONS, PROCLAMATIONS, AND ANNOUNCEMENTS

There were no presentations or proclamations.

Councilman Johnson began an announcement regarding social media posts asserting that MSB is in violation of its Chapter 380 agreement with the City, stating that in his view the City should take no action on the matter at this time because CyrusOne is in the process of taking over the project. Mayor Spraggins asked whether the subject was one that should be

addressed under a posted agenda item. City Attorney Ray advised that announcements are generally limited to items of community interest and are not the place to discuss items of council business that are not posted on the agenda. Councilman Johnson agreed and withdrew the remainder of his announcement. No action was taken.

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 July. Two Water Distribution and Wastewater Collection repair crew members suffered heat exhaustion following water leak repairs on a shift of more than twelve hours. Both were treated and released; one returned to full duty on July 31, 2026, and the other was scheduled to return to full duty on August 3, 2026. A first report of injury has been filed with TML.

Two liability claims were filed. A claimant in the 1000 block of Church Street reported damage to a water utility service valve and requested valve replacement; on July 1 the claimant requested that water service be turned off, a crew was dispatched but the water was not turned off, and water from a broken pipe flowed under the home and filled the crawl space. A claim has been submitted to TML. A tree on the lawn of 125 S. Davis fell onto the electric service of 127 S. Davis, and a claim for damages of \$1,425.00 has been submitted to TML.

No property claims were filed, and no notices of claim or lawsuits were received during the month.

Thermo 21” Sewer Line

Crews installed 1,316 feet of 21-inch sewer line and three new manholes during the month, bringing the total installed to 3,360 feet. The bore contractor gained about 40 additional feet on the 700-foot bore, for a total of 100 feet, and progress has been slowed by ongoing equipment problems. The project will ultimately provide approximately 11,900 feet of new sewer line at an estimated cost of \$2.5 million.

Bright Star Field (Celebration Field at Buford Park)

Field construction is about 75% complete. Construction has started on the concession and bathrooms, and landscape and irrigation installation is planned for late September.

Street Improvement Program (SIP) – 2026

Public Works installed new concrete curbs, valley, and handicap ramps on Fleming at Church, and Engineering coordinated paving and invoices for Cranford, Mitchell, League, Gossett, and the Jackson Street railroad crossing. All streets on the program have been completed except Putman Street, which has been moved to the capital improvement plan

because the CDBG grant will pay for new water and sewer in Putman Street prior to repaving.

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
League	Main to Bellview	2096
Coleman Park Drive	Gas Line to Parking Lot 5	1094
Mitchell	Jefferson to Putman	1868
Total Feet		25,083
Total Miles		4.8

S.E.C.O. LED Light Upgrade

Installation of the Coleman Park LED lighting project is complete. Staff is wrapping up documentation and preparing to file for final payment of \$250,000. The project, funded by a grant from the State Energy Conservation Office, replaced lighting on three of the six baseball/softball fields. The City will apply for a grant to replace the remainder.

Departmental Activity

Public Works • Repaired 169 potholes and cleaned storm drains two times. • Repaired the street following 16 water or sewer repairs. • Continued a program to check every street and trim trees within 14 feet of the street; removed two trees that had fallen in the road. • Installed new concrete curbs, valley, and handicap ramps on Fleming at Church for SIP. • Cleared trees on Radio Rd, built up the road with crushed concrete, and installed two 12” culverts. • Hauled off concrete for the Bright Star Field project. • Demolished and removed

876 S Davis St and 601 Freeman St. • Poured concrete pads for the building, generator, and propane tank for the new communications tower. • Assisted the Utility Department in repairing water leaks.

Utilities — Water • Repaired 19 water-main breaks ranging from ¾” to 12”. • Replaced 14 (¾”) water meters and 3 meter boxes; changed 100 meters to radio read meters. • Located over 8,000 feet of water mains for contractors; installed one 1-inch water tap, twelve ¾-inch meter sets, and one 6-inch fire service tap; installed a new 6” tap on concrete cylinder pipe feeding the College St. Water Tower.

Utilities — Sewer (City Lines Only) • Responded to 13 city sewer calls, 18 private calls, and 4 grease calls. • Repaired or replaced three 4-inch and one 6-inch sewer lines. • Washed over 81,000 feet of sewer mains as part of the F.O.G. program. • Installed three new 4-inch sewer taps and located over 8,000 feet of sewer mains and all services for contractors. • Replaced 100 feet of 6-inch sewer main with a new road bore at Main and Reservoir.

Wastewater Treatment Plant • Monthly average effluent TSS measured 0.54 mg/L. • Hauled 680.81 tons of sludge to the Maloy Landfill. • Continued pressing and hauling sludge and performed preventive maintenance on final clarifiers, the 60” cage drive unit for sludge basin #3, and the #3 blower.

Community Development • Conducted 51 building, 16 electrical, 18 plumbing, and 7 mechanical inspections. • Issued 21 building permits and 41 trade permits. • Planning & Zoning approved a preliminary plat for Hasi Meadows (14.960 acres) and a final plat for Stone Creek Phase 2 (8.597 acres) and discussed the proposed Comprehensive Plan. • Engineering handled 29 development inquiries, reviewed multiple plats and plans, advanced the Putman Street TxCDBG project, and continued Thermo utility planning.

Fire Department • Responded to 202 calls for service. • Conducted 70 inspections and maintained 76 fire hydrants. • Logged 178 hours of continuing education training. • Responded to 1 structure fire, 2 vehicle fires, 9 non-structure fires, and 16 fire alarms, and provided 1 county mutual aid response.

Police Department • Responded to 2,055 calls for service. • Investigated 26 traffic accidents resulting in 7 injuries and no fatalities. • Issued 521 citations, recorded 52 offenses, and made 64 arrests. • Officers attended Public Information School and New Supervisor Training. • Demolitions were completed at 876 S. Davis Street and 601 Freeman Street.

Animal Control • Responded to 142 complaint calls and picked up 7 dogs and cats, 7 owner drop-offs, and 3 wild animals. • Returned 4 animals to owners and facilitated 13 adoptions. • Issued 6 citations and responded to 3 animal bite reports. • Shelter adoption rate was 94 percent.

Library • Recorded 6,636 visitors and 4,822 checkouts, and 233 users downloaded 1,029 eBooks. • Programs included family game night, storytime, the Brett Roberts dino show,

tutoring, the genealogical society lock-in, Lone Star Legal Aid, notary services, and the Hot Wheels challenge.

Parks & Recreation Downtown and park maintenance continued throughout the month, including daily bathroom cleaning, mowing, weed spraying, tree trimming, fountain and vault cleaning, banner changes, fertilizing, and event support. Staff assisted with 5 downtown events, hosted 2 tournaments, prepared Grays Building for 9 rentals, repaired the Kids Kingdom playground, cleaned the water's edge around Coleman Lake, and power washed the non-painted areas of Pacific Pavilion. Senior Center staff assisted with 115 activities.

Airport & Tourism • Recorded 2,523 aircraft operations. • Sold 4,126 gallons of AvGas and 7,371 gallons of Jet-A fuel. • Continued tourism promotion, event assistance, Friday Night Movies, and the Saturday Celebration Market, and planned upcoming aviation community events.

Out-of-State Travel – One Utility Department employee traveled to Albuquerque, New Mexico, for Pretreatment Training.

Manager Maxwell also reported that construction has begun on the expansion of City Hall.

Councilman Julian asked the City Manager to provide a public-facing update regarding the Matrix Data Center project, specifically as it relates to the announced involvement of CyrusOne. Manager Maxwell responded that he could not do so at this meeting but would provide an update at a future meeting.

Finance Director/ACM Smith had no report.

DISCUSSION/ACTION ON CONSENT AGENDA

City Secretary Burling presented the staff report. Consider for approval the City Council Regular meeting minutes of 07/07/2026; the Planning and Zoning Meeting Minutes of 06/15/2026; the Economic Development Corporation Meeting Minutes of 06/22/2026; and a 380 agreement for 819 North Davis Street. Councilman Julian asked whether the demolition fees in the 380 agreement covered the house in addition to the two outbuildings. Director of Community Development/ACM Niewiadomski responded that the agreement would cover all of the structures and that he did not have a cost estimate available. Mayor Pro Tem Aguilar made a motion to approve the consent agenda as written. Councilman Johnson seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PUBLIC HEARING AND SECOND READING OF ORDINANCE NO. 2901 TO AMEND THE ZONING ORDINANCE (ZC#260601) REGARDING RESIDENTIAL PARKING STANDARDS

Director of Community Development/ACM Niewiadomski presented the staff report. At the first reading in July, an issue was identified with the parking standards as they apply within the Multi-Family zoning district, because uses such as duplexes, single family

homes, and single family attached townhomes may be built on multi-family zoned property. To provide additional clarity, staff added Article 25.200(6) providing that, regardless of the zoning district, single family detached and single family attached dwelling units shall provide a minimum of a one car garage per housing unit, with additional requirements found in Article 25.101. The requirements apply to new construction only. The Planning and Zoning Commission held a public hearing and recommended approval.

Mayor Spraggins opened the public hearing at 7:13 p.m. There was no one who wished to speak, and the public hearing was closed at 7:13 p.m. Councilman Harrison made a motion to approve the second and final reading of Ordinance No. 2901 amending the zoning ordinance, ZC#260601, regarding residential parking standards. Councilman Johnson seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1542 TO UPDATE AND REPLACE RESOLUTION NO. 1526 FOR THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE COMMUNITY DEVELOPMENT FUND

Councilman Harrison recused himself for a possible conflict of interest and filed a conflict of interest affidavit with the City Secretary. Director of Community Development/ACM Niewiadomski presented the staff report. In May 2026 the City Council authorized submission of the grant application with City matching funds of \$112,500 for water and sewer improvements on Putman Street. The Texas Department of Agriculture has since advised that street improvements must be included within the project scope, so the paving cost must be included with the application rather than presented separately as a CIP amendment. Staff presented three options: Option 1, replacement of damaged curb and gutter with subgrade stabilization and asphalt paving, at an estimated \$375,000; Option 2, replacement of all curb and gutter with subgrade stabilization and asphalt paving, at an estimated \$578,000; and Option 3, replacement of all curb and gutter with concrete paving, at an estimated \$589,000, which provides a longer life cycle. Consistent with the City Council's direction during the Holiday Drive and Alabama Street CIP amendment that future CIP projects include replacement of all curb and gutter, staff recommended approval based on Option 3.

Councilman Julian made a motion to approve Resolution No. 1542 using the Option 3 cost estimate. Councilwoman Gebel seconded and the vote was unanimous, with Councilman Harrison recused.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1543 REPEALING AND REPLACING RESOLUTION NO. 1092 AUTHORIZING A PROPERTY

EXCHANGE BETWEEN THE CITY AND CHANCE K. MASSEY AND BAYLEE A. MASSEY AT THE SULPHUR SPRINGS MUNICIPAL AIRPORT

Director of Community Development/ACM Niewiadomski presented the staff report and noted that the agenda item description was prepared by the City Attorney's office. In October 2015 the City Council adopted Resolution No. 1092 authorizing a property exchange to adjust the common boundary along the airport entrance drive, but that exchange was never completed and ownership of the adjoining property has since changed. The current owners have agreed to proceed with a straight exchange. Under the exchange the City will receive approximately 1,833 square feet and will convey approximately 1,634 square feet, placing the airport entrance drive and its improvements entirely on City-owned property. The documents have been prepared and reviewed by the City Attorney. Airport & Tourism Manager Baker was present for questions.

Councilman Johnson made a motion to approve the resolution as presented. Mayor Pro Tem Aguilar seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1544 APPROVING AND AUTHORIZING THE CITY MANAGER TO ACT ON THE CITY'S BEHALF IN EXECUTING ALL DOCUMENTS RELATED TO A TXDOT AVIATION GRANT FUNDING THE DESIGN PHASE OF THE SULPHUR SPRINGS MUNICIPAL AIRPORT TERMINAL BUILDING REHABILITATION AND EXPANSION PROJECT

Director of Aviation & Tourism Baker presented the staff report. GARVER, LLC was previously selected to provide engineering and design services for improvements to the existing terminal building and a proposed expansion of approximately 2,500 square feet. The resolution authorizes the City to enter into the grant agreement with TxDOT Aviation and to accept, administer, and close out the funding for the design phase. Total project costs for the design phase are estimated at \$307,368.40, funded with FY2023 IIJA/AIG funds and requiring a 5% local match of \$15,368.42. Director Baker reported that the City applied for a highly competitive nationwide terminal grant that did not fund design and that the City was not awarded; completing the design now will leave the expansion shovel-ready should funding become available. A resolution for the construction phase, estimated at a little over \$1.2 million with a 10% match, is anticipated at next month's meeting. In response to a question from Mayor Spraggins, Director Baker stated the terminal building was constructed in 2000.

Councilman Julian made a motion to approve Resolution No. 1544. Councilman Harrison seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1545 APPROVING AND AUTHORIZING THE CITY MANAGER TO ACT ON THE CITY'S BEHALF IN

EXECUTING ALL DOCUMENTS RELATED TO A TXDOT AVIATION GRANT FUNDING THE CONSTRUCTION PHASE OF THE SULPHUR SPRINGS MUNICIPAL AIRPORT TERMINAL BUILDING REHABILITATION PROJECT, AND DELEGATING AUTHORITY TO THE CITY MANAGER TO AWARD AND EXECUTE THE CONSTRUCTION CONTRACT FOR THE PROJECT WITHIN THE LIMITS STATED IN THE RESOLUTION

Mayor Spraggins announced that this item was pulled from the agenda because of wording still under review and that it is expected to return at a future meeting. No action was taken.

DISCUSSION/ACTION ON RESOLUTION NO. 1546 APPROVING THE STEERING COMMITTEE OF CITIES SERVED BY ATMOS (ACSC) SETTLEMENT AGREEMENT WITH ATMOS RESOLVING THE 2026 RRM FILING

Manager Maxwell presented the staff report. The Rate Review Mechanism (RRM) replaced the earlier Gas Reliability Infrastructure Program (GRIP) filing process and has been used since approximately 2007 by the City and the other cities served by Atmos Energy Corp., Mid-Tex Division. Atmos Mid-Tex filed a request that would have produced \$291.1 million in additional system-wide revenue. ACSC's attorneys and consultants reviewed the filing, and the parties settled at \$260.5 million, a reduction of over \$30 million, with an effective date of October 1, 2026. The impact on the average residential bill is an increase of \$13.37 per month and on average commercial usage \$44.82 per month. Manager Maxwell advised that if the settlement is not approved the matter would proceed as a GRIP filing at a higher rate, and staff recommended approval.

Mayor Pro Tem Aguilar made a motion to approve the item as presented. Councilman Harrison seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1547 APPOINTING DIRECTORS AND A CHAIRMAN FOR THE BOARD OF DIRECTORS OF CITY OF SULPHUR SPRINGS TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE AND PROVIDING AN EFFECTIVE DATE

Finance Director/ACM Smith presented the staff report. The Board of Directors for TIRZ Zone #1 is comprised of three directors appointed by the City Council, one appointed by the Hospital District, and one appointed by the County, each serving two year terms. The three directors appointed in August 2024 have terms ending in August 2026. Director Smith clarified that although the agenda item refers to appointing a chairman, the Council does not need to designate a chairman because Mayor Pro Tem Aguilar was appointed chairman in January of this year and his term as chairman is still active. Staff recommended appointing Gary Spraggins, John A. Sellers, and Oscar Aguilar as directors.

Mayor Spraggins reported that he had spoken with John A. Sellers, who is willing to serve, and noted that the zone is performing well. Councilman Julian asked who "staff" is for

purposes of the staff recommendation and suggested the Council consider other nominees. Mayor Spraggins offered his own position on the board to Councilman Julian. Finance Director/ACM Smith explained that she was the staff that recommended.

Councilman Johnson made a motion to approve Resolution No. 1547 appointing Gary Spraggins, John A. Sellers, and Oscar Aguilar as written. Councilman Harrison seconded and the vote was as follows:

AYES: JOHNSON, AGUILAR, HARRISON, SPRAGGINS, SCHUMACHER, GEBEL

NOES: JULIAN

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1548 ESTABLISHING THE BRIGHTSTAR PUBLIC ENGAGEMENT COMMITTEE AS AN ADVISORY COMMITTEE OF THE CITY COUNCIL, AS REQUESTED BY COUNCILWOMAN GEBEL

Councilwoman Gebel presented the item. She stated that the committee is recommended by the Texas Municipal League, read the proposed mission statement, and explained that the committee would consist of two City Council members, would meet monthly outside of City Council meetings until an ad hoc schedule was determined to be sufficient, and would provide an additional venue for open dialogue with residents. She stated that the committee would not be a decision-making body and that she had volunteered to serve and needed one additional council member.

Councilman Harrison asked whether the committee would contact council members with questions, and Councilwoman Gebel responded that it would not affect council members who are not on the committee. Mayor Spraggins stated concern that the proposal contemplates participation by residents from outside Hopkins County and noted that any citizen may already contact any of the seven council members. Councilwoman Gebel responded that the committee is not intended to replace the existing process but to add a venue for dialogue and transparency, and that attendance would not be restricted, although participants would be encouraged to state where they live. City Attorney Ray confirmed that, with only two council members serving, the committee would not constitute a quorum for purposes of the Open Meetings Act.

Brad Johnson of Junelle Drive asked whether there would be bylaws, attendance requirements, and what day and time meetings would be held, and stated he was interested but wanted more information. Cale McClure of County Road 3341 asked who could serve on the committee and whether it would be subject to the Open Meetings Act. Jaime Mitchell of Country Club Road spoke in support of creating the committee and urged the Council to make the application process open, to seek members from different backgrounds and viewpoints, and to allow the community a role in selecting members. Tyler Stout of

Plano Street spoke in support of the proposal and urged the Council to adopt it, in a revised form if necessary.

Councilwoman Gebel made a motion to accept the Brightstar Public Engagement Committee with the modification that the committee meet monthly and that the remaining line items not addressed in the proposal be stipulated at a later date by the City Council. Councilman Schumacher seconded. A roll call vote was taken and the vote was as follows:

AYES: JULIAN, GEBEL, SCHUMACHER

NOES: JOHNSON, AGUILAR, HARRISON, SPRAGGINS

The motion failed.

DISCUSSION/ACTION ON PROPOSALS AND AWARD OF CONTRACT FOR REINSURANCE FOR THE CITY OF SULPHUR SPRINGS EMPLOYEE HEALTH INSURANCE PROGRAM, AUTHORIZING THE CITY MANAGER TO SIGN CONTRACT

Finance Director/ACM Smith presented the staff report. The City continues to operate a partially self-funded health insurance program and requested proposals for reinsurance coverage only. Four proposals were received from three reinsurance carriers: Blue Cross Blue Shield, VOYA, and Berkshire Hathaway. Blue Cross Blue Shield submitted the lowest fixed cost proposal at \$570,982. The reinsurance carries a specific stop loss attachment point of \$80,000 per covered participant, meaning the City pays up to that amount per covered participant from its Internal Services Fund and the reinsurance carrier covers claims above that amount. Through July 17, 2026, reinsurance has covered \$83,935 in claims. The contract term is September 1, 2026 through August 31, 2027. Staff recommended award to Blue Cross Blue Shield.

Mayor Pro Tem Aguilar made a motion to approve the item as presented. Councilman Harrison seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PRELIMINARY PLAT CASE PPL#260701 BEING A REQUEST BY HASINA & ISMAIL, INC. FOR APPROVAL OF A PRELIMINARY PLAT OF LOT 2, BLOCK 1, MAIN STREET ADDITION INTO 49 RESIDENTIAL LOTS

Director of Community Development/ACM Niewiadomski presented the staff report. The property is located just west of Highway 19 on TX Hwy. 313/Main Street and is zoned MF-Multifamily. The applicant proposes to subdivide the property into 49 lots for single-family homes, including some duplex homes developed as single family attached units. Staff determined that the right-of-way widths and lot layout satisfy the zoning ordinance and subdivision requirements. Approval of the preliminary plat allows the applicant to complete full engineering, after which a community facilities contract would return to the

City Council for approval. The Planning and Zoning Commission approved the plat subject to 12 staff recommendations.

Councilman Harrison made a motion to approve preliminary plat case PPL#260701 as presented. Councilman Schumacher seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON FINAL REPLAT CASE PL#260701 BEING A REQUEST BY OAK NATIONAL DEVELOPMENT, LLC FOR APPROVAL OF A FINAL PLAT OF STONE CREEK PHASE 2, A SINGLE-FAMILY RESIDENTIAL SUBDIVISION CONSISTING OF 42 RESIDENTIAL LOTS

Director of Community Development/ACM Niewiadomski presented the staff report. The property is located just west of the Stonebriar neighborhood and includes 8.597 acres zoned SF-6. The City Council previously approved the preliminary plat and a community facilities contract for this phase. All public improvements have been installed, the required warranty bond has been provided, and the improvements are ready for public acceptance. During the Planning and Zoning Commission meeting there was discussion of traffic on Highway 11, which TxDOT controls, and of utility capacity, which staff determined to be adequate. The developer has been approved for 149 lots to date, and sewer capacity will be reevaluated as the development approaches 180 lots. Staff recommended approval subject to two conditions.

Councilman Harrison made a motion to approve the final replat of case PL#260701 with the conditions. Councilman Julian seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RIGHT OF WAY IMPROVEMENTS AT THE INTERSECTION OF GILMER AND PUTMAN STREET

Manager Maxwell presented the staff report. First Baptist Church representatives approached the City regarding improvements to the right of way at the northeast corner of Gilmer and Putman Street at the former Tapps Funeral Home site at 216 Gilmer Street. The Church has acquired the lot and is committed to improving it for parking and installing sidewalks, and has asked whether the City would replace the curb and gutter along the Gilmer and Putman Street frontages and install landscaping between the curb and sidewalks. Manager Maxwell noted the City's long-standing arrangement under which the Church allows public parking in its lot and the City performs maintenance as needed. Staff estimated the cost at \$28,175 if performed by City crews and recommended approval on the condition that the City be able to obtain any additional right of way needed from the Church to construct the improvements properly.

In response to questions, Manager Maxwell confirmed that Gilmer Street is under state maintenance at that location and that the City would install irrigation and maintain the landscaping as part of regular downtown landscaping. Finance Director/ACM Smith stated

that funds are available and that the work would be expected to come from the street department budget, and Manager Maxwell stated that if the Council approved the item staff would work it into the budget. Mayor Pro Tem Aguilar spoke in favor of proceeding, citing the approximately 80 parking spaces made available to the public.

Councilman Julian made a motion to decline the request and defer the item to the budget process. Councilman Schumacher seconded. A roll call vote was taken and the vote was as follows:

AYES: JULIAN, SCHUMACHER, GEBEL

NOES: JOHNSON, AGUILAR, HARRISON, SPRAGGINS

The motion failed.

Councilman Johnson made a motion to approve the right of way improvements as presented. Mayor Pro Tem Aguilar seconded. A roll call vote was taken and the vote was as follows:

AYES: JOHNSON, AGUILAR, HARRISON, SPRAGGINS

NOES: JULIAN, SCHUMACHER, GEBEL

The motion carried.

VISITORS AND PUBLIC FORUM

Before public comment began, City Attorney Ray advised the Council that it may not deliberate any subject that is not posted on the agenda, and that council members responding during public comment are limited to statements of specific factual information, recitations of existing policy, referral of a speaker to the appropriate city official, or a proposal to place the subject on a future agenda.

Councilman Craig Johnson of College Street requested that the following items be placed on the September regular council agenda for discussion and staff research: elimination of the monthly road maintenance fee charged on residential water bills; a \$50 per month residential electric bill credit; a \$50 per month residential water bill credit; retrofitting the pickleball court lighting at Coleman Park to direct down lighting; a public meeting and conference center available for public rental; and an increase of the City's residential homestead exemption to 100%, each including the associated cost to the City. He also requested that the City extend an invitation to representatives of Representative Brent Money's office and Senator Bryan Hughes's office to speak to those matters as they relate to state law and state authority.

Michele Barnes of FM 69, Dike, apologized for her prior conduct toward the Council, stated that decisions regarding the City's water source affect county residents served by North Hopkins Water Supply Company, and asked for consistent and factual information regarding water use at the proposed data center and whether CyrusOne intends to use a cooling system that does not rely on water.

Cale McClure of County Road 3341 asked whether the Council will direct staff to draft a data center ordinance, and whether the City will require a binding noise ordinance with independent monitoring, setback and distance standards, written developer reimbursement of future infrastructure costs, annual public reporting on water use, power use, and noise, and a decommissioning bond. He also asked whether the Council will consider a moratorium on further approvals and requested the status of performance and reverter provisions in the original agreements with MSB. He further stated that the rules of procedure do not require a speaker to state an address aloud and asked where the three-minute time limit is written.

Brad Johnson of Junelle Drive commended the Mayor and Council for the time and effort they volunteer in service to the community.

Terry Bolton of Charles Street asked whether the City will stop spending on infrastructure and legal costs related to the data center project and when the City will pursue the clawback provisions discussed in connection with the MSB agreements.

Rebecca Wix of County Road 2325 stated that she has concerns about the project but feels that speaking to the Council is not productive.

Melissa Harris of Sulphur Springs raised concerns regarding geotechnical conditions at the former surface mine site, the existing covenant prohibiting on-site power and the associated legal costs, and growing opposition to data center projects, and asked whom the Council represents.

Clayton Tucker, Secretary of the Texas Farmers Union, stated that data center noise can travel several miles and constitutes a nuisance, and asked the Council to pause further approvals until the project can be done responsibly.

ADJOURN

With all business concluded, Mayor Spraggins adjourned the meeting at 8:20 p.m.

EXHIBITS

Exhibit A – Resolution No. 1538, approving a 380 Agreement regarding 819 N. Davis Street (Consent Agenda)

Exhibit B – Ordinance No. 2901, amending Articles 25.101 and 25.200 of the Zoning Ordinance regarding residential parking requirements

Exhibit C – Resolution No. 1542, authorizing submission of a Texas Community Development Block Grant Program application

Exhibit D – Resolution No. 1543, authorizing a property exchange at the Sulphur Springs Municipal Airport

Exhibit E – Resolution No. 1544, authorizing execution of documents related to the TxDOT Aviation Grant for the airport terminal design phase

Exhibit F – Resolution No. 1546, approving the ACSC negotiated settlement with Atmos Energy Corp., Mid-Tex Division

Exhibit G – Resolution No. 1547, appointing directors for the Board of Directors of Tax Increment Financing Reinvestment Zone Number One

RESOLUTION NO. 1538

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS APPROVING A 380 AGREEMENT WITH JOHN BOBB REGARDING 819 N. DAVIS STREET AND AUTHORIZING THE CITY MANAGER TO ENTER INTO THE 380 AGREEMENT ON BEHALF OF THE CITY.

WHEREAS, the City of Sulphur Springs is authorized pursuant to Chapter 380 of the Texas Local 110 Government Code, to establish and provide for the administration of one or more programs, including programs for making loans and grants of public money, to promote state or local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the Owner as described in Exhibit "A" proposes to develop property located at 819 N. Davis Street, to renovate said property and construct a single family home; and

WHEREAS, the property located at 819 N. Davis Street, is within an area designated for infill development to encourage new housing construction, utilize existing available infrastructure, and increase the tax base within the City; and

WHEREAS, the City is authorized under Chapter 302 of the Texas Tax Code and Article V, Section 38 of its Charter to levy, assess and collect ad valorem taxes on real property improvements within the City; and

WHEREAS, the City Council finds that offering economic incentives to the Owner will serve to improve the economic health and vitality of the City and will be in the public interest to support such activity; and

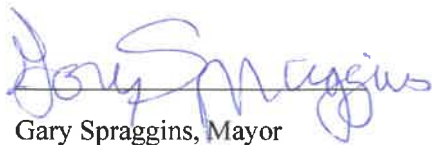
WHEREAS, to encourage Owner to develop 819 N. Davis Street within the City, the City desires to grant incentives to Owner, under the terms and conditions set forth the Economic Development Incentives Grant Agreement (Exhibit A) , a copy of which is attached to this Resolution (the "Agreement"), certain incentives as are more particularly set forth in the Agreement; and

WHEREAS, the proposed agreement is consistent with the City of Sulphur Springs' policy governing 380 agreements; and

NOW, THEREFORE, BE IT RESOLVED that Gary Spraggins, as Mayor of the City of Sulphur Springs, or his designee, including Marc Maxwell, as City Manager, are hereby authorized to execute the Agreement and any other documents contemplated thereby and to do all things necessary for the fulfillment of the obligations of the City of Sulphur Springs, Texas, under the terms of the Agreement.

This resolution shall become effective from and after its passage.

PASSED and APPROVED this the 4th day of August 2026.


Gary Spraggins, Mayor

ATTEST:

Natalie Burling, City Secretary

CITY OF SULPHUR SPRINGS, TEXAS

ORDINANCE NO. 2901

AN ORDINANCE AMENDING CITY OF SULPHUR SPRINGS ORDINANCE 2050 THE ZONING ORDINANCE BY AMENDING ARTICLES 25.101 AND 25.200 UPDATING PARKING REQUIREMENTS FOR SINGLE FAMILY ATTACHED AND DETACHED UNITS.

WHEREAS, the Planning & Zoning Commission of the City of Sulphur Springs has approved and recommends to the City Council the addition/updating of parking requirements for single family attached and detached dwelling units.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Sulphur Springs, Texas, that the Zoning Ordinance be amended to read as follows:

New Text is Underlined

Deleted Text is ~~Struck-out~~

AMEND ARTICLE 25.101 TO READ AS FOLLOWS:

25.101 IN THE FOLLOWING ZONING DISTRICTS THE MINIMUM OFF-STREET PARKING SPACES FOR RESIDENTIAL USES SHALL BE:

1.	AG, Agricultural	Two (2) car garage for each dwelling unit.
2.	SF-10, Single-Family Dwelling District – 10	Two (2) car garage for each dwelling unit.
3.	SF-6, Single-Family Dwelling District – 6	One (1) car garage for each dwelling unit.
4.	SF-A, Single-Family Attached Dwelling District	One (1) car garage for each dwelling unit.
5.	2F, Two-Family Dwelling District	One (1) car garage for each dwelling unit.
6.	MF, Multiple-Family Dwelling District	One and one half (1 1/2) spaces for each dwelling plus one additional space for each

- The above requirements shall apply to new construction projects only.

AMEND ARTICLE 25.200 TO READ AS FOLLOWS:

25.200 Special Off - Street Parking Requirements

1. In the SF-10, SF-6, SFA, 2F and MF Districts, no parking space, garage or carport or other automobile storage space or structure shall be used for the storage of any truck, truck trailer, or van exceeding one (1) ton capacity.
2. In the SF-10, SF-6, SF-A, 2F, MF Districts, a boat or recreational vehicle may be parked or stored on the residential premises of the owner provided that such boat or recreational vehicle at least ten (10) feet from any curb line and not in the required front or side yard.
3. Floor area of structures devoted to off-street parking of vehicles shall be excluded in the computing of off-street parking requirements.
4. Private access drives to parking lots to serve non-residential uses shall not be through residential districts.
5. Mobile Food Units shall not occupy required off-street parking spaces in a manner that reduces the number of spaces below the minimum required for the primary use. Where a Mobile Food Unit operates on a private site, the Director of Community Development may require demonstration that adequate parking remains available to serve both the primary use and the Mobile Food Unit. Shared parking arrangements may be utilized to satisfy minimum parking requirements, subject to approval by the Director of Community Development.

6. Regardless of the zoning district, single family detached and single family attached dwelling units shall provide a minimum of one car garage per housing unit. For additional requirements, refer to Article 25.101.

IT IS SO ORDAINED.

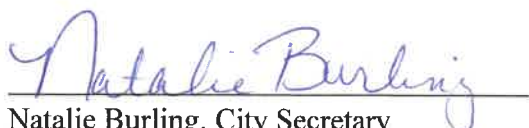
Passed and approved on the first reading this 7 day of July 2026.

Passed and adopted on the second and final reading this 14th day of August 2026.



Mayor

Attest:



Natalie Burling, City Secretary

RESOLUTION NO. 1542

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE COMMUNITY DEVELOPMENT FUND.

WHEREAS, the City Council of the City of Sulphur springs desires to develop a viable community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, it is necessary and in the best interest of the City of Sulphur Springs to apply for funding under the Texas Community Development Block Grant Program.

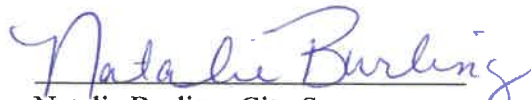
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS,

1. That a Texas Community Development Block Grant Program application for the Community Development Fund is hereby authorized to be filed on behalf of the City with the Texas Department of Agriculture, and to be placed in competition for funding under the Community Development Fund.
2. That the City of Sulphur Springs commits to dedicating no less than 51% of grant funds for activities identified by the state planning region as First Priority activities which are Flood/Drainage Improvements, Water/Sewer Improvements, and Street Improvements.
3. That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.
4. That the City of Sulphur Springs is committing to provide \$112,500 in matching funds toward the application's activities. The City will use the public works department through force account to provide up to \$112,500 for construction of water and sewer lines paid through Enterprise funds. The city is also committing to providing additional funds of up to \$589,000 to be paid through the General fund to repair/replace the road within the project area. The funds are committed, available and unincumbered.

Passed and approved this 4th day of August, 2026.



Gary Spraggins, Mayor



Natalie Burling, City Secretary

CITY OF SULPHUR SPRINGS, TEXAS

RESOLUTION NO. 1543

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, REPEALING AND REPLACING RESOLUTION NO. 1092; AUTHORIZING A PROPERTY EXCHANGE BETWEEN THE CITY AND CHANCE K. MASSEY AND BAYLEE A. MASSEY; AUTHORIZING THE CITY MANAGER TO EXECUTE A PROPERTY EXCHANGE AGREEMENT AND A SPECIAL WARRANTY DEED CONVEYING APPROXIMATELY 1,634 SQUARE FEET OF CITY PROPERTY AT THE SULPHUR SPRINGS MUNICIPAL AIRPORT, AND TO ACCEPT A SPECIAL WARRANTY DEED CONVEYING APPROXIMATELY 1,833 SQUARE FEET TO THE CITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on October 6, 2015, the City Council of the City of Sulphur Springs, Texas adopted Resolution No. 1092, authorizing a property exchange between the City and the then-owners of the property located at 1421 Airport Road to adjust the common boundary along the entrance drive of the Sulphur Springs Municipal Airport, and that exchange was not completed; and

WHEREAS, ownership of the adjoining property has since changed, and the current owners, Chance K. Massey and Baylee A. Massey, have agreed to proceed with the property exchange; and

WHEREAS, the exchange will adjust the common boundary between the City's airport property and the Massey property so that the airport entrance drive and its improvements are located entirely on City-owned property, and the City Council has determined that the exchange is in the best interest of the City and serves a public purpose; and

WHEREAS, under the exchange the City will convey a tract of approximately 1,634 square feet to the Masseys and will receive from the Masseys a tract of approximately 1,833 square feet, and the Masseys are the owners of property abutting the tract to be conveyed by the City; and

WHEREAS, the City property to be conveyed was originally acquired for roadway, right-of-way, and easement purposes serving the airport entrance drive, and the property to be acquired by the City will be used for roadway, right-of-way, easement, and other public purposes, so that the exchange is authorized by Tex. Loc. Gov't Code § 272.001(b)(3) and is not subject to the notice and bidding requirements of Loc. Gov't Code § 272.001(a); and

WHEREAS, the City is authorized to dispose of airport property by Tex. Transp. Code § 22.024, subject to the terms of any grant, loan, or agreement described in Tex. Transp. Code § 22.055;

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

1. The recitals set out above are adopted as findings of the City Council and are incorporated in this Resolution.

2. The Property Exchange Agreement between the City and Chance K. Massey and Baylee A. Massey, in substantially the form presented to the City Council with this Resolution, is approved, and the City Manager or his designee is authorized to execute it on behalf of the City.
3. The City Manager or his designee is authorized to execute a Special Warranty Deed conveying to Chance K. Massey and Baylee A. Massey the tract of approximately 1,634 square feet described in the Agreement.
4. The City Manager or his designee is authorized to accept on behalf of the City a Special Warranty Deed conveying to the City the tract of approximately 1,833 square feet described in the Agreement, and to record both deeds in the Official Public Records of Hopkins County, Texas.
5. The City Manager or his designee is authorized to execute all other documents reasonably necessary to satisfy the conditions to closing and to complete the exchange.
6. The conveyances authorized by this Resolution shall not close, and no deed shall be delivered or recorded, until the conditions to closing stated in the Agreement have been satisfied.
7. Resolution No. 1092 is repealed and replaced by this Resolution.
8. This Resolution takes effect immediately upon its adoption.

Issued this 4th day of August, 2026.


Gary Spraggins, Mayor

Attest:

Natalie Burling, City Secretary

RESOLUTION NO. 1544

A RESOLUTION OF THE CITY OF SULPHUR SPRINGS, TEXAS APPROVING AND AUTHORIZING THE CITY MANAGER TO ACT ON THE CITY'S BEHALF IN EXECUTING ALL DOCUMENTS RELATED TO THE TXDOT AVIATION GRANT FOR THE DESIGN PHASE OF THE SULPHUR SPRINGS MUNICIPAL AIRPORT TERMINAL BUILDING REHABILITATION AND EXPANSION PROJECT; MAKING FINDINGS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Sulphur Springs intends to make certain improvements to the Sulphur Springs Municipal Airport Terminal Building; and

WHEREAS, the general description of this project is:

DESIGN PHASE for the rehabilitation of the Terminal Building including upgrades for energy efficiency, and approximately 2,500 sf of building expansion; and

WHEREAS, the City of Sulphur Springs intends to request financial assistance from the Texas Department of Transportation, Aviation Division for these improvements; and

WHEREAS, the City of Sulphur Springs acknowledges that it will initially pay eligible project costs as invoiced and will seek reimbursement from TxDOT Aviation in accordance with the terms and conditions of the grant agreement; and

WHEREAS, total project costs are estimated to be **\$ 307,368.40** and the City of Sulphur Springs agrees to provide the required local matching funds which are five percent (5%) of the total project costs, currently estimated to be **\$ 15,368.42**; and

WHEREAS, the City of Sulphur Springs will act on its own behalf in applying for, receiving, and disbursing the grant funds for these improvements and in administering the contracts necessary and appropriate for the implementation of these improvements, in accordance with the terms of the grant agreement and applicable law.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, THAT:

Section 1. Approval.

The City Council hereby approves the City's application for, and acceptance of, financial assistance from the Texas Department of Transportation, Aviation Division, for the design phase of the rehabilitation and expansion of the Sulphur Springs Municipal Airport Terminal Building described above (the "Project").

Section 2. Authorization of the City Manager.

The City Council hereby authorizes the City Manager, or the City Manager's designee, to execute and submit, on behalf of the City of Sulphur Springs, all applications, grant agreements, certifications, assurances, reimbursement requests, amendments, and other documents and instruments necessary or appropriate to apply for, obtain, accept, administer, implement, and close out the financial assistance described in this Resolution, subject to any additional approvals required by applicable law, the City Charter, or City policy.

Section 3. Limitations; Contracts Reserved to the City Council.

The authority granted by this Resolution is limited to the Project, to a total project cost not to exceed \$307,368.40, and to City local matching funds not to exceed \$15,368.42. The City Manager shall not execute any amendment that increases the City's local matching obligation above the amount stated in this Resolution without the prior approval of the City Council. Contracts with third parties for professional or construction services for the Project shall be procured in accordance with applicable law and shall be awarded by the City Council, and the City Manager is authorized to execute contracts so awarded.

Section 4. Funding.

Expenditures under this Resolution shall be made in accordance with budgeted appropriations, and the City Council directs that the City's local matching funds for the Project be provided for in the City's budget.

Section 5. Open Meeting.

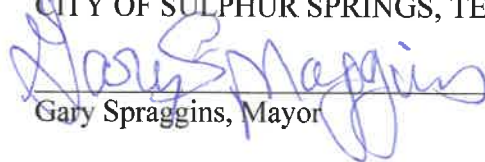
The City Council finds that the meeting at which this Resolution was considered and adopted was open to the public, that public notice of the time, place, and subject matter of the meeting was given as required by Chapter 551 of the Texas Government Code, and that members of the public were given a reasonable opportunity to be heard prior to the City Council's deliberation and action on this matter.

Section 6. Effective Date.

This Resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED by the City Council of the City of Sulphur Springs, Texas, this 4th day of August 2026.

CITY OF SULPHUR SPRINGS, TEXAS



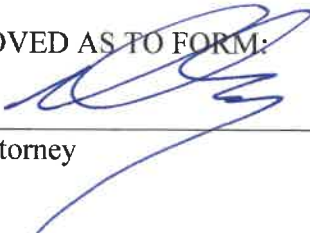
Gary Spraggins, Mayor

ATTEST:



Natalie Burling, City Secretary

APPROVED AS TO FORM:



City Attorney

RESOLUTION NO. 1546

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2026 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the City of Sulphur Springs, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2026, Atmos Mid-Tex filed its 2026 RRM rate request with ACSC Cities based on a test year ending December 31, 2026; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2026 RRM filing through its Executive Committee, assisted by ACSC’s attorneys and consultants, to resolve issues identified in the Company’s RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC’s counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$260.5 million on a system-wide basis with an Effective Date of October 1, 2026; and

WHEREAS, ACSC agrees that Atmos' plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Attachment 2); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications.

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

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$260.5 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2026 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$260.5 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2026 RRM filing.

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

Section 8. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

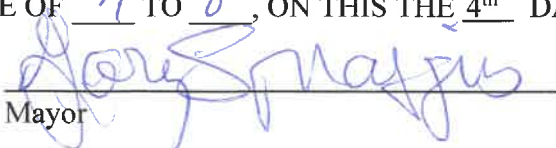
Section 9. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2026.

Section 11. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy

Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS, BY A VOTE OF 7 TO 0, ON THIS THE 4th DAY OF AUGUST, 2026.



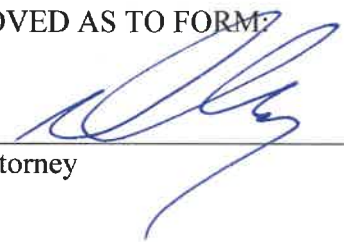
Mayor

ATTEST:



City Secretary

APPROVED AS TO FORM:



City Attorney

RESOLUTION NO. 1547
BY THE CITY COUNCIL OF THE CITY OF SULPHUR
SPRINGS, TEXAS, APPOINTING DIRECTORS FOR THE
BOARD OF DIRECTORS OF CITY OF SULPHUR SPRINGS
TAX INCREMENT FINANCING REINVESTMENT ZONE
NUMBER ONE, AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Sulphur Springs, Texas, pursuant to Ordinance No. 2531, adopted December 4, 2007 (the "Ordinance"), created City of Sulphur Springs Tax Increment Financing Reinvestment Zone Number One (the "Zone"), and created a Board of Directors for the Zone;

WHEREAS, in accordance with the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the "Act"), the City Council is authorized to appoint the number of directors specified in the Ordinance, and is further authorized to appoint the Chairman of the Board of Directors; and

WHEREAS, the governing bodies of the following taxing units which levy taxes on real property in the zone (Hopkins County and Hopkins County Hospital District) have each appointed one member of the Board; now, therefore

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS:

Section 1. All matters stated in the preamble of this resolution are true and correct and are hereby incorporated into the body of this resolution as if copied in their entirety.

Section 2. Pursuant to the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended, and the Ordinance, the City of Sulphur Springs hereby appoints 3 members to the Board of Directors of City of Sulphur Springs Tax Increment Financing Reinvestment Zone Number One, to serve for two year terms, as named in the attached Exhibit A.

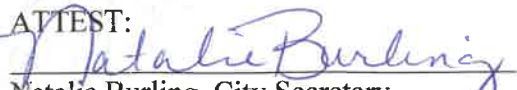
Section 3. The governing bodies of the taxing units which levy taxes on real property in the zone have appointed one member each to serve for two year terms.

Section 4. This resolution shall become effective from and after the date of its passage.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SULPHUR SPRINGS, TEXAS on this the 4th day of August, 2026.



Gary Spraggins, Mayor

ATTEST:


Natalie Burling, City Secretary

EXHIBIT A

City of Sulphur Springs
Tax Increment Financing Reinvestment Zone Number One

BOARD OF DIRECTORS

The City Council of the City of Sulphur Springs, Texas, hereby appoints the following members to the Board of Directors of City of Sulphur Springs Tax Increment Financing Reinvestment Zone Number One, effective August 6, 2026 for a two year term:

1. Gary Spraggins
2. John A. Sellers
3. Oscar Aguilar

The governing bodies of the taxing units which levy taxes on real property in the Zone appointed one member each at the time of the creation of the Board and in accordance with Chapter 311 of the Texas Tax Code have the duty of filling expired and unexpired terms with an appointed board member:

Hopkins County

Hopkins County Hospital District