

HEWITT TEXAS

CITY COUNCIL REGULAR MEETING

September 19, 2022 at 7:00 PM

Hewitt City Hall, 200 Patriot Court, Hewitt, TX 76643

AGENDA

Steve Fortenberry, Mayor, Ward 3

Michael S. Bancale, Mayor Pro Tem, At-Large – **Charlie Turner**, Council Member, Ward 1

Johnny Stephens, Council Member, Ward 1 – **Johnny Price**, Council Member, Ward 2

Bob Potter, Council Member, Ward 2 – **Erica Bruce**, Council Member, Ward 3

The meeting will be streamed live on the city's website at www.cityofhewitt.com/790/Hewitt-TX-TV.

REGULAR MEETING - 7:00 PM

DECLARATION OF A QUORUM AND CALL TO ORDER

PLEDGE OF ALLEGIANCE

SPECIAL PRESENTATION(S) AND RECOGNITION(S)

1. Special presentation of proclamation in recognition of Midway Little League 2022 All-Star Softball Team - World Series (12U) Champions.

PUBLIC COMMENTS

The City Council invites citizens to speak on any topic not already scheduled for a public hearing. The Texas Open Meetings Act prohibits the Council from discussing, responding, or acting on any comments or items that have not been properly posted on the agenda. [Note: Prior to the meeting, the citizen must complete a "Public Comment Form" and present it to the City Secretary.]

PUBLIC HEARINGS AND RELATED ACTION

2. Public hearing and action on **Ordinance No. 2022-12** approving a request for a variance to the sign ordinance for a pylon sign located at 325 Enterprise Blvd. as prescribed in Chapter 58 Sign Regulations, Section 58-7 (p) sign requirements for non-residential uses, of the Code of Ordinances of the City of Hewitt. The request is to allow for the installation of a 40-foot-tall pylon sign with approximately 80 square feet of facing per side.

REGULAR AGENDA ITEMS

3. Approve minutes of the City Council Workshop/Regular Meeting of August 15, 2022.
4. Discussion on items deemed surplus inventory by Council sold at auction.

5. Briefing and discussion concerning Financial Statements ending August 31, 2022.
6. Presentation of the report form City Engineer Miles Whitney, P.E.
 - Update on pending utility projects
 - Update on pending street projects
 - Update on pending drainage projects.
7. Discussion and action on **Resolution No. 2022-10** approving a negotiated settlement between the Atmos Cities Steering Committee (“ACSC”) and Atmos Energy Corp., Mid-Tex Division regarding the company’s 2022 Rate Review Mechanism filings.
8. Discussion and action on **Resolution No. 2022-11** authorizing the City Manager to execute and submit an application to the Southern Trinity Groundwater Conservation District (STGCD) for the construction of the Commerce Park Water Well.
9. Discussion and possible action on **Resolution No. 2022-12** authorizing the City Manager or his designee to enter into Mutual aid agreements with fire and rescue agencies within McLennan County.
10. Discussion and action on **Resolution No. 2022-13** authorizing the submission of FY 2023 Bullet-Resistant Shield Grant from the Office of the Governor for Hewitt Police School Resource Officer Ballistic Shield Project.

ADJOURNMENT

I certify that the above notice of meeting was posted on the Public Notice Board located in front of City Hall on September 14, 2022, by 5:00 PM.

CITY OF HEWITT

Lydia Lopez, TRMC/CMC
City Secretary

In compliance with the American with Disabilities Act, the City of Hewitt will provide reasonable accommodations for persons attending and/or participating in City Council meetings. The facility is wheelchair accessible, with handicap parking available at the front of the building. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting by calling the City Secretary at 254.296.5602 or by fax at 254.666.6014.

HEWITT TEXAS

PROCLAMATION

Whereas, the City of Hewitt is proud to recognize the outstanding Midway Little League World Series (12U) championship team; and

Whereas, the Midway Little League 2022 All-Star Softball team captured the Little League Softball World Series crown with a 5-4 extra-inning win over Maryland in Greenville, North Carolina; and

Whereas, in addition to achieving excellence in education and extracurricular areas, the school now celebrates the Team for Midway's 12th World Series title; and

Whereas, the athleticism, skill, dedication, and heart with which the 2022 All-Star Team played this season is a credit to the district and student athletes; and

Whereas, the City Council enthusiastically congratulates the Team members, Manager, Coaches and Parents.

NOW, THEREFORE, I, Steve Fortenberry, Mayor of the City of Hewitt, Texas, do proclaim *Monday, September 19, 2022*, as "*Midway Little League Softball World Series Day*" and ask the citizens of Hewitt to join me in recognizing their achievements and celebrating their success.

Signed this 19th day of September, 2022.

Steve Fortenberry, Mayor

Attest:

Lydia Lopez, City Secretary

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 19, 2022

AGENDA ITEM #: 2

SUBMITTED BY: Tracy Lankford, Community Development Director

ITEM DESCRIPTION:

Public hearing and action on **Ordinance No. 2022-12** approving a request for a variance to the sign ordinance for a pylon sign located at 325 Enterprise Blvd. as prescribed in Chapter 58 Sign Regulations, Section 58-7 (p) sign requirements for non-residential uses, of the Code of Ordinances of the City of Hewitt. The request is to allow for the installation of a 40-foot-tall pylon sign with approximately 80 square feet of facing per side.

STAFF RECOMMENDATION/ITEM SUMMARY:

Sensato Development submitted a request for a variance to the sign ordinance. The property is located at 325 Enterprise Blvd. and is currently being developed. They request a variance to allow for a 40-foot-tall pylon sign with approximately 80 square feet facing.

The developer is requesting to put up a single pylon sign for the development instead of the allowed monument sign to help keep the property's aesthetics and to avoid possible sight obstruction due to the proximity of IH-35. A map of the property, along with the application, is included in the backup material.

The staff is recommending approval of this request.

FISCAL IMPACT:

Amount Budgeted – n/a
Line Item in Budget – n/a

SUGGESTED MOTION:

I move approval of Ordinance No. 2022-12 approving the sign variance request located at 325 Enterprise Blvd. for a 40-foot-tall pylon sign as presented.

ATTACHMENTS:

Supporting documentation
Draft Ordinance

HEWITT

TEXAS

Application of Sign Variance

Legal Description of Property: **Lot 20, Block 1 Commerce Park @ I-35 Hewitt Addition, Lot 2 (0.780 Acres)** _____

Describe the location of the property as submitted by this application. This may be in the form of a street address, general description, or nearest intersection.

325 Enterprise _____

Number of Lots: 1 Number of Acres: **0.780** Flood Zone: **N/A** _____

Zoning Classification: **B-P Business Park** _____

Existing Building(s) on Property: **Vacant Land** _____

Total Square footage of all buildings on Property: **2,390** _____

I, the undersigned property owner or applicant of the following described real property located in the City of Hewitt, Texas hereby make this application by variance, by requesting approval for the following project: (Include how the project plans vary from the Sign Ordinance): **Install a 40-foot pylon sign in lieu of the 6-foot monument sign for a Starbucks Restaurant.**

Sign ordinance states single occupant buildings less than 25,000 square feet may be allowed one sign not to exceed 60 square feet int total area and six feet in total height. The store's location along I-35 demands a much taller pylon sign.

Indicated the number and give a brief description of the Section of the Sign Ordinance for which the variance is being requested.

Section 58-7 Sign Requirements for nonresidential uses. B) Detached monument signs for single-occupant buildings/parcels.

Please provide the following recording information and a copy of the document(s) listed below with this application:

Ownership (deed): Doc. #/MCC No.: **2004032031** _____

Please provide the proposed meeting date for this application to be considered (See Meeting Schedule): **August 15, 2022** _____

The Variance application must be completed along with the following information:

1. A notarized letter from the property owner authorizing applicant to present the request, if the property owner will not be presenting the request and stating reasons for request.
2. Submit one (1) copy of survey and one (1) copy of building plans.
3. Non-refundable application fee (see fee schedule).
4. Application, fee, documents, etc., in completed form must be submitted to the Planning Department before or no later than 12:00 noon on the deadline date (see schedule).

I attest that the above information is true and correct to the best of my knowledge and I am now or will be fully prepared to present the above proposal at the City Council hearing. I understand that if any of the above information is found to be wrong or inaccurate that my application may be removed from consideration prior to the time the application is voted upon by the governing body of the City.

I, understand that in the event the undersigned is not present or represented at the public hearing, the City Council shall have the power to dismiss this proposal either at the call of the case or after hearing and such dismissal shall constitute a denial by the City Council.

I reserve the right to withdraw this proposal. However, written withdrawals filed at any time after the giving of notice to the City Council shall constitute a denial by the City Council. I understand that the filing fee is not refundable upon withdrawal of proposal.

Name of Property Owner: Instrust Properties, LTD

Telephone Number: 254-717-4143

Mailing Address: PO Box 20545, Waco, TX 76702-0545

Email Address: cliles@hotmail.com

Signature of Property Owner: 

Date: 7/26/2022

Name of Applicant/Representative: Sensato Development

Telephone Number: 254-774-7688

Mailing Address: 6 South 1st Street, Temple, TX 76501

Email Address: mike@sensato.dev

Signature of Applicant/Representative: 

Date: 7-26-2022

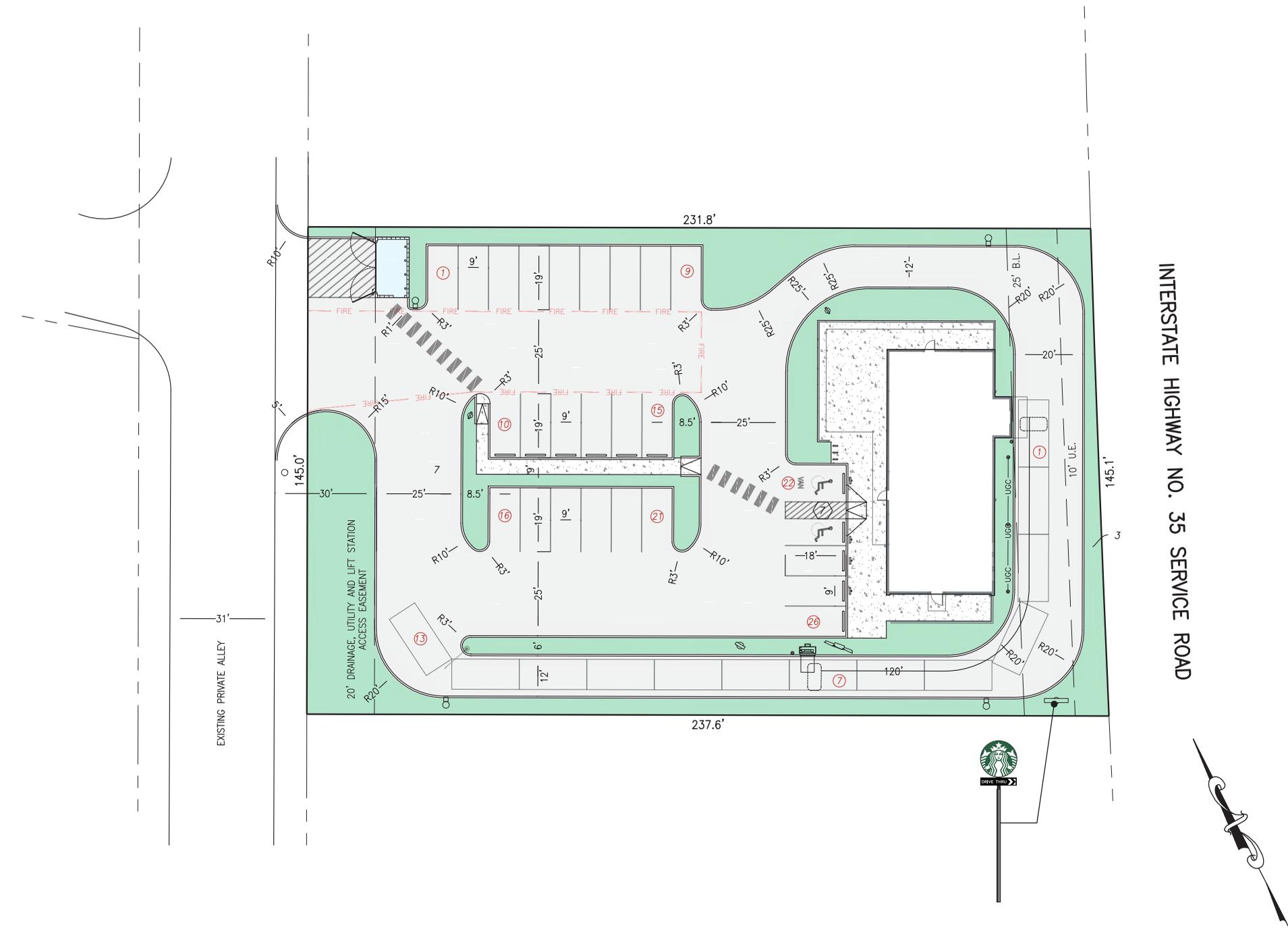


STARBUCKS
325 ENTERPRISE
HEWITT, TX. 76643

JULY 27, 2022
DRAFT 2

SCOPE OF WORK

- 1** FABRICATE & INSTALL ONE (1) DOUBLE-SIDED PYLON SIGN



SITE PLAN

CLIENT: STARBUCKS	SCALE: NTS
DRAWING: 9367_SITE R.1	CUSTOMER APPROVAL:
DATE: 7.27.22	LANDLORD APPROVAL:

Please be advised the attached artwork is the property of Liberty Signs, Inc. and is protected under U.S. copyright law. It is provided for your information and review only. The distribution or utilization of this artwork is strictly prohibited without the written permission of Liberty Signs, Inc.





PYLON SIGN

CLIENT: STARBUCKS	SCALE: 1/8"=1'-0"
DRAWING: 9367_1B	CUSTOMER APPROVAL:
DATE: 7.27.22	LANDLORD APPROVAL:

Please be advised the attached artwork is the property of Liberty Signs, Inc. and is protected under U.S. copyright law. It is provided for your information and review only. The distribution or utilization of this artwork is strictly prohibited without the written permission of Liberty Signs, Inc.



- BLACK RAIL #7021M/BLACK BLOCKOUT FILM
- #3630-76 HOLLY GREEN

ORDINANCE NO. 2022-12

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS
GRANTING A VARIANCE TO SECTION 58-7(p) SIGN REQUIREMENTS FOR
NON-RESIDENTIAL USES OF THE CODE OF ORDINANCES OF THE CITY OF
HEWITT, TEXAS TO ALLOW FOR SIGN REQUESTED BY DEVELOPMENT
LOCATED AT 325 ENTERPRISE BLVD., HEWITT, TEXAS (STARBUCKS)**

CAME ON FOR CONSIDERATION a variance request by Sensato Development (“Applicant”) for a pylon sign to be located at its development at 325 Enterprise BLVD., Hewitt, Texas. The development meets the requirements of developments adjacent to IH-35, qualifying to apply for a variance under Section 58-2.1 of the Hewitt Code of Ordinances. After a public hearing on the variance the City Council considered and acted on the variance request.

Based on the information provided it is FOUND that the Applicant is entitled to the variance requested because:

- 1) the topography or other special condition of the property not caused by the applicant supports granting the variance to improve sign visibility; and/or
- 2) intervening structures or signs would block or substantially block the view from the Interstate of a sign standardly required in this Chapter, and the variance would enhance sign visibility

It is further FOUND that:

- a) The requested sign will not block the view from Enterprise Blvd. of any other sign or structure, or otherwise have a serious adverse effect on the use and enjoyment of neighboring properties;
- b) The applicant will suffer a substantial hardship if the variance is not granted due to less utilization of its development;
- c) Granting the variance would not be contrary to the public interest and is within the spirit of the ordinance and past practices; and
- d) The variance would further substantial justice and fairness.

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS THAT:

1. The recitals set forth above are incorporated and made findings of fact; and
2. The variance requested by Sensato Development (Starbucks) for a 40-foot-tall pylon sign with a facing of approximately 80 square feet is approved to be located at its development at 325 Enterprise Blvd., Hewitt, Texas is GRANTED.

PASSED AND APPROVED: September ____, 2022.

Steve Fortenberry, Mayor
City of Hewitt, Texas

Attest:

Lydia Lopez
City Secretary

APPROVED AS TO FORM AND LEGALITY:

Michael W. Dixon, City Attorney

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 19, 2022

AGENDA ITEM #: 3

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Approve minutes of the City Council Workshop/Regular Meeting of August 15, 2022.

STAFF RECOMMENDATION/ITEM SUMMARY:

Attached is a draft copy of the meeting minutes. Please review and advise if any corrections are needed.

FISCAL IMPACT:

Amount Budgeted – N/A
Line Item in Budget – N/A

SUGGESTED MOTION:

I move approval of the minutes as presented but to allow for corrections.

ATTACHMENTS:

Draft minutes

HEWITT TEXAS

CITY COUNCIL WORKSHOP/REGULAR MEETING

August 15, 2022 at 6:30 PM

Hewitt City Hall, 200 Patriot Court, Hewitt, TX 76643

MINUTES

Steve Fortenberry, Mayor, Ward 3

Michael S. Bancale, Mayor Pro Tem, At-Large – **Charlie Turner**, Council Member, Ward 1

Johnny Stephens, Council Member, Ward 1 – **Johnny Price**, Council Member, Ward 2

Bob Potter, Council Member, Ward 2 – **Erica Bruce**, Council Member, Ward 3

Pursuant to Texas Government Code Sec. 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of the members will be physically present at the location noted above on this agenda.

WORKSHOP MEETING - 6:30 PM

DECLARATION OF A QUORUM AND CALL TO ORDER

Mayor Steve Fortenberry called the Workshop Meeting to order at 6:00 PM and announced all members were present with Council Member Erica Bruce joining remotely.

WORKSHOP AGENDA

1. **BRIEFING AND DISCUSSION CONCERNING THE SPECIAL PERMIT REQUEST FOR AN ELECTRICAL SUBSTATION (AGENDA ITEM #3).** City Manager Bo Thomas presented a brief summary of request.
2. **DISCUSSION CONCERNING PROPOSED BUDGET FOR FY 2022-2023.** City Manager Bo Thomas presented the latest sales tax information and recapped the certified values presented at the last meeting.

WORKSHOP ADJOURNMENT

MOTION: Council Member Charlie Turner moved to adjourn the Workshop Meeting at 6:44 PM.

SECOND: Council Member Bob Potter

AYES: Bruce, Potter, Price, Stephens, Turner, Bancale, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED.

REGULAR MEETING - 7:00 PM

DECLARATION OF A QUORUM AND CALL TO ORDER

Mayor Steve Fortenberry called the Regular Meeting to order at 7:02 PM and announced all members were present with Council Member Erica Bruce joining remotely.

PLEDGE OF ALLEGIANCE

Mayor Steve Fortenberry led the Pledge of Allegiance.

PUBLIC COMMENTS

The City Council invites citizens to speak on any topic not already scheduled for a public hearing. The Texas Open Meetings Act prohibits the Council from discussing, responding to, or acting on any comments or items not properly posted on the agenda.

Mayor Steve Fortenberry inquired if any citizens submitted public comment forms. City Secretary Lydia Lopez stated she received no public comment forms. No one appeared.

PUBLIC HEARINGS AND RELATED ACTION

3. PUBLIC HEARING AND ACTION ON RESOLUTION NO. 2022-08 APPROVING A REQUEST FOR A SPECIAL PERMIT FOR AN ELECTRICAL SUBSTATION LOCATED AT THE NORTHEAST CORNER OF SPRING VALLEY RD. AND N. OLD TEMPLE RD. AS PRESCRIBED IN PART 4 OF APPENDIX-A ZONING OF THE CODE OF ORDINANCES OF THE CITY OF HEWITT.

City Manager Bo Thomas presented. Mayor Steve Fortenberry opened the hearing at 7:02 pm. Mayor Fortenberry called for those wishing to speak in favor. Rob Meyers, Kimley-Horn, 6160 Warren Parkway, Frisco, Texas, representing the Oncor/TXU Electric Delivery appeared in support. Seth Sampson, Oncor/TXU Electric Delivery Service Company, responded to questions and concerns.

Mayor Fortenberry called for those in opposition. The following appeared in opposition: Robert Lopez, 101 Briar Ridge, and Kirk Case, 105 Briar Ridge, and Jeanne Passalugo, 137 E Chapman. General discussion concerning noise level from substation, interference with tv and internet services, property values, safety, and security.

Mayor Fortenberry allowed for rebuttals. The public hearing was closed at 7:40 PM.

MOTION: Council Member Bob Potter moved to approve **Resolution No. 2022-08** authorizing a Special Permit request by Kimley-Horn for Oncor/TXU Electric Delivery Service Company for an electrical substation on the property know as O’Campo C A-32 Tract 1C2.

SECOND: Council Member Johnny Stephens

AYES: Bruce, Potter, Price, Stephens, Turner, and Fortenberry

NAYES: Bancale

ABSENT: None

MOTION PASSED.

4. CONDUCT THE SECOND OF TWO PUBLIC HEARINGS ON THE 2022 TAX RATE.

City Manager Bo Thomas presented. Mayor Steve Fortenberry opened the hearing at 7:43 PM. He called for those speaking in favor. He called for those speaking against. No one appeared. The public hearing was closed at 7:44 PM.

REGULAR AGENDA ITEMS

5. CONSIDER APPROVAL OF MINUTES OF THE WORKSHOP/REGULAR MEETING OF AUGUST 01, 2022, AND THE SPECIAL CALLED MEETING OF AUGUST 08, 2022.

MOTION: Council Member Charlie Turner moved approval of the meeting minutes as presented but to allow for corrections.

SECOND: Council Member Bob Potter

AYES: Bruce, Potter, Price, Stephens, Turner, Bancale, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED

6. DISCUSSION AND ACTION ON ORDINANCE NO. 2022-10 ACCEPTING THE 2022 CERTIFIED TAX ROLL. City Manager Bo Thomas read the ordinance caption into the record.

MOTION: Council Member Johnny Stephens moved approval of **Ordinance No. 2022-10** accepting the 2022 Certified Tax Roll.

SECOND: Council Member Johnny Price

City Secretary Lydia Lopez polled the Council for vote.

AYES: Bruce, Potter, Price, Stephens, Turner, Bancale, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED

Mayor reordered the agenda as follows:

10. DISCUSSION AND ACTION ON ORDINANCE NO. 2022-12 ADOPTING THE FY 2022-2023 ANNUAL OPERATING AND CAPITAL BUDGET.

MOTION: Council Member Bob Potter moved approval of **Ordinance No. 2022-12** adopting the FY 2022-2023 Annual Operating and Capital Budget.

SECOND: Council Member Charlie Turner

City Secretary Lydia Lopez polled the Council for vote.

AYES: Bruce, Potter, Price, Stephens, Turner, Bancale, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED

7. DISCUSSION AND ACTION ON ORDINANCE NO. 2022-11 ADOPTING THE 2022 TAX RATE OF \$.540102. City Manager presented and read the ordinance caption. Mayor Pro Tem Bancale reiterated that the property tax rate of .540102 remains the same as the previous year and the rate was not increased.

MOTION: Mayor Pro Tem Michael Bancale moved approval of **Ordinance No. 2022-11** adopting the 2022 tax rate of .540102, which by adoption increases the property tax rate by 10.4%.

SECOND: Council Member Johnny Stephens

City Secretary Lydia Lopez polled the Council for vote.

AYES: Bruce, Potter, Price, Stephens, Turner, Bancale, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED

- 8. DISCUSSION AND ACTION ON RESOLUTION NO. 2022-09 APPROVING FY 2022-2023 MASTER FEE SCHEDULE.** City Manager Bo Thomas presented changes in the fee schedule.

MOTION: Council Member Johnny Stephens moved approval of **Resolution No. 2022-09** adopting the updated Master Fee Schedule.

SECOND: Council Member Charlie Turner

City Secretary Lydia Lopez polled the Council for vote.

AYES: Bruce, Potter, Price, Stephens, Turner, Bancale, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED

Agenda item 10 can be found on the page 3.

- 9. DISCUSSION AND ACTION ON RATIFICATION OF THE PROPERTY TAX INCREASE REFLECTED IN THE BUDGET.** City Manager Bo Thomas presented.

MOTION: Mayor Pro Tem Michael Bancale moved to ratify the property tax increase reflected in the budget.

SECOND: Council Member Bob Potter

City Secretary Lydia Lopez polled the Council for vote.

AYES: Bruce, Potter, Price, Stephens, Turner, Bancale, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED

- 11. BRIEFING AND DISCUSSION CONCERNING FINANCIAL STATEMENTS ENDING JULY 31, 2022.** City Manager Bo Thomas advised that Finance Director Lee Garcia previously sent the July Financial Statements electronically for the Council to review and inquired if Council had any questions. Council raised no questions or concerns. **No action was required.**

- 12. DISCUSSION AND ACTION TO RATIFY THE EXPENDITURE OF \$102,036 FOR THE EMERGENCY REPAIR OF MCLEMORE WELL PUMP, MOTOR, AND OTHER EQUIPMENT AT PLANT #2 TO JURGENSEN PUMP, LLC.** City Manager Bo Thomas presented.

MOTION: Council Member Bob Potter moved to ratify the expenditure in the amount of \$102,036 to Jurgensen Pump, LLC for repairs at Plant #2 – McLemore Well.

SECOND: Council Member Johnny Price

AYES: Bruce, Potter, Price, Stephens, Turner, Bancale, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED

Item not on listed agenda. City Manager Bo Thomas announced that the next Council Meeting falls on Labor Day holiday, September 5, 2022, and unless Council has objection, we will not meet again until September 19, 2022. There were no objections.

ADJOURNMENT

MOTION: Council Member Johnny Price moved to adjourn the Regular Meeting at 8:08 PM.

SECOND: Council Member Charlie Turner

AYES: Bruce, Potter, Price, Stephens, Turner, Bancale, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED.

Approved: _____

ATTEST:

Lydia Lopez, City Secretary

Steve Fortenberry, Mayor

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 19, 2022

AGENDA ITEM #: 4

SUBMITTED BY: Wanda Brooks

ITEM DESCRIPTION:

Discussion on items deemed surplus inventory by Council sold at auction.

STAFF RECOMMENDATION/ITEM SUMMARY:

Items approved by the Council as surplus inventory were sold at auction during July. The return on the items totaled \$34,450.00.

FISCAL IMPACT:

Amount Budgeted – N/A
Line Item in Budget – N/A

SUGGESTED MOTION:

No action is required.

ATTACHMENTS:

None

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 19, 2022

AGENDA ITEM #: 5

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Briefing and discussion concerning Financial Statements ending August 31, 2022.

STAFF RECOMMENDATION/ITEM SUMMARY:

The financial statements ending August 31, 2022, were sent electronically on September 12, 2022. This is an opportunity for the council to ask any questions or make comments.

FISCAL IMPACT:

Amount Budgeted – N/A
Line Item in Budget – N/A

SUGGESTED MOTION:

No action is required.

ATTACHMENTS:

None

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 19, 2022

AGENDA ITEM #: 6

SUBMITTED BY: Miles Whitney, P.E.

ITEM DESCRIPTION:

Presentation of the report from City Engineer Miles Whitney, P.E.

- Update on pending utility projects.
- Update on pending street projects.
- Update on pending drainage projects.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City Engineer will present and respond to any questions regarding the Engineer's Report.

FISCAL IMPACT:

Amount Budgeted – N/A
Line Item in Budget – N/A

SUGGESTED MOTION:

No action is required.

ATTACHMENTS:

Report

HEWITT TEXAS

CITY ENGINEER'S REPORT
September 13, 2022

Utility Projects

See E. Warren St. Imp.

Commerce Park Plant Improvements

- Well
 - Currently we are having permitting and groundwater modeling discussions with the Southern Trinity Groundwater Conservation District (STGCD). The Council will be asked to authorize the City Manager the ability to sign the permits, on behalf of the City of Hewitt.
- Plant
 - Site topo has been performed and geotechnical bores are to me performed shortly.

Street/Transportation Projects

E. Warren Street Improvements

Work on the project continues. Contractor is working on grading and installing the ribbon curb.

Drainage Projects

N/A

By:



Miles W. Whitney, P.E.

Note: All dates are approximate and subject to change.

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 19, 2022

AGENDA ITEM #: 7

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Discussion and action on **Resolution No. 2022-10** approving a negotiated settlement between the Atmos Cities Steering Committee (“ACSC”) and Atmos Energy Corp., Mid-Tex Division regarding the company’s 2022 Rate Review Mechanism filings.

STAFF RECOMMENDATION/ITEM SUMMARY:

The Atmos Cities Steering Committee (ACSC) and legal counsel recommend that all cities adopt the resolution with its attachments approving the negotiated rate settlement resolving the 2022 RRM Filing, and implementing the rate change. Included as backup is a model staff report and resolution.

Staff recommends approval.

FISCAL IMPACT:

Amount Budgeted – NA
Line Item in Budget – NA

SUGGESTED MOTION:

I move approval of Resolution No. 2022-10 approving a negotiated settlement between Atmos Cities Steering Committee (“ACSC”) and Atmos Energy Corp., Mid-Tex Division.

ATTACHMENTS:

Model Staff Report w/Attachments
Resolution

July 28, 2022

MODEL STAFF REPORT FOR RESOLUTION OR ORDINANCE

BACKGROUND AND SUMMARY

The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2022, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2021, entitled it to additional system-wide revenues of \$141.3 million.

Application of the standards set forth in ACSC’s RRM Tariff reduces the Company’s request to \$115 million, \$83.26 million of which would be applicable to ACSC members. ACSC’s consultants concluded that the system-wide deficiency under the RRM regime should be \$95.8 million instead of the claimed \$141.3 million.

The Executive Committee recommends a settlement at \$115 million. The Effective Date for new rates is October 1, 2022. ACSC members should take action approving the Resolution/Ordinance before September 30, 2022.

RATE TARIFFS

Atmos generated rate tariffs attached to the Resolution/Ordinance will generate \$115 million in additional revenues. Atmos also prepared a Proof of Revenues supporting the settlement figures. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

BILL IMPACT

The impact of the settlement on average residential rates is an increase of \$4.60 on a monthly basis, or 6.7 percent. The increase for average commercial usage will be \$14.34 or 4.3 percent. Atmos provided bill impact comparisons containing this figures.

SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When

new rates become effective on October 1, 2022, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates.

Comparison to Other Mid-Tex Rates (Residential)

	<u>Average Bill</u>	<u>Compared to RRM Cities</u>
RRM Cities:	\$73.22	-
DARR:	\$71.96	(\$1.26)
ATM Cities:	\$78.72	\$5.50
Environs:	\$78.53	\$5.31

Note: DARR rate is as-filed 1/22/22. Also note that DARR uses a test year ending in September rather than December.

EXPLANATION OF “BE IT RESOLVED” PARAGRAPHS:

1. This section approves all findings in the Resolution/Ordinance.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks like the explosion in North Dallas or the evacuation in Georgetown.
4. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional \$115 million from ACSC Cities.
5. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
6. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution/Ordinance approving new rate tariffs.
7. This section repeals any resolution or ordinance that is inconsistent with the Resolution/Ordinance.

8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
9. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution/Ordinance. This section further directs that the remaining provisions of the Resolution/Ordinance are to be interpreted as if the offending section or clause never existed.
10. This section provides for an effective date upon passage.
11. This section directs that a copy of the signed Resolution/Ordinance be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover \$141.3 million in additional system-wide revenues, the RRM settlement at \$115 million for ACSC Cities reflects substantial savings to ACSC Cities. Settlement at \$115 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution/Ordinance before September 30, 2022. New rates become effective October 1, 2022.

**ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2021**

Line No.						<u>Current</u>	<u>Proposed</u>	<u>Change</u>
1	Rate R @ 43.8 Ccf							
2	Customer charge					\$ 20.85		
3	Consumption charge	43.8	CCF	X \$ 0.27979 =		12.25		
4	Rider GCR Part A	43.8	CCF	X \$ 0.35744 =		15.66		
5	Rider GCR Part B	43.8	CCF	X \$ 0.35918 =		15.73		
6	Subtotal					<u>\$ 64.49</u>		
7	Rider FF & Rider TAX		\$ 64.49	X 0.06408 =		4.13		
8	Total					<u><u>\$ 68.62</u></u>		
9								
10	Customer charge						\$ 21.55	
11	Consumption charge	43.8	CCF	X \$ 0.36223 =		15.87		
12	Rider GCR Part A	43.8	CCF	X \$ 0.35744 =		15.66		
13	Rider GCR Part B	43.8	CCF	X \$ 0.35918 =		15.73		
14	Subtotal					<u>\$ 68.81</u>		
15	Rider FF & Rider TAX		\$ 68.81	X 0.06408 =		4.41		
16	Total					<u><u>\$ 73.22</u></u>	\$ 4.60	
17								6.71%
18								
19	Rate C @ 345.7 Ccf							
20	Customer charge					\$ 56.50		
21	Consumption charge	345.7	CCF	X \$ 0.12263 =		42.39		
22	Rider GCR Part A	345.7	CCF	X \$ 0.35744 =		123.56		
23	Rider GCR Part B	345.7	CCF	X \$ 0.26532 =		91.71		
24	Subtotal					<u>\$ 314.16</u>		
25	Rider FF & Rider TAX		\$ 314.16	X 0.06408 =		20.13		
26	Total					<u><u>\$ 334.29</u></u>		
27								
28	Customer charge						\$ 63.50	
29	Consumption charge	345.7	CCF	X \$ 0.14137 =		48.87		
30	Rider GCR Part A	345.7	CCF	X \$ 0.35744 =		123.56		
31	Rider GCR Part B	345.7	CCF	X \$ 0.26532 =		91.71		
32	Subtotal					<u>\$ 327.64</u>		
33	Rider FF & Rider TAX		\$ 327.64	X 0.06408 =		20.99		
34	Total					<u><u>\$ 348.63</u></u>	\$ 14.34	
35								4.29%

**ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2021**

Line No.						<u>Current</u>	<u>Proposed</u>	<u>Change</u>
36	Rate I @ 4278 MMBTU							
37	Customer charge					\$ 1,054.75		
38	Consumption charge	1,500	MMBTU	X \$ 0.4330 =	649.50			
39	Consumption charge	2,778	MMBTU	X \$ 0.3171 =	880.80			
40	Consumption charge	0	MMBTU	X \$ 0.0680 =	-			
41	Rider GCR Part A	4,278	MMBTU	X \$ 3.4906 =	14,931.86			
42	Rider GCR Part B	4,278	MMBTU	X \$ 0.5485 =	<u>2,346.33</u>			
43	Subtotal					\$ 19,863.24		
44	Rider FF & Rider TAX			X 0.06408 =	<u>1,272.82</u>			
45	Total					<u>\$ 21,136.06</u>		
46								
47	Customer charge						\$ 1,204.50	
48	Consumption charge	1,500	MMBTU	X \$ 0.4939 =		740.85		
49	Consumption charge	2,778	MMBTU	X \$ 0.3617 =		1,004.69		
50	Consumption charge	0	MMBTU	X \$ 0.0776 =		-		
51	Rider GCR Part A	4,278	MMBTU	X \$ 3.4906 =		14,931.86		
52	Rider GCR Part B	4,278	MMBTU	X \$ 0.5485 =		<u>2,346.33</u>		
53	Subtotal						\$ 20,228.23	
54	Rider FF & Rider TAX			X 0.06408 =		<u>1,296.21</u>		
55	Total					\$ 20,228.23	<u>\$ 21,524.44</u>	\$ 388.38
56								1.84%
57	Rate T @ 4278 MMBTU							
58	Customer charge					\$ 1,054.75		
59	Consumption charge	1,500	MMBTU	X \$ 0.4330 =	649.50			
60	Consumption charge	2,778	MMBTU	X \$ 0.3171 =	880.80			
61	Consumption charge	0	MMBTU	X \$ 0.0680 =	-			
62	Rider GCR Part B	4,278	MMBTU	X \$ 0.5485 =	<u>2,346.33</u>			
63	Subtotal					\$ 4,931.38		
64	Rider FF & Rider TAX			X 0.06408 =	<u>316.00</u>			
65	Total					\$ 4,931.38	<u>\$ 5,247.38</u>	
66								
67	Customer charge						\$ 1,204.50	
68	Consumption charge	1,500	MMBTU	X \$ 0.4939 =		740.85		
69	Consumption charge	2,778	MMBTU	X \$ 0.3617 =		1,004.69		
70	Consumption charge	0	MMBTU	X \$ 0.0776 =		-		
71	Rider GCR Part B	4,278	MMBTU	X \$ 0.5485 =		<u>2,346.33</u>		
72	Subtotal						\$ 5,296.37	
73	Rider FF & Rider TAX			X 0.06408 =		<u>339.39</u>		
74	Total					\$ 5,296.37	<u>\$ 5,635.76</u>	\$ 388.38
75								7.40%

RESOLUTION NO. 2022-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2022 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

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

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

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the

Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

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

WHEREAS, on about April 1, 2022, Atmos Mid-Tex filed its 2022 RRM rate request with ACSC Cities based on a test year ending December 31, 2021; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2022 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$115 million on a system-wide basis with an Effective Date of October 1, 2022; and

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

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

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

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

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

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

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

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$115 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2022 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

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

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$115 on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

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

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2022 RRM filing.

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

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

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

Section 10. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2022.

Section 11. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 19TH DAY OF SEPTEMBER, 2022.

Steve Fortenberry, Mayor

ATTEST:

Lydia Lopez, City Secretary

APPROVED AS TO FORM:

Michael W. Dixon, City Attorney

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 21.55 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 21.60 per month
Commodity Charge – All <u>Ccf</u>	\$0.36223 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2022.

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 63.50 per month
Rider CEE Surcharge	(\$ 0.01) per month ¹
Total Customer Charge	\$ 63.49 per month
Commodity Charge – All Ccf	\$ 0.14137 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2022.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,204.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4939 per MMBtu
Next 3,500 MMBtu	\$ 0.3617 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0776 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailement Overpull Fee

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,204.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4939 per MMBtu
Next 3,500 MMBtu	\$ 0.3617 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0776 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer’s deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled “Daily Price Survey.”

Replacement Index

In the event the “midpoint” or “common” price for the Katy point listed in *Platts Gas Daily* in the table entitled “Daily Price Survey” is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company’s Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.58	0.1422	88.85	0.6666
Austin	9.90	0.1372	233.56	0.7819
Dallas	14.17	0.1938	186.38	0.9394
Waco	10.07	0.1308	140.10	0.7170
Wichita Falls	11.43	0.1398	131.57	0.5610

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATTACHMENT 2

**ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2021**

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan	Post-Employment Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2022 Willis Towers Watson Report as adjusted (1) (2) (3)	\$ 1,715,323	\$ 982,708	\$ 3,137,022	\$ 313,319	\$ (341,412)	
2	Allocation to Mid-Tex	44.72%	44.72%	76.88%	100.00%	76.88%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 767,038	\$ 439,436	\$ 2,411,882	\$ 313,319	\$ (262,493)	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)	\$ 767,038	\$ 439,436	\$ 2,411,882	\$ 313,319	\$ (262,493)	\$ 3,669,182
6							
7							
8	Summary of Costs to Approve (1):						
9							
10	O&M Expense Factor (WP_F-2.3, Ln 2)	79.88%	79.88%	38.60%	11.00%	38.60%	
11							
12							
13	Total Pension Account Plan	\$ 612,700		\$ 931,100			\$ 1,543,800
14	Total Post-Employment Benefit Plan		\$ 351,016			\$ (101,335)	249,681
15	Total Supplemental Executive Benefit Plan				\$ 34,465		34,465
16	Total (Ln 13 + Ln 14 + Ln 15)	\$ 612,700	\$ 351,016	\$ 931,100	\$ 34,465	\$ (101,335)	\$ 1,827,946

Notes:

1. Studies not applicable to Mid-Tex or Shared Services are omitted.
2. Mid-Tex is proposing that the Fiscal Year 2022 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods includes only the expense amount.
3. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CAM.
3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 19, 2022

AGENDA ITEM #: 8

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Discussion and action on **Resolution No. 2022-11** authorizing the City Manager to execute and submit an application to the Southern Trinity Groundwater Conservation District (STGCD) for the construction of the Commerce Park Water Well.

STAFF RECOMMENDATION/ITEM SUMMARY:

On March 7, 2022, the Council approved Resolution No. 2022-04 authorizing the Hewitt and Commerce Park Water System Improvement project(s) for the American Rescue Plan Act funding, administered by the U.S. Department of the Treasury and the Texas Division of Emergency Management.

Then, on July 5, 2022, the Council authorized the City Manager to enter into a contract with Walker Partners/Cayote Consulting, LLC for the engineering services to develop a new water well and associated facilities.

The next step is to apply with the STGCD. If the Council approves this item, the plan is to present it to the STGCD at their November Board Meeting.

FISCAL IMPACT:

Amount Budgeted – NA
Line Item in Budget – NA

SUGGESTED MOTION:

I move approval of Resolution No. 2022-11 authorizing the City Manager to execute and submit an application to the STGCD for construction of the Commerce Park Water Well.

ATTACHMENTS:

Resolution

RESOLUTION NO. 2022-11

**A RESOLUTION OF THE CITY OF HEWITT, TEXAS,
AUTHORIZING THE CITY MANAGER TO EXECUTE AND
SUBMIT AN APPLICATION TO THE SOUTHERN TRINITY
GROUNDWATER CONSERVATION DISTRICT FOR
CONSTRUCTION OF THE COMMERCE PARK WATER
WELL.**

WHEREAS, the City of Hewitt has acquired funds through the American Rescue Plan Act (ARP Act) to fund project - The Hewitt and Commerce Park Water System Improvements; and

WHEREAS, the City of Hewitt is seeking to drill a water well that will provide 500 gallons per minute of drinking water to the residents of Hewitt.

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

SECTION 1. That the City Manager is authorized to execute and make an application through the Southern Trinity Groundwater Conservation District to begin the construction of the Commerce Park Water well, which is a part of The Hewitt and Commerce Park Water System Improvements, a project(s) financed by the ARP Act.

SECTION 2. That the City Manager is further authorized to furnish any additional information and documentation needed in connection with this application and to execute all documents necessary for submission of this application.

It is hereby officially found and determined that the meeting at which this resolution is passed was noticed and has been open to the public required by law.

PASSED AND APPROVED on this the 19th day of September, 2022.

CITY OF HEWITT, TEXAS

Steve Fortenberry, Mayor

ATTEST:

Lydia Lopez, City Secretary

APPROVED AS TO FORM & LEGALITY:

Michael W. Dixon, City Attorney

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 19, 2022

AGENDA ITEM #: 9

SUBMITTED BY: Jonathan Christian, Fire Chief

ITEM DESCRIPTION:

Discussion and possible action on **Resolution No. 2022-12** authorizing the City Manager or his designee to enter into mutual aid agreements with fire and rescue agencies within McLennan County.

STAFF RECOMMENDATION/ITEM SUMMARY:

This resolution will allow the City Manager or his designee to enter into mutual aid agreements with other county fire and rescue agencies. These agreements will enable agencies to assist one another without incurring additional liability or expenses related to other agencies and provide the opportunity for reimbursement of state and federal funds during large-scale emergencies.

FISCAL IMPACT:

Amount Budgeted – NA
Line Item in Budget – NA

SUGGESTED MOTION:

I move approval of Resolution No. 2022-12 authorizing the City Manager or his designee to enter into mutual aid agreements with fire and rescue agencies within McLennan County.

ATTACHMENTS:

Sample Mutual Aid Agreement

RESOLUTION NO. 2022-12

A RESOLUTION OF THE CITY OF HEWITT, TEXAS, APPROVING MUTUAL AID AGREEMENTS BETWEEN THE CITY OF HEWITT FIRE DEPARTMENT AND OTHER FIRE DEPARTMENT AGENCIES WITHIN MCLENNAN COUNTY FOR FIRE AND RESCUE SERVICES, AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY DOCUMENTS IN CONNECTION THEREWITH.

WHEREAS, the City of Hewitt Fire Department and other Fire Department agencies within McLennan County wish to provide mutual aid to each other in the event of emergencies; and

WHEREAS, the Hewitt City Council approves the attached Mutual Aid Agreements regarding the rendering of emergency aid between the City of Hewitt Fire Department and other Fire Department Agencies within McLennan County for fire and rescue services; and

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS:

That the City Manager or his designee, is authorized to execute any documents in connection therewith.

It is hereby officially found and determined that the meeting at which this resolution is passed was noticed and has been open to the public required by law.

PASSED AND APPROVED on this the 19th day of September, 2022.

CITY OF HEWITT, TEXAS

Steve Fortenberry, Mayor

ATTEST:

Lydia Lopez, City Secretary

APPROVED AS TO FORM & LEGALITY:

Michael W. Dixon, City Attorney

- 2.5. This shall not be construed to cause personnel from the responding agency to undertake an assignment which in the opinion of the officer in charge of personnel from the responding agency considers to be unreasonably dangerous or to place the responding agency personnel at an unnecessary risk of injury or death.
- 2.6. At all fire emergency scenes or any other scene where water is applied, the responding agency shall NOT be responsible for controlling, cleaning up, or otherwise dealing with the water run off as may be required by state law and/or the Texas Natural Resources and Conservation Commission [TNRCC]. The responding agency shall NOT be responsible for dealing with any hazardous wastes or hazardous materials cleanup.
3. **Compensation & Benefits.** Paid personnel who provide services pursuant to this agreement while on duty for their employing agency shall be entitled to the same wage, salary, pension, benefits, and all other compensation and all other rights for such service, including injury, death or disability benefits, the same as though the service had been rendered for the agency which regularly employs said personnel. For all purposes, while traveling to and from the site of the assistance and while engaged in providing the assistance, the personnel shall be treated as being in the line of duty of the agency regularly employing the personnel. These shall be paid by the agency regularly employing the personnel. Personnel who are volunteers and who provide services under this agreement shall only be entitled to the benefits to which said personnel are entitled while in the service of the volunteer fire department, which shall be responsible for providing the benefits.
4. **Other Expenses.** All costs associated with the use of any equipment; damage to equipment or clothing; replacement of lost, damaged, or destroyed equipment, as a result of providing assistance pursuant to this agreement, shall be the responsibility of the agency owning such equipment.
5. **Liability.**
- 5.1. Pursuant to Section 791.006 of the Texas Government Code, a governmental unit responsible for furnishing services in the absence of this agreement is responsible for any civil liability that arises from the furnishing of the services. The agency receiving assistance accepts responsibility for any loss or damage for which the agency receiving assistance is responsible as determined and required by the Interlocal Cooperation Act.
- 5.2. Each party to this agreement waives all claims against the other party and releases the elected officials, officers, employees, and agents of the other party for any loss, damage, personal injury, or death occurring as a consequence of the performance of this agreement. However, this waiver shall not apply in those cases in which the claim results from the failure of either party to accept responsibility for any civil liability for which a requesting agency is responsible as determined and required by the Interlocal Cooperation Act, TEX.GOV.T.CODE Chapter 791. Should a responding agency have to file a lawsuit against

a requesting agency to get the requesting agency to accept responsibility placed on it by Chapter 791, the requesting agency will be responsible for paying all costs of that litigation, including reasonable attorney's fees.

6. **Other Agreements**, in as much as it is probable that the pattern and detail of the arrangements for assistance aid among two (2) or more cities or counties may differ from what is appropriate among other cities or counties, nothing herein contained shall preclude either party from entering into another agreement with another city or county or volunteer fire department. Such agreements may comprehend, but shall not be limited to, provisions for evacuation and reception of injured and other persons, and the exchange of medical care, fire, police, public utility, reconnaissance, welfare, transportation and communications personnel, equipment and supplies.
7. **Savings Clause.** This agreement shall be construed to effectuate the purpose stated in Section 1 hereof. If any provision of this agreement is declared unconstitutional, or the applicability thereof to any persons or circumstances is held invalid, the constitutionality of the remainder of the agreement and the applicability thereof to other persons or circumstances shall not be affected thereby.
8. **Administration.** The organization and administrative agent for the Hewitt FD for the administration of this agreement, including all notices herein required, shall be the Fire Chief for the Hewitt FD or his designated representative. The organization and administrative agent for the Waco FD for the administration of this agreement as aforesaid shall be the City Manager or his designated representative.
9. **Term of Agreement.** This agreement shall go into full force and effect upon execution by both the Hewitt FD and the Waco FD and shall continue in full force and effect indefinitely unless cancelled by either party in accordance section 10 below.
10. **Termination of Agreement.** Either party may terminate the agreement for any reason at any time by giving written notice to the administrative agent designated herein at least forty-five (45) days prior to a proposed termination date.
11. **Amendments:** This agreement can be supplemented and/or amended only by a dated written document executed by both parties.
12. **Multiple Copies:** This agreement may be executed in multiple counterparts each of which constitutes an original.
13. **Misspelled Words:** Misspelling of one or more words in this agreement shall not void this agreement. Such misspelled words shall be read so as to have the meaning apparently intended by the parties.

EXECUTED this _____ of _____, 20__

THE City of Hewitt Fire Department, TEXAS

BY: _____

Title: _____

ATTEST:

BY: _____

Title: _____

APPROVED AS TO FORM and LEGALITY:

BY: _____

Title: _____

THE City of -----, Texas/ ----- Fire Department

BY: _____

Title: _____

ATTEST:

BY: _____

Title: _____

APPROVED AS TO FORM and LEGALITY:

BY: _____

Title: _____

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 19, 2022

AGENDA ITEM #: 10

SUBMITTED BY: Jim Devlin, Police Chief

ITEM DESCRIPTION:

Discussion and action on **Resolution No. 2022-13** authorizing submission of FY 2023 Bullet-Resistant Shield Grant from Office of the Governor for Hewitt Police School Resource Officer Ballistic Shield Project.

STAFF RECOMMENDATION/ITEM SUMMARY:

The Hewitt Police Department is submitting a grant application to the Office of the Governor to receive funding for (3) Ballistic Shields for the School Resource Officers in an active shooter or another critical incident. The total amount requested via the grant is \$13,552.08.

If the City receives the award, the terms require reimbursement of lost or misused funds.

FISCAL IMPACT:

Amount Budgeted – NA
Line Item in Budget – NA

SUGGESTED MOTION:

I move approval of Resolution No. 2022-13 authorizing the submission of a grant application for the Hewitt Police School Resource Officer Ballistic Shield Project.

ATTACHMENTS:

List supporting documents

RESOLUTION NO. 2022-13

WHEREAS, the City of Hewitt finds it in the best interest of the citizens of citizens of Hewitt and the Midway Independent School District, that the Hewitt Police School Resource Officer Ballistic Shield Project be operated for the 2023; and

WHEREAS, the City of Hewitt agrees to provide applicable matching funds for the said project as required by the Office of the Governor, Criminal Justice Division Bullet-Resistant Shield grant application; and

WHEREAS, the City of Hewitt agrees that in the event of loss or misuse of the Office of the Governor funds, the City of Hewitt assures that the funds will be returned to the Office of the Governor in full.

WHEREAS, the City of Hewitt designates the City Manager as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter, or terminate the grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED that the City of Hewitt approves submission of the grant application for the Hewitt Police School Resource Officer Ballistic Shield Project grant #4617701 to the Office of the Governor.

Passed and approved this 19th day of September, 2022.

THE CITY OF HEWITT, TEXAS

Steve Fortenberry, Mayor

ATTEST:

Lydia Lopez, TRMC/CMC
City Secretary