

****PUBLIC NOTICE****



CITY COUNCIL WORKSHOP AND REGULAR SESSION
Thursday, September 07, 2023 at 5:45 PM
City Hall | 3300 Corinth Parkway

Pursuant to section 551.127, Texas Government Code, one or more council members or employees may attend this meeting remotely using videoconferencing technology.

View live stream: www.cityofcorinth.com/remotesession

- A. NOTICE IS HEREBY GIVEN** of a Workshop Session and Regular Meeting of the Corinth City Council.
- B. CALL TO ORDER**
- C. WORKSHOP AGENDA**
 - 1. Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2023-2024 Annual Program of Services and Capital Improvement Program.
 - 2. Receive a report, hold a discussion, and provide direction on proposed amendments to the Unified Development Code.
 - 3. Discuss items on the Regular Session Agenda, including the consideration of Executive Session items.
- D. ADJOURN WORKSHOP**
- E. CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE**
- F. PROCLAMATIONS AND PRESENTATIONS**
 - 1. Proclamation supporting Suicide Prevention Awareness Month.
 - 2. Live United Month, September 2023 – United Way of Denton County.
- G. CITIZENS COMMENTS**

Please limit your comments to three minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Council is prohibited from acting on or discussing items brought before them at this time.
- H. CONSENT AGENDA**

All matters listed under the consent agenda are considered to be routine and will be enacted in one motion. Should the Mayor or a Council Member desire discussion of any item, that item will be removed from the Consent Agenda and will be considered separately.

 - 3. Consider and act on minutes from the August 3, 2023, City Council Meeting.
 - 4. Consider and act on minutes from the August 10, 2023, City Council Meeting.
 - 5. Consider and act on minutes from the August 17, 2023, City Council Meeting.

6. Consider and act on an Ordinance approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division.

I. PUBLIC HEARING

7. Hold a public hearing to receive community input on the FY 2023-2024 Annual Program of Services.
8. Hold a public hearing on a proposal to consider a tax rate on Thursday, September 21, 2023, which will exceed the No New Revenue Tax Rate and will increase total tax revenues from properties on the tax roll in the preceding tax year.
9. Hold a public hearing, consider and act on an ordinance amending Section 50.00 of the Code of Ordinances of the City of Corinth to increase the Water and Wastewater rates.

J. BUSINESS AGENDA

10. Consider and act on calling a public hearing to be held on October 19, 2023 at Corinth City Hall at 6:30 p.m to hear public opinion regarding the amendment of Land Use Assumptions, Capital Improvement Plans, and associated impact fees for Water, Wastewater and Roadway Capital Improvements.
11. Consider and act on Interlocal Cooperation Agreement between Denton County, Shady Shores, Hickory Creek, and Corinth for access to dark fiber optic cable (broadband).

K. COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each Council Member the opportunity to provide general updates and/or comments to fellow Council Members, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Council Member may direct that an item be added as a business item to any future agenda.

L. EXECUTIVE SESSION**

In accordance with Chapter 551, Texas Government Code, Section 551.001, et seq., (the “Texas Open Meetings Act”), the City Council will recess into Executive Session (closed meeting) to discuss the following items. Any necessary final action or vote will be taken in public by the City Council in accordance with this agenda.

Section 551.071 - Legal Advice. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflict with Chapter 551.

Section 551.087 - Economic Development. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business project.

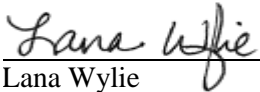
- a. Chapter 380 Agreement with RAK Real Estate Equities – Corinth, LLC.

M. RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS

N. ADJOURN

**The City Council reserves the right to recess into closed session at any time during the course of this meeting to discuss any of the matters posted on this agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Section 551.071, "Consultation with Attorney" for the purpose of receiving legal advice.

Posted on this 4th day of September 2023, at 5:00 P.M., on the bulletin board at Corinth City Hall.



Lana Wylie
City Secretary
City of Corinth, Texas



CITY OF CORINTH Staff Report

Meeting Date:	9/7/2023	Title:	Budget Overview Workshop
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2023-2024 Annual Program of Services and Capital Improvement Program.

Item Summary/Background/Prior Action

In compliance with the Charter requirement, the Fiscal Year 2023-2024 budget was submitted to the Council by Friday, July 31, 2023 and can also be found on the City's website. This budget workshop is one of several for Council to deliberate on the Fiscal Year 2023-2024 annual budget and to provide staff direction.

The City's budget development procedures are in conformance with State Law outlined in the Truth in Taxation process.

Applicable Owner/Stakeholder Policy

The City Charter, Section 9.02, requires that the City Manager be responsible for submitting an annual budget not later than sixty (60) days prior to the first day of the new fiscal year.

Staff Recommendation/Motion

N/A



CITY OF CORINTH Staff Report

Meeting Date:	9/7/2023	Title:	Discussion – UDC Amendments
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input checked="" type="checkbox"/> Attracting Quality Development		
Owner Support:	<input checked="" type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission Click to enter recommendation/decision of supporting group.		

Item/Caption

Receive a report, hold a discussion, and provide direction on proposed amendments to the Unified Development Code.

Item Summary/Background/Prior Action

During the June 15, 2023 City Council Work Shop, staff provided a high level overview of the proposed amendments to the UDC. Staff has identified 24 amendments to the Unified Development Code which incorporates Zoning, Subdivision, Sign regulations and Definitions. Fourteen (14) of the recommended amendments reflect “housekeeping” items, clarifications, or correcting minor errors in the Code.

Significant amendments include,

1. Permitting Religious facilities (churches and other places of worship) in nonresidential zoning districts, excluding the Industrial District. Currently, this use is only permitted in residential zoning districts. Staff believes this is too restrictive with no land use reason for the exclusion in commercial areas. Some religious facilities are constructed to accommodate large congregations which may be more appropriate in commercial areas.
2. Allow banks to be located in the C-1 Commercial District and delete the requirement that banks must be located in freestanding buildings. The business model of banks has changed; whereby, the facilities are requiring a smaller space and can be accommodated in a multi-tenant center.
3. Change the required parking for restaurants from “one (1) space for every three (3) seats” to “one (1) space for every 100 sq. ft.” The proposed ratio is an industry standard and reflective of standards in most cities. Should a restaurant request a lesser amount of parking due to their unique model, a request can be made of the Director to approve an alternative parking requirement.
4. Establish new standards for inflatable (balloon) signs for new businesses. As currently written, the code does not limit how often a business can erect an inflatable sign or the duration of the sign. It is recognized that new businesses need additional exposure, but established businesses should abide by the standard sign regulations.
5. The city currently prohibits all off-premise signs. The exceptions are the weekend “homebuilder/bandit” signs and garage sale signs. The City cannot regulate the content of off-premise signs, and therefore we are at risk of being challenged to allow other off-premise signs. These weekend signs contribute to the visual clutter of the city.

On August 28, 2023, the Planning and Zoning Commission held a Public Hearing and recommended approval. A Commissioner asked staff to further research allowance of signs on school district property and on residential lots. The City Council Public Hearing and ordinance adoption are scheduled for September 21, 2023. Staff desires feedback to ensure the ordinance reflects the direction from the Council.

Staff Recommendation/Motion

N/A



CITY OF CORINTH Staff Report

Meeting Date:	9/7/2023	Title:	Proclamation Suicide Prevention Awareness Month
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission		

Item/Caption

Proclamation supporting Suicide Prevention Awareness Month.

Item Summary/Background/Prior Action

Due to the prevalence of suicide, it is appropriate that a month should be set apart each year for the direction of our thoughts toward suicide prevention education and the support of treatment and recovery. There is an average of 130 suicide deaths per day in the US, 10% of US adults experience suicidal thoughts, and nearly 1 in 5 Texas high school students reported seriously thinking about suicide. Suicide is the 3rd leading cause of death for ages 10-19, the 2nd leading cause of death for ages 20-34 and the 4th leading cause of death for ages 35-44 and 1/3 of all suicide deaths were ages 55 and older.

Each citizen, local business, school, government agency, healthcare provider, and faith-based organization shares the weight of suicide concerns and has a responsibility to promote mental wellness, recovery, and support prevention efforts.



PROCLAMATION

Suicide Prevention Awareness Month in the City of Corinth 2023

WHEREAS, *addressing the prevention of suicide needs of children, youth, and adults today is fundamental to the future of the City of Corinth; and the citizens of the City of Corinth value their overall health and life and that of their families and fellow citizens and are proud to support observances such as Suicide Prevention Awareness Month; and*

WHEREAS, *there is an average of 130 suicide deaths per day in the US; one suicide death every two hours in our state; and 10% of adults experience suicidal thoughts in the US; and 1 and 5 Texas high school students reported seriously thinking about suicide and 20% making a plan and 12% making an attempt; and*

WHEREAS, *the need for comprehensive, coordinated mental health and suicide prevention services for individuals and families' places upon our community is a critical responsibility. There is a strong body of research that supports specific tools that all Americans can use, to better handle challenges, and protect their overall health and well-being; and each citizen, local business, school, government agency, healthcare provider, and faith-based organization shares the weight of suicide concerns and has a responsibility to promote mental wellness, recovery, and support prevention efforts; and*

WHEREAS, *the Denton County Behavioral Health Leadership Team, Denton County MHMR Center, Denton County Zero Suicide Task Force, Denton County LOSS Team, and Denton Regional Suicide Prevention Coalition are effectively addressing the mental health and suicide prevention needs of children, youth, adults, and families in our community; and it is appropriate that a month should be set apart each year for the direction of our thoughts toward suicide prevention education and the support of treatment and recovery; and*

THEREFORE, BE IT RESOLVED *that, I, Bill Heidemann, Mayor of the City of Corinth, do hereby proclaim September 2023 as Suicide Prevention Awareness Month and I call upon our citizens and all agencies and organizations interested in helping to prevent suicide to unite this month in the observance of such exercises as will commit the people of Corinth to increasing awareness and understanding of suicide, the steps our citizens can take to help prevent suicide, and the need for appropriate and accessible services for all people experiencing suicidal thoughts.*

Signed this 7th day of September 2023.

Bill Heidemann, Mayor
City of Corinth, Texas



CITY OF CORINTH Staff Report

Meeting Date:	9/7/2023	Title:	Proclamation Live United Month
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission		

Item/Caption

Live United Month, September 2023 – United Way of Denton County.

Item Summary/Background/Prior Action

United Way of Denton County has supported families in need for more than 70 years and is committed to improving the lives of those facing adversity during challenging times.



PROCLAMATION

Live United Month – September 2023 United Way of Denton County

- WHEREAS,** *United Way of Denton County celebrates 70 years of impact across Denton County in 2023; and*
- WHEREAS,** *by working together with supporters and collaborators across Denton County, United Way of Denton County improves access to education, economic mobility, and health & mental health for over 42,000 residents annually.*
- WHEREAS,** *United Way of Denton County leads the effort to close gaps and open opportunities for every person in Denton County and works with a network of nonprofits, governments, businesses, and donors to respond to our neighbor’s immediate needs and seek out better solutions for larger community-wide issues.*

THEREFORE, BE IT RESOLVED *that, I, Bill Heidemann, Mayor of the City of Corinth, hereby declare September 2023 LIVE UNITED Month and proudly join United Way of Denton County in calling on all residents of Corinth, to Give, Advocate, and Volunteer as we LIVE UNITED to build a Healthier Denton County for all of us.*

Signed this 7th day of September 2023.

*Bill Heidemann, Mayor
City of Corinth, Texas*



CITY OF CORINTH Staff Report

Meeting Date:	9/7/2023	Title: Minutes Approval of Meeting Minutes
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission	

Item/Caption

Consider and act on minutes from the August 3, 2023, City Council Meeting.

Item Summary/Background/Prior Action

Attached are the minutes, in draft form, and are not considered official until formally approved by the City Council.

Staff Recommendation/Motion

Staff recommends approval of the minutes.



CITY COUNCIL WORKSHOP AND REGULAR SESSION - MINUTES

Thursday, August 03, 2023 at 5:00 PM

City Hall | 3300 Corinth Parkway

View Meeting via Audio/Video: <https://www.cityofcorinth.com/city-council/page/city-council-workshop-and-regular-session-79>

STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH

On this, the 3rd day of August 2023, the City Council of the City of Corinth, Texas, met in Workshop & Regular Session at the Corinth City Hall at 5:00 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place, and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Council Members Present:

- Bill Heidemann, Mayor
- Sam Burke, Mayor Pro Tem
- Scott Garber, Council Member
- Steve Holzwarth, Council Member
- Tina Henderson, Council Member
- Kelly Pickens, Council Member

Staff Members Present:

- Scott Campbell, City Manager
- Lana Wylie, City Secretary
- Patricia Adams, City Attorney
- Jerry Garner, Police Chief
- Lee Ann Bunselmeyer, Director of Finance & Strategic Services
- Juanita Ortiz, Assistant Director of Finance & Strategic Services
- Glenn Barker, Director of Public Works
- John Webb, Director of Development Services
- Michelle Mixell, Planning Manager
- Elise Back, Director of Economic Development
- Justin Horrer, Technology Services Specialist
- Cesar Balderas, Technology Services Specialist III
- Garrett Skrehart, GIS Manager
- Lance Stacy, City Marshal

CALL TO ORDER

Mayor Heidemann called the Workshop Meeting to order at 5:00 P.M.

WORKSHOP AGENDA

1. Receive a presentation, hold a discussion, and give staff direction on the cost of service and rate design study for the City’s water and wastewater utility.

The item was presented and discussed.

2. Discuss and receive Council input regarding upcoming Strategic Planning effort.

The item was not presented.

3. Discuss items on the Regular Session Agenda, including the consideration of Executive Session items.

No items for the Regular Session Meeting were discussed.

ADJOURN WORKSHOP

Mayor Heidemann adjourned the Workshop Session at 5:53 P.M. and convened into Executive Session.

EXECUTIVE SESSION**

In accordance with Chapter 551, Texas Government Code, Section 551.001, et seq., (the “Texas Open Meetings Act”), the City Council will recess into Executive Session (closed meeting) to discuss the following items. Any necessary final action or vote will be taken in public by the City Council in accordance with this agenda.

Section 551.071 - Legal Advice. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflict with Chapter 551.

- a. Zoning Case No. ZAPD22-0008 - Hillside Corinth.
- b. Chapter 380 Agreement - Realty Capital Management.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS

Mayor Heidemann recessed the Executive Session at 6:41 P.M.

No action was taken.

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE

Mayor Heidemann convened into the Regular Session Meeting at 6:47 P.M.

CITIZENS COMMENTS

Please limit your comments to three minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Council is prohibited from acting on or discussing items brought before them at this time.

Rev. Wayne Hammit, Hope Lutheran Church - 2550 Post Oak Drive
Mina Sacks - 1713 Birch Lane
Alanna Fickes - 2712 Cherokee
Sterling Sacks - 1713 Birch Lane

PUBLIC HEARING

1. Conduct a Public Hearing to consider testimony and act on a rezoning request by the Applicant, Ridinger Associates, to amend the Zoning Ordinance and Zoning Map of the City of Corinth, each being a part of the Unified Development Code, from SF-2 Single Family Residential to a Planned Development with a base zoning district of SF-4 Single Family Residential for the development of 69 single family lots on approximately ±20 acres generally located on the east side of Post Oak Drive, north of the Terrace Oaks Subdivision, and south of the Provence Subdivision. (Case No. ZAPD22-0008 – Hillside Corinth)

The item was presented by John Webb, Development Services Director, and the developer.

Mayor Heidemann opened the Public Hearing at 7:24 P.M.

Don Glockel - 2101 Lake Sharon Drive - Declined to speak
Mike King - 2610 Zachary
Susan Griffith - 3108 Alcove Lane
David Byrne - 2204 Tuscany Drive
Joe Bednar - 2501 Post Oak - Declined to speak
Richard Weir - 2008 Ledgestone Drive
Amy Henson - 2400 Tuscany Drive
Nancy Byrne - 2204 Tuscany Drive
Janice Faris - 2204 Tuscany Drive

Mayor Heidemann closed the Public Hearing at 7:32 P.M.

Motion made by Council Member Garber to deny. Seconded by Mayor Pro Tem Burke.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Henderson, Council Member Pickens

BUSINESS AGENDA

2. Consider and act on the First Amended and Restated Chapter 380 Economic Development Agreement with Realty Capital Management for 20.859 acres for a mixed-use development.

This item was presented last. The item was tabled.

Motion made by Mayor Pro Tem Burke to table the item. Seconded by Council Member Henderson.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Henderson, Council Member Pickens

3. Consider and act on a Site Plan request by the Applicant, Tate Braun, on behalf of the property owner, RCM Corinth Land, LLC, for the development of approximately ± 13 acres located at the southwest corner of Corinth Parkway and the I-35E service road to permit the construction of 312 multifamily units, limited ground floor retail, and related amenities. Case No. SPC23-0001: Parkway Lofts.

The item was presented by John Webb, Development Services Director and the developer.

Council Member Garber requested to meet in Executive Session.

Mayor Heidemann recessed the Regular Session Meeting at 7:24 P.M. and immediately convened into Executive Session.

EXECUTIVE SESSION**

In accordance with Chapter 551, Texas Government Code, Section 551.001, et seq., (the “Texas Open Meetings Act”), the City Council will recess into Executive Session (closed meeting) to discuss the following items. Any necessary final action or vote will be taken in public by the City Council in accordance with this agenda.

Section 551.071 - Legal Advice. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflict with Chapter 551.

Mayor Heidemann recessed the Executive Session at 7:32 P.M. and reconvened into the Regular Session Meeting.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS

Motion made by Mayor Pro Tem Burke: move to approve the Site Plan subject to the conditions 1 through 7 identified by the Staff Report in the agenda packet with a modification to condition number 5 to be as follows: Council approval of architectural standards as outlined in PD-59 Section 6 prior to the issuance of a building permit, with the renderings and elevations specifically subject to Council approval. Seconded by Council Member Pickens.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Henderson, Council Member Pickens

- 4. Consider and act on an Ordinance of the City of Corinth approving an amendment to the fiscal year 2022-2023 budget and annual program of services to provide for the transfer of land sale proceeds from the Economic Development Corporation and the Corinth Economic Development Foundation to the General Fund; and providing an effective date.

This item was presented second.

Motion made by Mayor Pro Tem Burke to approve Ordinance No. 23-08-03-27 amending the fiscal year 2022-23 Annual Program of Services for the transfer of funds from the proceeds of land sales. Seconded by Council Member Henderson.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Henderson, Council Member Pickens

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

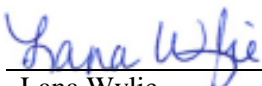
The purpose of this section is to allow each Council Member the opportunity to provide general updates and/or comments to fellow Council Members, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Council Member may direct that an item be added as a business item to any future agenda.

City Manager Campbell

ADJOURN

Mayor Heidemann adjourned the Regular Session Meeting at 8:57 P.M.

Approved by the Council on the _____ day of _____ 2023.



 Lana Wylie
 City Secretary
 City of Corinth, Texas



CITY OF CORINTH Staff Report

Meeting Date:	9/7/2023	Title: Minutes Approval of Meeting Minutes
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission	

Item/Caption

Consider and act on minutes from the August 10, 2023, City Council Meeting.

Item Summary/Background/Prior Action

Attached are the minutes, in draft form, and are not considered official until formally approved by the City Council.

Staff Recommendation/Motion

Staff recommends approval of the minutes.



CITY COUNCIL SPECIAL SESSION – MINUTES

Thursday, August 10, 2023 at 5:45 PM

City Hall | 3300 Corinth Parkway

View Meeting via Audio/Video: <https://www.cityofcorinth.com/city-council/page/city-council-special-session-6>

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this, the 10th day of August 2023, the City Council of the City of Corinth, Texas, met in Special Session at the Corinth City Hall at 5:45 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place, and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Council Members Present:

- Bill Heidemann, Mayor
- Sam Burke, Mayor Pro Tem
- Scott Garber, Council Member
- Tina Henderson, Council Member
- Kelly Pickens, Council Member

Council Members Absent:

- Steve Holzwarth, Council Member

Staff Members Present:

- Scott Campbell, City Manager
- Lana Wylie, City Secretary
- Patricia Adams, City Attorney
- Jerry Garner, Police Chief
- Chad Thiessen, Fire Chief
- Greg Ward, Assistant Fire Chief
- Guadalupe Ruiz, Director of Human Resources
- Lee Ann Bunselmeyer, Director of Finance & Strategic Services
- Juanita Ortiz, Assistant Director of Finance & Strategic Services
- Glenn Barker, Director of Public Works
- Elise Back, Director of Economic Development
- Emma Crotty, Economic Development Coordinator & Mgmt Assistant
- Miguel Inclan, Planner
- Cesar Balderas, Technology Services Specialist III
- Garrett Skrehart, GIS Manager
- Lance Stacy, City Marshal

CALL TO ORDER

Mayor Heidemann called the Workshop meeting to order at 5:45 P.M.

WORKSHOP AGENDA

1. Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2023-2024 Annual Program of Services and Capital Improvement Program.

The item was presented and discussed.
2. Discuss items on the Regular Session Agenda, including the consideration of Executive Session items.

Item 3 was discussed.

ADJOURN WORKSHOP

Mayor Heidemann adjourned the Workshop Session at 7:18 P.M.

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE

Mayor Heidemann called the Regular Session meeting to order at 7:18 P.M.

CITIZENS COMMENTS

Please limit your comments to three minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Council is prohibited from acting on or discussing items brought before them at this time.

No citizen comments were made.

CONSENT AGENDA

All matters listed under the consent agenda are considered to be routine and will be enacted in one motion. Should the Mayor or a Council Member desire discussion of any item, that item will be removed from the Consent Agenda and will be considered separately.

1. Consider and act on minutes from the July 6, 2023, City Council Meeting.
2. Consider and act on minutes from the July 20, 2023, City Council Meeting.

Motion made by Council Member Garber to approve the Consent Agenda as presented. Seconded by Council Member Henderson.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Henderson, Council Member Pickens

BUSINESS AGENDA

3. Consider and recommend the approval of the Specialty Retail and Restaurant Incentive Program.

Motion made by Council Member Garber to approve as presented. Seconded by Council Member Pickens.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Henderson, Council Member Pickens

4. Consider and act on a resolution to amend the Economic Development Incentive Policy.

Motion made by Mayor Pro Tem Burke to approve as presented. Seconded by Council Member Pickens.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Henderson, Council Member Pickens

5. Consider and act on the acceptance of BlueCross BlueShield of Texas' proposal for City's employee medical insurance benefits for FY 2023-2024 and authorize the City Manager to execute the necessary documents.

Motion made by Council Member Pickens to approve as presented. Seconded by Council Member Garber.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Henderson, Council Member Pickens

- 6. Consider and act on the acceptance of BlueCross BlueShield of Texas' proposal for City's em insurance benefits for FY 2023-2024 and authorize the City Manager to execute the necessary documents.

Motion made by Council Member Henderson to approve as presented. Seconded by Mayor Pro Tem Burke.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Henderson, Council Member Pickens

- 7. Consider and act on an Agreement with SPAN Inc., for services supporting older residents, residents with disabilities, veterans, and other general public, for fiscal year 2023-2024 and authorizing the City Manager to execute the necessary documents.

Motion made by Council Member Pickens to approve as presented. Seconded by Council Member Garber.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Henderson, Council Member Pickens

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each Council Member the opportunity to provide general updates and/or comments to fellow Council Members, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Council Member may direct that an item be added as a business item to any future agenda.

Council Member Pickens

There was no Executive Session.

EXECUTIVE SESSION**

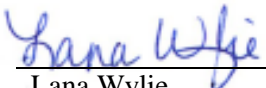
In accordance with Chapter 551, Texas Government Code, Section 551.001, et seq., (the "Texas Open Meetings Act"), the City Council will recess into Executive Session (closed meeting) to discuss the following items. Any necessary final action or vote will be taken in public by the City Council in accordance with this agenda.

Section 551.071 - Legal Advice. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflict with Chapter 551.

ADJOURN

Mayor Heidemann adjourned the Regular Session Meeting at 7:40 P.M.

Approved by the Council on the _____ day of _____ 2023.



 Lana Wylie
 City Secretary
 City of Corinth, Texas



CITY OF CORINTH
Staff Report

Meeting Date:	9/7/2023	Title: Minutes Approval of Meeting Minutes
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission	

Item/Caption

Consider and act on minutes from the August 17, 2023, City Council Meeting.

Item Summary/Background/Prior Action

Attached are the minutes, in draft form, and are not considered official until formally approved by the City Council.

Staff Recommendation/Motion

Staff recommends approval of the minutes.



CITY COUNCIL WORKSHOP AND REGULAR SESSION - MINUTES

Thursday, August 17, 2023 at 5:45 PM

City Hall | 3300 Corinth Parkway

View Meeting via Audio/Video: <https://www.cityofcorinth.com/city-council/page/city-council-workshop-and-regular-session-78>

STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH

On this, the 17th day of August 2023, the City Council of the City of Corinth, Texas, met at Corinth City Hall at 5:45 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place, and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Council Members Present:

- Bill Heidemann, Mayor
- Sam Burke, Mayor Pro Tem
- Scott Garber, Council Member
- Steve Holzwarth, Council Member
- Kelly Pickens, Council Member

Council Members Absent:

- Tina Henderson, Council Member

Staff Members Present:

- Scott Campbell, City Manager
- Lana Wylie, City Secretary
- Patricia Adams, City Attorney
- Jerry Garner, Police Chief
- Chad Thiessen, Fire Chief
- Guadalupe Ruiz, Director of Human Resources
- Lee Ann Bunselmeyer, Director of Finance & Strategic Services
- Juanita Ortiz, Assistant Director of Finance & Strategic Services
- Glenn Barker, Director of Public Works
- Elise Back, Director of Economic Development
- Emma Crotty, Economic Development Coordinator & Mgmt Assistant
- Michelle Mixell, Planning Manager
- Cesar Balderas, Technology Services Systems Manager
- Derek Dunham, Technology Services Specialist
- Lance Stacy, City Marshal

CALL TO ORDER

Mayor Heidemann called the Workshop meeting to order at 5:45 P.M.

WORKSHOP AGENDA

1. Receive a presentation, hold a discussion, and give staff direction on the cost of service and rate design study for the City’s water and wastewater utility.

The item was presented and discussed.

2. Receive a report, hold a discussion, and provide staff direction on the Fiscal Year 2023-2024 Annual Program of Services and Capital Improvement Program.

The item was presented and discussed.

3. Discuss items on the Regular Session Agenda, including the consideration of Executive Session items.

No items for the Regular Session Meeting were discussed.

ADJOURN WORKSHOP

Mayor Heidemann adjourned the Workshop Session at 7:33 P.M. and immediately convened into Executive Session.

EXECUTIVE SESSION**

In accordance with Chapter 551, Texas Government Code, Section 551.001, et seq., (the “Texas Open Meetings Act”), the City Council will recess into Executive Session (closed meeting) to discuss the following items. Any necessary final action or vote will be taken in public by the City Council in accordance with this agenda.

Section 551.071 - Legal Advice. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflict with Chapter 551.

- a. Chapter 380 Agreement - Realty Capital Management.

Section 551.074 - Personnel Matters. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, or to hear a complaint or charge against an officer or employee.

- a. City Manager duties/oversight regarding personnel and department structure.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS

Mayor Heidemann recessed the Executive Session at 7:54 P.M.

No action was taken.

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE

Mayor Heidemann called the Regular Session meeting to order at 8:00 P.M.

CITIZENS COMMENTS

Please limit your comments to three minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Council is prohibited from acting on or discussing items brought before them at this time.

No citizen comments were made.

CONSENT AGENDA

All matters listed under the consent agenda are considered to be routine and will be enacted in one motion. Should the Mayor or a Council Member desire discussion of any item, that item will be removed from the Consent Agenda and will be considered separately.

1. Consider and act on a Resolution suspending the September 1, 2023 effective date of CoServ Gas, Ltd.’s requested rate change to permit the City time to study the request and to establish reasonable rates.

Motion made by Council Member Garber to approve the Consent Agenda. Seconded by Mayor Pro Tem Burke.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Pickens

BUSINESS AGENDA

2. Consider and act on an Ordinance repealing Section 130.04, “Curfew for Minors” of Chapter 130 of the Code of Ordinances, to repeal Juvenile Curfew regulations in the City of Corinth as required for compliance with H.B. 1819, and providing that the repeal will become effective on September 1, 2023.

Motion made by Mayor Pro Tem Burke to approve Ordinance No. 23-08-17-28 repealing the Juvenile Curfew Ordinance for compliance with House Bill 1819, effective September 1, 2023. Seconded by Council Member Garber.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Pickens

3. Consider and approve the Amended and Restated Interlocal Agreement Between Denton County and The City of Corinth Related to Reinvestment Zone No. 2.

Motion made by Council Member Garber to approve the Amended and Restated Interlocal Agreement between Denton County and the City of Corinth related to Reinvestment Zone No. 2. Seconded by Council Member Pickens.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Pickens

4. Consider and act on a Resolution of the City Council of the City of Corinth, Texas adopting a proposed FY 2023-2024 municipal tax rate that will not exceed the voter-approval tax rate; calling a public hearing to be held on September 21, 2023 at Corinth City Hall at 6:30 p.m.; requiring publication of a Notice of Public Hearing on Tax Increase in accordance with state law; providing for the incorporation of premises; and providing an effective date.

Motion made by Mayor Pro Tem Burke, move to approve a resolution placing a proposal on the September 7, 2023 Council Agenda to consider a FY 2023-2024 property tax rate of \$.52000, per one hundred dollars (\$100) of valuation, which exceeds the no-new-revenue tax rate of \$0.47289 and the De Minimis Tax Rate of \$0.50894, but does not exceed the voter-approval tax rate of \$0.52658, and to set the public hearing on the proposal to consider approving the tax rate for Thursday, September 7 at 6:30 p.m. at Corinth City Hall at 3300 Corinth Parkway, Corinth, Texas 76208. Seconded by Council Member Pickens.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Pickens

- 5. Consider and act on a Resolution appointing the Planning and Zoning Commission as the Capital Improvements Advisory Committee for the City of Corinth and providing an effective date.

Motion made by Mayor Pro Tem Burke to approve Resolution No. 23-08-17-14, deleting Section 3 and references to ad hoc. Seconded by Council Member Garber.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Pickens

- 6. Consider and act on calling a public hearing to be held on October 5, 2023 at Corinth City Hall at 6:30 p.m to hear public opinion regarding the amendment of Land Use Assumptions, Capital Improvement Plans, and associated impact fees for Water, Wastewater and Roadway Capital Improvements.

Motion made by Council Member Pickens to approve setting the Public Hearing date for October 5, 2023 at 6:30 p.m. to be held in the City Council Chambers at Corinth City Hall, 3300 Corinth Parkway, Corinth Texas. Seconded by Council Member Garber.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Pickens

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

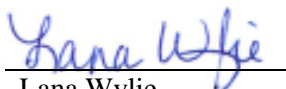
The purpose of this section is to allow each Council Member the opportunity to provide general updates and/or comments to fellow Council Members, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Council Member may direct that an item be added as a business item to any future agenda.

Mayor Heidemann

ADJOURN

Mayor Heidemann adjourned the Regular Session Meeting at 8:12 P.M.

Approved by the Council on _____ day of _____ 2023.
the _____



Lana Wylie
City Secretary
City of Corinth, Texas



CITY OF CORINTH
Staff Report

Meeting Date:	9/7/2023	Title: Ordinance Atmos Mid-Tex 2023 RRM Settlement
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission	

Item/Caption

Consider and act on an Ordinance approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division.

Item Summary/Background/Prior Action

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 March 31, 2023, 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, 2022, entitled it to additional system-wide revenues of \$165.9 million.

Application of the standards set forth in ACSC’s RRM Tariff reduces the Company’s request to \$156.1 million, \$113.8 million of which would be applicable to ACSC members. After reviewing the filing and conducting discovery, ACSC’s consultants concluded that the system-wide deficiency under the RRM regime should be \$130.9 million instead of the claimed \$156.1 million.

After several settlement meetings, the parties have agreed to settle the case for \$142 million. This is a reduction of \$23.9 million to the Company’s initial request. This includes payment of ACSC’s expenses. The settlement also includes an additional \$19.5 million for the securitization regulatory asset expenses related to Winter Storm Uri. This was previously approved by the Texas Legislature and Railroad Commission. The Effective Date for new rates is October 1, 2023. ACSC members should take action approving the Resolution/Ordinance before September 30, 2023.

RATE TARIFFS

Atmos generated rate tariffs attached to the Resolution/Ordinance will generate \$142 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 \$6.47 on a monthly basis, or 7.31%. The increase for average commercial usage will be \$24.72 or 5.19%. Atmos provided bill impact comparisons containing these 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, 2023, 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:	\$42.62	-
DARR:	\$42.55	(\$0.07)
ATM Cities:	\$44.39	\$1.77
Environs:	\$44.27	\$1.65

Note: ATM Cities and Environs rates are as-filed. 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.

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 \$142 million on a system-wide basis.
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 \$165.9 million in additional system-wide revenues, the RRM settlement at \$142 million for ACSC members reflects substantial savings to ACSC cities. Settlement at \$142 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, 2023. New rates become effective October 1, 2023.

Financial Impact

Applicable Policy/Ordinance

Staff Recommendation/Motion

Staff recommends approval as presented.

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 10/01/2023	

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	\$ 22.25 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 22.30 per month
Commodity Charge – All <u>Ccf</u>	\$0.48567 per Ccf ²

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, 2023.

²The commodity charge includes the base rate amount of \$0.46724 per Ccf and Securitization Regulatory Asset amounts related to financing costs in the amount of \$0.01843 per Ccf until recovered.

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 10/01/2023	

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	\$ 72.00 per month
Rider CEE Surcharge	(\$ 0.02) per month ¹
Total Customer Charge	\$ 71.98 per month
Commodity Charge – All Ccf	\$ 0.18280 per Ccf ²

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.

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx.plantprotection@atmosenergy.com.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2023.

²The commodity charge includes the base rate amount of \$0.16437 per Ccf and Securitization Regulatory Asset amounts related to financing costs in the amount of \$0.01843 per Ccf until recovered.

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 10/01/2023	

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 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 200 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	\$ 1,382.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.7484 per MMBtu ¹
Next 3,500 MMBtu	\$ 0.5963 per MMBtu ¹
All MMBtu over 5,000 MMBtu	\$ 0.2693 per MMBtu ¹

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

¹ The tiered commodity charges include the base rate amounts of \$0.5684, \$0.4163, and \$0.0893 per MMBtu, respectively, plus Securitization Regulatory Asset amounts related to financing costs in the amount of \$0.1800 per MMBtu until recovered.

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 10/01/2023	

utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

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.

Presumption of Plant Protection Level

For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx.plantprotection@atmosenergy.com.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2023	

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	\$ 1,382.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.5684 per MMBtu
Next 3,500 MMBtu	\$ 0.4163 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0893 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 10/01/2023	

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 10/01/2023	

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 10/01/2023	

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	9.51	0.1415	88.91	0.7010
Austin	8.87	0.1213	213.30	0.7986
Dallas	12.54	0.2007	185.00	0.9984
Waco	8.81	0.1325	125.26	0.7313
Wichita Falls	10.36	0.1379	122.10	0.6083

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.

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2022

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2023 Willis Towers Watson Report as adjusted (1) (2) (3)	\$ 1,434,339	\$ (518,336)	\$ 2,336,419	\$ (2,678,818)	\$ 267,917	
2	Allocation Factor	44.92%	44.92%	78.74%	78.74%	100.00%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 644,336	\$ (232,848)	\$ 1,839,667	\$ (2,109,267)	\$ 267,917	
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)	\$ 644,336	\$ (232,848)	\$ 1,839,667	\$ (2,109,267)	\$ 267,917	\$ 409,804
6							
7	O&M Expense Factor (WP_F-2.3, Ln 2)	78.60%	78.60%	39.63%	39.63%	11.00%	
8							
9	Summary of Costs to Approve (1):						
10	Total Pension Account Plan	\$ 506,464		\$ 729,006			\$ 1,235,469
11	Total Post-Employment Benefit Plan		\$ (183,024)		\$ (835,840)		(1,018,864)
12	Total Supplemental Executive Benefit Plan					\$ 29,471	29,471
13	Total (Ln 10 + Ln 11 + Ln 12)	\$ 506,464	\$ (183,024)	\$ 729,006	\$ (835,840)	\$ 29,471	\$ 246,076

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2022**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
1	Rate R @ 43.6 Ccf				
2	Customer charge	\$ 21.55			
3	Consumption charge	43.6 CCF X \$ 0.36223 =	15.79		
4	Rider GCR Part A	43.6 CCF X \$ 0.63625 =	27.74		
5	Rider GCR Part B	43.6 CCF X \$ 0.41732 =	18.20		
6	Subtotal		\$ 83.28		
7	Rider FF & Rider TAX	\$ 83.28 X 0.06237 =	5.19		
8	Total		\$ 88.47		
9					
10	Customer charge		\$ 22.25		
11	Consumption charge	43.6 CCF X \$ 0.48567 =	21.18		
12	Rider GCR Part A	43.6 CCF X \$ 0.63625 =	27.74		
13	Rider GCR Part B	43.6 CCF X \$ 0.41732 =	18.20		
14	Subtotal		\$ 89.37		
15	Rider FF & Rider TAX	\$ 89.37 X 0.06237 =	5.57		
16	Total		\$ 94.94	\$ 6.47	7.31%
17					

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2022**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
18	<u>Rate C @ 356.6 Ccf</u>				
19	Customer charge	\$ 63.50			
20	Consumption charge	356.6 CCF X \$ 0.14137 =	50.41		
21	Rider GCR Part A	356.6 CCF X \$ 0.63625 =	226.86		
22	Rider GCR Part B	356.6 CCF X \$ 0.30202 =	107.69		
23	Subtotal		\$ 448.46		
24	Rider FF & Rider TAX	\$ 448.46 X 0.06237 =	27.97		
25	Total		\$ 476.43		
26					
27	Customer charge		\$ 72.00		
28	Consumption charge	356.6 CCF X \$ 0.18280 =	65.18		
29	Rider GCR Part A	356.6 CCF X \$ 0.63625 =	226.86		
30	Rider GCR Part B	356.6 CCF X \$ 0.30202 =	107.69		
31	Subtotal		\$ 471.73		
32	Rider FF & Rider TAX	\$ 471.73 X 0.06237 =	29.42		
33	Total		\$ 501.15	\$ 24.72	5.19%
34					

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2022**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
35	Rate I @ 1720 MMBTU				
36	Customer charge	\$ 1,204.50			
37	Consumption charge 1,500 MMBTU X \$ 0.4939 =	740.85			
38	Consumption charge 220 MMBTU X \$ 0.3617 =	79.64			
39	Consumption charge 0 MMBTU X \$ 0.0776 =	-			
40	Rider GCR Part A 1,720 MMBTU X \$ 6.2134 =	10,688.12			
41	Rider GCR Part B 1,720 MMBTU X \$ 0.6267 =	1,078.08			
42	Subtotal	\$ 13,791.19			
43	Rider FF & Rider TAX \$13,791.19 X 0.06237 =	860.17			
44	Total	\$ 14,651.36			
45					
46	Customer charge		\$ 1,382.00		
47	Consumption charge 1,500 MMBTU X \$ 0.7484 =		1,122.62		
48	Consumption charge 220 MMBTU X \$ 0.5963 =		131.30		
49	Consumption charge 0 MMBTU X \$ 0.2693 =		-		
50	Rider GCR Part A 1,720 MMBTU X \$ 6.2134 =		10,688.12		
51	Rider GCR Part B 1,720 MMBTU X \$ 0.6267 =		1,078.08		
52	Subtotal		\$ 14,402.12		
53	Rider FF & Rider TAX \$14,402.12 X 0.06237 =		898.28		
54	Total		\$ 15,300.40	\$ 649.04	4.43%
55					

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2022**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
56	Rate T @ 4720 MMBTU				
57	Customer charge	\$ 1,204.50			
58	Consumption charge	1,500 MMBTU X \$ 0.4939 =	740.85		
59	Consumption charge	3,220 MMBTU X \$ 0.3617 =	1,164.50		
60	Consumption charge	0 MMBTU X \$ 0.0776 =	-		
61	Rider GCR Part B	4,720 MMBTU X \$ 0.6267 =	2,957.85		
62	Subtotal		\$ 6,067.70		
63	Rider FF & Rider TAX	\$ 6,067.70 X 0.06237 =	378.45		
64	Total		\$ 6,446.15		
65					
66	Customer charge		\$ 1,382.00		
67	Consumption charge	1,500 MMBTU X \$ 0.5684 =	852.60		
68	Consumption charge	3,220 MMBTU X \$ 0.4163 =	1,340.29		
69	Consumption charge	0 MMBTU X \$ 0.0893 =	-		
70	Rider GCR Part B	4,720 MMBTU X \$ 0.6267 =	2,957.85		
71	Subtotal		\$ 6,532.74		
72	Rider FF & Rider TAX	\$ 6,532.74 X 0.06237 =	407.45		
73	Total		\$ 6,940.19	\$ 494.04	7.66%

**CITY OF CORINTH, TEXAS
ORDINANCE NO. 23-09-07-XX**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2023 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 ORDINANCE 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 ORDINANCE TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the City of Corinth, 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 March 31, 2023 Atmos Mid-Tex filed its 2023 RRM rate request with ACSC Cities based on a test year ending December 31, 2022; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2023 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 \$142 million on a system-wide basis with an Effective Date of October 1, 2023; 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; and

WHEREAS, the RRM Tariff includes Securitization Interest Regulatory Asset amount of \$19.5 million;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

Section 1. That the findings set forth in this Ordinance 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 \$142 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 2023 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 \$142 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

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

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of ACSC in processing the Company’s 2023 RRM filing.

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

Section 8. That the meeting at which this Ordinance 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 Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance 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 Ordinance 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, 2023.

Section 11. That a copy of this Ordinance 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 CORINTH, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 7TH DAY OF SEPTEMBER, 2023.

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM:

Patricia Adams, City Attorney



CITY OF CORINTH
Staff Report

Meeting Date:	9/7/2023	Title: Public Hearing on Budget
Strategic Goal:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission Click to enter recommendation/decision of supporting group.	

Item/Caption

Hold a public hearing to receive community input on the FY 2023-2024 Annual Program of Services.

Item Summary/Background/Prior Action

The following notice was published on Sunday, August 27, 2023 in the Denton Record Chronicle and placed on the City’s website.

PUBLIC HEARING NOTICE: The City Council for the City of Corinth will hold a public hearing on the 2023-2024 Annual Program of Services on Thursday, September 7, 2023, at 6:30 p.m., in the City Council Chambers located at 3300 Corinth Parkway, Corinth, Texas. The meeting will be held for the purpose of receiving community input on the 2023-2024 Annual Program of Services. All interested residents are encouraged to attend.

The FY 2023-2024 Proposed Budget was submitted to City Council by July 31, 2023, as required by the City Charter. The proposed budget is also available online on the City’s website www.cityofcorinth.com.

Applicable Owner/Stakeholder Policy

City Charter and Local Government Code Chapter 102 require that prior to budget adoption, a public hearing be conducted to allow residents the opportunity to provide input on the proposed budget.

Staff Recommendation/Motion

N/A



CITY OF CORINTH
Staff Report

Meeting Date:	9/7/2023	Title: Public Hearing on Tax Rate
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission Click to enter recommendation/decision of supporting group.	

Item/Caption

Hold a public hearing on a proposal to consider a tax rate on Thursday, September 21, 2023, which will exceed the No New Revenue Tax Rate and will increase total tax revenues from properties on the tax roll in the preceding tax year.

Item Summary/Background/Prior Action

The Notice of Public Hearing on Tax Increase for the City of Corinth was published in the Denton Record Chronicle on Sunday, August 27, 2023, as required by the Texas Property Tax Code timetables.

The publication notices were calculated based on the highest possible rate the City Council may consider. The City Council may adopt any rate below the published tax rate. On August 17, 2023, Council voted to publish a FY2023-2024 tax rate of \$.52000 that will be considered for approval on September 21, 2023. The proposed tax rate is not greater than the voter-approval tax rate. As a result, the City of Corinth is not required to hold an election at which voters may accept or reject the proposed tax rate. However, residents may express their support for or opposition to the proposed tax rate.

The City Council will vote on both the budget and the proposed tax rate at a meeting scheduled on Thursday, September 21, 2023, at 6:30 p.m., located at the Corinth Municipal Council Chambers at 3300 Corinth Parkway, Corinth, Texas.

Applicable Owner/Stakeholder Policy

According to Property Tax Code Section 26.05(d), the City is required to hold a public hearing on the proposed tax increase if the City Council is proposing a tax rate that exceeds the No New Revenue Tax Rate. Additional requirements include publishing a quarter-page notice informing the public of the proposed tax rate, formula for estimated tax amount, and the date, time, and location of the required public hearing.



CITY OF CORINTH Staff Report

Meeting Date:	9/7/2023	Title:	Utility Rate Adoption
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission Click to enter recommendation/decision of supporting group.		

Item/Caption

Hold a public hearing, consider and act on an ordinance amending Section 50.00 of the Code of Ordinances of the City of Corinth to increase the Water and Wastewater rates.

Item Summary/Background/Prior Action

The City Council for the City of Corinth will hold a public hearing regarding the rate design study and proposed water and wastewater utility rates on Thursday, September 7, 2023 at 6:30 p.m., in the City Council Chambers located at 3300 Corinth Parkway, Corinth, Texas. The meeting will be held for the purpose of receiving community input on the proposed water and wastewater rates. All interested citizens are encouraged to attend.

In April 2023 the city engaged Raftelis Financial Consultants, Inc. to perform an in-depth cost of service and rate design analysis. The study’s intent was to achieve a water and wastewater rate structure that will assure equitable and adequate revenues for operations, debt service retirement, asset management, capital improvements, and bond covenant requirements. Therefore, ensuring the utility operates on a self-sustaining basis while considering the economic impact on the City's customers.

The study identified that in order to meet future revenue requirements, the city needs to implement future water and wastewater rate increases. The analysis examined requirements for a three-year period and determined that rates were not sufficient to meet revenue requirements for the three-year study period. Staff recommendation is to adopt the first year of the financial plan and corresponding rate structure. The rate design recommendation summary is as follows:

- 5% increase in fixed and volumetric water rates
- 2% increase in fixed wastewater charges
- 3% increase in volumetric wastewater charges
- 10% increase tier rates for the irrigation class
- Phase in wastewater commercial cost of service

Senior citizens over the age of 65 receive 5,000 gallons of water and 1,000 gallons of sewer included in their monthly minimum bill. For residential wastewater customers, the new rate structure maintains a cap at a maximum 25,000 gallons.

Applicable Policy/Ordinance

The city council sets rates that generally cover reasonable operating and maintenance costs, a reserve fund, and any loan or bond debt service expenses. In any case, the rates set must be “fair, just, and reasonable.” TEX. WATER CODE § 13.042. State law provides no specific procedures that a city must follow to increase rates within the city’s limits. A city is permitted to operate and regulate the utility in a manner that protects the interests of the city. TEX. LOC. GOV’T CODE §552.001.

Staff Recommendation/Motion

Staff recommends approval of the ordinance amending Section 50.00 of the Code of Ordinances of the City of Corinth approving the first year of the financial plan and corresponding rate structure effective October 1, 2023.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, AMENDING SECTION 50.00, “WATER AND WASTEWATER UTILITY FEE SCHEDULE,” OF CHAPTER 50, “WATER AND SANITARY WASTEWATER SYSTEMS,” OF TITLE V, “PUBLIC WORKS,” OF THE CODE OF ORDINANCES OF THE CITY OF CORINTH TO INCREASE THE WATER AND WASTEWATER RATES CURRENTLY IN EFFECT; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING AMENDMENTS; PROVIDING FOR A CUMULATIVE REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth, Texas, is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City commissioned a water and wastewater cost of service and financial plan study which was presented to the City Council on August 3 and August 17, 2023, and which recommends that increases in water and wastewater rates are necessary at this time due to increased water and wastewater service use; and

WHEREAS, the City Council desires to adopt this Ordinance to amend the water and wastewater utility fee schedule in Title V, “Public Works” in the Code of Ordinances;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

SECTION 1.
INCORPORATION OF PREMISES

The above and foregoing recitals are found to be true and correct and are incorporated into the body of this Ordinance for all purposes.

SECTION 2.
AMENDMENTS

That Sections 50.00(A) and (B) in Chapter 50, “Water and Sanitary Wastewater Systems” of Title V, “Public Works” in the Code of Ordinances of the City of Corinth, Texas is hereby amended to be read as follows:

§ 50.00 WATER AND WASTEWATER UTILITY FEE SCHEDULE.

The rates, charges, fees, deposits, billings, and procedures for providing water and wastewater service by the City to its customers shall be established and be in accordance with this Chapter and may be amended from time-to-time by the City Council. All water and wastewater fees are consolidated in this fee schedule. The fee schedule related to new development are found in § 50.17, § 50.36, § 50.38, and § 38.16.

A. Water Rates and Billing Basis.

1. Water rates consist of a base rate and a volumetric rate designed to ensure the water utility operates on a self-sustaining basis. The base rate is the minimum bill that a residential or commercial customer would receive to equally share in providing the availability of service. Minimum base rates are based on meter size. The rates also include a senior citizen discount where senior citizens receive 5,000 gallons of water in their monthly minimum bill. The volumetric rate is the amount charged to a customer per thousand gallons used and uses a tiered structure.

WATER MINIMUM BASE RATE

Meter Size	TOTAL RATE
5/8 x 3/4	\$47.30
Full 3/4"	52.02
1"	66.22
1 1/2"	85.13
2"	137.15
3"	520.26
4"	662.14
6"	993.21
10"	1,601.29

WATER RESIDENTIAL VOLUMETRIC RATES

Rate Tiers (gallons)	Residential
0-5,000	\$2.28
5,001-10,000	3.34
10,001-25,000	6.52
25,001-50,000	9.70
50,001+	12.88

WATER COMMERCIAL AND IRRIGATION VOLUMETRIC RATES

Rate Tiers (gallons)	Commercial	Irrigation
0-50,000	\$5.46	\$6.00
50,001-200,000	7.58	8.34
200,001-500,000	9.70	10.67
500,000 +	12.88	14.17

B. Wastewater Rates and Billing Basis

1. *Single family dwelling:* Each year, residential monthly water consumption is measured and averaged to establish the monthly wastewater charge for each customer for the upcoming year. The average will be calculated by taking the prior November, December, January, and February metered water consumption, subtracting out the highest month’s usage, and averaging the consumption to be known as the “winter quarter average.” Each March, the billable flows for each residential customer will be readjusted based on the previous winter quarter average. The rates include a senior citizen discount where senior citizens receive 1,000 gallons of wastewater included in their monthly minimum bill. Residential gallons billed are capped at 25,000 gallons.
2. *New customers averaging:* The City will accept submission of previous consumption history from a new customer to establish the winter average. The information submitted must reflect the winter quarter average months used by City, as the basis for customer’s

wastewater rate. Where no prior winter quarter average exists, the City’s standard winter quarter average for all residential customers will be used.

- 3. *Non-single-family dwellings*: Rates shall be based upon each month’s water consumption.
- 4. *Commercial customers*: The volume of flow used in computing wastewater charges for commercial customers will be based on metered water consumption as shown in the meter reading records retained by the City.

WASTEWATER ADOPTED RATES

Meter Size	Residential	Commercial
Base Rate	\$35.70	\$50.70
Volumetric Rate	\$4.12	\$5.12

SECTION 3.
CUMULATIVE REPEALER

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on this date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 4.
SAVINGS

All rights and remedies of the City of Corinth, Texas are expressly saved as to any and all violations of the provisions of any other ordinance affecting fees which have secured at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the court.

SECTION 5.
SEVERABILITY

The provisions of the Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole or in part, the remaining and lawful provisions shall be of full force and effect and the City shall promptly promulgate new revised provisions in compliance with the authority’s decisions or enactment.

SECTION 6.

EFFECTIVE DATE

This Ordinance shall take effect upon its passage and publication as required by law. The City Secretary is directed to publish the caption of this Ordinance as required by the City Charter and state law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS ON THIS 7th DAY OF SEPTEMBER, 2023.

APPROVED:

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM:

Patricia Adams, City Attorney



CITY OF CORINTH
Staff Report

Meeting Date:	9/7/2023	Title:	Set Public Hearing Date Impact Fee Study
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission		

Item/Caption

Consider and act on calling a public hearing to be held on October 19, 2023 at Corinth City Hall at 6:30 p.m to hear public opinion regarding the amendment of Land Use Assumptions, Capital Improvement Plans, and associated impact fees for Water, Wastewater and Roadway Capital Improvements.

Item Summary/Background/Prior Action

Impact fees are a one-time fee assessed to recover infrastructure costs required to serve new development. The City of Corinth currently assesses impact fees for roadways, wastewater and water. The purpose of this impact fee study is, per the Texas Local Government Code, to provide an analysis which formulates land use assumptions from which to base any needed impact fee changes, and to recommend a maximum water, wastewater and roadway impact fee to the Capital Improvements Advisory Committee (CIAC) and the City Council. State law requires that cities who have adopted impact fees periodically study and update the fees. Normally, the impact fees are updated every five years.

A public hearing is required to receive community input on the adoption of the 2023 Land Use Assumptions, Water, Wastewater and Roadway Impact Fee reports. The reports provide a detailed discussion of the land use assumptions and capital improvements plan under which roadway, water and wastewater impact fees may be imposed for new development. Any member of the public has the right to appear at the hearing and present evidence for or against the land use assumptions and the capital improvements plan.

The public hearing is to be held in the City Council Chambers at Corinth City Hall, 3300 Corinth Parkway in Corinth, Texas 76208 on October 19, 2023 at 6:30 p.m. Once the public hearing is closed, the City Council has a time limit (by state statute) of thirty days to adopt the report and set impact fee levels via ordinance.

In order to set fee levels, an Ordinance setting the Impact Fee levels must be adopted by the Council. Fee levels can range from zero to the maximum calculated amount as shown in the report. It is important to note that while fee levels cannot go beyond the calculated maximum level (without a Special Financial Analysis), the Council can change the fee levels after they have been set by Ordinance. Previously established fee levels (from previous Impact Fee studies) can also be adjusted by Ordinance provided the new fees are not raised beyond the maximum calculated fee amount.

The Capital Improvements Advisory Committee will also have the opportunity to review and offer comments and recommendations to the City Council prior to the Council’s public hearing regarding the proposed land use assumptions and roadway, wastewater and water impact fees.

The proposed project schedule is as follows:

- 08/17/2023 Set Public Hearing Date at Council
- 08/18/2023 Advertise for Public Hearing
- 08/28/2023 Presentation to Planning & Zoning
- 09/07/2023 Impact Fee Study Update Council Workshop
- 10/19/2023 Public Hearing at Council, Consider Adoption of Report, Consider Setting Maximum Fee Levels

At this time, the Council is not requested to take action on any fees. This item is simply to consider scheduling a public hearing at a future meeting to then consider such approvals. If the City Council chooses to set a future public hearing per the attached project schedule, staff will advertise for the public hearing accordingly, and make available to the public the proposed fees and land use assumptions.

Applicable Owner/Stakeholder Policy

Section 395.052 of the Texas Local Government Code mandates periodic updates to the land use assumptions and capital improvements plan for a political subdivision imposing an impact fee. The City of Corinth is working with Kimley-Horn Associates to prepare an updated study for the City of Corinth’s Roadway, Wastewater and Water Impact Fees.

Chapter 395 of the Texas Local Government Code also requires a Capital Improvements Advisory Committee (CIAC) be appointed to provide comments on proposed amendments to the impact fees, land use assumptions and capital improvements plan upon which calculation of the impact fee is based. Per the project schedule, the CIAC (Planning and Zoning Commission) will have the opportunity to review and offer possible comments and recommendations to the City Council regarding the proposed land use assumptions and roadway and water impact fees. discussion forum.

Staff Recommendation/Motion

Staff Recommends setting the Public Hearing date for October 19, 2023 at 6:30 p.m. to be held in the City Council Chambers at Corinth City Hall, 3300 Corinth Parkway, Corinth Texas.



CITY OF CORINTH
Staff Report

Meeting Date:	9/7/2023	Title:	Interlocal Cooperation Agreement – Denton County, Shady Shores, Hickory Creek, Corinth - Broadband
Strategic Goals:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission		

Item/Caption

Consider and act on Interlocal Cooperation Agreement between Denton County, Shady Shores, Hickory Creek, and Corinth for access to dark fiber optic cable (broadband).

Item Summary/Background/Prior Action

This interlocal agreement accommodates the potential for Denton County to connect to the broadband fiber ring being installed as part of the ongoing joint project with Corinth, Hickory Creek, and Shady Shores. By allowing the County the option for a future connection to the fiber ring, the County agrees to use its ARPA funds to pay each City as follows:

- CORINTH: \$258,384
- HICKORY CREEK: \$53,825
- SHADY SHORES: \$31,541

Financial Impact

Payment to the City of Corinth in the amount of \$258,384

Staff Recommendation/Motion

Approve the Interlocal Agreement between Denton County, Shady Shores, Hickory Creek, and Corinth as presented.

STATE OF TEXAS §
 §
COUNTY OF DENTON §

INTERLOCAL COOPERATION AGREEMENT

THIS AGREEMENT (this "Agreement") is made and entered into between **Denton County, Texas** (hereinafter the "**County**"), and each of the following municipalities: the **City of Corinth** ("**Corinth**"), a Texas home rule municipality, the **Town of Shady Shores** ("**Shady Shores**"), a Texas Type A General Law City, and the **Town of Hickory Creek** ("**Hickory Creek**"), a Texas Type A General Law City. Corinth, Shady Shores, and Hickory Creek are sometimes referred to herein collectively as "**the Lake Cities**" and separately as a "**Lake City**" and the County and the Lake Cities are sometimes referred to herein collectively as the "**Parties**". Each entity is organized and exist under the laws of the State of Texas, acting by and through and under the authority of their respective governing bodies and officials; and

WHEREAS, the Parties are local governmental entities organized under the laws of the State of Texas, and all of whom have the authority to perform the services set forth in this Agreement individually, and who mutually desire to enter into an interlocal cooperation agreement for the purposes herein stated, as provided for in Chapter 791 of the Texas Government Code, in order to maximize the benefits to the citizens of the LAKE CITIES and of the COUNTY to be derived from each taxpayer dollar expended; and

WHEREAS, the Parties have a desire to provide better infrastructure and services to residents and businesses, and to facilitate economic growth within their respective jurisdictions; and

WHEREAS, the LAKE CITIES will deploy a new fiber for high-speed broadband to the premises (FTTP) network throughout the LAKE CITIES area structured in a manner that effectively enables the provision of high-capacity broadband and other services and capabilities in a competitive and open environment to their residents and businesses ("the Network"); and

WHEREAS, the LAKE CITIES have identified and selected Pavlov as the best candidate to provide such services and have negotiated and executed a Dark Fiber Lease and Network Operation Agreement ("Dark Fiber Lease") with Pavlov; and

WHEREAS, the COUNTY, in order to improve the COUNTY’S data and information services, desires to have infrastructure access for future programs which would include connection of dark fiber to the Denton County fiber ring; and

WHEREAS, due to the cost of constructing a broadband system, the ability of the COUNTY to interconnect with the LAKE CITIES fiber network will result in improved efficient exchange of data benefiting the citizens of the COUNTY; and

WHEREAS, both Parties desire to pool their respective resources, avoid unnecessary or duplicitous expense, resulting in cost savings to their respective taxpayers; and

WHEREAS, the COUNTY is willing to pay the LAKE CITIES \$343,750.03 to be paid from the COUNTY’S American Rescue Plan Act (ARPA) funds for two connection points for dark fiber connectivity and data access subject to the terms of this Agreement; and

WHEREAS, the Interlocal Cooperation Act, in Chapter 791 of the Texas Government Code, authorizes the LAKE CITIES and the COUNTY to enter into this Agreement for the purpose of achieving the governmental functions and providing the services represented by this collective, cooperative undertaking; and

NOW THEREFORE, both Parties, for and in consideration of the premises and the mutual covenants set forth in this Agreement, and pursuant to the authority granted by the governing bodies of each of the parties hereto, in accordance with §791.011(c)(2) of the Texas Government Code, do hereby AGREE as follows:

ARTICLE I
INCORPORATION OF PREAMBLE

The preamble to this Agreement is wholly incorporated into this Agreement and the recitations contained therein are found and determined to be true and correct.

ARTICLE II
SCOPE OF AGREEMENT

A. The LAKE CITIES intend to provide access to the dark fiber optic cable owned or leased by the Lake Cities in accordance with the terms of this Agreement and as provided in Exhibit A & B attached hereto and incorporated herein for all purposes.

The following are the planned and existing locations where the Lake Cities will provide access to dark fiber to the County.

- Southeast corner of W. Hundley Drive and the DCTA Rail Line.
- Southwest corner of Shady Shores Road and Lakeview Blvd.

B. The exact point of demarcation or placement of the connectivity panel at each of the locations sites shall be mutually determined by the parties.

ARTICLE III
TERM OF AGREEMENT

This Agreement shall become effective on the date of the last signature (“Effective Date”), and shall continue in full force and effect for as long as The Dark Fiber Lease and Network Operation Agreement between Lake Cities and Pavlov is in effect. The Dark Fiber Lease contains two (2) ten (10) year options to renew upon expiration of the initial thirty (30) year lease term. This Interlocal Cooperation Agreement will automatically be renewed beyond the initial thirty (30) year term for each ten (10) year renewal if the Lake Cities choose to exercise their renewal with Pavlov. If any facility not listed in Article II is added during the term of this Agreement, it is expressly understood that the term of this Agreement shall apply.

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ARTICLE IV
TERMINATION OF AGREEMENT

A. Unless otherwise provided in this Agreement, both Parties agree that neither may terminate this Agreement during the term thereof unless it is determined by either that the terms of this Agreement is prohibited by law.

B. Either party hereto may terminate this Agreement for cause by reason of the other party's material breach or default in the performance of this Agreement. The

party seeking to terminate this Agreement under this provision shall provide the defaulting party written notice, specifically identifying the breach or default complained of, which notice shall provide the defaulting party a period of not less than thirty (30) days from the date of receipt of such notice in which to cure such breach or default. In the event such breach or default is not fully cured within the time period specified, then the party seeking to terminate this Agreement shall provide the defaulting party with further written notice expressly specifying that this Agreement will be terminated if the breach or default is not wholly cured within not less than ten (10) days after the receipt of the further written notice by the alleged defaulting party. In the event that the defaulting party fails to cure the breach or default complained of, within the time specified, then this Agreement shall be terminated, and the party terminating this Agreement may seek appropriate legal relief.

C. At the time of expiration or termination of this Agreement, both parties may choose to extend or modify the relationship between both parties regarding the terms of this Agreement.

ARTICLE V
CONSIDERATION TO BE PAID

A. The COUNTY, beginning on the Effective Date of this Agreement, as identified in this Agreement, will pay the LAKE CITIES at total of \$343,750.03 in exchange for two dark fiber connection locations consisting of a minimum of four (4) strands as described herein. This expenditure shall be funded by the American Rescue Plan Act (ARPA). The exact amount to each municipality shall be based on the population of each entity, as shall be as follows:

- CORINTH shall receive \$258,383.91.
- HICKORY CREEK shall receive \$53,825.22.
- SHADY SHORES shall receive \$31,540.89.

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ARTICLE VI
OWNERSHIP AND CONTROL OF PROPERTY

A. Both parties shall own and maintain their electronic or passive equipment at each site.

ARTICLE VII
RESPONSIBILITY OF MAINTENANCE

Denton County is not responsible for the maintenance, repairs, and locates for fiber optic cables and connections owned by Pavlov or the Lake Cities.

ARTICLE VIII
HOLD HARMLESS

To the extent allowed by the Constitution and statutes of the State of Texas, and without waiving any immunity or limitation as to liability, both parties agree to and shall hold harmless each other, its officials, officers, agents, employees, or attorneys from and against any and all claims, losses, damages, causes of action, suits, and liabilities of every kind, including all expenses of litigation, court costs, and attorney's fees, for injury or death of any person, or for damages to any property; real, personal, or intellectual, arising out of or in connection with the use, but not the installation or maintenance, of the fiber pair, the subject of this Agreement, where the injury or death or damage is caused by the negligence of either party, its officials, officers, agents, employees, or attorneys.

ARTICLE IV
MEDIATION AND ALTERNATE DISPUTE RESOLUTION

The parties hereto may agree to settle any disputes under this Agreement by submitting their dispute to mediation or other means of alternate dispute resolution. No mediation or other alternate dispute resolution arising out of or relating to, this Agreement involving one party's disagreement may include the other party to the disagreement without the other's approval.

ARTICLE X
ASSIGNABILITY

11

Both parties shall not assign any interest in this Agreement and shall not transfer any interest in this Agreement to another governmental entity (whether by assignment, novation or otherwise) without the prior written consent of both parties, which consent shall not be unreasonably withheld. Both parties may not assign any interest in this Agreement to any other entity, other than a Texas governmental entity. Both parties shall not assign any interest in this Agreement and shall not transfer any interest in this Agreement (whether by assignment, novation or otherwise) without the prior written consent of the other, which

consent shall not be unreasonably withheld. Both parties, likewise, may only transfer any interest in this Agreement to another Texas governmental entity.

ARTICLE XI
NOTICE

Any notice given by one party to the other in connection with this Agreement shall be in writing and shall be by personal delivery; sent by registered mail or certified mail; or by U.S. Mail, return receipt requested, postage prepaid; or by facsimile transmission actually received, to:

CORINTH: Mayor
City of Corinth, Texas
3300 Corinth Parkway
Corinth, Texas 76208

HICKORY
CREEK: Mayor
Town of Hickory Creek
1075 Ronald Reagan Avenue
Hickory Creek, Texas 75065

SHADY
SHORES: Mayor
Town of Shady Shores
101 S. Shady Shores Road
Shady Shores, Texas 76208

COUNTY: County Judge
Denton County, Texas
1 Courthouse Drive
Denton, Texas 76208

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Chief Information Officer
Denton County Technology Services
701 Kimberly Drive Suite 285
Denton Texas 76208

Notice shall be deemed to have been received on the date of receipt as shown on the return receipt or other written evidence of receipt.

ARTICLE XII
MODIFICATION

No waiver or modification of this Agreement or of any covenant, condition, limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding arising between the parties hereto out of or affecting this Agreement, or the rights or obligations of the parties hereunder, unless such waiver or modification is in writing, duly executed. The parties further agree that the provisions of this Article will not be waived unless as herein set forth.

ARTICLE XIII
SAVINGS

If any one or more of the provisions hereof concerning the subject matter of this Agreement should be held by a court or administrative agency of competent jurisdiction to be illegal, invalid or unenforceable in any respect, the parties agree to make a good faith effort to renegotiate another agreed provision to fulfill the purpose and intent of the present Agreement.

ARTICLE XIV
GOVERNING LAW AND VENUE

This Agreement shall be construed under and governed by, and in accordance with the laws of the State of Texas, and all obligations of the parties hereto, created by this Agreement are performable in Denton County, Texas. Venue of any suit or cause of action under this Agreement shall lie exclusively in Denton County, Texas.

ARTICLE XV
ENTIRE AGREEMENT

11

This Agreement and the exhibits attached thereto, constitutes the entire agreement among the parties hereto with respect to the subject matter hereof, and supersedes any prior understandings or written or oral agreements between the parties with respect to the subject matter of this Agreement. No amendment, modification, cancellation or alteration of the terms of this Agreement shall be binding on any party hereto unless the same is in writing, dated after the date hereof, and is duly

authorized and executed by the parties hereto.

**ARTICLE XVI
WAIVER OF TERMS AND CONDITIONS**

The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain always in full force and effect.

**ARTICLE XVII
CAPTIONS**

The captions contained in this Agreement are for informational purposes only and shall not in any way affect the substantive terms or conditions of this Agreement.

IN WITNESS WHEREOF, the City of Corinth, Texas has caused this Interlocal Cooperation Agreement to be executed by its duly-authorized and empowered Mayor; and the Town of Hickory Creek has caused this Interlocal Cooperation Agreement to be executed by its duly-authorized and empowered Mayor, and the Town of Shady Shores, Texas has caused this Interlocal Cooperation Agreement to be executed by its duly-authorized and empowered Mayor, and Denton County, Texas has caused this Interlocal Cooperation Agreement to be executed by its duly-authorized and empowered County Judge.

SIGNATURE PAGES TO FOLLOW

Denton County Signature Page

DENTON COUNTY, TEXAS

By: _____
Andy Eads, Denton County Judge

Date

ATTEST:

By: _____
Juli Luke, County Clerk

AUDITOR’S CERTIFICATE:

I hereby certify that funds are available in the amount of \$ to accomplish and pay the obligation of Denton County under this contract/agreement.

Jeff May, Denton County Auditor

City of Corinth Signature Page

CITY OF CORINTH, TEXAS

By: _____
Bill Heidemann, Mayor

Date

By: _____
Scott Campbell, City Manager

Date

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM:

Patricia A. Adams, City Attorney

Town of Hickory Creek Signature Page

TOWN OF HICKORY CREEK, TEXAS

By: _____
Lynn Clark, Mayor

Date

By: _____
John Smith, Town Manager

Date

ATTEST:

Kristi Rogers, Town Secretary

APPROVED AS TO FORM:

Town Attorney

Town of Shady Shores Signature Page

TOWN OF SHADY SHORES, TEXAS

By: _____
Cindy Aughinbaugh, Mayor

Date

By: _____
Wendy Withers, Town Administrator

Date

ATTEST:

Wendy Withers, Town Secretary

APPROVED AS TO FORM:

Town Attorney