

September 14, 2020

On this the 14th day of September, 2020 at 6:30 p.m. the City Council of the City of Friona, Texas, convened in regular session at the regular meeting place thereof, in the Friona City Council Chambers, 619 Main Street, the meeting being open to the public and notice of said meeting having been given as prescribed by Chapter 551 of the Government Code, with the members being present and in attendance, to wit:

Greg Lewellen, Mayor Pro Tem
Brent Loflin, Alderman
Bruce Fleming, Alderman
Alan Monroe, Alderman
Leander Davila, City Manager

Others present included: Public Works Director Salvador Garcia, City of Friona
Clint Mears, Friona Star
Kole Glover, Parkhill Smith and Cooper
Alex Guerrero, Panhandle Regional Planning Commission
Kathryn English, Panhandle Regional Planning Commission
Superintendent Jimmy Burns, Friona ISD
Wade Schueler, Citizen

Not present: Ricky White, Mayor
Jeff Stowers, Alderman
Rosa Mendez, City Secretary

Mayor Pro Tem Lewellen called the meeting to order at 6:31 p.m.

ITEM 1 ROLL CALL

The Mayor Pro Tem called roll and announced that a quorum was present.

ITEM 2 INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Pro Tem Lewellen gave the invocation and Alderman Loflin led the Pledge of Allegiance to the United States Flag.

ITEM 3 HEAR PUBLIC COMMENTS.

No public comments.

PUBLIC HEARING:

Mayor Pro Tem Lewellen opened the Public Hearing at 6:32 p.m.

ITEM 4 HEAR COMMENTS FROM THE PUBLIC REGARDING THE PROPOSED CITY BUDGET FOR FISCAL YEAR 2020-2021

No public comments.

ITEM 5 HEAR PUBLIC COMMENTS REGARDING PROPOSED 2020 TAX RATE OF \$0.689400/\$100 VALUATION

No public comments.

Mayor Pro Tem Lewellen closed the Public Hearing at 6:33 p.m.

REGULAR HEARING:

Note: Agenda Items were taken out of order with Item 23 taken up first, then Items 8-13 before returning to the regular order.

ITEM 6 CONSIDER AND TAKE ACTION ON APPROVAL OF THE MINUTES OF THE REGULAR CITY COUNCIL MEETING AUGUST 10, 2020, AND THE AUGUST 31, 2020 SPECIAL BUDGET WORKSHOP MEETING

MOTION The motion was made by Alderman Monroe to approve the minutes of the Regular City Council Meeting August 10, 2020 and the August 31, 2020 Special Budget Workshop Meeting. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 7 CONSIDER AND TAKE ACTION ON A REQUEST FROM FISD SUPERINTENDENT JIMMY BURNS ABOUT PURCHASING PERSONAL PROTECTIVE EQUIPMENT FOR STUDENTS AND STAFF WITH COVID GRANT MONEY

FISD Superintendent Jimmy Burns withdrew his request.

MOTION The motion was made by Alderman Monroe to table the request from FISD Superintendent Jimmy Burns about purchasing personal protective equipment for students and staff with COVID grant money until December 2020. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 8 CONSIDER AND TAKE ACTION ON APPROVAL OF INTERLOCAL AGREEMENT AND RESOLUTION NO. 20.09.14 WITH PANHANDLE REGIONAL PLANNING COMMISSION FOR APPLICATION ASSISTANCE FOR THE 2021-2022 TXCDBG PROGRAM & ASSOCIATED ADMINISTRATION CONSIDERATION IF FUNDED

RESOLUTION NO. 20.09.14

WHEREAS, the City of Friona desires to apply to the Texas Department of Agriculture (TDA) for infrastructure assistance through the 2021/2022 Texas Community Development Block Grant (TxCDBG) program, and;

WHEREAS, the Interlocal Cooperation Act included in Chapter 791 of the Texas Government Code provides for contractual agreements between governmental entities, and;

WHEREAS, 2 CFR 200.318(e) encourages the use of interlocal agreements from the federal level, and;

WHEREAS, the Texas Department of Agriculture has issued a recommendation that communities applying under the 2021/2022 TxCDBG program consider contracting professional services for grant application preparation and potential grant administration (if funded) prior to application submission, and;

WHEREAS, the City of Friona desires to contract the grant application preparation and potential grant administration (if funded) of its 2021/2022 TxCDBG application for Community Development Funds through an interlocal cooperation contractual agreement with the Panhandle Regional Planning Commission (PRPC), and;

WHEREAS, the PRPC shall provide grant application preparation services related to the 2021/2022 TxCDBG program at no cost, and;

WHEREAS, administrative fees related to project management of any funded 2021/2022 TxCDBG project will be agreed to through an amendment to this interlocal agreement if City of Friona receives funding through the 2021/2022 TxCDBG program, and;

NOW THEREFORE BE IT RESOLVED that the City Manager is authorized to execute an interlocal contract with the PRPC under the Interlocal Cooperation Act for grant application preparation and potential grant management (if funded) services for City of Friona's activities related to the 2021/2022 TxCDBG program.

PASSED THIS 14th DAY OF SEPTEMBER, 2020.

Ricky White, Mayor

Attest:

Leander Davila, City Manager

Alex Guerrero from the Panhandle Regional Planning Commission spoke to the city council about the interlocal agreement and the resolution.

MOTION The motion was made by Alderman Fleming to approve the interlocal agreement and Resolution No. 20.09.14 with the Panhandle Regional Planning Commission for the application assistance for the 2021-2022 TXCDBG Program & associated administration consideration if funded. The second to the motion was made by Alderman Monroe and the motion passed with a vote of 4/0.

ITEM 9 CONSIDER AND TAKE ACTION ON APPROVAL OF RESOLUTION NO. 20.09.14A AND PROPOSALS RECEIVED FOR ENGINEERING SERVICES FOR APPLICATION TO THE 2021-2022 TEXAS COMMUNITY DEVELOPMENT PROGRAM & ASSOCIATED ENGINEERING CONSIDERATION IF FUNDED

RESOLUTION NO. 20.09.14A

WHEREAS, the City of Friona is applying for grant assistance under the Texas Community Development Program operated by the Texas Department of Agriculture, and;

WHEREAS, the City of Friona has completed the Request for Proposals process required under the Professional Services Procurement Act, and has ranked those firms submitting proposals based upon qualifications and ability to perform, and;

WHEREAS, the City of Friona believes that _____ is the most qualified of those proposing firms to perform the desired services, and;

WHEREAS, the City of Friona is desirous to use the services of _____ to serve as project engineer for the Community Development Block Grant (CDBG) Application, and, if funded, further negotiations for project engineering will occur under this agreement.;

WHEREAS, the City of Friona and _____ will enter into a contractual agreement for engineering services for the development of a CDBG Application and, if funded, further negotiations for project engineering will occur under this agreement.

NOW THEREFORE BE IT RESOLVED that the City of Friona has selected _____ to provide engineering services for the City's participation in the CDBG Program and hereby authorizes the City Manager to execute any and all documents to effectuate said engineering services contract.

PASSED THIS 14th DAY OF September, 2020.

Ricky White, Mayor

Attest:

Leander Davila, City Manager

City Manager Davila presented the findings to of the engineering scores:

Engineering Firm	Score
GDI Engineers	133 (5)
Brandt Engineers	266 (1)
Parkhill, Smith & Cooper	249 (2)
OJD Engineers	210 (3)
J. Shehan Engineers	206 (4)

MOTION The motion was made by Alderman Fleming to review the top 2 bids and decide on the award of the engineering contract at the October 13, 2020 council meeting. The second to the motion was made by Alderman Monroe and the motion passed with a vote of 4/0.

ITEM 10 CONSIDER AND TAKE ACTION ON APPROVAL OF REQUEST FROM MARCO MALDONADO AT 905 VIRGINIA (ORIGINAL TOWN BLOCK 26, LOT 4) TO EXTEND HIS CARPORT TO THE LIMIT OF HIS PROPERTY

Public Works Director Salvador presented the variance which had all the required signatures on the variance form.

MOTION The motion was made by Alderman Fleming to have this variance presented to the Building Standards Commission before coming back to the city council at their meeting on October 13, 2020. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 11 CONSIDER AND TAKE ACTION ON APPROVAL OF REQUEST FROM VICKIE VASQUEZ AT 510 EAST 9TH (ORIGINAL TOWN BLOCK 26, LOT 5-6) TO BUILD A CARPORT

Public Works Director Salvador presented the variance which had all the required signatures on the variance form.

MOTION The motion was made by Alderman Fleming to have this variance presented to the Building Standards Commission before coming back to the city council at their meeting on October 13, 2020. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 12 CONSIDER AND TAKE ACTION ON APPROVAL OF REQUEST FROM MISTY FRYE TO BUILD A CARPORT AT IVY COTTAGE 1100 PROSPECT (OTIS-FORD BLOCK 2, LOT 1)

Public Works Director Salvador presented the variance which had all the required signatures on the variance form.

MOTION The motion was made by Alderman Fleming to have this variance presented to the Building Standards Commission before coming back to the city council at their meeting on October 13, 2020. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 13 CONSIDER AND TAKE ACTION ON APPROVAL OF REQUEST FROM EVERARDO ACOSTA 1204 EUCLID (MCMILLIAN FERGUSON BLOCK 7 LOT 8-9) TO ENCROACH 12 FEET ON THE CITY EASEMENT TO BUILD A CARPORT

Public Works Director Salvador presented the variance which had all the required signatures on the variance form.

MOTION The motion was made by Alderman Fleming to have this variance presented to the Building Standards Commission before coming back to the city council at their meeting on October 13, 2020. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 14 CONSIDER AND TAKE ACTION TO MOVE OCTOBER 12, 2020 (COLUMBUS DAY) REGULAR CITY COUNCIL MEETING TO TUESDAY OCTOBER 13, 2020 OR ANOTHER DATE

MOTION The motion was made by Alderman Fleming to move the October 12, 2020 (Columbus Day) Regular City Council Meeting to Tuesday, October 13, 2020. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 15 CONSIDER AND TAKE ACTION ON CLOSING CITY HALL SEPTEMBER 29 AND SEPTEMBER 30, 2020 FOR YEAR-END-PROCEDURES

MOTION The motion was made by Alderman Monroe to close City Hall September 29 and September 30, 2020 for year-end-procedures. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 16 CONSIDER AND TAKE ACTION ON APPROVAL OF ORDINANCE NO. 2020.09.14 ADOPTING BUDGET AND MAKING APPROPRIATION FOR SUPPORT OF CITY GOVERNMENT FOR

**THE FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND ENDING
SEPTEMBER 30, 2021**

ORDINANCE NO. 2020.09.14

**AN ORDINANCE OF THE CITY OF FRIONA, TEXAS APPROVING THE
BUDGET AND MAKING APPROPRIATION FOR SUPPORT OF THE CITY
GOVERNMENT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND
ENDING SEPTEMBER 30, 2021**

MOTION The motion was made by Alderman Fleming to approve Ordinance No. 2020.09.14 adopting the budget and making appropriation for support of City Government for the fiscal year beginning October 1, 2020 and ending September 30, 2021.

General Fund	\$2,244,869.00
Water and Sewer Fund	\$1,238,583.00
Interest and Sinking Fund	\$242,355.00
Operations and Maintenance Fund	\$500,235.00
Friona Economic Development Corporation	\$96,770.00
Hotel Occupancy Tax Fund	\$13,270.00
Capital Improvement Project Fund	\$226,419.00

The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

**ITEM 17 CONSIDER AND TAKE ACTION ON APPROVAL OF
ORDINANCE NO. 2020.09.14A ADOPTING TAX RATE OF
\$0.689400/\$100 VALUATION FOR USE AND SUPPORT OF THE
MUNICIPAL GOVERNMENT GENERAL FUND OF THE CITY OF
FRIONA, TEXAS FOR THE FISCAL YEAR BEGINNING
OCTOBER 1, 2020 AND TERMINATING SEPTEMBER 30, 2021**

ORDINANCE NO. 2020.09.14A

**AN ORDINANCE LEVYING TAXES FOR THE USE AND SUPPORT OF THE
MUNICIPAL GOVERNMENT OF THE CITY OF FRIONA, TEXAS GENERAL
FUND FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND**

TERMINATING SEPTEMBER 30, 2021 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FRIONA, TEXAS:

MOTION The motion was made by Alderman Monroe to approve Ordinance No. 2020.09.14A adopting the Tax Rate of \$0.6894/\$100 valuation with \$0.4936 going to the General Fund.

Maintenance and Operation (General Fund) \$0.4936/\$100 valuation.

The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 18 CONSIDER AND TAKE ACTION ON APPROVAL OF ORDINANCE NO. 2020.09.14B ADOPTING TAX RATE OF \$0.689400/\$100 VALUATION FOR USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF FRIONA, TEXAS INTEREST AND SINKING FUND FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND TERMINATING SEPTEMBER 30, 2021

ORDINANCE NO. 2020.09.14B

AN ORDINANCE LEVYING TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF FRIONA, TEXAS INTEREST AND SINKING FUND FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND TERMINATING SEPTEMBER 30, 2021 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FRIONA, TEXAS:

MOTION The motion was made by Alderman Fleming to approve Ordinance No. 2020.09.14B adopting the Tax Rate of \$0.6894/\$100 valuation with \$0.1958 going into the Interest and Sinking Fund.

Debit Service (Interest & Sinking) \$0.1958/\$100 valuation

The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 19 CONSIDER AND TAKE ACTION ON APPROVAL OF ORDINANCE NO. 2020.09.14C AMENDING CODE OF ORDINANCES SECTION 13.307(A) RELATED TO THE COLLECTION OF RESIDENTIAL AND COMMERCIAL GARBAGE AS WELL AS THE COSTS FOR SUCH SERVICE

ORDINANCE NO. 2020.09.14C

AN ORDINANCE AMENDING FRIONA CODE OF ORDINANCES SECTION 13.307(a) RELATED TO THE COLLECTION OF RESIDENTIAL AND COMMERCIAL GARBAGE AS WELL AS THE COSTS FOR SUCH SERVICE

There will be a rate increase for the collection of residential and commercial accounts of 5% or residential customers and 7% for commercial customers. The rates will reflect the following:

Type Refuse	Times Per Week	Amount Per Month
Residential Unit; 3 cubic yard container	1	\$ 19.70
Minimum charge for commercial customer		\$ 40.10
Commercial Unit; 3 cubic yard container	1	\$ 80.20
Commercial Unit; 3 cubic yard container	2	\$ 102.70
Commercial Unit; 3 cubic yard container	3	\$ 125.15
Commercial Unit; 3 cubic yard container	4	\$ 147.65

MOTION The motion was made by Alderman Monroe to approve Ordinance No. 2020.09.14C amending Code of Ordinances Section 13.307(a) related to the collection of Residential and Commercial garbage as well as the costs for such services. The second to the motion was made by Alderman Fleming and the motion passed with a vote of 4/0.

ITEM 20 CONSIDER AND TAKE ACTION ON APPROVAL OF FRIONA ECONOMIC DEVELOPMENT CORPORATION BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND ENDING SEPTEMBER 30, 2021

MOTION The motion was made by Alderman Loflin to approve the Friona Economic Development Corporation Budget of \$96,770 for fiscal year beginning October 1, 2020 and ending September 30, 2021. The second to the motion was made by Alderman Monroe and the motion passed with a vote of 4/0.

ITEM 21 CONSIDER AND TAKE ACTION ON REQUEST FROM PARMER PAWS FOR FINANCIAL HELP FOR NEW FACILITY AT 115 W. 11TH

MOTION The motion was made by Alderman Fleming to approve the request from Parmer Paws for financial help for a new facility at 1115 W. 11th. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 22 CONSIDER AND TAKE ACTION ON REQUEST FOR FINANCIAL HELP FOR BECKY'S BURRITOS FOR NEW SIGN AND PARKING LOT

MOTION The motion was made by Alderman Monroe to approve the request for financial help for Becky's Burritos for a new sign and parking lot. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 23 **CONSIDER AND TAKE ACTION ON APPROVAL OF REQUEST FROM WADE SCHUELER TO RECEIVE CITY WATER AS WELL AS THE COSTS FOR SUCH SERVICE AT 908 E 11TH STREET (TOWNSHIP 1-4, LOT TR 1 SEC 31, ACRES 1)**

MOTION The motion was made by Alderman Monroe to approve the request from Wade Schueler to receive city water as well as the costs for such service at 908 E. 11th Street. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 24 **CONSIDER AND TAKE ACTION ON APPROVAL OF ACCOUNTS PAYABLE FOR AUGUST 2020**

City Manager Davila reviewed Accounts Payable with the City Council.

MOTION The motion was made by Alderman Fleming to approve the August 2020 Accounts Payable. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 25 **CONSIDER AND TAKE ACTION ON APPROVAL OF FINANCIAL STATEMENT FOR AUGUST 2020**

MOTION The motion was made by Alderman Monroe to approve the Financial Statement for August 2020. The second to the motion was made by Alderman Loflin and the motion passed with a vote of 4/0.

ITEM 26 **CONSIDER AND TAKE ACTION TO APPROVE RESOLUTION NO. 20.09.14B A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIONA, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE EXECUTIVE COMMITTEE OF CITIES SERVED BY ATMOS WEST TEXAS ("CITIES") AND ATMOS ENERGY CORP., WEST TEXAS DIVISION REGARDING THE COMPANY'S 2020 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 ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED**

EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE CITIES' 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 CITIES' LEGAL COUNSEL

RESOLUTION NO. 20.09.14B

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIONA, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE EXECUTIVE COMMITTEE OF CITIES SERVED BY ATMOS WEST TEXAS (“CITIES”) AND ATMOS ENERGY CORP., WEST TEXAS DIVISION REGARDING THE COMPANY’S 2020 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 ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; BETWEEN EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE CITIES' 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 CITIES' LEGAL COUNSEL.

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

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

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

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

WHEREAS, on about March 31, 2020, Atmos West Texas filed its 2020 RRM rate request with Cities based on a test year ending December 31, 2019; and

WHEREAS, Cities coordinated its review of the Atmos West Texas 2020 RRM filing through its Executive Committee, assisted by Cities’ attorney and consultants, to resolve issues identified in the Company’s RRM filing; and

WHEREAS, the Executive Committee, as well as Cities’ counsel and consultants, recommends that Cities approve an increase in base rates for Atmos West Texas of \$5.9 million with an Effective Date of December 1, 2020; and

WHEREAS, the attached tariffs (Exhibit A) implementing new rates are consistent with the recommendation of the Cities’ 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 (Exhibit B) and

WHEREAS, the settlement agreement establishes an amortization schedule for regulatory liability (Exhibit C); and

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

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FRIONA, 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 Cities, the City Council finds that the settled amount of an increase in revenue of \$5.9 million for Cities represents a comprehensive settlement of gas utility rate issues affecting the rates, operations and services offered by Atmos West Texas within the municipal limits arising from Atmos West Texas' 2020 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 the existing rates for natural gas service provided by Atmos West Texas are unreasonable. The new tariffs, attached hereto and incorporated herein as Exhibit A, are just and reasonable, and are designed to allow Atmos West Texas to recover annually an additional \$5.9 million in revenue from customers in Cities, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 4. That the ratemaking treatment for pensions and retiree medical benefits in Atmos West Texas' next RRM filing shall be as set forth on Exhibit B, attached hereto and incorporated herein.

Section 5. That subject to any future settlement or decision regarding the balance of Excess Deferred Income Tax to be refunded to ratepayers, the amortization of regulatory

liability shall be consistent with the schedule found in Exhibit C, attached hereto and incorporated herein.

Section 6. That Atmos West Texas shall reimburse the reasonable ratemaking expenses of the Cities in processing the Company's 2020 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 December 1, 2020.

Section 11. That a copy of this Resolution shall be sent to Atmos West Texas, care of Phillip Littlejohn, Vice President of Rates and Regulatory Affairs, West Texas Division, 6606 66th Street, Lubbock, Texas 79424, and Geoffrey Gay, General Counsel to Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED this 14th day of September 2020.

Mayor

ATTEST:

APPROVED AS TO FORM:

City Secretary

City Attorney

MOTION The motion was made by Alderman Loflin to approve Resolution No. 20.09.14B approving a negotiated settlement between the executive committee of cities served by Atmos West Texas and Atmos Energy Corp. The second to the motion was made by Alderman Monroe and the motion passed with a vote of 4/0.

EXECUTIVE SESSION:

Mayor Pro Tem Lewellen announced that the City Council would close into executive session at 7:21 p.m.

ITEM 27 ANNUAL EVALUATION OF CITY MANAGER, INCLUDING DISCUSSION REGARDING EMPLOYMENT STATUS OF CITY MANAGER, INCLUDING SALARY, BENEFITS, DISCIPLINE, TERMINATION, PROMOTION, AND/OR RECLASSIFICATION. (AUTHORIZED BY TEXAS GOVERNMENT CODE, SUBCHAPTER D, SECTION 551.074 PERSONNEL)

Mayor Pro Tem Lewellen opened into the regular meeting at 7:34 p.m.

REGULAR HEARING:

ITEM 28 RECONVENE INTO REGULAR SESSION AND CONSIDER ACTION, IF ANY, ON ITEM 27 DISCUSSED IN EXECUTIVE SESSION

MOTION: The motion was made by Alderman Fleming to establish a special project fund in the amount of \$5,000 for use by the City Manager for upcoming projects in the new fiscal year. The second to the motion was made by Alderman Monroe and the motion passed with a vote of 4/0.

ITEM 29 ADJOURNMENT

With no further business at hand, the meeting adjourned at 7:36 p.m.

APPROVED:

Ricky White, Mayor

ATTEST:

Rosa Mendez, City Secretary