

March 12, 2018

On this the 12th day of March, 2018 at 6:30 PM 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 prescribed by Chapter 551 of the Government Code, with the members being present and in attendance, to wit:

Greg Lewellen, Mayor Pro tem
Martha Barker, Alderman
Bruce Fleming, Alderman
Allen Monroe, Alderman
Leander Davila, City Manager

Absent: Nancy Davis, Alderman
Rick White, Mayor

Others present included: Rosa Mendez, Deputy City Secretary
Andrew Aguirre, Friona Police Officer
Jonathan Marquez, Friona Police Officer
Rocky Favila, Atmos Branch Manager
Mike Grant, Xcel Energy Community Manager
Clint Mears, Friona Star Editor
Holly Campbell, Friona Star Editor
Brent Loflin, citizen
Daisy Delgadillo, citizen
Eloisa Castanon, Proprietor, Los Arcos Restaurant
Nellie Aronce, Proprietor, Aronce Center
JD Aronce, Proprietor, Aronce Center
Deborah Aronce, citizen
Betsy Clark, Proprietor, Betsy Clark Attorney at Law
Eric Gonzalez, Proprietor, EGP Photography
Chuck & Esmeralda Mills, Proprietors, Gem Salon

Mayor Pro tem called the meeting to order at 6:30 p.m.

ITEM 1 ROLL CALL

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

ITEM 2 INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Pro Tem Lewellen led the Pledge of Allegiance to the flag of the United State of America and Alderman Monroe gave the invocation.

ITEM 3 HEAR PUBLIC COMMENTS

No comments from the public

ITEM 4 PROCLAMATION “FRIONA BUSINESS MONTH”

Mayor Pro Tem Lewellen read the Proclamation declaring the month of March 2018 as “Friona Business Month”.

REGULAR HEARINGS:**ITEM 5 CONSIDER AND TAKE ACTION ON APPROVAL OF MINUTES OF THE FEBRUARY 12, 2018 REGULAR CITY COUNCIL MEETING**

MOTION Upon a motion by Alderman Monroe and a second to the motion by Alderman Fleming the minutes of the February 12, 2018 Regular City Council Meeting were approved. The motion passed with a unanimous vote of 4/0.

ITEM 6 CONSIDER AND TAKE ACTION ON RESOLUTION #. 2018.03.12 APPROVING A NEGOTIATED RESOLUTION BETWEEN THE CITY OF FRIONA AND ATMOS ENERGY CORP., WEST TEXAS DIVISION REGARDING THE COMPANY’S 2017 RATE REVIEW MECHANISM FILING**RESOLUTION #18.03.12**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIONA, TEXAS, APPROVING A TARIFF AUTHORIZING AN ANNUAL RATE REVIEW MECHANISM (“RRM”) AS A SUBSTITUTION FOR THE ANNUAL INTERIM RATE ADJUSTMENT PROCESS DEFINED BY SECTION 104.301 OF THE TEXAS UTILITIES CODE, AND AS NEGOTIATED BETWEEN ATMOS ENERGY CORP., WEST TEXAS DIVISION (“ATMOS WEST TEXAS” OR “COMPANY”) AND THE STEERING COMMITTEE OF CITIES SERVED BY ATMOS WEST TEXAS; REQUIRING THE COMPANY TO REIMBURSE CITIES’ REASONABLE RATEMAKING EXPENSES; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL FOR THE STEERING COMMITTEE.

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 and similarly-situated West Texas municipalities created the Steering Committee of Cities Served by Atmos West Texas to efficiently address all rate and service matters associated with delivery of natural gas; and

WHEREAS, the Steering Committee formed an Executive Committee to direct legal counsel and to recommend certain specific actions to all aligned West Texas Cities through resolution or ordinance; and

WHEREAS, pursuant to the terms of a November 2007 agreement between the Steering Committee and Atmos West Texas that settled the Company’s interim rate filing under Section 104.301 of the Texas Utilities Code (a “GRIP” rate case), the Steering Committee and the Company collaboratively developed a Rate Review Mechanism (“RRM”) Tariff, ultimately authorized by the City in 2008, that allows for an expedited rate review process as a substitute for the GRIP process; and

WHEREAS, the City has kept some form of a RRM Tariff in place until 2017 when it adopted an ordinance approving an RRM Tariff filing settlement and specifically calling for termination of the existing RRM Tariff and negotiation of a replacement RRM Tariff following the Railroad Commission’s decision in a then-pending Atmos Texas Pipeline case (GUD No. 10580); and

WHEREAS, the Steering Committee’s Executive Committee has recently approved a settlement with the Company on the attached RRM Tariff that contains certain notable improvements, from a consumer perspective, over the prior RRM Tariff,

including a reduced rate of return on equity, acceptance of certain expense adjustments made by the Railroad Commission in the Order in GUD No. 10580, and the addition of two months to the time for processing a RRM Tariff application; and

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

WHEREAS, the Steering Committee's Executive Committee recommends that all Steering Committee member cities adopt this resolution and the attached RRM Tariff; and

WHEREAS, the attached RRM Tariff is just, reasonable and in the public interest,

NOW, THEREFORE, BE IT ORDAINED 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 the attached RRM Tariff re-establishing a form of Rate Review Mechanism is just and reasonable and in the public interest, and is hereby adopted.

Section 3. That Atmos West Texas shall reimburse the Cities' reasonable expenses associated with adoption of this Resolution and the attached RRM Tariff and in processing future RRM Tariff applications filed pursuant to the attached tariff.

Section 4. That to the extent any resolution or ordinance previously adopted by the City is inconsistent with this Resolution, it is hereby repealed.

Section 5. 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 6. 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 7. That this Resolution shall become effective from and after its passage.

Section 8. That a copy of this Resolution shall be sent to Atmos West Texas, care of Phillip Littlejohn, Vice President of Rates and Regulatory, Atmos Energy Corporation, P.O. Box 1121, Lubbock, Texas 79408-1121, and to Geoffrey Gay, General Counsel to West Texas Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED this _____ day of _____, 2018.

/s/ Rick White
Rick White, Mayor

ATTEST:

APPROVED AS TO FORM:

/s/ Leander Davila
Leander Davila, City Secretary

Slater Elza, City Attorney

MOTION Alderman Fleming made the motion to approve Resolution #18.03.12. The second to the motion was made by Alderman Monroe and the motion passed with the unanimous vote of 4/0.

ITEM 7 CONSIDER AND TAKE ACTION ON FIRST READING OF ORDINANCE #2018.03.12 FOR A TEN-YEAR FRANCHISE AGREEMENT WITH SOUTHWESTERN PUBLIC SERVICE

ORDINANCE NO. 2018.03.12
FRANCHISE AGREEMENT

AN ORDINANCE GRANTING TO SOUTHWESTERN PUBLIC SERVICE COMPANY ("SPS") D/B/A XCEL ENERGY THE

RIGHT, PRIVILEGE AND FRANCHISE TO CONDUCT WITHIN THE CITY OF FRIONA, TEXAS, AN ELECTRICAL LIGHTING AND POWER BUSINESS AND TO ENTER UPON, ERECT, CONSTRUCT, MAINTAIN, EXTEND, REPAIR, REPLACE AND REMOVE IN, UNDER UPON, WITHIN, OVER, ABOVE, ACROSS AND ALONG ANY AND ALL OF THE PRESENT AND FUTURE PUBLIC ROADS, HIGHWAYS, STREETS, LANES, AND ALLEYS OF THE CITY OF FRIONA, A SYSTEM OF POLES, POLE LINES, TOWERS, DISTRIBUTION LINES, TRANSMISSION LINES, WIRES, GUYS, CABLES, CONDUITS, TRANSFORMERS, AND OTHER DISTRIBUTION AND TRANSMISSION EQUIPMENT, FACILITIES AND APPURTENANCES NECESSARY OR PROPER FOR THE TRANSMISSION AND DISTRIBUTION OF ELECTRICITY INTO, IN, WITHIN, FROM, ACROSS, AND THROUGH THE CITY OF FRIONA AS NOW EXISTING, OR AS SAID CITY LIMITS MAY HEREAFTER BE EXTENDED; AND GRANTING SPS, ITS SUCCESSORS AND ASSIGNS, THE AUTHORITY TO USE SUCH FOR THE PURPOSE OF TRANSMISSION, DISTRIBUTION, DELIVERY AND SALE OF ELECTRICITY TO THE CITY, AND TO THE INHABITANTS OF THE CITY, OR ANY OTHER PERSON OR PERSONS, FIRMS OR CORPORATIONS, WHEREVER LOCATED WITHIN OR WITHOUT THE CITY LIMITS OF FRIONA, FOR USE BY SUCH PURCHASER OR PURCHASERS FOR ANY PURPOSE AUTHORIZED BY LAW FOR WHICH ELECTRICITY MAY BE USED OR FOR ANY OTHER PURPOSE OR USE WHICH IS OR MAY BECOME NORMAL OR CUSTOMARY IN THE RETAIL ELECTRIC INDUSTRY IN TEXAS; PROVIDING THAT THIS FRANCHISE SHALL BE EFFECTIVE FOR A PERIOD OF TEN (10) YEARS COMMENCING MAY 12, 2018; PROVIDING FOR THE TEMPORARY REMOVAL, RAISING OR LOWERING BY SPS OF ITS WIRES AND OTHER APPURTENANCES; PROVIDING FOR THE RIGHT TO, AND CONDITION OF, THE OPENING OF PAVEMENTS AND SIDEWALKS BY SPS; RETAINING ALL RIGHTS OF CITY TO REGULATE THE LOCATION OF SPS'S FACILITIES IN, UPON, ALONG, UNDER AND OVER THE STREETS, ALLEYS AND OTHER PUBLIC PLACES OF CITY, AS WELL AS TO REQUIRE THE RELOCATION OF SAME; PROVIDING FOR EFFICIENT ELECTRICAL SERVICE AND THE MAINTAINING OF SPS'S FACILITIES; PROVIDING FOR THE USE BY CITY FOR THE PURPOSES SPECIFIED OF POLES AND CONDUITS OF SPS; PROVIDING COMPENSATION, AND METHOD OF PAYMENT OF SUCH, TO THE CITY FOR THE USE BY SPS OF THE STREETS, ALLEYS AND PUBLIC WAYS OF THE CITY; PROVIDING FOR THE MAINTAINING OF RECORDS BY SPS

WITH RIGHT OF INSPECTION BY CITY RESERVING TO CITY ALL POWERS OF REGULATION; PROHIBITING ASSIGNMENT EXCEPT BY CONSENT BY CITY EXCEPT IN CERTAIN CASES; GIVING CITY'S CONSENT TO THE CUTTING AND TRIMMING BY SPS OF CONFLICTING TREES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING THAT THIS FRANCHISE SHALL NOT BE EXCLUSIVE; MAKING MISCELLANEOUS PROVISIONS RELATIVE TO THIS GRANT OF FRANCHISE; REPEALING ALL PREVIOUS ELECTRICAL LIGHTING AND POWER FRANCHISE ORDINANCES; PROVIDING FOR THE ACCEPTANCE OF THIS FRANCHISE ORDINANCE BY SPS

Mike Grant of Xcel Energy presented the Ten-Year Franchise Agreement to city council members.

MOTION The motion was made by Alderman Monroe to approve Ordinance #2018.03.12 for a Ten Year Franchise Agreement with Southwestern Public Services. The second to the motion was made by Alderman Barker and the motion passed with a vote of 4/0.

ITEM 8 **CONSIDER AND TAKE ACTION ON RESOLUTION #18.03.12A DECLARING THAT EACH CANDIDATE WHOSE NAME IS TO APPEAR ON THE BALLOT IS UNOPPOSED; THAT NO PROPOSITION APPEARS ON THE BALLOT; DECLARING THAT EACH UNOPPOSED CANDIDATE IS ELECTED TO THAT OFFICE; AND RESCINDING THE RESOLUTION CALLING FOR THE MAY 5, 2018 ELECTION**

RESOLUTION #18.03.12A

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIONA, TEXAS DECLARING THAT EACH CANDIDATE WHOSE NAME IS TO APPEAR ON THE BALLOT IS UNOPPOSED, THAT NO PROPOSITION APPEARS ON THE BALLOT; DECLARING THAT EACH UNOPPOSED CANDIDATE IS ELECTED TO THAT OFFICE; AND RESCINDING THE RESOLUTION CALLING FOR THE MAY 5, 2018 ELECTION

WHEREAS, on the 12th day of February 2018, the City Council of the City of Friona, Texas duly called for an election to be held on May 5, 2018 for the election of one (1) Mayor and two (2) Aldermen; and

WHEREAS, pursuant to Sections 143.007 and 146.054, Texas Election Code, the deadline for filing applications for a place on the ballot and declaration of write-in candidacy for the City's regular municipal election has expired; and

WHEREAS, the City Secretary, in accordance with Section 2.052, Texas Election Code has certified in writing to the City Council that Ricky White is unopposed for one Mayor position, and Brent Loflin, and Greg Lewellen are unopposed for two Alderman positions; and

WHEREAS, the Friona City Council hereby finds and determines that the candidates whose names are to appear on the ballot in said election for one Mayor and two Aldermen are unopposed, there are no declared write-in candidates, and there are no propositions to appear on the ballot for said May 5, 2018 election;

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

That pursuant to Section 2.053(b), Texas Election Code, the regular municipal election for one Mayor and two Aldermen heretofore called and ordered for May 5, 2018, shall not be held and is hereby canceled.

That in accordance with Section 2.053(a), Texas Election Code, the following unopposed candidates: Ricky White is duly elected to serve as Mayor, and Brent Loflin and Greg Lewellen are duly elected to serve as Aldermen on the City Council of the City of Friona, Texas and shall be issued a certificate of election following the date on which the regular municipal election for Mayor and Aldermen for the City of Friona was to have been held.

That the City Secretary is hereby directed to cause a copy of this Resolution to be posted on Election Day, same being May 5, 2018 at each of the polling places that would have been used in the election.

PASSED AND APPROVED, THIS THE 12th DAY OF MARCH 2018.

/s/ Ricky White
Ricky White, Mayor

/s/ Leander Davila
Leander Davila, City Secretary

MOTION Alderman Monroe made the motion to approve Resolution #18.03.12A declaring that each candidate whose name is to appear on the ballot is unopposed: that no proposition appears on the ballot; declaring that each unopposed candidate is elected to that office; and rescinding the resolution calling for the May 5, 2018 election. Alderman Barker made the second

to the motion and the motion passed with a vote of 4/0 of the city council members.

**ITEM 9 CONSIDER AND TAKE ACTION ON RESOLUTION #18.03.12B
APPOINTING THE ELECTION OFFICIALS FOR THE MAY 5,
2018 FRIONA SCHOOL BOARD ELECTION SETTING THE
RATE OF PAY FOR THE ELECTION OFFICIALS, THE
MAXIMUM NUMBER OF ELECTION CLERKS FOR THE
POLLING PLACE AND DESIGNATION OF THE EARLY
VOTING BALLOT BOARD**

RESOLUTION #18.03.12B

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIONA, TEXAS,
APPOINTING THE ELECTION OFFICIALS FOR THE MAY 5, 2018 FRIONA
SCHOOL BOARD SPECIAL ELECTION, SETTING THE RATE OF PAY FOR THE
ELECTION OFFICIALS, THE MAXIMUM NUMBER OF ELECTION CLERKS FOR
THE POLLING PLACE, AND DESIGNATION OF THE EARLY VOTING BALLOT
BOARD.**

WHEREAS, on February 12, 2018, the City Council of the City of Friona, Texas, ordered an election to be held on Saturday, May 5, 2018, for the purpose of electing two (2) Alderman and (1) Mayor for the Friona City Council;

WHEREAS, The City in accordance with Section 2.052, Texas Election Code has certified in writing to the City Council that Greg Lewellen and Brent Loflin are unopposed for the two Alderman positions and Ricky White is unopposed for the Mayor position; and the City election is canceled.

WHEREAS, on January 11, 2018, the Friona Independent School District order an election and a special election to be held on Saturday, May 5, 2018, for the purpose of electing two (2) at large school board trustee and one (1) member to fill the unexpired term of Ricky Barnett who resigned May 19, 2017;

WHEREAS, the joint election agreement signed by the City of Friona and the Friona Independent School District on February 12, 2018 appoints the Election Administrator, who shall be the City Secretary to coordinate and supervise all aspects of administering the election;

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

Section 1. Sharon White, 1722 West 9th, Friona, Texas, will serve as Presiding Judge and Rebecca Ramos, 504 E 9th, Friona, Texas, will serve as Alternate Presiding Judge and the clerks of the election will be appointed by the Presiding Judge in a number not to exceed four (4).

Section 2. In accordance with Section 32.091 of the Texas Election Code, the judges shall be paid at the rate of \$12.00 per hour and shall receive an additional \$25 for delivery of the returns of the election. The election clerks shall be paid at the rate of \$10.00 per hour.

Section 3. Imelda Saucedo, Superintendent Secretary of the Friona Independent School District, will serve as election clerk for the early voting to be held at the Friona Independent School District Administration Building at 909 E 11th Street, Friona, Texas.

Section 4. Early voting, both by personal appearance and by mail shall be by paper ballots and shall be canvassed by an Early Voting Ballot Board. Sharon White shall serve as Presiding Judge and Rebecca Ramos shall serve as Alternate Presiding Judge, and counting officers at the regular polling place in the City Council Chambers located at 619 Main Street, shall serve as clerks. They are hereby appointed the Early Voting Ballot Board for said election.

PASSED, APPROVED AND ADOPTED this 12th day of March, 2018

ATTEST:

/s/ Leander Davila
Leander Davila, City Secretary

APPROVED:
/s/ Ricky White
Ricky White, Mayor

MOTION The motion was made by Alderman Monroe to approve Resolution #18.03.12B Appointing the Election Officials for the May 5, 2018 Friona School Board Election setting the rate of pay for the Election Officials, the maximum number of Election Clerks for the polling place and designation of the early voting ballot board. Alderman Fleming made the second to the motion and the motion passed with a vote of 4/0.

ITEM 10 CONSIDER AND TAKE ACTION ON IPAD USE/APPROPRIATE USE AGREEMENT WITH FRIONA INDEPENDENT SCHOOL DISTRICT

MOTION Alderman Monroe made the motion to approve the iPad Use/Appropriate Use Agreement with Friona Independent School District. The second to the motion was made by Alderman Fleming and the motion passed with a unanimous vote of 4/0.

ITEM 11 HEAR DEPARTMENTAL REPORT FROM THE FRIONA POLICE DEPARTMENT REGARDING BUDGET, EXPENSES, PERSONNEL, AND UPCOMING EVENTS

Officer Aguirre informed the City Council about the Police Department's February activities.

ITEM 12 CONSIDER AND TAKE ACTION ON AMENDING FRIONA PUBLIC LIBRARY BOARD OF TRUSTEES BY-LAWS

MOTION Upon a motion by Alderman Fleming and a second by Alderman Barker it was approved to amend the Friona Public Library Board of Trustees By-Laws. The motion was passed with a vote of 4/0.

ITEM 13 CONSIDER AND TAKE ACTION ON APPROVAL OF ACCOUNTS PAYABLE FOR FEBRUARY 2018

Manager Davila reviewed Accounts payable with the City Council.

MOTION Alderman Monroe made the motion to approve Accounts Payable for February 2018. The second to the motion was made by Alderman Fleming and the motion passed with a unanimous vote of 4/0.

ITEM 14 CONSIDER AND TAKE ACTION ON APPROVAL OF THE FEBRUARY 2018 FINANCIAL STATEMENT

MOTION The motion was made by Alderman Fleming to approve the February 2018 Financial Statement and a second to the motion was made by Alderman Monroe. The motion passed with a vote of 4/0.

ITEM 15 CONSIDER AND TAKE ACTION TO APPROVE AND ACCEPT THE FINAL BID BETWEEN THE CITY OF FRIONA AND THE AMARILLO AREA FOUNDATION IN THE AMOUNT OF \$25,000.00 TO BE USED TOWARD THE PURCHASE OF A NEW AMBULANCE

MOTION The motion was made by Alderman Fleming to approve and accept the final bid of an ambulance and power cot and accept funds between the City of Friona and the Amarillo Area Foundation in the amount of \$25,000.00 to be used toward the purchase of a new ambulance and power cot. The second to the motion came from Alderman Barker and the motion passed with a vote of 4/0.

ITEM 16 ADJOURNMENT

With no further business at hand the meeting was adjourned at 7:23 PM.

APPROVED:

/s/ Ricky White
Ricky White, Mayor

ATTEST:

/s/ Leander Davila
Leander Davila, City Secretary