



# AGENDA CITY COUNCIL MEETING

February 19, 2026 | 6:30 PM

Council Chambers

City Hall | 665 Country Club Road, Lucas, TX

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Notice is hereby given that a meeting of the Lucas City Council will be held on Thursday, February 19, 2026, beginning at 6:30 PM at Lucas City Hall, 665 Country Club Road, Lucas, Texas 75002-7651, at which time the following agenda will be discussed. As authorized by Section 551.071 of the Texas Government Code, the City Council may convene into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any item on the agenda at any time during the meeting. Pursuant to Texas Government Code 551.127, one or more members of the governing body may appear via videoconference call. The presiding officer and a quorum of the City Council will be physically present at this meeting.

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If you would like to watch the meeting live, you may go to the City's live streaming link at <https://www.lucastexas.us/departments/public-meetings/>.

## How to Provide Input at a Meeting:

**Speak In Person:** Request to Speak forms will be available at the meeting. Please fill out the form and give to the City Secretary prior to the start of the meeting. This form will also allow a place for comments.

**Submit Written Comments:** If you are unable to attend a meeting and would like to submit written comments regarding a specific agenda item, email City Secretary Toshia Kimball at [tkimball@lucastexas.us](mailto:tkimball@lucastexas.us) by no later than 3:30 pm the day of the meeting. The email must contain the person's name, address, phone number, and the agenda item(s) for which comments will be made. Any requests received after 3:30 pm will not be included at the meeting.

## Call to Order

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- Roll Call
- Determination of Quorum
- Reminder to turn off or silence cell phones
- Pledge of Allegiance

## Citizen Input

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1. Citizen Input.

## Community Interest

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Pursuant to Section 5510415 of the Texas Government Code, the City Council may report on the following items: 1) expression of thanks, congratulations or condolences; 2) information about holiday schedules; 3) recognition of individuals; 4) reminders about upcoming City Council events; 5) information about community events; and 6) announcements involving imminent threat to public health and safety.

2. Items of Community Interest.

### **Consent Agenda**

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All items listed under the consent agenda are considered routine and are recommended to the City Council for a single vote approval. If discussion is desired, an item may be removed from the consent agenda for a separate vote.

3. Consent Agenda
  - A. Approval of the February 5, 2026, City Council Meeting Minutes

### **Regular Agenda**

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4. Consider and hear a presentation from Department of Public Safety Director Doug Kowalski concerning the creation of the Lucas Police Department and the next steps moving forward. **(John Whitsell, City Manager)**
5. Consider board/commission promotions and/or appointments to fill vacant positions for the following:
  - A. Parks and Open Space Board regular members with a term expiring on December 31, 2025, December 31, 2026, and Alternate Member 2 expiring on December 31, 2025.
  - B. Planning and Zoning Commission alternate member with a term expiring on December 31, 2025. **(Dusty Kuykendall, Mayor, Neil Peterson, City Council Seat 6)**
6. Consider and act on approving the purchase of real property located at 215 Country Club Road, Lucas, Texas, and authorize encumbering funds not to exceed \$1,050,000 to Account # 11-8999-100, Capital Outlay Land, using general fund reserves. **(John Whitsell, City Manager)**
7. Discuss a proposed contract between the City of Lucas and the North Texas Municipal Water District concerning Potable Water Supply and give direction to the City Manager. **(Joe Hilbourn, Development Services Director, Patrick Hubbard, CIP Manager, Jeremy Bogle, Public Works Director, John Whitsell, City Manager)**
8. Consider authorizing the City Manager to do the following:
  1. Approve a Proposed Contract Modification for the Osage Lift Station Project in an amount not to exceed \$84,358.
  2. Appropriate \$42,920 from unrestricted water fund reserves to account 21-8210-490.131 (Osage Sewer Lift Station). **(Patrick Hubbard, CIP Manager, Jeremy Bogle, Public Works Director)**
9. Consider authorizing the City Manager to negotiate and enter into an agreement with Curtco Incorporated to complete asphalt crack sealing throughout the City of Lucas in an amount not to exceed \$100,000 using funds from Account 11-8209-301, Improvement Roads. **(Patrick Hubbard, CIP Manager)**
10. Discuss proposed amendments in the Code of Ordinances by amending Chapter 3 titled "Building Regulations" by amending Article 3.16 titled "Signs." **(Joe Hilbourn, Development Services Director)**

11. Consider authorizing the City Manager to approve the dedication of funds for road improvements on Aztec Trail in an amount not to exceed \$274,966 using funds from account 11-8209-301 (Improvement Roads). **(Patrick Hubbard, CIP Manager, Jeremy Bogle, Public Works Director)**

### **Executive Session**

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As authorized by Section 551.071 of the Texas Government Code, the City Council may convene into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney regarding any item on the agenda at any time during the meeting. This meeting is closed to the public as provided in the Texas Government Code.

12. The City Council will convene into executive session pursuant to Section 551.072 of the Texas Government Code to deliberate on the purchase, exchange, lease, or value of real property. **(City Council)**
13. Reconvene from Executive Session and take any action necessary as a result of the Executive Session. **(City Council)**
14. Adjournment **(City Council)**

### **Certification**

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I do hereby certify that the above notice was posted in accordance with the Texas Open Meetings Act on the bulletin board at Lucas City Hall, 665 Country Club Road, Lucas, TX 75002 and on the City's website at [www.lucastexas.us](http://www.lucastexas.us) on or before 5:00 p.m. on February 13, 2026.

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Toshia Kimball, City Secretary

In compliance with the American with Disabilities Act, the City of Lucas will provide for reasonable accommodations for persons attending public meetings at City Hall. Requests for accommodations or interpretive services should be directed to City Secretary Toshia Kimball at 972.912.1211 or by email at [tkimball@lucastexas.us](mailto:tkimball@lucastexas.us) at least 48 hours prior to the meeting.



**City of Lucas  
City Council Agenda Request  
February 19, 2026**

Requester: Dusty Kuykendall, Mayor

**Agenda Item Request:**

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Citizen Input.

**Background Information:**

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NA

**Attachments/Supporting Documentation:**

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None

**Budget/Financial Impact:**

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NA

**Recommendation:**

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NA

**Motion:**

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NA



**City of Lucas  
City Council Agenda Request  
February 19, 2026**

Requester: Dusty Kuykendall, Mayor

**Agenda Item Request:**

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Items of Community Interest.

**Background Information:**

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NA

**Attachments/Supporting Documentation:**

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None

**Budget/Financial Impact:**

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NA

**Recommendation:**

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NA

**Motion:**

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NA



**City of Lucas  
City Council Agenda Request  
February 19, 2026**

Requester: Toshia Kimball, City Secretary  
Dusty Kuykendall, Mayor

**Agenda Item Request:**

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Consent Agenda

- A. February 5, 2026 City Council Meeting Minutes

**Background Information:**

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NA

**Attachments/Supporting Documentation:**

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- 1. 2-5-2026 City Council Meeting Minutes

**Budget/Financial Impact:**

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NA

**Recommendation:**

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NA

**Motion:**

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NA



**MINUTES**  
**CITY COUNCIL REGULAR MEETING**

February 5, 2026 | 6:30 PM

Council Chambers

City Hall | 665 Country Club Road, Lucas, Texas

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**City Councilmembers Present:**

Mayor Pro Tem Debbie Fisher  
Councilmember Chris Bierman  
Councilmember Neil Peterson  
Councilmember Brian Stubblefield  
Councilmember Tim Johnson

**City Staff Present:**

City Manager John Whitsell  
City Secretary Toshia Kimball  
Development Services Director Joe Hilbourn  
Finance Director Liz Exum  
Interim Fire Chief Rick Lasky  
Public Works Director Jeremy Bogle  
Deputy Jeremy Altemus

**City Councilmembers Remote:**

Councilmember Phil Lawrence

**City Councilmembers Absent:**

Mayor Dusty Kuykendall

Mayor Pro Tem Fisher called the meeting to order at 6:30 p.m., determined that a quorum was present, and the Pledge of Allegiance was recited.

## Citizen Input

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### 1. Citizen Input

There was no Citizen Input at this meeting.

## Community Interest

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### 2. Items of Community Interest:

Mayor Pro Tem Fisher presented the items of Community Interest.

- 2026 Primary Elections – March 3<sup>rd</sup> held in the Community Center
- 2026 General Elections – City Council Seats 1 and 2 on the ballot. Candidate filing began January 14, 2026, and ends February 13, 2026, at 5:00 p.m. Applications for a place on the ballot are available in the City Secretary’s Office. The General Election will be held in the Lucas Community Center.
- Call for volunteers – Seeking residents interested in serving on Boards & Commissions
- Town Hall Meeting – April 7<sup>th</sup> at 6:30 p.m. at the Lovejoy High School Auditorium to discuss the plans for the future Lucas Police Department and introduction of the new Director of Public Safety.
- Upcoming Community Events
  - Keep Lucas Beautiful Spring Cleanup – March 28, 2026, 9 am – 1 pm
  - Founder’s Day – April 11, 2026, 11 am – 4pm
  - Art in Public Places – April 23, 2026, 5pm – 7pm
  - The Lucas Car Show – May 16, 2026, 8 am -12 pm



**MINUTES**  
**CITY COUNCIL REGULAR MEETING**

February 5, 2026 | 6:30 PM

Council Chambers

City Hall | 665 Country Club Road, Lucas, Texas

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### **Consent Agenda**

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**3. Consent Agenda:**

- A. Approval of the January 15, 2026, Meeting minutes.**
- B. Consider adopting Ordinance #2026-02-01038 ordering a general election to be held on May 2, 2026, for the purpose of electing two City Councilmembers for respective Seats No. 1 and Seat No. 2; designating location of polling place; ordering notice of election to be given as prescribed by law in connection with such election; authorizing election of joint election agreement; and providing for an effective date.**
- C. Consider and act on approving the purchase of a 2025 Chevrolet Tahoe PPV in the amount of \$56,663.25 through TIPS Competitive Pricing Agreement to be paid from Account #11-6999-326.**

**MOTION:** A motion was made by Councilmember Johnson, seconded by Councilmember Bierman, to approve the Consent Agenda as presented. The motion passed unanimously by a 6 to 0 vote.

### **Public Hearing**

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- 4. Consider the following as it relates to the Raftelis Water and Wastewater Study implementation:**
- A. Conduct public hearing**
  - B. Consider adopting Ordinance 2026-02-01039 amending Code of Ordinances, Appendix C – “Fee Schedule”, Articles 19.000 and 20.000 adjusting the water and wastewater rates for a five-year period beginning March 1, 2026, through September 30, 2030.**

Mayor Pro Tem Fisher opened the public hearing at 6:43 pm.

Mayor Pro Tem Fisher closed the public hearing at 6:43 pm.

**MOTION:** A motion was made by Councilmember Peterson, seconded by Councilmember Johnson, to approve adopting Ordinance 2026-02-01039 amending Code of Ordinances, Appendix C – “Fee Schedule” adjusting the water and wastewater rates for a five-year period beginning March 1, 2026, through September 30, 2020. The motion passed unanimously by a 6 to 0 vote.



**Regular Agenda**

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**5. Consider nominations for the 2026 Service Tree Award Program.**

**MOTION:** A motion was made by Mayor Pro Tem Fisher, seconded by Councilmember Johnson, to nominate Chief Ted Stephens as a Service Tree recipient for 2026. The motion passed unanimously by a 6 to 0 vote.

**6. Receive a presentation of the 2025 Lucas Farmers Market Annual Report and provide an update on the 2026 Lucas Farmers Market season.**

Parks and Open Space Chair John Elliott presented.

No motion required on this item.

**Executive Session Agenda**

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**7. Executive Session:**

An Executive Session was not held at this meeting.

**8. Reconvene from Executive Session and take any action necessary as a result of the Executive Session.**

No action was taken from Executive Session.

**Adjournment**

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**9. Adjournment.**

**MOTION:** A motion was made by Councilmember Johnson, seconded by Councilmember Bierman to adjourn the meeting at 7:16 p.m. The motion passed unanimously by a 6 to 0 vote.

APPROVED:

ATTEST:

\_\_\_\_\_  
Dusty Kuykendall, Mayor

\_\_\_\_\_  
Toshia Kimball, City Secretary



**City of Lucas  
City Council Agenda Request  
February 19, 2026**

Requester: John Whitsell, City Manager

**Agenda Item Request:**

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Consider and hear a presentation from Department of Public Safety Director Doug Kowalski concerning the creation of the Lucas Police Department and the next steps moving forward.

**Background Information:**

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DPS Director Doug Kowalski will be present to present a brief overview of the next steps moving forward with the creation of the new Police Department.

**Attachments/Supporting Documentation:**

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None

**Budget/Financial Impact:**

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N/A

**Recommendation:**

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N/A

**Motion:**

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N/A



**City of Lucas  
City Council Agenda Request  
February 19, 2026**

Requester: Dusty Kuykendall, Mayor  
Neil Peterson, City Council Seat 6

**Agenda Item Request:**

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Consider board/commission promotions and/or appointments to fill vacant positions for the following:

- A. Parks and Open Space Board regular members with a term expiring on December 31, 2025, December 31, 2026, and Alternate Member 2 expiring on December 31, 2025.
- B. Planning and Zoning Commission alternate member with a term expiring on December 31, 2025.

**Background Information:**

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The City of Lucas has received resignation notices from the following board/commission members:

- Bill Esposito, who served as a regular member on the Parks and Open Space Board
- John Phillips, who served as a regular member on the Parks and Open Space Board
- Angela Martinez, who served as a regular member on the Parks and Open Space Board
- Sean Alwardt, who served as a Commissioner on the Planning and Zoning Commission

Current alternate members on the Parks and Open Space Board:

- Alternate Member 1: Michelle Miller
- Alternate Member 2: Vacant

Brian Dale was appointed from Alternate Commissioner 1 to Commissioner, leaving Alternate Commissioner 1 vacant. Current Alternate Commissioners on the Planning and Zoning Commission include:

- Alternate Commissioner 1: Vacant
- Alternate Commissioner 2: Jonathan Underhill

**Attachments/Supporting Documentation:**

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None

**Budget/Financial Impact:**

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NA

**Recommendation:**

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Staff recommends filling Parks and Open Space open positions and filling Alternate Member 1 for the Planning and Zoning Commission.

**Motion:**

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I make a motion to appoint \_\_\_\_\_ to the Parks and Open Space Board (also serving as the Lucas Farmers Market Committee) to complete the two-year term expiring on December 31, 2026:

I make a motion to appoint the following to the Parks and Open Space Board (also serving as the Lucas Farmers Market Committee) to complete the two-year term expiring on December 31, 2027:

- Vacancy (Member) - Expiring December 31, 2027
- Vacancy (Member) - Expiring December 31, 2027
- (Alternate Member 2) - Expiring December 31, 2027

**Planning and Zoning Commission Appointment**

I make a motion to appoint \_\_\_\_\_ to the Planning and Zoning Commission (also serving as the Capital Improvements Advisory Committee) to complete the two-year term that began on January 1, 2026, and expires on December 31, 2027, for Alternate Commissioner 1.



## City of Lucas City Council Agenda Request February 19, 2026

Requester: John Whitsell, City Manager

### **Agenda Item Request:**

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Consider and act on approving the purchase of real property located at 215 Country Club Road, Lucas, Texas, and authorize encumbering funds not to exceed \$1,050,000 to Account # 11-8999-100, Capital Outlay Land, using general fund reserves.

### **Background Information:**

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Several years ago, the Council approached the owners of the property located at 215 Country Club, the home adjacent to the fire department, about the possibility of purchasing their property for future expansion of city services. At that time, they were not interested in selling but agreed to give the City the first right of refusal if and when the property became available. On December 26th, they had a small fire in the kitchen area of their home. After considering what their next steps might be, they approached City staff about the City's interest in purchasing the property. The property consists of a home and approximately 3 acres. This was discussed in Executive session, per Local Government Code 551.072, at the January 15, 2026 meeting. A contract was subsequently negotiated and is currently at the title company for closing.

### **Attachments/Supporting Documentation:**

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None

### **Budget/Financial Impact:**

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Not to exceed \$1,050,000

### **Recommendation:**

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Approve as presented

### **Motion:**

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I make a motion to approve/deny the purchase of real property located at 215 Country Club Road, Lucas, Texas, and authorize encumbering funds not to exceed \$1,050,000 to Account # 11-8999-100, Capital Outlay Land, using general fund reserves.



## City of Lucas City Council Agenda Request February 19, 2026

Requester: Joe Hilbourn, Development Services Director  
Patrick Hubbard, CIP Manager  
Jeremy Bogle, Public Works Director  
John Whitsell, City Manager

### **Agenda Item Request:**

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Discuss a proposed contract between the City of Lucas and the North Texas Municipal Water District concerning Potable Water Supply and give direction to the City Manager.

### **Background Information:**

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This item provides City Council with an opportunity to discuss the adoption of an updated contract with the North Texas Municipal Water District (NTMWD) for the purchase of potable water. The contract describes how NTMWD and the City of Lucas' water systems will connect and establishes the cost structure for the wholesale purchase of water from NTMWD by the City of Lucas. The existing draft is the product of a complex negotiation between the NTMWD and the customer cities affected by this contract change.

### **Attachments/Supporting Documentation:**

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1. Customer Contract FAQ
2. Draft Contract - NTMWD and Lucas

### **Budget/Financial Impact:**

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This contract impacts the wholesale cost of potable water in numerous ways. These changes are accounted for in the City of Lucas' most recent water rate study.

### **Recommendation:**

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NA

### **Motion:**

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NA



## **FAQs for Customer Entities Regarding 2025 Customer Potable Water Supply Contract Template**

### **Customer Benefits of New 2025 Contract Template**

#### **1. Who does this document apply to?**

**Answer:** All Non-Member City potable water customers of the North Texas Municipal Water District (“NTMWD”), which includes any city, special district, water supply corporation, or other entity who currently has a contract with NTMWD and entities that contract with NTMWD for treated water service in the future. NTMWD refers to such entities as “Customers” for the purposes of this FAQ document.

#### **2. How does the 2025 Customer Contract Template benefit Customers and the region served by NTMWD?**

**Answer:** The new template provides certainty regarding the Customer Premium for years to come. It allows for a portion of a Customer’s Annual Minimum<sup>1</sup> to remain at the current Customer Premium (Member City Rate plus five cents) and sets out the methodology to be used in rate-setting moving forward. It allows for a phased transition into the new rate method and also allows Customers to take advantage of the new method of calculating Annual Minimum Volume so that Annual Minimum Volumes are ultimately based on a five-year rolling average of actual use rather than highest ever historic use. The new rolling average based annual minimum volume incentivizes conservation, which benefits the region as a whole.

### **New Customer Premium**

#### **3. How did NTMWD decide on the Customer Premium Methodology used to calculate the Customer Rate?**

**Answer:** NTMWD worked with a rate consultant along with a Working Group made up of several Customers and Member Cities between 2022 and 2024 to develop the Customer Premium Methodology that was adopted by the Board of Directors in November 2024. The Working Group also was involved in reviewing and providing input to the Board approved 2025 Customer Contract Template.

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<sup>1</sup> See Question No. 5 for definition of Annual Minimum.

#### **4. How does the new Customer Rate work?**

**Answer:** For those Customers that adopted the 2025 Customer Contract Template the methodology is included. Initially the Customer Rate will be equal to the rate set by the Board of Directors for Member Cities plus five cents. Beginning Fiscal Year 2029 (Oct 1, 2028) the Customer Rate will be made up of two tiers and a cap that includes the Legacy Premium Component, Growth Premium Component, and an Effective Premium Cap as described below.

- a. Legacy Premium Component: For that portion of Customer's Annual Minimum equal to its FY 2028 Annual Minimum plus 5% ("Legacy Volume") the Customer Rate applied shall be the Member City Rate plus 5-cents ("Legacy Charge").
- b. Growth Premium Component: For that portion of the Customer's Annual Minimum greater than the Legacy Volume ("Growth Volume"), the Customer Rate applied shall be the Member City Rate plus 10% ("Growth Charge").
- c. Effective Premium Cap: means the amount to be paid by Customer per 1,000 gallons resulting from aggregating the Legacy Premium Component and the Growth Premium Component together. If the Customer's calculated Effective Rate exceeds the Member City Rate by 2.8% or more, the Customer Rate shall be adjusted to result in payment by Customer that equals the Member City Rate plus 2.8%. After a Customer reaches the Effective Premium Cap, the Customer Rate cannot fall below the Effective Premium Cap.

For additional details there are also key sections of the 2025 Contract Template and its Exhibits that provide examples. We recommend reviewing Section 1(h) (definition of Customer Rate), Exhibit A (Customer Rate Premium Methodology Examples), and Exhibit D (Explanation of Annual Minimum Calculation with examples).

#### **Annual Minimum Methodology**

##### **5. What is the Annual Minimum Volume and how is it used?**

**Answer:** The Annual Minimum Volume is the amount of potable water for the fiscal year for which the Customer must compensate NTMWD. The annual compensation is the *same* if the annual potable water use is at or below the Annual Minimum Volume.

##### **6. How is a Customer's Annual Minimum Volume determined now under its current contract?**

**Answer:** For nearly all Customers, the current Annual Minimum Volume is the highest annual water consumption the Customer has experienced. Some Customers set their Annual Minimum Volume several years ago and others set

new Annual Minimum Volume every year as growth and usage increase. The Annual Minimum Volume does not automatically reset once it is established.

**7. What is the new Annual Minimum Volume Methodology the Member Cities and District agreed to in 2020?**

**Answer:** The new methodology provides for a gradual resetting of a Member City's Annual Minimum over a 13-year period, starting with usage measured beginning in 2020 for Member Cities. The first 8 years of the 13-year period are referred to as the "Natural Drawdown Method" in which under-using Member Cities can experience a reduction in their Annual Minimum Volume in proportion to Member Cities and Customers (together, the "System Users") who use more than their Annual Minimum amounts. Over the remaining 5-year period, a rolling average of actual usage over a 5-year period is phased in. The "Natural Drawdown Method" would apply the same way to Customers until the end of FY 2028 when all Members and Customers will move toward the phase in of a 5-year rolling average. In 2025 NTMWD's Board of Directors approved an updated Customer Contract template that includes EXHIBIT D: EXPLANATION OF ANNUAL MINIMUM CALCULATION that provides further guidance.

**8. Describe in more detail the Natural Drawdown Method that exists for the first 8 years.**

**Answer:** For the first 8 years with usage beginning in 2020 (or the year a Customer enters into the 2025 Customer Contract) a System User's Annual Minimum Volume will be reduced if (1) the System User's annual usage is less than its Annual Minimum Volume, and (2) usage by other System Users exceeds their own Annual Minimum Volume in the same year. Any reduction in Annual Minimum Volume would be applied to charges owed to NTMWD in the following Fiscal Year (i.e., reductions in usage measured in Water Year 2020 would be applied to a System User's payments to NTMWD for Fiscal Year 2021). The cumulative total of Excess Water Usage among all System Users will be divided among "under using" System Users on a proportionally prorated basis to draw down their respective Annual Minimum volumes by a 3:1 ratio (for every 3 gallons of excess water used, 1 gallon of water is drawn down for under-using System Users). Exhibit D includes a Natural Drawdown Example.

**9. Describe in more detail the 5-year Rolling Average that is part of the new Annual Minimum Methodology.**

**Answer:** Beginning FY 2029 (1 October, 2028) for those Customers on the 2025 Customer Contract template, Annual Minimums will gradually transition to a 5-year rolling average of actual usage. For the first five years the 5-year rolling average is calculated using the updated Annual Minimum Volume combined with actual usage volumes. In the first transition year, a five year "average" will be calculated by adding four years' worth of an entity's Water Year 2028 Annual Minimum Volume added to the most recent Water Year's actual usage, then

divided by 5. An additional year of actual usage will be added to the calculation each year until there are 5 consecutive years of actual usage. Customers who wish to remain on their existing contract after 31 July, 2028 will continue to have Annual Minimum Volume determined in accordance with their active contract.

**10. How does the new Annual Minimum Methodology give Customers an opportunity to exert control over how Annual Minimum Volumes are determined?**

**Answer:** The new methodology incorporates each Customer’s recent actual consumption rather than relying on Highest Historical Average (HHA). This provides the opportunity for a Customer’s Annual Minimum Volume to reset downward. Even for Customers who regularly exceed their previous Annual Maximum Volume, a rolling average methodology will have a smoothing effect on high-demand years. Additionally, all System Users have more control over future payment obligations if they develop and implement effective conservation strategies.

**11. Now that you mention it, what is the Annual Maximum and how is it determined?**

**Answer:** It is the Annual Maximum volume of potable water that NTMWD agrees to sell and deliver to Customer under the Customer Contract. The Annual Maximum volume is determined based on Customer population projections, associated water demand usage, NTMWD’s available water supply, and modeling of NTMWD’s treated water transmission system. Typically determination of the Annual Maximum involves meetings and discussions using evaluations and data with the Customer. The Annual Maximum helps NTMWD monitor growth to inform planning for capital improvements in the system.

In the past NTMWD would include the tap size in the Contract for a Customer and when a Customer desired additional volume, a new Contract would be required increasing the tap size and assisting NTMWD to understand growth and demands in the system. The approach relying on tap size is no longer used.

**Other Contract Language Updates**

**12. What other terms and conditions have been updated in the 2025 Customer Contract Template?**

**Answer:** The number of additional and updated provisions depend on the effective date of a Customer’s current contract, particularly if the current contract was entered into prior to 2012.

In 2021 the Board adopted a new Customer contract template with the new Annual Minimum Volume Methodology and most recently adopted the latest

Customer Contract Template in 2025 that will be used for all potable water supply contracts. Additional and updated provisions include, but are not limited to, the following:

- Establishing an Annual Maximum amount of potable water to sell and deliver; exceeding the Annual Maximum requires a Customer to enter into a new contract;
- Establishing a maximum rate of delivery of 2.2 times the Daily Average of potable water supplied; exceeding the maximum rate of delivery can result in the Customer paying three (3) times the Water Rate for such exceedance except during certain emergency conditions or when NTMWD solely determines to provide water in excess of the maximum rate of delivery of 2.2 times the Daily Average;
- Inclusion of a requirement for Customers to construct and operate adequate water distribution, storage, and pump station facilities to comply with the maximum rate of delivery;
- Inclusion of requirements for compliance with NTMWD's water conservation and drought contingency plan that have been incorporated to comply with water conservation provisions in the Bois d'Arc Lake state water rights permit and a settlement agreement that issuance of the Bois d'Arc Lake state water rights permit was contingent upon;
- Updating language covering contract disputes; and
- Inclusion of termination and material breach, indemnity, and remedies provisions.

**13. Describe the Highest Historical Average (HHA) and what it would be used for.**

When the Customer Contract template was amended in 2021 to include the opportunity for Customers' Annual Minimum Volume to decrease, the concept of the Highest Historical Average (HHA) was introduced to provide additional protection to the Customers from maximum rate of delivery penalty. There is also significant value in protecting our system that supports the entire region.

The HHA means the higher of (1) amount of water per day calculated as 1/365 of the Annual Minimum as provided in Section 8 of this Contract at the Point(s) of Delivery, or (2) 1/365 of the highest annual amount of potable water delivered to the Customer at the Point(s) of Delivery in a Water Year during the term of the Customer Contract.

Customers with multiple Point(s) of Delivery will have volume percentages to help prevent Customers from peaking off one or more of Point(s) of Delivery that would

impact the system. If peaking off the system occurs, NTMWD may assess 3 times the water rate (refer to Item 14 for additional details).

To avoid peaking, the percentage split can be adjusted each year as the Customer requests and as recommended by NTMWD. If there is an emergency or planned work which may cause the Customer to take higher volumes from one vs the other Point(s) of Delivery, NTMWD will assist the Customer to address the situation.

**14. What happens if the Customer exceeds the maximum rate of delivery (2.2 times)?**

**Answer:** The “2.2 times” is associated with the performance standard for the entire regional potable water system and has been the standard rate of delivery for all Customer Contracts since 2012. Any time a Customer exceeds the maximum rate of delivery of 2.2 times the HHA at the Point(s) of Delivery as determined by NTMWD, the Customer pays three (3) times the Customer Rate for such water. NTMWD calculates the volume of such water using Supervisory Control and Data Acquisition (SCADA) data.

When NTMWD observes such exceedance, it attempts to contact and notify the Customer to provide awareness. If contact is unsuccessful NTMWD will use appropriate notices to engage the Customer. If contact is successful NTMWD will discuss whether there are unusual conditions before moving forward with assessment of a penalty under the contract.

**15. How can the Customer address this exceedance beyond the maximum rate of delivery?**

**Answer:** Options available to Customers to manage their rates of delivery include water conservation education, balancing outdoor watering days, implementing drought-tolerant landscaping, temporarily reducing water use in construction, and other similar measures, adding storage capacity, adjusting outdoor watering schedules, optimizing pump station operations, etc. In some circumstances, NTMWD may deliver water that exceeds the maximum rate of delivery in order to manage the Regional Transmission System during high demand periods. When these conditions occur, this is a result of NTMWD’s action and will not be attributed to the Customer’s action or Customer’s system deficiencies and will not trigger additional charges.

**Next Steps**

**16. How can a Customer opt into the new Customer Premium and Annual Minimum Methodology?**

**Answer:** Implementing the new methodology requires a Customer to adopt the 2025 Customer Contract Template. Note that Customers are not *required* to enter into the 2025 Customer Contract; however, adoption is the only way to have the

new Customer Premium methodology apply to a Customer. Note that the Legacy Volume portion of the methodology does expire after July 31, 2028 (Refer to item 17 below for additional details).

**17. When do the contractual provisions recognizing Legacy Volume expire?**

**Answer:** After July 31, 2028, the contractual provisions recognizing a Legacy Volume will not be available and all of a Customer's Annual Minimum Volume will be subject to the Customer Rate of the Member City Rate plus 2.8% for the fiscal year beginning October 1, 2028.

**18. If a Customer wants to adopt the 2025 Customer Contract Template with NTMWD, when should it do so?**

**Answer:** Please contact NTMWD to initiate the discussion.

**NORTH TEXAS MUNICIPAL WATER DISTRICT  
CITY OF LUCAS  
POTABLE WATER SUPPLY CONTRACT**

THE STATE OF TEXAS                   §  
  §  
THE COUNTY OF COLLIN               §

THIS CONTRACT (the “Contract”) made and entered into as of this the \_\_\_\_\_ day of \_\_\_\_\_, 2026, by and between the North Texas Municipal Water District, hereinafter called “NTMWD”, a conservation and reclamation district created under Article 16, Section 59, of the Texas Constitution, and the City of Lucas, hereinafter called “Customer.” NTMWD and Customer are each referred herein as “party” and jointly referred to as “parties” in this Contract.

W I T N E S S E T H :

WHEREAS, NTMWD and Customer are authorized to enter into this Contract pursuant to Chapter 62, Acts of the 52<sup>nd</sup> Legislature, 1951 (Article 8280-141, Vernon's Texas Civil Statutes), Chapter 791 of the Texas Government Code (the “Interlocal Cooperation Act”) and other applicable laws;

WHEREAS, Customer and NTMWD previously entered into a Potable Water Supply Contract dated April 22, 2004 (the “Original Contract”);

WHEREAS, the Original Contract does not expire until April 22, 2034, but Customer and NTMWD desire to amend and completely restate the terms of the Previous Contract, and supersede and replace the Previous Contract in its entirety, as provided herein, and the Previous Contract shall have no further force and effect;

WHEREAS, Point of Delivery No. 1 as described in the Previous Contract as “A four-inch (4”) meter and six-inch (6”) tap located on FM 1378 at Station 409 + 50 on the Wylie-McKinney twenty-inch (20”) pipeline” was abandoned prior to June 1, 2025, and is no longer in use;

WHEREAS, Customer requests to update the existing Point of Delivery No. 2 located approximately at Country Club Road across from Creek View Lane near the connection with the McKinney Parallel Phase 1 42-inch (42”) conveyance line;

WHEREAS, Customer requests to alter the location of Point of Delivery No. 3 from “near the intersection of FM 2551 and McGarity Ln on the Plano-McKinney eighty-four (84”) pipeline” to a new connection with the APFM Project B Ph 1 72-inch (72”) conveyance line adjacent to McGarity Lane and near Maplewood Lane;

WHEREAS, Customer desires to obtain an adequate and dependable water supply from NTMWD;

WHEREAS, NTMWD was created, among other things, to serve the water needs of its Member Cities, as defined below;

WHEREAS, Customer acknowledges and understands that this Contract establishes a maximum amount of potable water that NTMWD is required to deliver to Customer;

WHEREAS, Customer agrees to construct and operate adequate water distribution, storage and pump station facilities so that the maximum delivery rate of water will not exceed, at any time, 2.2 times the Highest Historical Average at the Point(s) of Delivery, as such terms are defined herein;

WHEREAS, Customer acknowledges and understands that NTMWD determines the rates to be paid by Member Cities and Customer and that rates for Customer will not be the same as and are higher than the rates for Member Cities;

WHEREAS, Customer is not compelled to purchase water from NTMWD and is voluntarily entering into this Contract;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, NTMWD agrees to furnish water, and Customer agrees to pay for water, upon the terms and conditions and for the consideration hereinafter set forth, to wit:

Section 1. DEFINITION OF TERMS. The following terms and expressions as used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

- (a) “Annual Minimum” or “Annual Minimum Volume” means the minimum amount of potable water Customer must compensate NTMWD for during the Annual Payment Period, and each year thereafter, regardless of whether Customer actually takes such quantity of water. The Annual Minimum shall be adjusted annually after the first Annual Payment Period as provided in Section 8;
- (b) “Annual Maximum” means the maximum amount of potable water that NTMWD agrees to sell and deliver to Customer during any Water Year under this Contract;
- (c) “Annual Payment” means the amount of money to be paid to NTMWD by Customer during each Annual Payment Period;
- (d) “Annual Payment Period” means NTMWD’s fiscal year, which currently begins on October 1 of each calendar year and ends on September 30 of the next following calendar year, but which may be any twelve (12) consecutive month period fixed by NTMWD;
- (e) “Contract Date” means the effective date of this Contract as executed by both parties, which is the day and year first above written;
- (f) “Customer” means City of Lucas as defined in the preamble to this Contract;
- (g) “Customer Entity or Customer Entities” means any customer other than the Member Cities with which NTMWD contracts with to furnish water;
- (h) “Customer Rate” is defined as the rate to be paid by Customer on a per 1,000 gallon basis, calculated annually by NTMWD, as provided herein, and applied to Customer’s Annual Minimum. Initially, the Customer Rate shall be equal to the rate set by the NTMWD Board of Directors for Member Cities (“Member City Rate”) plus \$0.05. Commencing at the beginning of FY 2029, the Customer Rate shall be made up of two tiers and a cap that include the Legacy Premium Component, Growth Premium Component, and Effective Premium Cap, as set forth below:

- (i) “Legacy Premium Component”: For that portion of Customer’s Annual Minimum equal to its FY 2028 Annual Minimum plus 5% (“Legacy Volume”), the Customer Rate applied shall be the Member City Rate plus \$0.05 (“Legacy Charge”);
- (ii) “Growth Premium Component”: For that portion of the Customer’s Annual Minimum greater than the Legacy Volume (“Growth Volume”), the Customer Rate applied shall be the Member City Rate plus 10% (“Growth Charge”); and
- (iii) “Effective Premium Cap”: For the purposes of this calculation, “Effective Rate” means the amount to be paid by Customer per 1,000 gallons resulting from calculation of the Legacy Premium Component and the Growth Premium Component. If the Customer’s calculated Effective Rate exceeds more than 2.8% of the Member City Rate, the Customer Rate shall be adjusted to result in payment by Customer that equals the Member City Rate plus 2.8% (Effective Premium Rate”). After a Customer reaches the Effective Premium Rate, the Customer Rate cannot fall below the Effective Premium Rate.

Customer Rate calculation examples are included in **Exhibit A**.

- (i) “Emergency Condition” means a condition that necessitates an expeditious delivery of water to prevent or combat imminent peril to the public health, safety, or welfare;
- (j) “FY” means NTMWD’s fiscal year which currently begins on October 1 of each calendar year and ends on September 30 of the next following calendar year, but which may be any twelve (12) consecutive month period fixed by NTMWD.
- (k) “Highest Historical Average” means the higher of (1) 2,065,019 gallons per day, that being 1/365 of the Annual Minimum as provided in Section 8 of this Contract at the Point(s) of Delivery, or (2) 1/365 of the highest annual amount of potable water delivered to the Customer at the Point(s) of Delivery in a Water Year during the term of this Contract. As defined below in Section 5, Point of Delivery No. 1 is abandoned, Point of Delivery No. 2 is allocated 60% of the Highest Historical Average, Point of Delivery No. 3 is allocated 40% of the Highest Historical Average;
- (l) “Member City or Member Cities” means the Cities of Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City, Wylie, and any other city that may hereafter legally be annexed into the service area of NTMWD in accordance with Tex. Rev. Civ. Stat. Art. 8280-141;
- (m) “NTMWD” means the North Texas Municipal Water District as defined in the preamble to this Contract;
- (n) “Point(s) of Delivery” means the meter vault(s) at which water service is delivered by NTMWD to Customer at the location(s) specified in Section 5. The meter vault(s) and facilities upstream thereof shall be the sole responsibility of NTMWD, and facilities downstream thereof shall be the sole responsibility of the Customer except as otherwise provided herein by this Contract;

- (o) “Regional Contract” means the “North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract,” dated August 1, 1988, as amended, together with all similar contracts between NTMWD and contracting parties;
- (p) “System” means, collectively, the existing system and the future improvements and water of NTMWD included as part of the System under the Regional Contract for projects, water storage, treatment, transmission and supply, including all dams, reservoirs, and other properties or interests therein wherever located. Said terms do not include any of NTMWD’s facilities that provide wastewater treatment or disposal services, or solid waste disposal services, of any kind. Said terms do not include any facilities acquired or constructed by NTMWD with the proceeds from the issuance of “Special Facilities Bonds,” which are payable from any source, contract, or revenues whatsoever, other than revenues from the System; and,
- (q) “Water Year” means the period of August 1 of each calendar year through July 31 of the next following calendar year, or such other twelve (12) month period designated by NTMWD to all Member Cities and Customer Entities.

Section 2. DELIVERY OF WATER. NTMWD agrees to sell and to deliver potable water under this Contract to Customer at its Point(s) of Delivery as described in Section 5 hereof, and Customer agrees to take at its Point(s) of Delivery all water required for use by Customer during the term of this Contract, including all potable water for Customer’s own use and for distribution to all customers served by Customer’s water distribution system, or within Customer’s existing certificated retail service area regulated by the Public Utility Commission of Texas (“PUCT”), or any successor agency. It is specifically provided, however, that after the Contract Date, Customer shall be required to enter into a new potable water supply contract with NTMWD to replace and supersede this Contract in its entirety prior to the Customer entering into, renewing, or amending with regard to volume of water to be supplied, any agreement to provide wholesale or retail potable water for use outside its boundaries, its extraterritorial jurisdiction, or its certificated retail service area. Customer shall not become a party to any contract for the sale of potable water that would violate or be inconsistent with the provisions of this Contract. NTMWD will use its best efforts to furnish and remain in a position to furnish potable water sufficient for all reasonable potable water requirements of Customer, but its obligation shall be limited to the amount of potable water available to it from the System during routine operation.

The Annual Maximum that NTMWD agrees to sell and deliver to Customer under this Contract at the Point(s) of Delivery shall be 1,000,000,000 gallons per year. If Customer exceeds the Annual Maximum for the Point(s) of Delivery during any Water Year, within sixty (60) days of such exceedance Customer agrees to commence negotiations with NTMWD for the execution of a new or an amended or restated contract.

Except as provided in Section 8(j), the maximum rate of delivery at the Point(s) of Delivery shall not exceed 2.2 times the Highest Historical Average supplied to Customer hereunder, which is consistent with the capabilities and abilities of NTMWD facilities, and it is understood that NTMWD may from time to time adjust the maximum rate of delivery to all Customer Entities on a reasonable, equitable and uniform basis.

Section 3. OTHER CONTRACTS. NTMWD reserves the right to supply potable water from the System to additional parties as determined by the Board of Directors of NTMWD.

Section 4. QUALITY. The water to be delivered by NTMWD and received by Customer shall be potable water. Customer has satisfied itself that such water will be suitable for its needs, but NTMWD is

obligated to treat such water so as to meet the standards of all State and Federal agencies having jurisdiction over water quality. NTMWD and Customer shall cooperate, each within its legal powers, in preventing, to the extent practicable, the pollution and contamination of the reservoirs and watersheds from which water is obtained.

Section 5. POINT(S) OF DELIVERY. The Point(s) of Delivery for Customer, located on **Exhibit C** attached hereto, identifies the location of the Point(s) of Delivery, the associated pipelines named below, and the estimated percentage of the Annual Minimum Volume delivered to each of the Points of Delivery.

Point of Delivery No. 2 – A meter and tap located approximately at Country Club Road across from Creek View Lane, Lucas, Texas near the connection with the McKinney Parallel Phase 1 42-inch (42”) conveyance line.

Point of Delivery No. 3 – A meter and tap located at McGarity Lane and near Maplewood Lane, Lucas, Texas near the connection with the APFM Project B Phase I 72-inch (72”) conveyance line.

The parties agree that if the pipelines as depicted on Exhibit C are abandoned or relocated at the request of the Customer, the Customer shall pay all costs associated with the construction of a new Point of Delivery or connection to a different pipeline at the discretion of NTMWD, including any and all costs associated with furnishing the site of the new Point of Delivery as described in this section. NTMWD, in its sole discretion, may pay the costs associated with the construction of a new Point of Delivery.

Customer agrees to furnish the site at the Point(s) of Delivery and to construct and operate adequate water distribution, storage, and pump station facilities so that the maximum rate of delivery will not exceed 2.2 times the Highest Historical Average at the Point(s) of Delivery. Customer shall design and construct a separate vault for the Point(s) of Delivery. The vault will include the billing meter, control valve, and appropriate SCADA equipment. Customer shall also provide one level transmitter for the ground storage tank for NTMWD use and shall provide a separate air gap for the Point(s) of Delivery at the ground storage tank. At the request of the Customer, or upon NTMWD’s own determination, NTMWD may install isolation valves associated with the Point(s) of Delivery. NTMWD may require Customer to bear all costs associated with such installation.

Customer shall provide to NTMWD all plans for the design, construction, and installation of any facilities and equipment required to receive and take all potable water delivered to it under this Contract and Customer shall not proceed with any construction or installation without NTMWD’s prior written approval of such plans, which approval shall not be unreasonably withheld. Further, NTMWD shall have the right to inspect any and all facilities and equipment to ensure compliance with the NTMWD approved plans. Customer shall also perform and coordinate with NTMWD regarding any and all construction activities that involve the System. Customer shall construct, maintain, and operate, at its own cost and expense, all facilities and equipment necessary to receive and take all potable water delivered to it under this Contract. Regardless of NTMWD’s approval of any Customer plans for the design, construction, and installation of any facilities and equipment required to receive and take all potable water delivered to it under this Contract, Customer is solely responsible for the sufficiency of design to receive volume(s) of water established pursuant to this Contract. Any construction from NTMWD’s pipeline including the air gap must meet NTMWD standard specifications. Any change in the Point(s) of Delivery, including but not limited to a change in the type or size of meters, or size of tap, shall only be allowed if the Customer enters into a new or an amended and restated contract in accordance with Section 10, MODIFICATION. In NTMWD’s sole discretion, NTMWD may waive the requirement for a new or an amended and restated contract for a change in the Point(s) of Delivery and allow such change through an amendment to this Contract.

Section 6. MEASURING EQUIPMENT. Customer shall furnish, and install at its own expense at, or near, the Point(s) of Delivery the necessary rate of flow equipment, of a standard type approved by NTMWD, for measuring properly in both low and high flow periods the quantity of potable water delivered under this Contract and such billing meter and other equipment so installed shall become the property of NTMWD. In its sole discretion, NTMWD may furnish, install, and/or replace at its own expense at, or near, the Point(s) of Delivery the necessary rate of flow equipment for measuring properly in both low and high flow periods the quantity of potable water delivered under this Contract and such billing meter and other equipment so installed shall remain the property of NTMWD. Customer shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be accomplished only by the employees or agents of NTMWD. For the purpose of this Contract, the original record or reading of the meter shall be the journal or other record book, including, but not limited to electronic databases, maintained by NTMWD in its office in which the records of the employees or agents of NTMWD who take the reading may be transcribed. Upon written request of Customer, NTMWD will provide a copy of such journal or record book, or permit it to have access to the same in the office of NTMWD during reasonable business hours.

Not more than once in any six (6) month time period, NTMWD shall test its billing meter if requested in writing by Customer to do so, in the presence of a representative of Customer, and the parties shall jointly observe any adjustments that are made to the billing meter in case any adjustments shall be necessary. If upon any test, the percentage of inaccuracy of any billing meter equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any billing meters are out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered through the period such billing meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter or meters if the same have been installed and are accurately registering. Otherwise, the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or (ii) estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the billing meter or meters were registering accurately.

Customer may, at its option and its own expense, install and operate a check meter downstream of the Point(s) of Delivery to check each billing meter installed by NTMWD, but the measurement of water for the purpose of this Contract shall be solely by NTMWD's meters, except in the cases hereinabove specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of NTMWD.

Section 7. UNIT OF MEASUREMENT. The unit of measurement for potable water delivered under this Contract shall be 1,000 gallons of water, U.S. Standard Liquid Measure.

Section 8. PRICE AND TERMS. The service to be performed under this Contract by NTMWD consists of the readiness of NTMWD to deliver to Customer upon its demand, water in accordance with the conditions, limitations, and provisions of this Contract.

In return for such service, Customer agrees to compensate NTMWD by payment of certain minimum annual sums of money, for each of which said sums NTMWD agrees, if required by Customer, to deliver all, or so much thereof as Customer may desire, of a certain corresponding volume of water, as follows:

- (a) Customer will compensate NTMWD at the Customer Rate, as such Customer Rate is calculated on an annual basis by NTMWD in accordance with the provisions of this Contract, for an Annual Minimum of 753,732,000 gallons of water, regardless of whether said quantity is actually taken by Customer, and any water delivered in excess of the amount allowed for the Annual Minimum will also be purchased at the Customer Rate. The Annual Minimum Customer will be required to purchase at the above Customer Rate, shall be calculated annually for each ensuing year and such minimum amount shall be the value as calculated by using the same methodology as applied to the Member Cities or 753,732,000 gallons as set forth in **Exhibit D**; provided however, Customer cannot take more than 1,000,000,000 gallons per year as provided in Section 2 of this Contract, and Customer shall pay the Customer Rate for any water taken in excess of 1,000,000,000 gallons per year.
- (b) If potable water must be rationed, such rationing shall, within the limits permitted by law, be accomplished by NTMWD on an equal basis of the relative actual total amount of all potable water taken by each Customer Entity, respectively, during the last preceding Annual Payment Period in which rationing among said Customer Entities was not necessary.
- (c) The Annual Minimum as set forth herein shall be reviewed at the end of the first Annual Payment Period, and each year thereafter, and shall be re-determined by the Board of Directors of NTMWD at that time based upon the methodology set forth in **Exhibit D**.
- (d) Payment of the Annual Payment shall be made each year by Customer to NTMWD in twelve (12) equal monthly installments, each of which shall be due and payable on or before the 10<sup>th</sup> day of the month following the service.
- (e) It is further agreed that, in addition to the amounts required to be paid by Customer herein, if during any Water Year Customer uses System treated water in excess of the Annual Minimum for the Annual Payment Period that commenced during such Water Year up to the Annual Maximum allowed in Section 8(a) or in excess of the Annual Maximum allowed in Section 8(a), then Customer shall pay for such excess water in accordance with the provisions of Section 8(a). Excess water charges shall be billed by NTMWD to Customer as soon as practicable after the end of such Water Year and shall be paid to NTMWD as soon as practicable thereafter, and in all events prior to the beginning of the next Annual Payment Period.
- (f) Liability for making payments, as herein set forth, shall commence on the date of the first tender of delivery of water to Customer by NTMWD at the Point(s) of Delivery.
- (g) In the event that Customer shall fail to make any such monthly payment or Annual Payment within the time herein in this section specified, interest on such amount shall accrue at the rate of ten percent (10%) per annum from the date such payment becomes due until paid in full with the interest as herein specified. In the event such payment is not made within thirty (30) days from the date such payment becomes due, and unless otherwise prohibited by law, NTMWD may at its option discontinue delivery of water to Customer upon reasonable notice to Customer until the amount due NTMWD is paid in full with interest as herein specified.
- (h) If Customer takes an amount of water above the authorized amount or authorized rate of delivery allowed by NTMWD's water conservation plan and drought contingency plan, as

may be amended from time to time, NTMWD may require the Customer to pay three (3) times the Customer Rate for water taken in excess of the authorized amount or authorized rate of delivery under either plan. NTMWD shall provide 14 day written notice upon the first observed exceedance in a Fiscal Year before the imposition of such surcharge.

- (i) Any time Customer exceeds the maximum rate of delivery of 2.2 times the Highest Historical Average at the Point(s) of Delivery as determined by the NTMWD, Customer shall pay three (3) times the Customer Rate for such water. NTMWD shall provide 14 day written notice upon the first observed exceedance in a Fiscal Year before the imposition of such surcharge.
- (j) In the event of an Emergency Condition, as that term is defined herein, NTMWD may, in its sole discretion, waive the increased rate in Section 8(i) for exceedance of the maximum rate of delivery of 2.2 times the Highest Historical Average for the Point(s) of Delivery. This waiver shall apply for a 48-hour period, after which such waiver shall terminate. In its sole discretion, NTMWD may extend the waiver for additional 48-hour periods, if NTMWD determines that an extension of the waiver is warranted.

NTMWD, at its sole discretion and at any time, may deliver water to Customer at a delivery rate greater than 2.2 times the Highest Historical Average for the purpose of (i) minimizing or managing energy costs (e.g. 4 Coincident Peak (4CP), minimizing pump starts and/or stops, etc.); or (ii) managing hydraulic constraints in the System. In the event NTMWD exercises either of these options, Customer shall pay only the Customer Rate for water received. Additionally, if NTMWD does not have infrastructure installed with the capability of limiting the delivery rate of water to 2.2 times the Highest Historical Average, or such infrastructure is inoperable, Customer shall pay the Water Rate for water received from NTMWD.

Section 9. TERM OF CONTRACT. This Contract shall commence on the Contract Date and shall continue for a term of twenty (20) years following the Contract Date.

Section 10. MODIFICATION. This Contract may be changed or modified only by written agreement of the parties and only after having obtained approval from the governing bodies of both NTMWD and Customer. No change or modification shall be made to this Contract which will affect adversely the prompt payment when due of all monies required to be paid by Customer under the terms of this Contract.

Section 11. FORCE MAJEURE. If by reason of force majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of Customer to make the payments required under Section 8 of this Contract, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics (including pandemics), landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, or on account of any other causes not reasonably within the control of the party claiming such inability.

Section 12. INSURANCE. NTMWD agrees to carry and arrange for fire, casualty, public liability, and/or other insurance, including self-insurance for purposes and in amounts which, as determined by NTMWD, ordinarily would be carried by a privately-owned utility company owning and operating such facilities, except that NTMWD shall not be required to provide liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of NTMWD's legal counsel, be liable under the Texas Tort Claims Act or any similar law or judicial decision. Such insurance will provide, to the extent feasible and practicable, for the restoration of damaged or destroyed properties and equipment, to minimize the interruption of the services of such facilities. All premiums for such insurance shall constitute just and reasonable operation and maintenance expense. The insurance coverage referenced herein does not extend to any facility owned by Customer.

Section 13. REGULATORY BODIES AND LAWS. This Contract is subject to all applicable Federal and State laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state or federal governmental authority having or asserting jurisdiction, but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum, having jurisdiction.

Section 14. NOTICES. Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to any other party must be in writing and may be given or be served by depositing the same in the United States mail, addressed to the party to be notified and sent via first-class mail and by certified mail/return-receipt requested, or by delivering the same to an officer of such party. Notice deposited in the mail in the manners hereinabove described shall be deemed to be effective, unless otherwise stated herein, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of Notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to NTMWD, to:

Executive Director  
North Texas Municipal Water District  
P.O. Box 2408  
Wylie, Texas 75098

If to Customer, to:

City Manager  
City of Lucas  
665 Country Club Road  
Lucas, TX 75002

The parties hereto shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days written notice to the other parties hereto.

Section 15. SEVERABILITY. The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State of Texas or the United States of America, or in contravention of any such laws or constitutions, such invalidity,

unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 16. VENUE. All amounts due under this Contract including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Collin County, Texas, which is the County in which the principal administrative offices of NTMWD are located. It is specifically agreed among the parties to this Contract that Collin County, Texas, is a principal place of performance of this Contract.

#### Section 17. OPERATING CONDITIONS AND PROVISIONS.

- (a) Operation and Maintenance of System. NTMWD will continuously operate and maintain the System in an efficient manner and in accordance with good business and engineering practices, and at reasonable cost and expense.
- (b) Title to Water; Indemnification. NTMWD shall retain title to all water supplied to Customer up to the Point(s) of Delivery, at which point title to such water shall pass to Customer. NTMWD and Customer shall save and hold each other harmless from all claims, demands, and causes of action that may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party. As between the parties, Customer shall have the first right to use all effluent produced from any wastewater treatment plant that treats the wastewater resulting from the use of the water made available under this Contract for direct reuse, but solely for its own purposes, and not for sale to, or use by, any customer of the Customer. To the extent that effluent produced by a wastewater treatment plant that treats the wastewater resulting from the use of water made available under this Contract is discharged to water courses of the State, the right of Customer to reuse such effluent produced from such wastewater treatment is terminated, and NTMWD shall have the right, as between the parties, pursuant to any necessary authorization of the State, to indirectly reuse said effluent. Customer shall ensure via any wholesale contract with a subsequent customer, entered into after the Contract Date, to maintain NTMWD's right to indirectly reuse treated effluent, the underlying source of which is water from NTMWD made available under this Contract.
- (c) Operating Expenses of Customer. Customer represents and covenants that all payments to be made by it under this Contract shall constitute reasonable and necessary operating expenses of its system and that all such payments will be made from the revenues of its system. Customer represents and has determined that the potable water supply to be obtained from the System is absolutely necessary and essential to the present and future operation of its water system and is the only available and adequate source of supply of potable water. Accordingly, all payments required by this Contract to be made by Customer shall constitute reasonable and necessary operating expenses of its respective system as described above, with the effect that the obligation to make such payments from revenues of such system shall have priority over any obligation to make any payments from such revenues (whether of principal, interest, or otherwise) with respect to all bonds or other obligations heretofore or hereafter issued by Customer.

- (d) Customer's Rate for Waterworks System. Customer agrees throughout the term of this Contract to continuously operate and maintain its waterworks system, and to fix and collect such rates and charges for water services to be supplied by its waterworks system as aforesaid as will produce revenues in an amount equal to at least (i) all of its payments under this Contract; and (ii) all other amounts required to be paid from said revenues by the provisions of the ordinances or resolutions authorizing its revenue bonds or other obligations now or hereafter outstanding and to file appropriate financial reports related to the Customer's system including annual audits.
- (e) Equity. Customer acknowledges that it will accrue no equity or any other interest in the System or any other assets of NTMWD as a result of payment or other performance pursuant to this Contract.

Section 18. WATER CONSERVATION. Customer acknowledges that as a regional wholesale supplier, NTMWD is subject to regulatory and legal requirements regarding the promotion of water conservation and drought contingency planning for the System that allow it to make a water supply available to Customer. NTMWD's water conservation and drought contingency program is developed in adherence with TCEQ public participation requirements and in consultation with other area regional providers to promote consistency throughout the North Texas region. Customer agrees to adopt, implement, and enforce any and all ordinances and policies related to water conservation and drought management as required by the Texas Water Code, the rules of the TCEQ and any ordinance or policy related to water conservation and/or drought management proposed by the Board of Directors of NTMWD consistent with the above-described regional planning effort. NTMWD's obligations pursuant to this Contract shall be subject to Customer preparing and implementing a water conservation plan or water conservation measures, as well as implementing any water conservation plans and drought contingency plans adopted by NTMWD and required or approved by the TCEQ, the Board, or any other federal, state, or local regulatory authority with power to require or approve water conservation and drought contingency plans. Upon execution of this Contract, Customer shall submit its water conservation plan or water conservation measures, and drought contingency plan, to NTMWD for review and approval, and Customer agrees to amend its water conservation plan or water conservation measures, and drought contingency plan as requested by NTMWD in order to comply with requirements of NTMWD's water conservation plan and drought contingency plan, program and/or rules as described in this Section. Customer shall also submit any changes or amendments to its water conservation plan or water conservation measures, and drought contingency plan, to NTMWD for review and approval.

NTMWD has adopted a water conservation plan and a drought contingency plan, and may amend both from time to time.

If Customer fails to implement NTMWD's and its own drought contingency plan when trigger conditions occur, NTMWD may implement rationing and collect the rate for water withdrawn as provided in Section 8(h) of this Contract, as well as enforce any contractual, statutory, or common law remedies available. The amount of water that is provided pursuant to this Contract when Customer is not in compliance with NTMWD's water conservation plan and drought contingency plan will be reduced to the amount estimated as necessary to satisfy Customer's demand if Customer was operating in compliance with both NTMWD's and Customer's drought contingency plans.

If NTMWD authorizes Customer to resell water from the System pursuant to the conditions included herein, Customer shall require through a contract condition that any successive user(s) of water from the System must implement water conservation measures that comply with NTMWD's and Customer's water conservation plans, measures, programs, and/or rules.

Section 19. DEMAND ASSESSMENT. The location of the Point(s) of Delivery and any quantity set forth in this Contract are intended to meet the water needs of Customer. The needs of Customer are independently determined by Customer, and NTMWD has conducted no independent evaluation of the Customer's water system.

Section 20. SOLE AGREEMENT. This Contract constitutes the sole and only agreement of Customer and NTMWD and supersedes any prior understanding or oral or written agreements between Customer and NTMWD with respect to the subject matter of this Contract.

Section 21. NO THIRD PARTY BENEFICIARIES. This Contract shall inure only to the benefit of the parties hereto and third persons not privy hereto shall not, in any form or manner, be considered a third-party beneficiary of this Contract. Each party hereto shall be solely responsible for the fulfillment of its customer contracts or commitments, and NTMWD shall not be construed to be responsible for Customer's contracts or commitments by virtue of this Contract or any provision contained herein.

Section 22. WAIVER. Failure to enforce or the waiver of any provision of the Contract or any breach or nonperformance by the Customer or NTMWD shall not be deemed a waiver by the Customer or NTMWD of the right in the future to demand strict compliance and performance of any provision of this Contract.

Section 23. DISPUTES OTHER THAN RATE OR FEE DISPUTES; ABATEMENT. In accordance with the provisions of Subchapter I, Chapter 271, Texas Local Government Code, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this Contract, the parties will first attempt to resolve the dispute as provided as follows:

- (a) The dissatisfied party shall deliver a written notice substantially describing the nature of the dispute to the other party, requesting the other party to deliver a written response within ten (10) business days after receipt of the notice of dispute;
- (b) If the response does not, in the opinion of the dissatisfied party, reasonably resolve the dispute, the dissatisfied party shall notify the other party in writing. Each party shall then appoint a person having authority over the activities of the respective parties who shall promptly meet, in person or via a virtual meeting, in an effort to resolve the dispute; and
- (c) If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person or via a virtual meeting, in an effort to resolve the dispute.

Any lawsuit filed prior to performing these steps shall be abated pending completion of this dispute resolution process. This section shall not apply to any disputes regarding rates or fees NTMWD charges Customer. The provisions of this section are a condition precedent to the filing of any other action or complaint with any regulatory authority, governing body, or state or federal court.

Section 24. RATE OR FEE DISPUTES. Customer agrees that, as a condition precedent to instituting any lawsuit or other proceeding arising from a rate or fee dispute (including any other charges NTMWD may assess) under this Contract, Customer shall first attempt to resolve the dispute as provided as follows:

- (a) Customer shall deliver a written notice substantially describing the nature of and reasons for the dispute to NTMWD;

- (b) NTMWD shall respond to the dispute notification in writing within ten (10) business days after receipt of the notice of dispute;

The provisions of this section are a condition precedent to the filing of any other action or complaint with any regulatory authority, governing body, or state or federal court.

**Section 25. TERMINATION AND MATERIAL BREACH.** Any material breach of the duties or obligations of this Contract, or failure to faithfully keep and perform any of the terms, conditions and provision hereof shall be subject to the remedies provided in Section 26, including but not limited to termination. The non-breaching party shall provide the breaching party ninety (90) days written notice of its intention to terminate this Contract if the breaching party fails to cure the material breach. The written notice shall include a reasonable description of the breach. If the Customer is the breaching party, and fails or refuses to cure the breach, then NTMWD shall have the right, with five (5) years advance written additional notice to Customer and without any liability whatsoever on the part of NTMWD, to declare the Contract terminated. In the event of termination of this Contract, all rights, powers, and privileges of Customer pursuant to this Contract shall cease and terminate and Customer shall make no claim of any kind whatsoever against NTMWD, its agents or representatives, by reason of such termination or any act incident thereto. In any event, the non-breaching party shall advise the alleged breaching party in writing immediately upon acceptance of the cure of any default. The following shall, without limitation, be considered to be a material breach:

- (a) Customer's failure to adopt and enforce reasonable policies or standards related to the System necessary to enforce any applicable NTMWD policies related to the protection and operation of the System for the benefit of all Members and Customers, contractual requirements, or any applicable state or federal laws or regulations;
- (b) Customer's failure to pay any bill, charge or fee as provided for in this Contract;
- (c) Customer's failure to provide NTMWD ingress and egress for purposes of sampling and operation and maintenance of any metering or any sampling facility; and
- (d) NTMWD's failure to timely provide water to Customer in an amount sufficient to serve existing customers of the Customer, up to the Annual Maximum set forth in Sections 2 and 8.

**Section 26. REMEDIES.** It is not intended hereby to specify (and this Contract shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies, including termination as provided in Section 25, existing at law or in equity may be availed of by any party hereto and shall be cumulative.

**Section 27. INDEMNITY.** TO THE EXTENT ALLOWED BY LAW, CUSTOMER AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND NTMWD, ITS OFFICERS, AGENTS, AND EMPLOYEES FROM ANY AND ALL LIABILITY, INCLUDING CLAIMS, DEMANDS, DAMAGES, LIENS, ACTIONS OR CAUSES OF ACTION, TOGETHER WITH ANY AND ALL LOSSES, COSTS, OR EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, ARISING OUT OF OR RELATING TO THIS CONTRACT, INCLUDING THE DELIVERY OF WATER UNDER THIS CONTRACT, CAUSED BY OR RESULTING FROM THE WILLFUL MISCONDUCT AND/OR GROSSLY NEGLIGENT ACTS, ERRORS, OR OMISSIONS OF CUSTOMER, ITS EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS.

TO THE EXTENT ALLOWED BY LAW NTMWD AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND CUSTOMER, ITS OFFICERS, AGENTS, AND EMPLOYEES FROM ANY AND ALL LIABILITY, INCLUDING CLAIMS, DEMANDS, DAMAGES, LIENS, ACTIONS OR CAUSES OF ACTION, TOGETHER WITH ANY AND ALL LOSSES, COSTS, OR EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, ARISING OUT OF OR RELATING TO THIS CONTRACT, INCLUDING THE DELIVERY OF WATER UNDER THIS CONTRACT, CAUSED BY OR RESULTING FROM THE WILLFUL MISCONDUCT AND/OR GROSSLY NEGLIGENT ACTS, ERRORS, OR OMISSIONS OF NTMWD, ITS EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS.

Section 28. ASSIGNMENT. Customer shall not assign this Contract or any of its rights hereunder without first obtaining the express prior written consent of NTMWD.

Section 29. RECITALS AND EXHIBITS INCORPORATED. The recitals contained in the preamble hereof and the exhibit(s) hereto are hereby found to be true, and such recitals and exhibit(s) are hereby made a part of this Contract for all purposes. The exhibits include:

Exhibit A – Customer Rate Premium Methodology Examples

Exhibit B – Current Wholesale Customers (not applicable to this Contract)

Exhibit C – Points of Delivery

Exhibit D – Explanation of Annual Minimum Calculation

Section 30. SPECIAL CONDITIONS. If Customer's construction of the of metering facilities and control equipment necessary to utilize the Point of Delivery is not complete within 3 years from the Contract Date, the provisions of this Contract shall terminate and be of no further force or effect unless such deadline is extended by written approval of NTMWD. Notwithstanding the foregoing, so long as the Customer has commenced the construction of the metering facilities and control equipment necessary to utilize the Point of Delivery and is making a good faith effort to complete such construction, this deadline will be extended by NTMWD to allow the Customer to complete the construction.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written, which is the Contract Date.

*(Signatures on following pages)*

**CITY OF LUCAS**

By: \_\_\_\_\_

John Whitsell, City Manager

Date \_\_\_\_\_

ATTEST:

\_\_\_\_\_

Toshia Kimball, City Secretary

STATE OF TEXAS           §

§

COUNTY OF COLLIN       §

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2026,  
by \_\_\_\_\_, \_\_\_\_\_ of City of Lucas, Texas a political subdivision of  
the State of Texas, on behalf of said political subdivision.

Notary Public, State of Texas

Printed Name of Notary:

\_\_\_\_\_

My Commission Expires: \_\_\_\_\_



## EXHIBIT A

### Customer Rate Premium Methodology Examples

Annually, District staff will calculate the Customer Rate for each Customer, beginning in FY29, as follows

1. Calculate Annual Minimum Volume using Rolling Average Methodology (See Exhibit D)
2. Compare Annual Minimum Volume to Legacy Volume to determine Growth Volume
3. Apply Member City Rate + \$0.05 to Legacy Volume to calculate Legacy Charges. If Annual Minimum Volume is less than Legacy Volume, only apply Member Rate + 5-cents to Annual Minimum Volume.
4. Apply Member City Rate +10% to Growth Volume to calculate Growth Charges
5. Calculate the Customer's Effective Premium Rate
6. If the Effective Premium Rate is less than or equal to 2.8%, calculation is complete
7. If the Effective Premium Rate is greater than 2.8%, recalculate charges (Member City Rate + 2.8%) \* Annual Minimum Volume

#### Example 1

- Customer's Legacy Volume (1,000 gallons) = 1,716
- Customer's FY30 Annual Minimum Volume (1,000 gallons) = 1,599
- FY30 Projected Member City Rate = \$6.45/1,000 gallons

	<b>Step</b>	<b>Calculation</b>	<b>Result</b>
1	Calculate Annual Minimum Volume using Rolling Average Methodology		1,599
2	Compare Annual Minimum Volume to Legacy Volume to determine Growth Volume	$1,599 < 1,716$	Annual Minimum Volume is less than Legacy Volume, no Growth Volume
3	Apply Member City Rate + \$0.05 to Legacy Volume (or Annual Minimum Volume if less than Legacy Volume)	$(\$6.45 + 0.05) * 1,599$	\$10,394 Legacy Charges (\$80 premium)
4	Apply Member City Rate +10% to Growth Volume	0	No Growth Charges
5	Calculate the Customer's Effective Premium Rate	$\$0.05 / \$6.45 = 1\%$	Effective premium is \$0.05 and 1% of Member City Rate
6	If the Effective Premium Rate is less than or equal to 2.8%, calculation is complete	Yes – $1\% < 2.8\%$	Calculation Complete – Customer pays \$10,394 (\$80 premium)
7	Not Applicable to Example 1		

**Example 2**

- Legacy Volume (1,000 gallons) = 2,174 gallons
- FY30 Annual Minimum Volume (1,000 gallons) = 2,338
- FY30 Projected Member City Rate = \$6.45/1000 Gallons

	<b>Step</b>	<b>Calculation</b>	<b>Result</b>
1	Calculate Annual Minimum Volume using Rolling Average Methodology		2,338
2	Compare Annual Minimum Volume to Legacy Volume to determine Growth Volume	$2,338 > 2,174 \rightarrow 2,338 - 2,174$	Growth Volume = 164
3	Apply Member City Rate + \$0.05 to Legacy Volume (or Annual Minimum Volume if less than Legacy)	$(\$6.45 + .05) * 2,174$	\$14,131 (\$109 premium)
4	Apply Member City Rate +10% to Growth Volume	$(\$6.45 * 1.1) * 164$	\$1,164 (\$106 premium)
5	Calculate the Customer's Effective Premium Rate	$(\$215 / 2,338) = \$0.09$ $\$0.09 / \$6.45 = 1.4\%$	Effective Premium is \$0.09/1,000 gallons and 1.4% of Member City Rate
6	If the Effective Premium Rate is less than or equal to 2.8%, calculation is complete	Yes – $1.4\% < 2.8\%$	Calculation complete – Customer pays \$15,295 (\$215 premium)
7	Not Applicable to Example 2		

**Example 3**

- Legacy Volume (1,000 gallons) = 2,174 gallons
- FY30 Annual Minimum Volume (1,000 gallons) = 4,000
- FY30 Projected Member City Rate = \$6.45/1000 Gallons

	<b>Step</b>	<b>Calculation</b>	<b>Result</b>
1	Calculate Annual Minimum Volume using Rolling Average Methodology		4,000
2	Compare Annual Minimum Volume to Legacy Volume to determine Growth Volume	$4,000 > 2,174 \rightarrow 4,000 - 2,174$	Growth Volume = 1,826
3	Apply Member City Rate + \$0.05 to Legacy Volume (or Annual Minimum Volume if less than Legacy)	$(\$6.45 + .05) * 2,174$	\$14,131 (\$109 premium)
4	Apply Member City Rate +10% to Growth Volume	$(\$6.45 * 1.1) * 1,826$	\$12,955 (\$1,178 premium)
5	Calculate the Customer's Effective Premium Rate	$(\$1,287 / 4,000) = \$0.32$ $\$0.32 / \$6.45 = 5\%$	Effective Premium is \$0.32/1000 gallons and 5% of Member City Rate
6	If the Effective Premium Rate is less than or equal to 2.8%, calculation is complete	No - Effective Premium 5% > 2.8%	Recalculate
7	If the Effective Premium Rate is greater than 2.8%, recalculate charges at (Member Rate + 2.8%) * Annual Minimum Volume	$(\$6.45 * 1.028) * 4,000$	Customer pays \$26,522 (\$722 premium)

Note: Once Customer reaches the 2.8% Effective Premium Cap, all volumes will be charged the Member City Rate + 2.8%

**EXHIBIT B**  
**CURRENT WHOLESALE CUSTOMERS**

**EXHIBIT C  
POINTS OF DELIVERY**



**City of Lucas No. 2 Delivery Point**





**City of Lucas No. 3 Delivery Point**



## EXHIBIT D

### EXPLANATION OF ANNUAL MINIMUM CALCULATION

The following is an explanation of the how the method for calculating Customer's Annual Minimum will follow the same method currently used for Member Cities as outlined in the First Amendment to North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract.

<b>Method</b>	<b>Timeframe</b>
Natural Drawdown	October 1, 2020 – September 30,2028
Phase-in to 5 Year Rolling Averages	October 1, 2028 – September 30, 2032
5 Year Rolling Averages	October 1, 2032 and forward

#### **Natural Drawdown Method**

- This method provides a reduction in the upcoming year's Annual Minimum to any entity that is under its current year Annual Minimum. One-third of the excess usage is reduced on a pro-rata basis from those entities' current Annual Minimum. The proration is based on each entity's percent of the total under usage.
- An Annual Minimum cannot be reduced below prior year's actual volume.
- An entity establishing a new annual minimum by contract may not be eligible to participate, depending on contract terms.

**Example on following page.**

## Natural Drawdown Example

### Step 1: Calculate the Excess Usage and Drawdown Volume Amount

- Sum the actual usage amounts for Entities that exceed the annual minimums – Column E's Total = 90 Gallons
- The Drawdown to be allocated is one-third of the Excess Usage [90/3 = 30 Gallons]

	<b>A</b>	<b>B</b>	<b>C=B-A</b>	<b>D</b>	<b>E</b>
	<b>Current Year's Annual Minimum</b>	<b>Actual Usage</b>	<b>Excess/ (Under)</b>	<b>Under Usage</b>	<b>Excess Usage</b>
Entity A	150.0	140.0	(10.0)	(10.0)	
Entity B	120.0	190.0	70.0		70.0
Entity C	30.0	50.0	20.0		20.0
Entity D	80.0	60.0	(20.0)	(20.0)	
Entity E	340.0	300.0	(40.0)	(40.0)	
<b>Total</b>	<b>720.0</b>	<b>740.0</b>	<b>20.0</b>	<b>(70.0)</b>	<b>90.0</b>

### Step 2: Allocate the Drawdown Volume to the Eligible Entities

- Reduce the Annual Minimums by the 30 Drawdown gallons to Entities A, D, and E proportionately to calculate the next year's Annual Minimums. Entities B and C are not eligible to receive a drawdown due to being over their Annual Minimum.

	<b>A</b>	<b>B</b>	<b>C=B-A</b>	<b>D</b>		<b>E</b>	<b>F = %D * 30</b>	<b>G = A + F</b>
	<b>Current Year's Annual Minimum</b>	<b>Actual Usage</b>	<b>Excess/ (Under)</b>	<b>Under Usage</b>		<b>Excess Usage</b>	<b>Drawdown (1/3rd of Over Usage)</b>	<b>Next Year's Annual Minimum</b>
Entity A	150.0	140.0	(10.0)	(10.0)	14%		(4.3)	145.7
Entity B	120.0	190.0	70.0			70.0		190.0
Entity C	30.0	50.0	20.0			20.0		50.0
Entity D	80.0	60.0	(20.0)	(20.0)	29%		(8.6)	71.4
Entity E	340.0	300.0	(40.0)	(40.0)	57%		(17.1)	322.9
<b>Total</b>	<b>720.0</b>	<b>740.0</b>	<b>20.0</b>	<b>(70.0)</b>	<b>100%</b>	<b>90.0</b>	<b>(30.0)</b>	<b>780.0</b>

**Rolling Averages**

The phase in of Rolling Averages begins on October 1, 2028 (FY28-29). Each of the phase in years is an average of a combination of FY28 Annual Minimums and Actual Water Year Usage. The schedule is below.

Year	Annual Minimum Volume - 5 Year Average Comprised of	
	Actual Usage	FY28 Annual Minimums
Year 1 - FY28-29	WY 28	WY28 * 4
Year 2 - FY29-30	WY28, WY29	WY28 * 3
Year 3 - FY30-31	WY28, WY29, WY30	WY28 * 2
Year 4 - FY31-32	WY28, WY29, WY30, WY31	WY28
Year 5 – FY32-33	WY28, WY29, WY30, WY31, WY32	

WY=Water Year August 1 – July 31. The Water Year is the 12-month period that the volume calculation applies to.

All years following FY32-33 shall be composed of the average of the previous 5 Water Years’ actual usage.



## City of Lucas City Council Agenda Request February 19, 2026

Requester: Patrick Hubbard, CIP Manager  
Jeremy Bogle, Public Works Director

### **Agenda Item Request:**

---

Consider authorizing the City Manager to do the following:

1. Approve a Proposed Contract Modification for the Osage Lift Station Project in an amount not to exceed \$84,358.
2. Appropriate \$42,920 from unrestricted water fund reserves to account 21-8210-490.131 (Osage Sewer Lift Station).

### **Background Information:**

---

This item requests additional funds to complete necessary repairs to the existing lift station identified as part of the pump installation project. Early work on the project identified a need to make repairs and modifications to the existing facility as described in the attached Proposed Contract Modification.

The total amount of the proposed contract modification is \$84,358 and exceeds 10% of the contract value. The contract had a 10% contingency of \$82,876 which is \$1,482 more than the existing funding for this project. In addition, staff are requesting \$41,438 to set aside an additional 5% contingency for the project, to be used for unforeseen project costs. Maintaining a contingency is valuable for preventing any work stoppage, causing demobilization and remobilization. Such events can trigger additional costs. The contractor did not request additional funds for demobilization and remobilization in this case.

### **Attachments/Supporting Documentation:**

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1. Proposed Contract Modification #1

### **Budget/Financial Impact:**

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The total amount of the proposed contract modification is \$84,358. The contract had a 10% contingency of \$82,876, which is \$1,482 less than the required funding for this change. In addition, staff are requesting \$41,438 to set aside as an additional 5% contingency for the project.

**Recommendation:**

---

It is the recommendation of staff that City Council approve Proposed Contract Modification #1 and appropriate the additional contingency to the project account.

**Motion:**

---

I make a motion to approve/deny Consider authorizing the City Manager to do the following:

1. Approve a Proposed Contract Modification for the Osage Lift Station Project in an amount not to exceed \$84,358.
2. Appropriate \$42,920 from unrestricted water fund reserves to account 21-8210-490.131 (Osage Sewer Lift Station).

**ISSUING OFFICE**

Patrick Hubbard, MPA, AICP, CFM  
 CIP Manager, City of Lucas  
 Lucas, TX

**PROPOSAL BY**

Derrick Gage  
 Triad Service Group, LLC.  
 McKinney, TX



Reference: Lucas, Osage Ln. Lift Station Date: February 10, 2026

**Proposed Contract Modification #01R1**

**Description:** This PCM is for the removal and replacement of all DI piping from the wet well to/through the valve vault and connect to the existing FM w/in +/- 10' of the valve vault. This also includes removal and replacement of the broken PVC drain line from the valve vault to the wet well and includes re-shaping the floor of the valve vault w/non-shrink grout; and includes relocating the bypass assembly from within the existing valve vault to outside of the valve vault and placed above grade.

**PCM #01R1**

Regarding the "rusted mesh" reinforcement showing through the precast riser of the wet well, Lewis Concrete Restoration concludes there's no fear of structural damage or issue and, other than typical surface prep prior to interior coating, do not believe any additional "work" or "rehab" is necessary.

**CONTRACTOR'S PROPOSAL**

<i>DESCRIPTION</i>			<i>AMOUNT</i>
Direct Costs			
<b>Item #100</b> - (Credits) from non-used parts included in the bid			-\$3,098.71
<b>Item #200</b> - Additional Cost for NEW items of Work			\$87,456.67
<b>Total Direct Costs</b>			<b>\$84,357.96</b>
Markup of New Work (Non-existent Line Items @ 15%)	15.00%	included, see attached	
Bond Extension ( @ 1.90%)	0.00%	included, see attached	
<b>Total Impact to Project</b>			<b>\$84,357.96</b>

**Calendar Days Time Extension Required**

*Calendar Day time extension is not needed assuming this PCM is reviewed and approved 4-weeks prior to the shipping of the Pump Control Panel.*

**Contractor's Certification:** *I certify this estimate is made in good faith, and the supporting documentation is accurate and complete to the best of my knowledge and belief.*

\_\_\_\_\_  
**Derrick Gage**  
 Triad Service Group, LLC. | Managing Partner

\_\_\_\_\_  
 Date 2/10/2026

\_\_\_\_\_  
**Accepted by (name):**  
 Accepted by (title):

\_\_\_\_\_  
 Date





Deliver To: . From: Bryson Hill bryson.hill@ferguson.com Comments:
---

08:26:33 JAN 13 2026

FERGUSON WATERWORKS #788  
Order Confirmation  
Phone: 972-434-2600  
Fax: 972-434-2612

Order No: 1645476      Req Date: 01/30/26      Ship Via: OUR TRUCK  
Order Date: 01/12/26      Terms: NET 10TH PROX  
Writer: BTH

Sold To: TRIAD SERVICES GROUP LLC      Ship To: TRIAD SERVICES GROUP LLC  
PO BOX 2758      477 FARM TO MARKET RD 1378  
CITY OF LUCAS WASTEWATER      CITY OF LUCAS WASTEWATER S  
NATCHITOCHE, LA 71457      LUCAS, TX 75002

Cust PO#: CHANGE ORDER      Job Name: LUCAS OSAGE

Item	Description	Quantity	Net Price	UM	Total
FFPP4X20	8X20'0 FLGXFLG P-401 BT DI SPL ----	4	4573.200	EA	18292.80
PLS525S	6 PENETRATIONS - 12" CORE 9 LINKS PER CIRCLE LS-525S LINK SEAL W/ SS NUT & BLT ----	54	55.630	EA	3004.02
P40BEPP20	4X20 FT PVC S40 BE PIPE	40	443.310	C	177.32
P40S9P	4 PVC S40 SXS 90 ELL	3	28.120	EA	84.36
SP-PCKM730040NN	4 SLIP ON FLAP VLV ----	1	150.000	EA	150.00
FTP4X	REMOVING (1) CRS (1) 90 8 DI 125# FLG P-401 TEE	2	1886.490	EA	3772.98
F4P4X	8 DI 125# FLG P-401 45 BEND ----	1	1185.320	EA	1185.32
MJ9P4LAX	8 MJ C153 P-401 90 BEND L/A	1	897.620	EA	897.62
SSLCE8	8 PVC WDG REST GLND *ONELOK	2	79.490	EA	158.98
IMJBGPIX	8 MJ C153 BLT GSKT PK L/ GLAND	2	44.890	EA	89.78
<b>Net Total:</b>					\$27813.18
<b>Tax:</b>					\$0.00
<b>Freight:</b>					\$0.00
<b>Total:</b>					\$27813.18

WARRANTY PROVISIONS

The purchaser's sole and exclusive warranty is that provided by the manufacturer, if any. Seller makes no express or implied warranties. SELLER DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL SELLER BE LIABLE FOR ANY INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING DIRECTLY OR INDIRECTLY FROM THE OPERATION OR USE OF THE PRODUCT. SELLER'S LIABILITY, IF ANY, SHALL BE LIMITED TO THE NET SALES PRICE RECEIVED BY SELLER. Complete Terms and Conditions are available upon request or can be viewed on the web at <https://www.ferguson.com/content/website-info/terms-of-sale>

LEAD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with \*NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.



**HOW ARE WE DOING? WE WANT YOUR FEEDBACK!**

Scan the QR code or use the link below to complete a survey about your orders:

<https://survey.medallia.com/?bidsorder&fc=788&on=56064>

FERGUSON WATERWORKS #788  
Order Confirmation

Fax: 972-434-2612

08:26:33 JAN 13 2026

**Reference No:** 1645476



**HOW ARE WE DOING? WE WANT YOUR FEEDBACK!**

Scan the QR code or use the link below to  
complete a survey about your orders:

<https://survey.medallia.com/?bidsorder&fc=788&on=56064>



## City of Lucas City Council Agenda Request February 19, 2026

Requester: Patrick Hubbard, CIP Manager

### **Agenda Item Request:**

---

Consider authorizing the City Manager to negotiate and enter into an agreement with Curtco Incorporated to complete asphalt crack sealing throughout the City of Lucas in an amount not to exceed \$100,000 using funds from Account 11-8209-301, Improvement Roads.

### **Background Information:**

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This item provides funds for annual contracted crack sealing to supplement staff road maintenance efforts. This will provide for crack sealing throughout the city over the course of the current fiscal year and will be subsequently divided into several work areas based on available funds. In general, the city will seek to address known problem areas and then to seal cracks on the most recently paved roads that have not been recently sealed first and then work backwards in time until the available funds are depleted. Public Works staff have already completed some crack sealing on recently paved streets and will continue to complete routine maintenance. This is supplemental to staff resources.

It is good practice to seal cracks on newer pavement first because this offers the highest potential addition to pavement life on city streets. Crack sealing prevents ponding of water and water intrusion into road base. If not addressed, water intrusion through surface cracking can result in the premature failure of road base or the forming of wider cracking. Cracking is a natural and inevitable part of the asphalt lifecycle and sealing cracks is an essential part of street maintenance for optimizing road life. As preventative maintenance, crack sealing offers a higher level of benefit per dollar than heavier or more extensive repair or replacement of roads.

The City of Lucas has utilized a contract between Curtco Inc. and the City of Grand Prairie for crack sealing services over the previous three fiscal years via an interlocal agreement between the City of Lucas and the City of Grand Prairie. Staff have been satisfied with their work and quality of customer service. They are also the lowest cost vendor that staff have been able to identify for this type of service. If hired, the contractor will complete this work over the course of the winter.

### **Attachments/Supporting Documentation:**

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1. Current Contract - City of Grand Prairie and Curtco
2. 2026 Quote - City of Lucas and Curtco Inc

**Budget/Financial Impact:**

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The current budget for Account 11-8209-301 for Fiscal Year 2025-2026 is \$1,350,000. This project would use 7.4% of road improvements and maintenance funding set aside in this account.

**Recommendation:**

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It is the recommendation of staff that City Council approve entering into an agreement with Curtco Inc. to complete crack sealing.

**Motion:**

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I make a motion to approve/deny authorizing the City Manager to negotiate and enter into an agreement with Curtco Incorporated to complete asphalt crack sealing throughout the City of Lucas in an amount not to exceed \$100,000 using funds from Account 11-8209-301, Improvement Roads.

**Dept: \*** Purchasing

**Contract ID:** 21186 R4

**For:** Transportation Services

**Bid Number:** 21119

**Contact Name:** Kimberley Ruiz

**Contact Phone: \*** 8089

**Contact Email: \*** kg Ruiz@gptx.org

**Vendor Name:** Curtco, Inc.

**Vendor Email:** kg Ruiz@gptx.org

**Project Name:** Pavement Crack & Joint Sealing Services

**Summary:** Renewal 3

**Permanent Retention \***

Yes

No

**Contract Amount**

\$ 2,810,000.00

**Total Contract Amount over all terms**

\$ 14,050,000.00

**Account #**

**Work Order #**

**Implementation Date**

9/1/2025

**Termination Date**

8/31/2026

**Council Approval Date**

8/17/2021

## Contract Approvals

**Department Manager:**

Sign

**Date**

**City Attorney Signature**

Sign

**Date**

8/27/2025

**City Manager Signature**

Sign

**Date**

8/28/2025

**City Secretary Signature**

*Gloria Colvin*

**Date**

8/28/2025

**Legal Reviewer**

Which attorney previously reviewed this contract?

No Prior Legal Review



**CONTRACT RENEWAL LETTER**

August 27, 2025

Curtco, Inc.  
ATTN: Curtis Wheatcraft  
Sent via Email to cwheatcraft@aol.com

RE: Contract Number 21186 between the City of Grand Prairie, Texas (“City”) and Curtco, Inc. (“Company”) (the “Contract”)  
Renewal 4 of a total of 4 Renewals with 0 Annual Renewals remaining

Greetings,

The City and Curtco, Inc. entered into the above-referenced Contract for pavement crack & joint sealing services, which provides for renewal options. The current term of the Contract will expire on August 31, 2025 (“Expiration Date”), and the City wishes to renew the contract for an additional one-year term under the same terms and conditions of and in accordance with this letter.

**If you wish to renew the Contract, please acknowledge your desire by checking the first box on this Letter. If you wish to renew the Contract with a new rate, check the second box on this Letter (subject to final City approval). If you do not wish to renew the Contract, please acknowledge your desire by checking the third box at the bottom of this Letter.**

COMPANY wishes to renew the Contract commencing the day after the Expiration Date and terminating one-year thereafter (the “Renewal Term”) under the same terms and conditions.

COMPANY wishes to renew the Contract commencing Expiration Date and terminating one-year thereafter (the “Renewal Term”) under the same terms and conditions, at the new following rate: \_\_\_\_\_ (Subject to final City approval below) (attach additional documentation if necessary)

City approval of new rate: \_\_\_\_\_ (Date: \_\_\_\_\_)


By execution of this Letter with one of the options above, COMPANY further agrees to the following:

COMPANY and the CITY covenant and agree that the term of the Contract is extended for the Renewal Term, as stated above. All terms and conditions of the Contract that are not expressly

amended herein shall remain in full force and effect. Company shall obtain and shall continue to maintain at no cost to the CITY, in full force and effect during the Renewal Term of the Contract, insurance as required by the CITY in the Contract. COMPANY has attached hereto a current Certificate of Insurance showing that the insurance is in effect and meets the requirements set forth in the Contract.

COMPANY does not wish to renew the Contract.

**By my signature below, I hereby acknowledge that I am authorized to execute this Contract Renewal Letter on behalf of the above-referenced Company.**

Signature  Title PRESIDENT  
Date 8/27/2025

If the person signing above is not the contact person for the COMPANY as stated in the original contract under section XXII "NOTICES", please attach documentation supporting your authority to sign on behalf of the COMPANY.

Respectfully,

*Glenn A. Mizell*

Glenn A. Mizell  
Purchasing Manager, City of Grand Prairie, Texas

cc: Purchasing Staff, City of Grand Prairie, Texas



## Additional Named Insureds

### Other Named Insureds

Chrisco Asphalt, LLC

Limited Liability Company, Insured Multiple Names

Wheaties, LLC

Limited Liability Company, Insured Multiple Names

## ADDITIONAL COVERAGES

<b>Ref #</b>	<b>Description</b> Uninsured motorist combined single limit	<b>Coverage Code</b> UMCSL	<b>Form No.</b>	<b>Edition Date</b>	
<b>Limit 1</b> 1,000,000	<b>Limit 2</b>	<b>Limit 3</b>	<b>Deductible Amount</b>	<b>Deductible Type</b>	<b>Premium</b>
<b>Ref #</b>	<b>Description</b> PIP-Basic	<b>Coverage Code</b> PIP	<b>Form No.</b>	<b>Edition Date</b>	
<b>Limit 1</b> 2,500	<b>Limit 2</b>	<b>Limit 3</b>	<b>Deductible Amount</b>	<b>Deductible Type</b>	<b>Premium</b>
<b>Ref #</b>	<b>Description</b> WC & Employer's liability	<b>Coverage Code</b> WCEL	<b>Form No.</b>	<b>Edition Date</b>	
<b>Limit 1</b> 1,000,000	<b>Limit 2</b> 1,000,000	<b>Limit 3</b> 1,000,000	<b>Deductible Amount</b>	<b>Deductible Type</b>	<b>Premium</b>
<b>Ref #</b>	<b>Description</b>	<b>Coverage Code</b>	<b>Form No.</b>	<b>Edition Date</b>	
<b>Limit 1</b>	<b>Limit 2</b>	<b>Limit 3</b>	<b>Deductible Amount</b>	<b>Deductible Type</b>	<b>Premium</b>
<b>Ref #</b>	<b>Description</b>	<b>Coverage Code</b>	<b>Form No.</b>	<b>Edition Date</b>	
<b>Limit 1</b>	<b>Limit 2</b>	<b>Limit 3</b>	<b>Deductible Amount</b>	<b>Deductible Type</b>	<b>Premium</b>
<b>Ref #</b>	<b>Description</b>	<b>Coverage Code</b>	<b>Form No.</b>	<b>Edition Date</b>	
<b>Limit 1</b>	<b>Limit 2</b>	<b>Limit 3</b>	<b>Deductible Amount</b>	<b>Deductible Type</b>	<b>Premium</b>
<b>Ref #</b>	<b>Description</b>	<b>Coverage Code</b>	<b>Form No.</b>	<b>Edition Date</b>	
<b>Limit 1</b>	<b>Limit 2</b>	<b>Limit 3</b>	<b>Deductible Amount</b>	<b>Deductible Type</b>	<b>Premium</b>
<b>Ref #</b>	<b>Description</b>	<b>Coverage Code</b>	<b>Form No.</b>	<b>Edition Date</b>	
<b>Limit 1</b>	<b>Limit 2</b>	<b>Limit 3</b>	<b>Deductible Amount</b>	<b>Deductible Type</b>	<b>Premium</b>
<b>Ref #</b>	<b>Description</b>	<b>Coverage Code</b>	<b>Form No.</b>	<b>Edition Date</b>	
<b>Limit 1</b>	<b>Limit 2</b>	<b>Limit 3</b>	<b>Deductible Amount</b>	<b>Deductible Type</b>	<b>Premium</b>
<b>Ref #</b>	<b>Description</b>	<b>Coverage Code</b>	<b>Form No.</b>	<b>Edition Date</b>	
<b>Limit 1</b>	<b>Limit 2</b>	<b>Limit 3</b>	<b>Deductible Amount</b>	<b>Deductible Type</b>	<b>Premium</b>

CURTCO INC.  
6133 Hwy 27  
Center Point, TX 78010  
PHONE 830-634-3434

**Quote**

January 28, 2026

City of Lucas  
665 Country Club Road  
Lucas, TX 75002

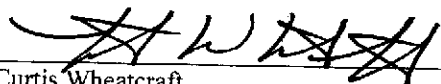
Re: **Grand Prairie Contract #21186 R4**

Curtco Inc will provide all Labor, Equipment and Material to Crack Seal the streets for the City of Lucas.

Based on the Grand Prairie Contract (R21186 R4) price per linear feet are as follows:

Description	Price
1.Routing and Seal Crack Concrete	\$1.75
2.Routing and Seal Crack Asphalt	\$1.75
3.Joint Sealing Services	\$1.75
4.Crack Sealing Services	\$0.52
5.Dust Control	\$1.00

Total contract shall not exceed \$ 100,000.00

  
Curtis Wheatcraft

1-28-26  
Date

\_\_\_\_\_  
City of Lucas

\_\_\_\_\_  
Date



**City of Lucas  
City Council Agenda Request  
February 19, 2026**

Requester: Joe Hilbourn, Development Services Director

**Agenda Item Request:**

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Discuss proposed amendments in the Code of Ordinances by amending Chapter 3 titled “Building Regulations” by amending Article 3.16 titled “Signs.”

**Background Information:**

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The City of Lucas sign regulations in Article 3.16 have been in place since August 2, 2007, with only a few minor amendments, the last occurring in February 2014. The ordinance regulates the location, size, design, construction, use, and maintenance of signs to protect public safety, support clear communication, and preserve the city’s rural character. It defines many types of signs, identifies which are exempt, which are prohibited, and which require permits by zoning district, and sets standards for appearance, illumination, and maintenance. It also addresses nonconforming signs, variances, and compensation when lawful signs must be relocated or removed.

Because both local needs and Texas law have evolved—most recently with changes in state law in September 2025 regarding illegally placed signs—this update represents a substantial overhaul of the existing sign ordinance to modernize standards, improve enforceability, and align the city’s regulations with current state requirements.

**Attachments/Supporting Documentation:**

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- 1. Lucas Sign Ordinance

**Budget/Financial Impact:**

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N/A

**Recommendation:**

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Provide any comments, changes, or direction to staff.

**Motion:**

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No motion required.



**ORDINANCE #2025-\_\_ - \_\_\_\_\_  
[Amending Code of Ordinances Chapter 3, Signs]**

**AN ORDINANCE OF THE CITY OF LUCAS, TEXAS, AMENDING THE CODE OF ORDINANCES BY AMENDING CHAPTER 3 "BUILDING REGULATIONS," BY AMENDING ARTICLE 3.16 "SIGNS" TO CONFORM WITH CONSTITUTIONAL REQUIREMENTS AND PROVIDE FOR SAFETY FOR MOTORISTS; PROVIDING A REPEALING CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY OF A FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS,**

**WHEREAS,** the City Council of the City of Lucas has determined that it is in the best interest of the citizens of the City of Lucas to update regulations regarding the construction and placement of signs, as stated herein within the City limits and the extraterritorial jurisdiction of the City.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LUCAS, TEXAS, THAT:**

**SECTION 1.** The Code of Ordinances of the City of Lucas, Texas, is hereby amended by amending Chapter 3 "Building Regulations" by amending Article 3.16 titled "Signs" to read as follows:

**"CHAPTER 3  
BUILDING REGULATIONS**

...

**ARTICLE 3.16 SIGNS**

**§ 3.16.001 Purpose, Applicability and Scope.**

The purpose of this article is to regulate the location, size, construction, erection, duration, use and maintenance of all signs within the jurisdiction of the city. The general objectives of these regulations are to promote safety, convenience, and a sense of community, and support the objectives of individual zoning districts while preserving the city's unique country appearance and atmosphere. In accordance with state law, the provisions of this article are extended to the extraterritorial jurisdiction of the City. Objectives to be pursued in applying specific standards are as follows:

- (1) Safety. To promote the safety of persons and property by providing that signs:
  - (A.) Do not create a hazard due to dilapidation, collapse, fire, decay, substandard condition, or abandonment;
  - (B.) Do not obstruct firefighting or police surveillance; and
  - (C.) Do not create traffic hazards by confusing or distracting motorists, or by impairing the driver's ability to see pedestrians, obstacles or other vehicles or to read traffic signs.
- (2) Communications efficiency. To promote the efficient transfer of information in sign messages so as to identify individual businesses and residential and public uses without creating confusion or unsightliness.
- (3) Landscape quality and preservation. To protect the appearance and economic value of the landscape by providing that:
  - (A.) All signs in terms of size, scale, height, and location are properly related to the overall adjacent land use, character and development lot size;
  - (B.) All signs, sign supports and sign bases shall be so constructed and designed to provide for design compatibility with surrounding land use. The materials used, form, color, lighting and style should be similar to the materials used in the surrounding land uses;
  - (C.) Signs do not interfere with scenic views;
  - (D.) Signs do not create a nuisance to persons using the public rights-of-way;
  - (E.) Signs do not constitute a nuisance to occupancy of adjacent and contiguous property by their brightness, size, or height;
  - (F.) Signs are not detrimental to land or property values; and
  - (G.) Signs contribute to the special character of the particular areas or districts within the city, helping the observer to understand the city and orient himself within it.

### **§3.16.002 Definitions**

Unless the context clearly indicates otherwise, for the purpose of this article, the following words and phrases have the meanings respectively ascribed to them by this section:

- (1) *Advertise*. To attract, or to attempt to attract, the attention of any person to any business, accommodations, goods, services, property, or commercial activity.
- (2) *Advertising*. Any promotion of commodities or services.
- (3) *Agricultural sign*. Any sign identifying the farm or ranch on which it is placed and advertising the produce, crops, animals or poultry raised or quartered thereon.
- (4) *Animated*. Copy or other images that flash or move or otherwise change.
- (5) *Area*. The area of a sign measured as follows:
  - (a) Square or rectangular signs: Length times height of the sign;

- (b) Irregular shaped signs: Area of rectangles necessary to enclose the sign face; and
  - (c) Signs composed of individual letters mounted or painted on a natural or existing finish of a building surface: Sum of area of rectangle necessary to enclose total copy.
- (6) *Attached sign*. Any sign attached to, applied on, or supported by any part of a building (such as a wall, roof, window, canopy, awning, arcade, or marquee) that encloses or covers usable space.
- (7) *Awning sign*. An awning sign is a sign which is applied to, attached, or painted on awning or other roof-like cover, intended for protection from the weather or as a decorative embellishment, projecting from a wall or roof of a structure over a window, walk, door, or the like.
- (a) *Banner*. A temporary sign banner sign is a sign having characters, letters, or illustrations applied to vinyl, plastic, cloth, canvas, or other light fabric, with the only purpose of such nonrigid material being for background.
- (8) *Board of adjustments*. The board of adjustments of the city.
- (9) *Building*. A structure which has a roof supported by columns, walls, or air for the shelter, support, or enclosure of persons, animals or chattel.
- (10) *Building official or designee*. The individual, or his subordinates, designated by the city and charged with code and ordinance enforcement.
- (11) *Changeable electronic variable message signs (CEVMS)*. A sign which permits light to be turned on or off intermittently or which is operated in a way whereby light is turned on or off intermittently, including an illuminated sign on which such illumination is not kept stationary or constant in intensity and color at all times when such sign is in use, including an LED (light emitting diode) or digital sign, and which varies in intensity or color. A CEVMS sign does not include a sign located within the right-of-way that functions as a traffic-control device and that is described and identified in the Manual on Uniform Traffic-Control Devices (MUTCD) approved by the Federal Highway Administrator as the National Standard.
- (12) *Character*. Any letter of the alphabet or numeral.
- (13) *Commercial message*. A message placed or caused to be placed before the public by a person or business enterprise directly involved in the manufacture or sale of the products, property, accommodations, services, attractions, or activities or possible substitutes for those things which are the subject of the message and that:
- (a) Refers to the offer for sale or existence for sale of products, property, accommodations, services, attractions, or activities; or
  - (b) Attracts attention to a business or to products, property, accommodations, services, attractions, or activities that are offered or exist for sale or for hire.

- (14) *Construction sign.* A temporary sign identifying the property owner, decorator, architect, engineer, contractor, subcontractor and/or financier engaged in the design, construction or improvement of the premises on which the sign is located.
- (15) *Copy.* Letters, characters, illustrations, logos, graphics, symbols, writing or combination thereof designed to communicate information of any kind or to advertise, announce the purpose of, or identify the purpose of a person or entity, or to identify or advertise a business or business product, or to advertise the sale or lease of premises.
- (16) *Digital/Electronic Signs.* Provide identification or advertisement of a specific business, service, product, activity, person, organization, place or building.
- (17) *Dilapidated, deteriorated or substandard condition.* Dilapidated, deteriorated or substandard condition shall mean any sign:
- (A.) Where elements of the surface or background can be seen as viewed from the normal viewing distance (intended viewing distance), to have portions of the finished material missing, or otherwise not in harmony with the rest of the surface;
  - (B.) Where the structural support or frame members are visibly bent, broken, dented or torn;
  - (C.) Where the panel is visibly cracked or in the case of wood and similar products, splintered in such a way as to constitute an unsightly or harmful condition;
  - (D.) Where the sign or its elements are twisted or leaning or at angles other than those at which it was originally erected (such as may result from being blown or the failure of structural support);
  - (E.) Where the message or wording can no longer be clearly read by a person with normal eyesight under normal viewing conditions; or
  - (F.) Where the sign or its elements are not in compliance with the requirements of the National Electrical Code and/or the International Building Code currently adopted by the city.
- (18) *Directional sign.* A temporary off-premise sign which is limited, exclusively, to the identification of a specific premises, occupancy, or owner of said premises located elsewhere, and which tells the location of and/or route to said premises or occupancy.
- (19) *Erect.* To build, attach, hang, place, suspend, fasten, affix, maintain, paint, draw, or otherwise construct.
- (20) *Face or surface.* The surface of the sign upon, against, or through which the message is displayed or illustrated on the sign.
- (21) *Feather Flags.* A type of advertising banner that is characterized by its vertical, feather-like shape and are typically attached to a flexible pole allowing it to sway, flutter, or otherwise move in the wind in such a manner that is designed to draw attention and are commonly used by businesses and event organizers to promote a brand or event.

- (22) *Freestanding sign.* Any self-supporting sign connected to the ground that is not attached to a building or structure for reasons of support.
- (23) *Garage sale, estate sale, yard sale, rummage sale or similar sale signs.* The occasional sale of tangible personal property.
- (24) *Government sign.* A flag, insignia, legal notice, or informational, directional, traffic, or safe school zone sign which is legally required or necessary to the essential functions of government agencies.
- (25) *Height.* As applied to a sign, means the vertical distance measured from an average elevation of the finished grade along the area of sign installation, excluding any artificial berming, to the highest part of the sign or its supporting structure, whichever is higher.
- (26) *Identification sign.* A sign that includes as copy only the name of the business, place, organization, building, or person it identifies.
- (27) *Illuminated sign.* Any sign which is directly lighted by an electrical or artificial light source, internal or external. This definition does not include signs that are illuminated by streetlights or other light sources owned by any public agency or light sources that are specifically operated for the purpose of lighting the area in which the sign is located rather than the sign itself.
- (28) *Inflatable sign.* An inflatable sign is a sign manufactured of plastic, cloth, canvas, or other light fabric and inflated with air.
- (29) *Instructional sign.* An instructional sign is a sign that provides instruction, information, or direction to the general public. The sole purpose of an instructional sign is to provide instruction, information, or direction to the general public that is essential to the health, safety, and public welfare of the community. An instructional sign shall contain no other message, copy, announcement, or decoration other than the essential instruction, information, or direction and shall not advertise or otherwise draw attention to an individual, business, commodity, service, activity, or product. Such signs shall include, but are not limited to, the following: signs identifying a property's street address, restrooms, public telephones, handicap parking spaces, reserved parking spaces, freeze warning, no trespassing, no dumping, no loitering, and construction entrance signs. Signs erected by the municipal, state or federal government for the purpose of public instruction, warning, street or highway designation, control of traffic and similar uses incidental to the public interests shall be considered instructional signs. An instructional sign also includes signs of a warning, directive or instructional nature erected by a public utility company that operates under a franchise agreement with the city.
- (30) *Internal directional sign.* An internal directional sign is a sign that is supported from the grade to the bottom of the sign having or appearing to have a solid base and

generally used to provide direction to drive-through lanes and to buildings and tenants within large multitenant retail, multifamily, or office developments.

- (31) *Intersection.* The junctions of the centerlines of any two public rights-of-way other than alleyways, crossing at grade, or, where the crossing is separated at grade, the intersection is the point where expressway travel pavements converge or diverge, or the point where any expressway interchange ramp intersects the expressway travel pavement.
- (32) *Logo.* Any formalized design or insignia of a company, service or product which is commonly used in advertising to identify that company, service or product.
- (33) *Marketing sign.* A temporary sign identifying the subdivision or manufactured home park name, and may include the name and telephone number of the home builders or sales contacts for the property, the price point, the city name and logo, and the school district name.
- (34) *Menu board sign.* A menu board sign is a sign erected in conjunction with a use that incorporates a drive-through or drive-in and generally used to provide service and/or product options and pricing for customers who remain in their vehicles.
- (35) *Monument sign.* A monument sign is a sign that is supported from the grade to the bottom of the sign having or appearing to have a solid and opaque base and generally used to identify the name of a business or development.
- (36) *Noncommercial message.* Any message that is not a commercial message.
- (37) *Occupancy.* The purpose for which a building is used or intended to be used. The term also includes the building or room housing such use.
- (38) *Off-premises sign.* A sign that pertains to a business, person, organization, activity, event, place, service, or product not principally located or primarily manufactured or sold on the premises on which the sign is located.
- (39) *On-premises sign.* A freestanding sign identifying or advertising a business, person, or activity, and installed and maintained on the same premises as the business, person, or activity.
- (40) *Permanent.* A sign intended to be used for a period of longer than six (6) months.
- (41) *Person.* An individual, corporation, sole proprietorship, government or governmental subdivision or agency, trust, partnership, or two (2) or more persons having a joint or common economic interest.
- (42) *Political sign.* Any type of sign which refers only to the issues, political parties or candidates involved in a political election.

- (43) *Portable sign.* Any sign that is not securely connected to the ground in such a way that it cannot easily be moved from one location to another, including signs which are mounted on skids, trailers, wheels, legs or stakes, and that is not an attached sign, vehicular sign, political sign, or a sign that refers solely to the sale or lease of the premises.
- (44) *Premises.* A lot or unplatted tract that is reflected in the plat books of the building inspection division of the city.
- (45) *Protective sign.* Any sign which is commonly associated with safeguarding the permitted uses of the occupancy, including but not limited to “bad dog,” “beware of dog,” “electric fence,” “no trespassing,” and “no solicitors.”
- (46) *Residential subdivision sign.* A sign used to identify the name of a specific residential subdivision.
- (47) *Roofline.* The uppermost part of the main structure of the building, excluding appurtenances such as air conditioners, chimneys, vents, etc.
- (48) *Scoreboard.* Scoreboards are signs erected at an athletic field or stadium, and which are generally used to maintain the score or time expired in an event at the field or stadium. This definition shall also include signs mounted or applied to the outfield wall within a baseball field.
- (49) *Setback.* The distance between a sign and the nearest existing public right-of-way line or planned future right-of-way line as proposed on the city’s thoroughfare plan, whichever is greater. An alley is not considered to be public right-of-way for the purpose of calculating a setback. Where a public way crosses a railroad right-of-way, the setback is measured from the public right-of-way line extended across the railroad right-of-way.
- (50) *Sign.* An outdoor structure, sign, display, light device, figure, painting, drawing, message, plaque, poster, billboard, or other thing that is designed, intended, or used to advertise or inform.
- (51) *Special event sign.* Signs for the advertisement of temporary events likely of interest to the entire community of the city.
- (52) *Subdivision monument or entry sign.* A subdivision monument is a physical improvement such as a sign, wall, or structure, constructed to draw attention to or enhance a subdivision or its surrounding area. A subdivision entry sign is a sign that generally identifies a residential development and that generally refers to the platted name of the subdivision.
- (53) *Support.* Any pole, post, strut, cable, or other structural fixture or framework necessary to hold and secure a sign, providing that said fixture or framework is not

imprinted with any picture, symbol or word using characters in excess of one inch in height, nor is internally or decoratively illuminated.

- (54) *Vehicular sign.* Any sign on a vehicle moving along the ground or on any vehicle parked, incidental to its principal use for transportation. This definition does not include signs which are being transported to a permanent site.
- (55) *Visibility triangle.* A triangle sight area, at all intersections, which shall include that portion of the public right-of-way and any corner lot within the adjacent curb lines and a diagonal line intersecting such curb lines at points fifty feet (50') back from their intersection.
- (56) *Wall sign.* A wall sign is a sign painted on or erected parallel to and extending not more than twelve (12) inches from the facade of any building to which it is attached, supported throughout its entire length by the building face. Class B wall signs are a maximum of sixty-four (64) square feet, do not project away from the surface to which it is attached, are not attached to any source of electricity and do not require professional installation. All other wall signs are considered class A.
- (57) *Window sign.* A window sign is a sign that is visible from a public street or sidewalk and that is posted, attached, painted, placed, or affixed in or on a window.
- (58) *Wood frame sign:*
- a. A temporary wood frame sign is a sign that is generally used to advertise a new building, opening dates, leasing opportunities, and/or to identify the property owner, architect, contractor, engineer, landscape architect, or financier engaged in the design, construction or improvement of the premises on which the sign is located. Wood frame signs are also used to advertise sales and zoning information of properties. Although wood frame signs are generally constructed of wood, the definition does not exclude metal, or plastic signs used for same purpose.
  - b. A permanent wood frame sign is a sign that is generally used to identify the premises on which the sign is located. This is generally intended for a church, civic organization, club or small business. Although wood frame signs are generally constructed of wood, the definition does not exclude metal or plastic signs used for the same purpose.
- (59) *Yard sign.* Any temporary stake sign placed on a residentially zoned lot, including but not limited to yard signs that publicize the arrival of a newborn, family celebration, or the participation of a family member in a school activity or sport. Yard signs shall also include signs that advertise the presence of a home security system, garage sales, and seasonal decorations.

### **§3.16.003 Penalty**

Any person, firm or corporation violating any of the provisions of this article shall be deemed guilty of a misdemeanor and, upon conviction, shall be punished by a penalty or fine as provided

in section 1.01.009(a) of this code for each offense, and every day such offense is continued shall constitute a new and separate offense.

### **§3.16.004 Administration**

The duties and responsibilities of administering this article shall be vested in the building official or designee of the city or such other person as may be designated from time to time by the city administrator.

### **§3.16.005 General Provisions**

- (a) Signs shall be in harmony and consistent with the architecture of the building and relate to the features of the building in terms of location, scale, color, lettering materials, texture and depth. Signs shall not be dominant but shall be proportionate and shall complement the building, existing signs and surroundings.
- (b) There shall be consistent sign design throughout a particular development, whether residential or commercial. The design elements include style of lettering, construction material, size and illumination.
- (c) Freestanding signs shall be integrated with the landscaping on site.
- (d) No electric wiring associated with a sign shall be visible to public view.
- (e) Illuminated signs.
  - (1) Sources of sign illumination shall be completely shielded from the view of vehicular traffic and shall not be visible from any residential district.
  - (2) External lights used for the illumination of any sign on a building, whether such lights are attached to or separate from the building, shall not project above the highest elevation of the front wall of the building or more than eighteen feet (18') above the street level of the premises, whichever is less.
  - (3) Sources of sign illumination shall be extinguished by 10:00 p.m., and shall remain extinguished until dawn or one-half hour before the business opens, whichever is earlier.
- (f) There shall be no minimum setback requirement for freestanding signs; provided, however, that freestanding signs shall not be placed or erected within any public right-of-way, are not erected within the visibility triangle, and comply with the provisions of this article.
- (g) Visibility. All signs shall observe all visibility requirements. Signs shall not be placed within visibility triangles, corner clips, and V.A.M. (visibility, access, and maintenance) easements.
- (h) Signs in which electrical wiring and connections are used shall comply with the requirements of the city's electrical code.
- (i) Every sign in the city, regardless of whether any permit is required for such sign, shall be maintained in a safe, presentable and sound structural and operational condition at all times, including the replacement of nonfunctioning, broken, defective, or missing parts, painting, repainting, cleaning and any other acts required for the maintenance of such sign. All signs and sign supports, brackets and frames shall be kept painted or otherwise treated to prevent rust, rot or deterioration. If, upon inspection by the building official or designee, a sign is found to violate this section, written notice shall be given to the owner, giving the owner sixty (60) days to either put the sign in acceptable condition or remove the sign. Otherwise,

the building official or designee is hereby authorized to cause the removal of the sign at the expense of the owner.

- (j) Banners and feather flags shall be permissible for a period not exceeding thirty (30) calendar days in a year and are subject to permitting. The thirty (30) days can be during one (1) time period, four (4) one-week periods or two (2) two-week periods.

**§3.16.006 Sign specifications and design.**

- (a) Compliance with zoning ordinance, building code, National Electrical Code, and other ordinances. All sign structures shall comply with City of Lucas Code of Ordinances, Chapter 3, Building Regulations and Chapter 14, Zoning, the National Electrical Code, and other city ordinances, as they currently exist or may be amended. If the standards as described herein are more restrictive, then the provisions of this article shall apply.
- (b) Signs posted in specified areas. Unless otherwise permitted within this article, no person shall post or cause to be posted, attach or maintain any sign upon:
  - (1) Any city-owned property or right-of-way without the written permission of the city council;
  - (2) Any utility easement. Should a property owner be able to demonstrate to the City Manager or designee and/or franchise utility company that there is no other viable location for a sign other than a utility easement, a sign may be located within the utility easement subject to written approval from the City Manager or designee and/or franchise utility company and subject to the providing of a letter to the city releasing the city of any liability for repair or replacement of a sign damaged by work occurring within the utility easement;
  - (3) Any tree, light pole, or any utility pole or structure;
  - (4) Any fence, railing or wall, except in accordance with this article; or
  - (5) Any sidewalk within the right-of-way or a sidewalk easement, curb, gutter, or street, except for house numbers or fire lane designation.
- (c) Signs attached to fire escapes. No sign shall be attached in any manner to any fire escape or to the supporting members of any fire escape, nor shall it be guyed to or supported by any part of the fire escape.
- (d) Traffic signs, signals, or devices. No sign shall be erected or displayed in such a manner as to interfere with, obstruct the view of, or be confused with any authorized traffic sign, signal, or device, including, but not limited to, signs making use of the words “stop,” “go,” “look,” “slow,” “danger,” or any other similar word, phrase, symbol or character or employ any red, yellow, green, or other colored lamp or light in such a manner as to cause confusion or otherwise interfere with vehicular or pedestrian traffic.

- (e) Accumulation of rainwater. All signs shall be constructed so as to prevent the accumulation of rainwater in the sign.
- (f) Location near telephone cable, power line, or street light. No sign shall be erected nearer than two (2) feet from any telephone cable, power line or any street light standard.
- (g) Signs not to block or interfere with exits or windows and pedestrian and vehicular traffic. No sign shall be so erected as to block, partially block, or interfere in any way with a required means of exit from any building nor with any window. No sign shall block, interfere, or otherwise hinder pedestrian or vehicular traffic on a public sidewalk, a public thoroughfare, a fire lane easement, or a driveway required to access parking.
- (h) Glass signs over public property. Signs constructed of glass or other materials that may shatter upon impact are prohibited over public right-of-way.
- (i) Assumed wind load for design purposes. For the purposes of design of structural members in signs, an assumed wind load of thirty (30) pounds per square foot shall be used. All signs shall be constructed to receive dead loads as required by the International Building Code. The sign permit application must include a statement signed by the applicant that states compliance with these requirements.
- (j) Multiple signs on a property or building. The permitting of a sign on a property or building shall not preclude the permitting of other types of signs on a property or building unless the signs are expressly prohibited herein.
- (k) Exemptions. Signs located within a building with the exception of window signs shall not be regulated by this article.

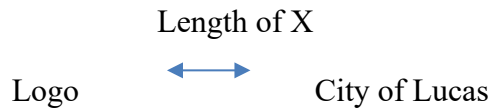
**§3.16.007 Measurement of sign area and height.**

- (a) The area of a sign shall be measured as follows:
  - (1) For signs in the shape of a square, rectangle, circle, or similar standard geometric shape, the area shall be calculated by using the standard mathematical formula (height multiplied by width,  $3.14$  multiplied by radius squared, etc.). This method of measurement is most commonly used for monument signs, wood frame signs, and stake signs.
  - (2) For signs with an irregular shape, the area shall be measured by enclosing the sign elements with intersecting lines. This method of measurement is most commonly used for wall signs with individual lettering and for irregularly shaped monument signs. (See diagram.)



- (3) The area of a spherical, cylindrical or other three-dimensional sign shall be measured by calculating the area of a two-dimensional drawing of the largest elevation of the sign.
- (b) Where a sign has two faces, the area of the largest sign face shall be used to determine the area of the sign provided the two faces are within five (5) degrees of parallel. Where a sign has two or more faces that are greater than five (5) degrees from parallel, the sign area shall either be calculated as the sum of the area of each face, or the sign will constitute two signs (a V-sign). A V-sign is permitted at the corner of a property with two street frontages as long as the sign has a common post and common signs.
- (c) The area of wall signs containing multiple elements shall be calculated as follows:
  - (1) Regardless of the spacing between letters, letters forming a word or name shall be considered a single sign.
  - (2) When two or more separate items in a sign, such as a word or logo, are separated horizontally or vertically by less than the width or height of the largest item, the items shall be considered a single sign and the area shall be determined by measuring the area enclosing the sign elements with straight, intersecting lines.

The following sign elements are considered one sign:



- (3) When two or more separate items in a sign, such as a word or logo, are separated horizontally or vertically by more than the width or height of the largest item, the items shall be considered a separate sign and the area of each item shall be determined individually.

The following sign elements are considered two signs:



- (d) The supports of a stake sign or wood frame sign shall not be included in calculating the area of the sign, but shall be included in the measurement of the height of the sign.

- (e) The height of all signs shall be measured from the top edge of the sign and/or support structure to the average finished grade of the ground below the sign and/or support structure. If a sign is located on a mound, berm, or other raised area for the sole purpose of increasing the height of the sign, the height of the mound, berm, or other raised area shall be included in the height of the sign.

**§3.16.008      Creation of site plan.**

The City Manager or designee shall not issue a permit for construction, erection, placement, or maintenance of a sign until a site plan is submitted for the sign.

**§3.16.009      ~~Signs allowed in specific zoning districts.~~ Exempt signs.**

The following exempt signs, as designated under this section, are allowed without a permit in all zoning districts. All exempt signs shall be setback a minimum of ten (10) feet from the edge of pavement.

- (a) City governmental signs for control of traffic or other regulatory purposes, street signs, danger signs, railroad crossing signs and signs of public utility service companies indicating danger and/or aids to service or safety which are erected by or on approval of the city.
- (b) The flag, pennant or insignia of any nation, organization of nations, state, county or city, of any religious, civic or fraternal organization, or of any educational institution, provided such flags are no larger than sixty (60) square feet, are flown on a pole no higher than thirty-five feet (35'), are flown at a height no greater than thirty-five feet (35') if attached to a building, and are not illuminated, and provided such flags are not used in connection with a commercial promotion or as an advertising device.
- (c) Signs that contain primarily a political message and are located on private real property with the consent of the property owner and:
  - (1) Do not have an effective area greater than thirty-six (36) feet;
  - (2) Are not more than eight (8) feet high;
  - (3) Are not illuminated; or
  - (4) Do not have any moving elements.
- (d) Temporary signs:
  - (1) Special event signs on public property designated by the city for such signage, provided that they are not illuminated and provided they are not erected more than thirty (30) days prior to the event to which they apply and are removed within seven (7) days after the event to which they apply. Special event signs must not exceed six (6) feet in height, and shall be no larger than sixty-four (64) square feet in area.

- (2) Holiday lights and decorations which do not contain advertising and are not used as such, clearly incidental and customarily and commonly associated with any national, local or religious holiday.
- (3) One temporary (1) nonilluminated sign shall be allowed on each lot or parcel of real estate, whichever is larger, to advertise the leasing, rental or sale of such lot or parcel, provided that it does not exceed six (6) square feet in total area and no part of such sign shall extend more than four feet (4') above the surface of the ground on which it is erected.
- (4) Temporary resident information signs on matters of local interest such as garage, estate, yard or similar sales, provided such signs are not illuminated and do not exceed four-and-one-half (4-1/2) square feet in area. Each sign must have the name of the resident erecting the sign and the date of the posting and must be removed within twenty-four (24) hours following the conclusion of the event.
- (5) Nonilluminated temporary signs for the seasonal sale of agricultural products such as hay, grain, fruits and vegetables, not to exceed thirty-two (32) square feet in area, and provided that the products are produced within the city or extraterritorial jurisdiction of the city.
- (6) Temporary resident information signs on matters of local interest such as lost and found pet notices, free pets, and neighborhood gatherings, provided such signs are not illuminated and do not exceed four-and-one-half (4-1/2) square feet in area. Each sign must have the name of the resident erecting the sign and the date of the posting and must be removed within seven days of the date of the posting.
- (7) Yard sign Yard signs shall be permitted only on lots containing an occupied single-family dwelling and shall be located a minimum of ten (10) feet from the edge of pavement. Yard signs regulations are as follows:
  - i. Publicizing arrival of newborn or other family celebration – seven (7) consecutive days per event
  - ii. School activities – duration of the activity
  - iii. Home security – shall not exceed one (1) square foot in area.
- (e) Two (2) nonilluminated attached identification signs including only the address and/or name of the occupant per lot or parcel, whichever is greater, not to exceed two (2) square feet in area.
- (f) A maximum of two (2) protective signs per acre, in accordance with the following provisions:
  - (1) Each sign must not exceed one-and-one-half (1-1/2) square feet in area.
  - (2) Detached signs must not exceed two (2) feet in height.
  - (3) Letters must not exceed six inches (6") in height.
  - (4) Such signs shall be nonilluminated.

- (g) Wrought iron or pipe fencing which forms a name, address or logo as an ornamental part of the fencing, gate, or entrance to premises.
- (h) Landscaping, including plants, flowers, rocks, seashells or wood mulch, which is grown, trimmed or manipulated in such a way as to form sign copy.
- (i) Construction signs shall conform to the following requirements:
  - (1) The sign area shall not exceed twelve (12) square feet.
  - (2) Construction signs may not be illuminated.
  - (3) Signs shall not be placed more than seven (7) days in advance of the project and must be removed within seven (7) days of completion of the project.
  - (4) Only one construction sign per street frontage, per property is permitted.

(A.)

**§3.16.010 Prohibited signs.**

- (a) Signs using any combination of forms, words, colors, or lights which imitate standard public traffic regulatory, or emergency signs, signals, or devices are prohibited. No sign shall make use of the word “stop,” “go,” “look,” “slow,” “danger,” or any other similar word, phrase, symbol or character or employ any red, yellow, orange, green or other colors or light in such a manner as to interfere with, mislead or confuse vehicular or pedestrian traffic.
- (b) No sign shall be erected, relocated or maintained so as to prevent free ingress to or egress from any door, window, or fire escape. No sign of any kind shall be attached to a standpipe or fire escape except signs relating directly to a standpipe or fire escape.
- (c) Animated signs, including but not limited to those signs or sign parts which flash, reflect, blink, or effect changes in hue or intensity or illumination, are prohibited. Signs or sign parts illuminated to such intensity or in such a manner as to cause glare or brightness to a degree that they constitute hazards or nuisances are prohibited, including searchlights and beacons. Signs which employ the use of luminescent inert gases, including but not limited to neon, argon and krypton, and which are visible from the exterior of structures, are specifically prohibited.
- (d) Moving signs, including but not limited to signs which rotate, move or reflect, pennants, banners, streamers, flags (except as specifically permitted under section 3.16.007(4)), and generally, signs having parts which may be set in motion by mechanical, electrical or atmospheric means.
- (e) Signs which emit sound, odor or visible matter are prohibited.

- (f) A sign shall not project above the top of the second floor or the roofline, whichever is lower, of the building to which it is affixed.
- (g) Off-premises signs are prohibited unless specifically authorized by another section of this article.
- (h) Portable signs are specifically prohibited.
- (i) Signs attached to or upon any vehicle where any such vehicle is allowed to remain parked in the same location or in the same vicinity, at frequent or extended periods of time, where the intent is apparent to be using the vehicle and signs for purposes of advertising an establishment, service or product, are prohibited. This prohibition does not include car wraps, stickers, or magnetically attached signs to delivery vehicles.
- (j) No person shall attach or maintain any sign upon any public utility pole or tree.
- (k) Freestanding signs that exceed forty (40) square feet in area or six (6) feet in height are prohibited unless specifically authorized by another section in this article.
- (l) It shall be unlawful for any person to display upon any sign any obscene, indecent or immoral matter.
- (m) Changeable electronic variable message signs and other moving, flashing, intermittently lighted, changing color, beacons, revolving or similarly constructed signs shall not be allowed.

**§ 3.16.011 Permissible signs that require the issuance of a sign permit.**

The following signs are permissible, upon issuance of a sign permit, subject to the following conditions and the specifications contained in this Article. Signs that do not comply with the following conditions and the specifications are considered prohibited.

- (b) Awning signs:
  - (1) A permit shall not be issued to erect or place an awning sign on a property until a site plan and/or final plat has been approved by the city for development of the property.
  - (2) Awning signs are permitted in conjunction with a nonresidential use.
  - (3) In no case shall the supporting structure of an awning sign extend into or over the street right-of-way.
  - (4) Buildings may have both a wall sign and an awning sign on the same building face with permission of city council.
- (c) Banner signs and feather flags.

- (1) A sign permit shall not be issued to erect or place a banner sign and feather flags on a property until a site plan and/or final plat has been approved by the city for development of the property.
- (2) One banner sign and one feather flag may be placed on a building for four (4) two-week periods per calendar year. The periods may be combined. Each suite within a retail development shall be considered a building and shall therefore be allowed to erect a banner sign or feather flag accordingly.
- (3) Banner signs and feather flags are permitted only in conjunction with a nonresidential use.
- (4) Specific requirements for banner signs:
  - i. The maximum area of a banner sign is thirty-two (32) square feet, and the width of a banner sign may not exceed sixty-five percent (65%) of the width of the building or lease upon which the banner sign is located.
  - ii. New businesses shall be permitted to place a banner on their building prior to the issuance of a certificate of occupancy and up to eight (8) weeks after the date of issuance of a certificate of occupancy. The banner(s) shall not count against the allowances provided in subsection (2)(B)(i)b.
  - iii. Religious organizations that operate in a temporary facility may erect a banner during times of worship provided the banner is placed no earlier than two (2) hours prior to worship and is removed no later than two (2) hours after worship. The banner shall not count against the allowances provided in subsection (2)(B)(i)b.
  - iv. All four corners of a banner sign shall be securely attached to the front, side, or rear surface of a building or a banner sign shall be securely attached to a fence or fence posts permanently secured in the ground. However, such sign shall not face a residential neighborhood unless separated by a major thoroughfare with the exception that this requirement shall not apply to banner signs permitted in subsection (2)(B)(ii)b.
  - v. With written permission of the city manager or designee, banner signs may also be erected during social or athletic events at a park or other city-owned property. The banners shall be attached to pavilions, fences, vehicles, stakes, or poles.
- (5) Specific requirements for feather flags:
  - i. New businesses shall be permitted to place one feather flag on the lot or parcel prior to the issuance of a certificate of occupancy and up to eight (8) weeks after the date of issuance of a certificate of occupancy with a minimum setback of 10 feet from the edge of pavement. Feather flags shall not be placed in the visibility triangle.
  - ii. Religious organizations that operate in a temporary facility shall be permitted to place one feather flag on the lot or parcel provided such feather flag is placed no earlier than two (2) hours prior to worship and is removed no later than two (2)

hours after worship and is placed with a minimum setback of 10 feet from the edge of pavement. Feather flags shall not be placed in the visibility triangle.b.

(d) Inflatable signs.

- (1) A sign permit for an inflatable sign shall not be issued until the city has issued a certificate of occupancy for a building on the property.
- (2) An inflatable sign may be erected on a lot for no more than two (2) ten-day periods per calendar year. In the case of multiple businesses or tenants located on a single lot, each business is allowed to erect an inflatable sign on the lot for Two (2) ten-day periods provided that no more than one inflatable sign is located on the lot at any one time and provided a minimum of thirty (30) days transpires between the removal of an inflatable sign permitted by one business and the placement of another inflatable sign permitted by another business.
- (3) Inflatable signs shall not be located in required parking spaces, driveways that provide access to parking spaces, or fire lanes, nor shall the sign encroach into the right-of-way.
- (4) Inflatable signs are permitted only in conjunction with a nonresidential use.
- (5) Inflatable signs shall be secured directly to, and not suspended from, the ground. Inflatable signs may not be placed on a roof or suspended from a building. A balloon or other floating device as discussed in section 3.03.014(3) is not an inflatable sign.
- (6) The maximum height of an inflatable sign is thirty (30) feet.
- (7) A banner sign may be applied to an inflatable sign without the banner counting towards the allotted number of banner signs per calendar year. The maximum area of a sign placed or applied to an inflatable sign shall be forty- eight (48) square feet

(e) Monument signs.

- (1) A sign permit shall not be issued to erect or place a monument sign on a property until a site plan and/or final plat has been approved by the city for development of the property and after the issuance of a building permit for a building on the property.
- (2) Monument signs are permitted only in conjunction with a nonresidential use.
- (3) Minimum setback is ten (10) feet from the front, side, and rear property lines.
- (4) Monument signs shall be entirely constructed of the same or complementary materials as the front building facade of the principle building on the same lot or shall be stone or brick. All sign text and graphic elements shall be attached to this masonry structure not closer than six (6) inches from the top and side edges and twelve (12) inches from the bottom edge of the sign structure. Sculpted aluminum sign panels will be permitted. The minimum height permitted for text and graphic elements is six (6) inches.
- (5) A lot is allowed a maximum of one (1) monument sign per one hundred feet (100) of street frontage.
- (6) The maximum area of a monument sign, including the one-foot masonry border, is fifty (50) square feet.
- (7) The maximum height of a monument sign is eight (8) feet, six (6) inches.
- (8) Monument signs may only be illuminated utilizing internal lighting for sculpted aluminum panels or a ground lighting source where the light itself and supporting structure are not visible from any public right-of-way.

(f) Internal directional signs.

- (1) A sign permit shall not be issued to erect or place an internal directional sign on a property until a site plan and/or final plat has been approved by the city for development of the property and after issuance of a building permit on a building on the property.
- (2) Internal directional signs are permitted only in conjunction with a nonresidential use.
- (3) Minimum setbacks are fifty (50) feet from the front property line and fifteen (15) feet from the side and rear property lines.
- (4) The design, materials, and finish of internal directional signs shall match those of the front building facade of the primary structure on the same lot.
- (5) If a property that is larger than five (5) acres averages more than two (2) internal directional signs per acre, a sign coordination plan shall be approved by the Planning and Zoning Commission during the site plan approval process for the placement of the signs. Properties smaller than five (5) acres shall not be permitted to exceed two (2) internal directional signs.
- (6) The maximum area of an internal directional sign is four (4) square feet.
- (7) The maximum height of an internal directional sign is thirty (30) inches.

(g) Menu board signs.

- (1) A sign permit shall not be issued to erect or place a menu board sign on a property until a site plan and/or final plat has been approved by the city for development of the property and after issuance of a building permit on a building on the property.
- (2) Menu board signs are permitted only in conjunction with a nonresidential use that includes a drive-through or drive-in.
- (3) Minimum front yard setback shall be twenty-five (25) feet.

(4) Drive-through menu board.

- i. Shall be supported from the grade to the bottom of the sign having or appearing to have a solid base.
- ii. The design, materials, and finish of a drive-through menu board shall match or be complementary to those of the front facade of the building(s) on the same lot. Internal lighting may be utilized for the sign panels.
- iii. One drive-through menu board sign is permitted per drive-through use on a lot.
- iv. The maximum area of a drive-through menu board is forty-eight (48) square feet with a maximum height of eight (8) feet.
- v. Drive-through menu boards shall be located at the side or rear of the principal building(s) on the lot.

(5) Drive-through pre-order sign.

- i. Shall be supported from the grade to the bottom of the sign having or appearing to have a solid base.

- ii. The design, materials, and finish of a drive-through menu board shall match those of the front façade of the building(s) on the same lot. Internal lighting may be utilized for the sign panels.
- iii. One drive-through pre-order sign is permitted at the entrance of a drive-through lane and shall be set back a minimum of twenty (20) feet from the drive-through menu board in the same drive-through lane.
- iv. The maximum area of a drive-through pre-order sign is eighteen (18) square feet with a maximum height of six (6) feet.
- v. Drive-through pre-order signs shall be located at the side or rear of the principal building(s) on the lot.

(6) Drive-in menu board.

- i. Shall be supported from the grade to the bottom of the sign having or appearing to have a solid base. If the drive-in stalls are covered by a canopy, the drive-in menu board signs may be attached directly to the canopy support columns.
- ii. The design, materials, and finish of a drive-in menu board's sign base shall match those of the front facade of the building(s) on the same lot. Internal lighting may be utilized for the sign panels.
- iii. One drive-in menu board sign is permitted per ordering station.
- iv. The maximum area of a drive-in menu board sign is nine (9) square feet with a maximum height of eight (8) feet.

(h) Subdivision entry signs.

- (1) A sign permit shall not be issued to erect or place a subdivision entry sign on a property until a preliminary plat has been approved by the city for development of the property.
- (2) All subdivision entry signs shall be located within the platted limits of a residential subdivision.
- (3) Subdivision entry signs may be in the form of a sign mounted to a screening wall, so long as the sign does not project above the top of the wall.
- (4) Subdivision entry signs shall have a maximum area of sixty (60) square feet and a maximum height of eight (8) feet.
- (5) The maximum number of subdivision entry signs shall equal one (1) monument sign, or two (2) signs attached to screening walls (not a combination of both) per street entrance.
- (6) Alternative types of subdivision entry signs, including, but not limited to neighborhood entry signs within an overall subdivision, may be approved as part of a sign coordination plan as approved by the Planning and Zoning Commission during the Preliminary and Final plat process.

(i) Subdivision monuments.

- (1) A sign and/or building permit shall not be issued to erect or place subdivision monuments on a property until a preliminary plat or site plan has been approved by the city for development of multifamily or nonresidential use or a preliminary plat or final

plat has been approved by the city for development of single-family homes. The requirement to prepare the a forementioned plans may be waived should the owner of the property on which the monument is proposed to be located, or his/her representative prepare written and/or graphic documentation to the satisfaction of city staff to explain the relationship of the proposed monument to future land uses on the property.

- (2) Subdivision monuments placed on private property shall observe all building line and setback requirements. A nonhabitable monument may encroach into a required setback provided all visibility clips and easements are observed and the monument is deemed by city staff not to negatively impact fire protection of existing or future development.
- (3) Subdivision monuments may be placed in the right-of-way subject to approval by the Planning and Zoning Commission during the preliminary and Final Plate process and so long as the requirements of this article can be met.
- (4) Subdivision monuments may not be erected within an area designated as future right-of-way on the city's thoroughfare plan.
- (5) The developer of the subdivision monument must provide a plan for future maintenance of the monument to the city for review.
- (6) The maximum height of subdivision monuments shall be Ten (10) feet.

(j) Wall signs.

- (1) A sign permit shall not be issued to erect or place a wall sign on a property until a site plan and/or final plat has been approved by the city for development of the property and after the issuance of a building permit for a building on the property.
- (2) Wall signs are permitted in conjunction with a nonresidential use.
- (3) Wall signs of any character placed directly on the face of a wall shall be set at a minimum of nine (9) feet above the grade.
- (4) When projections on the wall face prevent the erection of the sign flat against the wall face, the space between the back of the sign and the wall shall be closed at the top, bottom and ends with noncombustible materials.
- (5) In no case shall an attached sign, project above the roof line or parapet wall of any building. Signs shall be no closer vertically to the eave of the roof-line or overhang than the predominant height of the text or graphic elements.
- (6) Wall signs with exterior letters and exposed neon lighting are not allowed unless neon is protected or shielded in a secure manner.
- (7) Wall signs shall not be allowed on any facade (other than the main front of the building) that faces property zoned, or designated on the future land use plan, for single-family uses if the sign is within one hundred fifty (150) feet of the property line of said residential property.
- (8) The minimum height allowed for text or graphic elements shall be six (6) inches.
- (9) The maximum size of wall signs shall be as follows:

<b>Wall Height</b>	<b>Maximum Sign Height</b>	<b>Maximum % of Wall Height</b>
0 feet – 20 feet	20% of wall height	75%
20+ feet – 30 feet	20% of wall height	60%
30+ feet	20% of wall height	50%

(k) Wood frame signs: Temporary and Permanent

- (1) In no case shall a wood frame sign contain information pertaining to off premises uses.
- (2) The sign shall be located no closer than fifteen (15) feet to any property line, or from the edge of pavement, whichever is greater. The sign shall not be placed in a visibility triangle.
- (3) The minimum distance between wood frame signs is two hundred (200) feet.
- (4) The maximum area of a wood frame sign is thirty-two (32) square feet.
- (5) The maximum height of a wood frame sign is eight (8) feet.
- (6) A maximum of one (1) wood frame sign shall be placed on a property per street frontage. If multiple wood frame signs are permitted on a tract of land, only one (1) sign shall be placed along each street frontage. A platted single- family or two-family subdivision shall be considered a single property for the purpose of this provision.
- (7) Temporary wood frame signs:
  - i. For properties with single-family zoning or future land use plan designation, the sign shall be removed upon the issuance of certificates of occupancy for ninety-five (95) percent of the homes within a single-family or two-family subdivision.
  - ii. For properties with agricultural, or nonresidential zoning or future land use plan designation, the sign shall be removed prior to the issuance of the certificate of occupancy for any building on the property.
- (8) Permanent wood frame signs.
  - i. In all zoning categories, permanent wood frame signs shall be permitted so long as the organization or business occupies the premises and so long as the sign remains in good repair.

(l) Scoreboards.

- (1) All Scoreboards are considered permanent structures.
- (2) Scoreboard signs shall be erected within the limits of and face into the athletic field or stadium.

(m) Instructional signs.

- (1) The maximum area of an instructional sign is sixteen (16) square feet.

(n) Window signs.

- (1) The square footage of a window sign shall not exceed fifty (50) percent of the square footage of the window in which the sign is located.

(o) Model Home Signs.

- (1) A sign permit shall not be issued to erect or place a model home sign on a property until issuance of a building permit on a building on the property.
- (2) A minimum of 25' from the edge of pavement.
- (3) Shall not be placed in the visibility triangle.
- (4) Maximum size of thirty two (32) square feet.
- (5) One (1) sign permitted per lot.

- (6) Maximum height of eight (8) feet.
- (7) Made of the same or similar material to the main structure.

(p) Digital/Electronic Signs.

- (1) A sign permit shall not be issued to erect or place a digital/electronic sign on a property until a site plan and/or final plat has been approved by the city for development of the property and after the issuance of a building permit for a building on the property.
- (2) Size: Monument sign: 100 percent of total allowable sign area, as specified in §3.16.009 (4)
- (3) Number: One per street frontage.
- (4) Location: May be a monument or wall sign, in non-residential uses only.
- (5) Landscaping: Same as required for a monument sign.
- (6) Design: Moving, flashing, animated, intermittently lighted, changing color, beacons, revolving, scrolling, dissolving, or similarly constructed signs shall not be allowed. Each message shall be displayed for at least thirty (30) seconds, and a change of message shall be accomplished within two (2) seconds or less. Signs erected at a public school (except scoreboards), religious institution, or other lawful non-residential use in a residential zoned district must be regulated by an automated timer that limits the period of illumination from 6:00 a.m. to 10:00 p.m. Signs must be erected a minimum of 50 feet from an adjacent residential property line. Signs located in a non-residential zoned district must be located a minimum of 150 feet from a residential zoned property. Digital/Electronic signs shall not be used to display commercial messages relating to products/services that are not offered on the premises.
- (7) Electronic component of a sign: May be encased in the same sign cabinet as the nonelectronic sign component or If located to the side of a nonelectronic sign component must be the same height as the nonelectronic sign component; or if located above or below a nonelectronic sign component must be the same width as the nonelectronic sign component.
- (8) Intensity of display brightness will automatically adjust to natural light conditions. Brightness cannot interfere with the vision of traffic on an adjacent road. A programmable sign shall be equipped with a properly functioning default mechanism that will cause the sign to revert immediately to a single, fixed, non-transitory image or to a black screen if the sign malfunctions. The illumination intensity of the display of a digital display shall not exceed one foot candle measured at the property line.
- (9) Digital/Electronic Wall signs shall only be approved as part of the site plan review process by the Planning and Zoning Commission and City Council.

**§3.16.010 Permits; inspections.**

- (a) Except as otherwise provided for in Article, it shall be unlawful for any person to erect, place, display, alter or relocate a sign without first obtaining a permit or permits from the city.
- (b) It shall be the duty of the City Manager or designee, upon the filing of an application for a sign permit, to examine the plans, specifications and other data, including the premises upon which the sign is to be erected, relocated, or repaired, including the following information:

- (1) Name, address, and telephone number of the owner of the property.
  - (2) Size of the sign (i.e., height, length, area, thickness, number of faces).
  - (3) Letter style and size.
  - (4) Illumination.
  - (5) Colors (i.e., background, letters, trim).
  - (6) Construction, materials, structural integrity and installation details.
  - (7) Location (i.e., height above grade, distance from roofline, building width, location from lot lines).
- (c) If the proposed structure is in compliance with all the requirements of this article, the building code and all other applicable laws and ordinances of the city, the city shall then issue the sign permit. If the work authorized under a sign permit has not been completed within ninety (90) days after the date of issuance, the permit shall become null and void unless renewed by the city.
  - (d) The City Manager or designee may, in writing, suspend or revoke a permit issued under provisions of this article whenever the permit is issued on the basis of a material omission or misstatement of fact, or in violation of this article or this code or the laws of this state or the federal government.
  - (e) Sign permits for new or additional signs shall not be issued for a specific occupancy if such occupancy displays unlawful or nonconforming signs. A sign permit may be issued for a specific occupancy provided the terms thereof specify modification or removal of nonconforming signs resulting in conformity with the provisions of this article.
  - (f) On application for any sign permit required by this article, the city shall collect a fee in accordance with the fee schedule of the city, as amended from time to time.
  - (g) Each sign requiring a permit shall be inspected by the City Manager or designee in January of each year so as to determine compliance with the approved application and permit issued. The building official or designee shall communicate in writing to the owner of any sign found not in compliance and said sign shall be subject to the conditions outlined in section 3.16.005(i) of the general provisions of this article. For this inspection, the city shall collect an annual fee in accordance with the fee schedule of the city, as amended from time to time.

**§3.16.011 Nonconforming Signs.**

- (a) Existing signs in conflict with this article shall be classified as nonconforming.
- (b) A nonconforming sign shall not be altered, rebuilt, enlarged, extended, or relocated.
- (c) A nonconforming sign shall not be permitted to remain after cessation or change of the business or activity to which the sign pertains.
- (d) A nonconforming sign shall not be reestablished, repaired, or rebuilt if the sign is allowed to deteriorate, or is damaged or destroyed by any means, to an extent that the cost of repair or reconstruction is 50% or more of the replacement cost.
- (e) A nonconforming sign shall not be converted to another nonconforming sign by changing copy, except as follows: Any existing sign which is designed for changing copy, such as a bulletin or message board, joint identification tenant sign, or gasoline pricing sign, may be changed where individual letters, numerals, or name panels are readily interchangeable.
- (f) A nonconforming off-premises sign (billboard) located on any lot shall be removed prior to the issuance of any building permit, or prior to any variance, use permit, replatting, or

zoning change becoming effective for that lot, and shall not be reconstructed at any later time.

- (g) A lot may not be divided, or created, for the express or implied purpose of preserving the nonconforming status of any off-premises/off-site sign (billboard).
- (h) On premises where there exists a nonconforming sign, no new sign of any type otherwise permitted in this article shall be erected or placed on such premises, permanently or temporarily, until such existing legal nonconforming sign is brought into compliance with this article or otherwise removed.
- (i) Signs rendered discontinued:
  - (1) The use of any sign which is located on property which becomes vacant and unoccupied for a period exceeding twelve (12) months shall be deemed to have been discontinued. Any sign whose use has been discontinued is prohibited and shall be removed.
  - (2) Sign structures which remain vacant for a period exceeding ninety (90) days, devoid of any message of permitted or legal nonconforming use for ninety (90) days, or display a message pertaining to a time, event, or purpose that no longer applies for a period exceeding ninety (90) days, shall be deemed to be discontinued. Any sign whose use has been discontinued is prohibited and shall be removed.

### **§3.16.012 Variances.**

The Board of Adjustment shall have authority to grant special variance exceptions from the provisions of this article on proper application. Special exceptions may be granted when circumstances permit and when the proposed exception does not violate the spirit or intent of this article, on such conditions and requirements as may reasonably be required by the board.

### **§3.16.013 Compensation for signs required to be relocated, reconstructed or removed.**

- (a) Generally. Subject to the requirements of chapter 216, Local Government Code, the city may require the relocation, reconstruction, or removal of any sign within its corporate limits or extraterritorial jurisdiction. In lieu of compensation for a sign that is required to be relocated, reconstructed, or removed, the city may exempt from required relocation, reconstruction, or removal those signs lawfully in place on the effective date of the requirement, August 2, 2007.
- (b) Sign Control Board. Before requiring the relocation, reconstruction, or removal of any sign within the city's corporate limits or extraterritorial jurisdiction, the mayor shall first appoint a Sign Control Board. Members of this board shall be appointed for a term of two (2) years. The Sign Control Board shall be composed of:
  - (1) Two (2) real estate appraisers, each of whom must be a member in good standing of a nationally recognized professional appraiser society or trade organization that has an established code of ethics, educational program, and professional certification program;
  - (2) One (1) person engaged in the sign business in the municipality;
  - (3) One (1) employee of the state department of transportation who is familiar with real estate valuations in eminent domain proceedings; and
  - (4) One (1) architect or landscape architect licensed by this state.

- (c) Determination of amount of compensation. The Sign Control Board shall first determine the amount of compensation due the owner of a sign that is required to be relocated, reconstructed, or removed. The determination shall be made after the owner of the sign is given the opportunity for a hearing before the board about the issues involved in the matter.
- (d) Compensation for relocated sign. The compensable costs for a sign that is required to be relocated include the expenses of dismantling the sign, transporting it to another site, and re-erecting it. The Sign Control Board shall determine the compensable costs according to the standards applicable in a proceeding under chapter 21, Texas Property Code. In addition, the city shall issue to the owner of the sign an appropriate permit or other authority to operate a substitute sign of the same type at an alternative site of substantially equivalent value. Whether an alternative site is of substantially equivalent value is determined by standards generally accepted in the outdoor advertising industry, including visibility, traffic count, and demographic factors. The city shall compensate the owner for any increased operating costs, including increased rent, at the new location. The owner is responsible for designating an alternative site where the erection of the sign would be in compliance with this article.
- (e) Compensation for reconstructed sign. The compensable costs for a sign that is required to be reconstructed include expenses of labor and materials and any loss in the value of the sign due to the reconstruction in excess of fifteen percent (15%) of that value. The Sign Control Board shall determine the compensable costs according to standards applicable in a proceeding under chapter 21, Property Code.
- (f) Compensation for removal of off-premises sign.
  - (1) For an off-premises sign that is required to be removed, the compensable cost is an amount computed by determining the average annual gross revenue received by the owner from the sign during the two (2) years preceding September 1, 1985, or the two years preceding the month in which the removal date of the sign occurs, whichever is less, and by multiplying that amount by three (3). If the sign has not been in existence for all of either two-year periods, the average annual gross revenue for that period, for the purpose of this computation, is an amount computed by dividing twelve (12) by the number of months that the sign has been in existence, and multiplying that result by the total amount of the gross revenue received for the period that the sign has been in existence. However, if the sign did not generate revenue for at least one month preceding September 1, 1985, this computation of compensable costs is to be made using only the average annual gross revenue received during the two years preceding the month in which the removal date of the sign occurs, and by multiplying that amount by three. In determining the amounts under this subsection, a sign is treated as if it were in existence for the entire month if it was in existence for more than fifteen (15) days of the month and is treated as if it were not in existence for any part of the month if it was in existence for fifteen (15) or fewer days of the month.
  - (2) The owner of the real property on which the sign was located is entitled to be compensated for any decrease in the value of the real property. The compensable cost is to be determined by the Sign Control Board according to standards applicable in a proceeding under chapter 21, Texas Property Code.
- (g) Compensation for removal of on-premises sign. For an on-premises sign that is required to be removed, the compensable cost is an amount computed by determining a reasonable

balance between the original cost of the sign, less depreciation, and the current replacement cost of the sign, less an adjustment for the present age and condition of the sign.

(h) Method of compensation.

(1) To pay the compensable costs required under this article, the city may use only a method, or a combination of the methods, prescribed by this section.

(2) If a sign is required to be relocated or reconstructed, the city, acting pursuant to the Property Redevelopment and Tax Abatement Act (chapter 312, Tax Code), may abate municipal property taxes that otherwise would be owed by the owner of the sign. The abated taxes may be on any real or personal property owned by the owner of the sign except residential property. The right to the abatement of taxes is assignable by the holder, and the assignee may use the right to abatement with respect to taxes on any nonresidential property in the same taxing jurisdiction. If tax abatement is used to pay compensable costs, the costs include reasonable interest and the abatement period may not exceed five (5) years.

(3) The city may allocate to a special fund in the municipal treasury, to be known as the “sign abatement and community beautification fund,” all or any part of the municipal property taxes paid on signs, on the real property on which the signs are located, or on other real or personal property owned by the owner of the sign. The city may make payments from that fund to reimburse compensable costs to owners of signs required to be relocated, reconstructed, or removed.

(4) The city may provide for the issuance of sign abatement revenue bonds and use the proceeds to make payments to reimburse costs to the owners of signs within its corporate limits that are required to be relocated, reconstructed, or removed.

(5) The city may pay compensable costs in cash.

(i) Tax appraisal of property with nonconforming sign. For each nonconforming sign, the Sign Control Board shall file with the appropriate property tax appraisal office the board’s compensable costs value appraisal of the sign. The appraisal office shall consider the board’s appraisal when the office, for property tax purposes, determines the appraised value of the real property to which the sign is attached.

(j) The city may, without paying compensation as provided by this section, require the removal of an on-premise sign or sign structure not sooner than the first anniversary of the date the business, person, or activity that the sign or sign structure identifies or advertises ceases to operate on the premises on which the sign or sign structure is located. If the premises containing the sign or sign structure is leased, the city may not require removal under this subsection sooner than the second anniversary after the date the most recent tenant ceases to operate on the premises. The removal of a sign or sign structure as described by this subsection does not require the appointment of a Sign Control Board.

(k) Exceptions.

(1) The requirements of this section do not apply to a sign that was erected in violation of local ordinances, laws, or regulations applicable at the time of its erection.

(2) The requirements of this section do not apply to a sign that, having been permitted to remain in place as a nonconforming use, is required to be removed by the city because the sign, or a substantial part of it, is blown down or otherwise destroyed or dismantled for any purpose other than maintenance operations or for changing the letters, symbols, or other matter on the sign.

- (3) For purposes of subsection (2) above, a sign or substantial part of it is considered to have been destroyed only if the cost of repairing the sign is more than sixty percent (60%) of the cost of erecting a new sign of the same type at the same location.
- (1) Appeal. Any person aggrieved by a decision of the Sign Control Board may file in district court a verified petition setting forth that the decision is illegal, in whole or in part, and specifying the grounds of the illegality. The petition must be filed within 20 days after the date the decision is rendered by the board.
  - (1) On the filing of the petition, the court may issue a writ of certiorari directed to the board to review the decision of the board and shall prescribe in the writ the time within which a return must be made, which must be longer than 10 days and may be extended by the court.
  - (2) The board is not required to return the original papers acted on by it, but it shall be sufficient to return certified or sworn copies of the papers. The return must concisely set forth all other facts as may be pertinent and material to show the grounds of the decision appealed from and must be verified.
  - (3) The court may reverse or affirm, wholly or partly, or modify the decision brought up for review.
  - (4) Costs may not be allowed against the Sign Control Board unless it appears to the court that the board acted with gross negligence, in bad faith, or with malice in making the decision appealed from.

**SECTION 2.** In the event of an irreconcilable conflict between the provisions of another previously adopted ordinance of the City of Lucas and the provisions of this Ordinance, the provisions of this Ordinance shall be controlling.

**SECTION 3.** Should any sentence, paragraph, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this Ordinance as a whole, or any part or provision thereof other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the Zoning Ordinance as a whole.

**SECTION 4.** An offense committed before the effective date of this ordinance is governed by prior law and the provisions of the Zoning Ordinance, as amended, in effect when the offense was committed, and the former law is continued in effect for this purpose.

**SECTION 5.** Any person, firm or corporation violating any of the provisions or terms of this Ordinance shall be subject to the same penalty as provided for in the Zoning Ordinance of the City of Lucas, as heretofore amended, and upon conviction shall be punished by a fine not to exceed the sum of Two Thousand Dollars (\$2,000) for each offense; and each and every day such violation shall continue shall be deemed to constitute a separate offense.

**SECTION 6.** This Ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law and charter in such case provide.

**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LUCAS, COLLIN COUNTY, TEXAS, ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2025.**

APPROVED:

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Dusty Kuykendall, Mayor

APPROVED AS TO FORM:

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Joseph J. Gorfida, Jr., City Attorney  
(11-7-2025:cgm:4907-3907-4936v1)

ATTEST:

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Toshia Kimball, City Secretary



**City of Lucas  
City Council Agenda Request  
February 19, 2026**

Requester: Patrick Hubbard, CIP Manager  
Jeremy Bogle, Public Works Director

**Agenda Item Request:**

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Consider authorizing the City Manager to approve the dedication of funds for road improvements on Aztec Trail in an amount not to exceed \$274,966 using funds from account 11-8209-301 (Improvement Roads).

**Background Information:**

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The City of Lucas has entered into an interlocal agreement with Collin County pertaining to the maintenance of Aztec Lane. Collin County provided a proposal to staff to that effect, consisting of subgrade reconstruction and the placement of new surface material. Staff have reviewed this proposal and provided feedback to the County.

**Attachments/Supporting Documentation:**

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1. Aztec Trail Cost Breakdown from Collin County

**Budget/Financial Impact:**

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The current budget for Account 11-8209-301 for Fiscal Year 2025-2026 is \$1,350,000. This project would use 20.4% of the road improvements and maintenance funding budgeted in this account.

**Recommendation:**

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Staff recommend to approve as presented.

**Motion:**

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I make a motion to approve/deny authorizing the City Manager to approve the dedication of funds for road improvements on Aztec Trail in an amount not to exceed \$274,966 using funds from account 11-8209-301 (Improvement Roads).

# AZTEC TRL.

Wopac

3375' Shared with CC Total	\$498,853.61
City of Lucas Cost	\$249,426.81
CC Cost	\$249,426.81

350' Shared with St. Paul	\$53,077.41
City of Lucas Cost	\$26,538.71
St. Paul Cost	\$26,538.71

Total CC	\$249,426.81
Total City of Lucas	\$275,965.51
Total St. Paul	\$26,538.71

Includes

Excavate 8"
Flexbase 8"
Portland material/processing
Striping
2-course chip seal
Mobilization



**City of Lucas  
City Council Agenda Request  
February 19, 2026**

Requester: City Council

**Agenda Item Request:**

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The City Council will convene into executive session pursuant to Section 551.072 of the Texas Government Code to deliberate on the purchase, exchange, lease, or value of real property.

**Background Information:**

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NA

**Attachments/Supporting Documentation:**

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None

**Budget/Financial Impact:**

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N/A

**Recommendation:**

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N/A

**Motion:**

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N/A



**City of Lucas  
City Council Agenda Request  
February 19, 2026**

Requester: City Council

**Agenda Item Request:**

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Reconvene from Executive Session and take any action necessary as a result of the Executive Session.

**Background Information:**

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NA

**Attachments/Supporting Documentation:**

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None

**Budget/Financial Impact:**

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NA

**Recommendation:**

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NA

**Motion:**

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NA