



EVERMAN CITY COUNCIL REGULAR MEETING

Tuesday, September 08, 2026 at 6:00 PM

213 North Race Street Everman, TX 76140

AGENDA

1. MEETING CALLED TO ORDER
2. INVOCATION
3. PLEDGE OF ALLEGIANCE
4. CONSENT AGENDA

A. Minutes

City Council Budget WorkShop Meeting Minutes July 7, 2026

City Council Regular Meeting Minutes August 11, 2026

B. Financials

July 2026

5. PRESENTATIONS

A. Proclamation - Constitution Week

B. Proclamation - Patriot Day and National Day of Service & Remembrance

C. Proclamation - Honoring the National Society of the Daughters of the American Revolution
Month of Service 2026

D. Proclamation - Hispanic Heritage Month

E. Swearing In Ceremony - Everman Police Department

Christopher Fox

Windy McGarrey

Kyle Warren

Louis Detomasso

Nataly Jasso

6. CITIZEN'S COMMENTS

7. PUBLIC HEARING

- A.** PUBLIC HEARING - To receive citizen comments and testimony on the proposed 2026 Tax Rates

8. DISCUSSION ITEMS

A. Monthly Staff Reports:

1. Police Department
2. Code Enforcement
3. Animal Services
4. Public Works
5. Fire Department

B. Staff Report - Upcoming Community Events

- September 11th Remembrance Walk
- Baseball/Softball Fall Opening Day - September 19th
- National Night Out - October 6th
- Battle of the Badges Softball Fundraiser - October 17th
- Halloween Festival - October 27th or 28th
- Tarrant County Early Voting - October 19th - 30th
- Tarrant County Election Day - November 3rd

9. CONSIDERATION AND POSSIBLE ACTION

- A.** ORDINANCE No. 858 AN ORDINANCE FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES FOR THE CITY OF EVERMAN, TEXAS, UPON ALL TAXABLE PROPERTY FOR THE TAX YEAR OF 2026 DIRECTING THE ASSESSMENT AND COLLECTION THEREOF; PROVIDING A SEVERABILITY CLAUSE; AND AN EFFECTIVE DATE CLAUSE.

- B.** ORDINANCE NO. 859 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2026 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.

- C. RESOLUTION NO. 2026-09-02 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS ("CITY"), (I) APPROVING THE RESOLUTION OF THE BOARD OF DIRECTORS OF EVERMAN ECONOMIC DEVELOPMENT CORPORATION ("CORPORATION") REGARDING A PROMISSORY NOTE SECURED BY AND PAYABLE FROM THE CORPORATION'S SALES AND USE TAX IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$210,000.00 FOR THE PURPOSE OF CONSTRUCTING REAL PROPERTY; (II) APPROVING SAID PROJECT AS AN ECONOMIC DEVELOPMENT PROJECT TO BE UNDERTAKEN BY THE CORPORATION; (III) APPROVING A SALES TAX REMITTANCE AGREEMENT BETWEEN THE CITY AND THE CORPORATION; (IV) APPROVING SUCH PROGRAMS AND EXPENDITURES BY THE CORPORATION; (V) RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE LOAN; AND (VI) AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A GENERAL CERTIFICATE OF THE CITY AND THE SALES TAX REMITTANCE AGREEMENT.
- D. RESOLUTION NO. 2026-09-03 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS ("CITY"), (I) APPROVING THE RESOLUTION OF THE BOARD OF DIRECTORS OF EVERMAN ECONOMIC DEVELOPMENT CORPORATION ("CORPORATION") REGARDING A PROMISSORY NOTE SECURED BY AND PAYABLE FROM THE CORPORATION'S SALES AND USE TAX IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$220,000.00 FOR THE PURPOSE OF CONSTRUCTING REAL PROPERTY; (II) APPROVING SAID PROJECT AS AN ECONOMIC DEVELOPMENT PROJECT TO BE UNDERTAKEN BY THE CORPORATION; (III) APPROVING A SALES TAX REMITTANCE AGREEMENT BETWEEN THE CITY AND THE CORPORATION; (IV) APPROVING SUCH PROGRAMS AND EXPENDITURES BY THE CORPORATION; (V) RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE LOAN; AND (VI) AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, A GENERAL CERTIFICATE OF THE CITY AND THE SALES TAX REMITTANCE AGREEMENT.
- E. Consideration of Appointments to the Senior Citizen Advisory Board

10. EXECUTIVE SESSION

- A. Section 551.074 - Personnel Matters - Past performance, review and evaluation of the City Manager

11. CONSIDERATION AND POSSIBLE ACTION FROM EXECUTIVE SESSION

12. CITY MANAGERS REPORT

13. MAYOR'S REPORT

14. ADJOURN

I hereby certify that this agenda was posted on the City of Everman bulletin board at or before 5:00 p.m. on Wednesday September 2, 2026.

/s/ Mindi Parks
City Secretary

Citizens may watch city council meetings live on YouTube. A link to the City of Everman YouTube channel is provided on the city website at: www.evermantx.us/government/citycouncil/

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

Pursuant to Section 551.071, Chapter 551 of the Texas Government Code, Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting, to receive advice from its attorney on any posted agenda item, as permitted by Law. Additionally, Council may convene into Executive Session to discuss the following:

- A. Section 551.071 - Pending or Contemplated Litigation or to Seek Advice of the City Attorney.
- B. Section 551.072 - Purchase, Sale, Exchange, Lease, or Value of Real Property.
- C. Section 551.073 - Deliberation Regarding Prospective Gift.
- D. Section 551.074 - Personnel Matters.
- E. Section 551.087- Deliberation Regarding Economic Development Negotiations.
- F. Section 551.089 - Deliberations Regarding Security Devices or Security Audits.

Citizens wishing to submit written comments should e-mail the City Secretary at mparks@evermantx.net. Comments that are received at least one-hour prior to the start of the meeting will be provided to all council members.

According to the City of Everman Policy on Governance Process, individual citizen comments will be restricted to three (3) minutes unless otherwise determined by a majority vote of the Council. The mayor is responsible to enforce the time limit. Citizens may address City Council either during the Citizen Comments portion of the meeting or during deliberation of a listed agenda item. City Council is only permitted by Law to discuss items that are listed on the agenda. Citizens wishing to make comments should notify the City Secretary as soon as possible.

City Hall is wheelchair accessible. Parking spaces for disabled citizens are available. Requests for sign interpretative services must be made 48 hours prior to the meeting. To make arrangements, call 817.293.0525 or TDD 1.800.RELAY TX, 1.800.735.2989.



EVERMAN CITY COUNCIL BUDGET WORKSHOP

Tuesday, July 07, 2026 at 6:00 PM

212 North Race Street Everman, TX 76140

MINUTES

1. MEETING CALLED TO ORDER

Mayor Richardson called meeting to order at 6:05pm.

2. CITIZEN'S COMMENTS

No citizens' comments were presented.

3. DISCUSSION ITEMS

- A. Fiscal Year 2027 Budget Workshop - Compensation, benefits, water & sewer fund expenditures, and special revenue fund expenditures

The City Manager presented the first FY2027 budget workshop, noting that this year's budget process has been complicated by ongoing state and federal-level changes affecting revenue projections, and that figures presented remain fluid pending receipt of the certified tax roll later in the month. The City Manager indicated that additional budget cuts may be necessary once revenues are finalized, with a final proposal to be brought back to Council.

FY2027 Budget Goals, Priorities, and Fiscal Challenges

The City Manager outlined top budget priorities and goals for the fiscal year, developed based on Council and department director feedback:

The City Manager also outlined this year's specific budget challenges: the General Fund deficit and water/sewer fund financial pressure described above; uncertainty in property tax revenue growth, as the Tarrant Appraisal District's biennial reappraisal freeze is producing an estimated 2.6% growth in property values over two years (under 1% annually), with limited new construction offsetting flat appraisals; state legislative uncertainty, as the current legislative session (hearings running through September) includes proposals to eliminate property tax and to cap municipal spending growth at 3% annually, with no assurance this cycle of state funds to backfill any resulting revenue loss to cities or schools as occurred in prior cycles; and the need to modernize the City's fee schedule.

Personnel, Compensation, and Salary Structure

Staff reported that citywide personnel and benefits costs were approximately \$7.0 million in FY2025 actuals, approximately \$7.1 million in the FY2026 adopted budget, and approximately \$4.2 million in FY2026 year-to-date actuals. Staff noted that vacancies across Police, Fire, Dispatch, and Public Works produced some salary and benefit savings during the year, though overtime costs (particularly in Fire and Police, which maintain minimum staffing requirements) partially offset those savings. As of the meeting, Public Works and Fire were fully staffed; Police was short three positions and Dispatch was short three positions.

Across all funds, personnel and benefits costs break down approximately as follows: salaries, 10% health insurance, 8% TMRS retirement contributions, 5% FICA, and approximately 3% overtime (budgeted amounts, not actuals).

Staff reported that inflation over the trailing 12 months was approximately 4.2%, the largest 12-month increase since April 2023. The proposed FY2027 compensation plan targets an overall 5% increase for most employees, consisting of a 1.5% cost-of-living adjustment (COLA) plus a 3.5% step increase for employees not otherwise capped, consistent with the City's approach in recent years (which has included a 13% increase, an 8% increase, and, last year, a step freeze with only a 3.5% COLA).

Staff reviewed the exempt and non-exempt pay scales by grade and step, noting that new hires typically start at Step 1 (of a 10-step scale) and that department directors may start well-qualified new hires as high as Step 5 to aid recruitment. The City's minimum wage is currently \$14.69 per hour, with no employees currently paid at that rate.

Staff proposed creating a separate, condensed Police and Fire pay scale to address recruitment challenges: rather than a 10-step scale, the new scale would effectively begin at the former Step 6 (renumbered as Step 1) and run through the former Step 10 (renumbered as Step 5). Staff explained that employees with more than six years of tenure are already within market range, and that the City's competitive disadvantage is concentrated at the entry level, where starting salaries are reported to be roughly \$10,000 below neighboring cities. Staff noted this adjustment would bring Everman closer to (though still below) larger neighboring cities, while positioning it well within the market of comparable smaller DFW-area cities. Police was noted to already have a large share of officers at or above the former Step 6 due to longer average tenure, while no current Fire employees reach that level, meaning the change would affect more Fire employees proportionally. Estimated cost impact of the pay scale change is approximately \$233,000 for the Fire Department and approximately \$124,000 (roughly a 9.5-10% overall increase) for the Police Department. Staff noted the Police Department has had three vacancies for more than nine months attributed in part to noncompetitive starting pay, while Fire faces a comparatively smaller applicant pool due to the additional certification requirements (firefighter/EMT) for entry.

Staff also proposed converting existing certification, education, and special assignment pay for Police (and extending equivalent pay to Fire, which has not previously had it) from an hourly rate differential to a flat monthly stipend, in order to avoid inflating overtime calculations. Proposed stipends include paramedic pay (approximately \$667/month), advanced EMT pay (approximately \$100/month), intermediate certification pay (approximately \$50/month), education pay, special assignment pay, field training officer (FTO) pay, K-9 unit pay, SCBA/PPE specialist and quartermaster pay, and bilingual pay.

Staff reviewed workforce demographic trends, noting the City's workforce spans four generations, with Baby Boomers gradually retiring and Millennials and Gen Z making up the growing majority; different generations were noted to generally value different compensation and benefit priorities. The City currently employs approximately 86 people, approximately 86% full-time and 14% part-time.

In response to Council questions, staff clarified that the Police Department's lower-than-expected year-to-date FICA and TMRS spending reflects savings from three long-term vacancies (nine months), and that the FY2026 adopted Police budget reflects a prior reduction of School Resource Officers from eight to seven positions, which is expected to remain at seven for the coming school year. Staff also confirmed that Dispatch's larger dollar impact from the proposed pay scale change is primarily a function of its larger headcount (16 budgeted positions, with 3 currently vacant) rather than a larger per-employee impact.

In response to a Council question, staff confirmed that Municipal Court judge compensation is budgeted under expenditures rather than salaries and confirmed that no increase request had been received from the judge or prosecutor for the coming year. In response to a separate question about mowing contract costs, staff indicated that item would be addressed at the Thursday, July 9 follow-up workshop.

Employee Benefits and Retirement

Staff reported that after several years of favorable health insurance renewals, United Healthcare returned an initial quote for a 25% premium increase for FY2027, which staff described as unsustainable alongside a targeted 5% compensation increase. The City has instructed its insurance broker to market the plan to other carriers (including TML, Blue Cross Blue Shield, and Aetna) to seek competitive bids; the budget currently includes a placeholder 10% increase, which the broker expressed confidence could be improved upon. Staff noted the City has historically covered 100% of the premium for its highest-tier health plan for employees, with employee out-of-pocket costs generally limited to dependent coverage, and that dependent coverage costs have risen from approximately \$18 per pay period a few years ago to approximately \$50-\$60 per pay period currently. Dental, life, and other ancillary insurance benefits are expected to renew flat with no increase.

Regarding retirement, staff proposed increasing the City's TMRS (Texas Municipal Retirement System) contribution rate from 6% to 7%, effective January of the new fiscal year, resuming progress toward TMRS's increased contribution cap of 8% after pausing a planned increase last year during budget cuts.

Staff noted that most departments are budgeted for an average 5% salary increase and 10% health insurance cost increase, with Police and Fire reflecting larger increases due to the proposed pay scale restructuring described above.

Water and Sewer Fund and Special Revenue Funds

Staff reported that water and sewer fund year-to-date actuals are tracking close to budget, with some unexpected expenditures related to periodic water well repairs and replacements.

Water Department Proposed Expenditures (Fund 230)

Staff reviewed proposed Water Department expenditures line by line, highlighting the following:

Sewer Fund and Utility Billing

Sewer fund operating expenses (line and fitting repairs, miscellaneous costs, and sewer maintenance) are held flat pending completion of the water/sewer rate study discussed earlier in the meeting.

Utility billing remains budgeted at approximately \$15,000. Staff traced a prior-year budget overage to the cost of water-bill mailer inserts (approximately \$3,000 per insert) and confirmed the City no longer includes a printed newsletter insert in utility bills (previously costing approximately \$12,000 per year), instead publishing the newsletter online, with printed copies available upon request at City Hall.

Staff and Council confirmed the next FY2027 budget workshop is scheduled for Thursday, July 9, 2026 at 1:00 p.m. (with lunch available at 12:30 p.m.), at which personnel and benefits items would be revisited along with street repair cost estimates, mowing contract costs, and other remaining budget topics. Staff reiterated that the online budget workbook will continue to be updated in real time as figures are finalized, while printed materials distributed at meetings reflect only a snapshot as of the date printed.

4. EXECUTIVE SESSION

No Executive Session was held.

5. ADJOURN

Mayor Richardson adjourned the meeting at 7:20pm.

I hereby certify that this agenda was posted on the City of Everman bulletin board at or before 5:00 p.m. on Wednesday, July 1, 2026.

/s/ Mindi Parks
City Secretary

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EVERMAN CITY COUNCIL REGULAR MEETING

Tuesday, August 11, 2026 at 6:00 PM

213 North Race Street Everman, TX 76140

MINUTES

1. MEETING CALLED TO ORDER

Mayor Richardson called meeting to order at 6:01pm.

2. INVOCATION

A moment of silence was observed in lieu of a spoken invocation.

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the flag of the United States of America was recited.

4. CONSENT AGENDA

A. Meeting Minutes

May 12, 2026 Regular Meeting

May 26, 2026 Special called Meeting

June 9, 2026 Regular Meeting

July 7, 2026 Budget WorkShop

July 9, 2026 Council WorkShop

July 28, 2026 Budget Work Session

Motion made by Place 5 Sellers, Seconded by Place 6 Davila.

Voting Yea: Place 1 Sanders, Place 3 Allen, Place 4; Mayor Pro-Tem Mackey, Place 5 Sellers, Place 6 Davila, Mayor Richardson

Motion Carried

B. Financials

May 2026

June 2026

Motion made by Place 4; Mayor Pro-Tem Mackey, Seconded by Place 5 Sellers.

Voting Yea: Place 1 Sanders, Place 4; Mayor Pro-Tem Mackey, Place 5 Sellers, Place 6 Davila, Mayor Richardson

Voting Nay: Place 3 Allen

Motion Carried

5. PRESENTATIONS

A. Proclamation - Gun Safety Awareness Month - August, 2026

The Mayor read a proclamation declaring August 2026 as Gun Safety Awareness Month in the City of Everman, citing statistics on unsecured firearms and risks to children, and encouraging citizens to promote responsible gun ownership, secure firearm storage, and community education.

B. Proclamation Honoring the 50th Anniversary of Hickory Stick Bar-B-Q and Declaring August 12, 2026 as "Hickory Stick Bar-B-Q Day"

The Mayor read a proclamation honoring Hickory Stick Bar-B-Q, founded in 1976 by the late Johnny Jones and now operated by his son Mark Jones, recognizing the restaurant's 50 years of service to Everman and the surrounding region, its community support, and its regional recognition. The proclamation declared August 12, 2026 as Hickory Stick Bar-B-Q Day. Representatives of Hickory Stick Bar-B-Q were present to accept the proclamation.

6. CITIZEN'S COMMENTS

Ms. Allen addressed the Council regarding city holiday closures and their effect on bulk trash pickup and recycling collection schedules, noting that residents were not aware the City was closed for the July 4th holiday. Staff responded that holiday closures are posted on the door at City facilities but not currently on the city website, and agreed that additional notice to residents may be needed.

7. DISCUSSION ITEMS

A. Discussion related to improvements, programs, and upcoming ceremonies to be held at the Memorial Park

Staff reported ongoing work with the Garden Club toward earning the Blue Star Award for the Memorial Park, with installation expected in October, along with additional Public Works improvements at the park. Staff also reported that Mayor Pro Tem Mackey, who serves with the Daughters of the American Revolution, has arranged for a plaque honoring America 250 to be installed at the park; a new monument is being ordered for the front military pad to display the plaque, and a dedication ceremony is planned for October.

Staff recommended that the Council consider naming the park the "Susan H. Mackey Memorial Park" in honor of Mayor Pro Tem Mackey, the longest-serving council member in the City's history (approaching 30 years), citing her extensive background in military, public education, and public service. Staff explained that formal action would require a resolution posted at least three business days in advance, and asked for a general consensus from Council to move forward with signage and design work, with a resolution to be brought back for formal adoption at next month's meeting. Council indicated general consensus to proceed. Concept signage designs were displayed for the Council.

B. Monthly Staff Reports -

- 1) Police Department
- 2) Fire Department
- 3) Public Works
- 4) Code Enforcement

5) Animal Services

1) Police Department

The Police Department presented its report for July 2026. Officers responded to 1,661 calls for service, including 8 traffic crashes (0 major, 4 minor, 4 hit-and-run); 7 alarm calls (4 commercial, 3 residential); 3 assault calls (1 simple, 2 sexual assault); 12 assists to other agencies; 1 burglary in progress (unfounded) and 3 burglary investigations; 6 thefts; 35 disturbance calls (18 general, 17 domestic); 3 criminal trespass calls; 9 city ordinance issues (7 parking); 1 fight call; 1 intoxicated person call; 2 mentally ill person calls; 1 missing person call; 21 shots-fired/fireworks calls (mostly related to July 4th); 4 stolen vehicles (2 unfounded); and 16 suspicious person/vehicle calls (7 person, 9 vehicle). Traffic enforcement resulted in 93 traffic stops, producing 41 citations and 52 warnings.

Staffing updates: Officer Lewis DeTomaso completed field training and began his solo assignment; he will also serve as the department's Public Information Officer. Officer Natalie Pace, a recent academy graduate, was to be sworn in and begin field training. Reserve Officer Kyle Warren was sworn in, with two additional reserve officers anticipated within the week. New officers will be formally introduced at next month's regular meeting for a badge-pinning ceremony.

2) Fire Department

The Fire Department reported 181 total responses for the period, including 15 fire calls, 124 medical emergencies, 9 motor vehicle accidents, 18 hazard conditions, and 15 other calls. Staff cautioned that red-flag warning conditions and drought are expected to increase grass fire activity over the coming weeks and noted plans for a public safety/social media campaign on outdoor burning and trash discarding.

Probationary Firefighter/Paramedic Harris, who has approximately 20 years of fire service experience and is a licensed peace officer, started July 2nd and is assigned to C-shift during field training. The department has concluded negotiations to replace its ESO reporting/RMS system with First Due, with a target go-live around October 1, at a price matched to the prior contract. The city's surplus asset auction has been submitted and is pending listing. Of two TIFMAS-related grants awarded, \$25,000 was used to replace SCBA masks and regulators, and \$140,000 (combining two smaller grants) will fund a new brush truck chassis and slip-on unit (approximately 550-gallon capacity) to replace the department's 2006 brush truck (350-gallon capacity), currently being fabricated in Florida.

3) Public Works

Staff commended a newer member of the maintenance team for significant improvements in the cleanliness and appearance of City facilities, including the Civic Center grounds and landscaping, noting positive feedback from staff across departments.

4) Code Enforcement

Code Enforcement presented a report on primary violation types, case volumes, and use of educational materials and before/after photo documentation in enforcement cases.

5) Animal Services

The Animal Services report was skipped, as the department representative was not present.

- C. Staff Report - Update as it relates to the Municipal Animal Services Shelter and Everman City Hall Construction Projects

Update as it relates to the Municipal Animal Services Shelter and Everman City Hall Construction Projects

Animal Shelter: Staff reported that contractor walkthroughs and bids have been submitted to the general contractor/design-build firm, with full construction expected to begin around mid-

August and completion anticipated in October or November. Public Works and Municipal Animal Services staff spent several days at the City of Mansfield's former shelter disassembling and relocating donated kennels and equipment, which have already been delivered to the Everman shelter site.

City Hall: Design concepts have been finalized and the design contract executed; the project is now in the engineering phase (MEP and permitting plans) prior to submission for permitting. Groundbreaking is not expected until around October due to the permitting timeline. Staff will relocate entirely out of the existing City Hall to the DAAGs building for the duration of construction; that facility will not have public restrooms, but walk-in service for utility billing, municipal court, and permits will continue. Staff proposed naming the new Council Chambers the "Richardson Chambers" in honor of the Mayor as the longest-serving mayor in the City's history, and requested a general consensus from Council to proceed with that designation as part of the design, with a resolution to be brought back next month for formal adoption. Council indicated general consensus to proceed.

D. Discussion and Updates related to the Fiscal Year 2027 Budget Proposal

The City Manager presented the proposed balanced Fiscal Year 2027 budget, provided to Council in both an online workbook and a printed working copy, with a more detailed "pretty book" version (including organizational charts and department goals/narratives) available on request or on the City website.

Key executive goals for the coming year remain: rebuilding General Fund reserves; balancing cost control with workforce stability; strategically leveraging economic growth; establishing a sustainable capital and equipment plan; and enhancing budget transparency.

Total proposed budget across all funds is approximately \$15,869,963, including the General Fund, the Water/Sewer Fund (approximately \$3,189,930), and smaller funds including the Crime Control District and Community Development Corporation (CDC). All funds are balanced. *(Note: several specific dollar figures in this section were difficult to transcribe precisely from the recording and should be verified against the written budget workbook.)*

Administrative transfers between funds increased from approximately \$193,000 to approximately \$1.3 million; a breakout schedule of each transfer and its purpose is included in the budget workbook.

Staff read the required statutory tax rate statement into the record: the proposed budget would raise more revenue from property taxes than the prior year's budget by a negative amount (a decrease of approximately \$128,740, or approximately -4.13%). Property tax revenue from new property added to the roll is approximately \$3,556. The current tax rate is \$1.026080 per \$100 valuation; the proposed rate is a flat \$1.0500 per \$100; the no-new-revenue rate is approximately \$1.69480 per \$100. Staff noted a possible typo in the printed voter-approval rate figure to be corrected. Staff attributed the increase in the no-new-revenue rate largely to the Tarrant Appraisal District's multi-year pause on reappraisals, which has led to more successful property tax protests and a lower median household valuation citywide. *(Note: several rate figures in this paragraph were difficult to transcribe precisely and should be verified against the written budget/tax rate notice.)*

Staff confirmed a Special Called Meeting will be held August 25, 2026 at 6:00 p.m. for a public hearing and adoption of the FY2027 budget, followed by adoption of the tax rate at the September 8, 2026 Regular Meeting; both meetings will include public hearings.

No formal action was taken on this discussion item.

E. Staff Report - Everman Youth Athletics Fall Baseball & Softball Season

Staff reported that over 100 children have registered for the inaugural fall baseball and softball season. A coaches' clinic was scheduled for that Saturday, at which the Fire Department will provide free CPR/AED certification training, and Hickory Stick Bar-B-Q will provide food. The program has partnered with Everman ISD and Coach James Pulk (who also serves on the Parks and Recreation Commission) to provide mentorship and resources to volunteer coaches.

Staff noted that the concession stand will initially be limited to prepackaged food items, as no staff currently hold a food handler's license required under Tarrant County Public Health rules to serve prepared food; a food truck partnership is being explored for hot food on major event days pending future remodeling and licensing. Opening day is planned for Saturday, September 19, 2026 (morning; exact time to be announced). To date, the program has generated over \$6,000 in registration fees and over \$10,000 in sponsorship funding.

8. CONSIDERATION AND POSSIBLE ACTION

- A. RESOLUTION NO. 2026-08-01 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, APPROVING AND ADOPTING THE EVERMAN YOUTH ATHLETICS YOUTH BASEBALL & SOFTBALL PROGRAM POLICY; AUTHORIZING THE CITY MANAGER AND PARKS & RECREATION COORDINATOR TO ADMINISTER AND IMPLEMENT THE POLICY; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Motion made by Place 5 Sellers, Seconded by Place 4; Mayor Pro-Tem Mackey.
Voting Yea: Place 1 Sanders, Place 3 Allen, Place 4; Mayor Pro-Tem Mackey, Place 5 Sellers, Place 6 Davila, Mayor Richardson

Motion Carried

- B. RESOLUTION NO. 2026-08-02 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, SUPPORTING THE APPLICATION OF BAIR HOLDINGS, LLC TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR A MUNICIPAL SETTING DESIGNATION FOR PROPERTY LOCATED AT 5921 AND 5933 SOUTH FREEWAY, FORT WORTH, TARRANT COUNTY, TEXAS; PROVIDING FINDINGS; PROVIDING A DISCLAIMER OF LIABILITY; AND PROVIDING AN EFFECTIVE DATE.

Motion made by Place 4; Mayor Pro-Tem Mackey, Seconded by Place 5 Sellers.
Voting Yea: Place 1 Sanders, Place 3 Allen, Place 4; Mayor Pro-Tem Mackey, Place 5 Sellers, Place 6 Davila, Mayor Richardson

Motion Carried

- C. RESOLUTION NO. 2026-08-03 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, APPROVING AND ADOPTING THE CITY OF EVERMAN PUBLIC INFORMATION REQUESTS MANAGEMENT POLICY; DIRECTING THE DIRECTOR OF HUMAN RESOURCES TO INCORPORATE THE POLICY INTO THE CITY OF EVERMAN PERSONNEL MANUAL AND TO MAKE RELATED ADMINISTRATIVE UPDATES; AUTHORIZING IMPLEMENTATION; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Motion made by Place 5 Sellers, Seconded by Place 1 Sanders.
Voting Yea: Place 1 Sanders, Place 3 Allen, Place 4; Mayor Pro-Tem Mackey, Place 5 Sellers, Place 6 Davila, Mayor Richardson

Motion Carried

- D. ORDINANCE NO. 855 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, ADOPTING THE CITY OF EVERMAN FEE SCHEDULE, ATTACHED HERETO AND INCORPORATED HEREIN AS EXHIBIT "A"; ESTABLISHING FEES AND CHARGES FOR LICENSES, PERMITS, INSPECTIONS, UTILITY SERVICES, DEVELOPMENT SERVICES, MUNICIPAL SERVICES, AND OTHER CITY SERVICES AND ACTIVITIES; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES AND FEE SCHEDULES; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE OF SEPTEMBER 1, 2026.

Motion made by Place 4; Mayor Pro-Tem Mackey, Seconded by Place 1 Sanders.
Voting Yea: Place 1 Sanders, Place 4; Mayor Pro-Tem Mackey, Place 5 Sellers, Place 6 Davila, Mayor Richardson
Voting Nay: Place 3 Allen

Motion Carried

- E. ORDINANCE NO. 856 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, ADOPTING AN UPDATED SCHEDULE OF RATES, FEES, AND CHARGES FOR MUNICIPAL WATER AND WASTEWATER SERVICES; PROVIDING FOR THE APPLICATION AND COLLECTION OF SUCH RATES, FEES, AND CHARGES; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION; AND PROVIDING A GENERAL EFFECTIVE DATE AND AN EFFECTIVE DATE FOR THE RATES, FEES AND CHARGES ADOPTED HEREIN AT THE BEGINNING OF THE FIRST UTILITY BILLING CYCLE COMMENCING AFTER OCTOBER 1, 2026.

Motion made by Place 4; Mayor Pro-Tem Mackey, Seconded by Place 5 Sellers.
Voting Yea: Place 1 Sanders, Place 4; Mayor Pro-Tem Mackey, Place 5 Sellers, Place 6 Davila, Mayor Richardson
Voting Nay: Place 3 Allen

Motion Carried

9. EXECUTIVE SESSION

- A. Section 551.071 - Pending or Contemplated Litigation to wit: Earlene Wilson v. Rollamania, LLC, The City of Everman Fire Department, and the City of Everman

Mayor Richardson went into Executive Session at 6:02pm.

Mayor Richardson closed Executive Session at 6:08pm

Motion made by Place 4; Mayor Pro-Tem Mackey to approve the City Manager's execution of the settlement agreement in the referenced lawsuit on thee terms set forth in Executive Session, Seconded by Place 5 Sellers.

Voting Yea: Place 1 Sanders, Place 3 Allen, Place 4; Mayor Pro-Tem Mackey, Place 5 Sellers, Place 6 Davila, Mayor Richardson

Motion Carried

10. EXECUTIVE SESSION

11. CITY MANAGERS REPORT

Shelby Road repaving was completed the evening before this meeting, ahead of the first day of school; the City Manager thanked Rick Hatcher, Joe Tramel, Commissioner Miles, and Tarrant County staff for expediting the project after the City raised concerns about construction overlapping the start of school.

A traffic signal is planned for the intersection of Everman Parkway and Ray Street; staff had hoped to expedite the purchase through a cooperative purchasing board but must instead complete a formal bid process for procurement reasons, which is currently underway, with installation hoped for within the next couple of months.

The City Manager visited the City of Early (near Brownwood) to review economic development initiatives that may be applicable to Everman.

Timberview Farmstead's nonprofit organization is closing due to insufficient charitable giving to sustain it; staff noted this does not mean the end of Timberview Farmstead itself, as other options are being discussed, and the City has offered its support to the Brown family and staff during the transition.

12. MAYOR'S REPORT

The Mayor announced that City Manager performance evaluation forms will be mailed to Council members within the next one to two weeks, along with an emailed copy; the evaluation has been shortened from 13 pages to 2 pages. All seven Council members were asked to complete an evaluation; completed forms may be returned to the Mayor or City Secretary, or submitted online, with signatures to be collected at next month's meeting following discussion of the evaluation in Executive Session.

13. ADJOURN

Mayor Richardson adjourned the meeting at 8:06pm.

I hereby certify that this agenda was posted on the City of Everman bulletin board at or before 5:00 p.m. on Wednesday August 5, 2026.

/s/ Mindi Parks
City Secretary

Citizens may watch city council meetings live on YouTube. A link to the City of Everman YouTube channel is provided on the city website at: www.evermantx.us/government/citycouncil/

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

Pursuant to Section 551.071, Chapter 551 of the Texas Government Code, Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting, to receive advice from its attorney on any posted agenda item, as permitted by Law. Additionally, Council may convene into Executive Session to discuss the following:

- A. Section 551.071 - Pending or Contemplated Litigation or to Seek Advice of the City Attorney.
- B. Section 551.072 - Purchase, Sale, Exchange, Lease, or Value of Real Property.
- C. Section 551.073 - Deliberation Regarding Prospective Gift.
- D. Section 551.074 - Personnel Matters.
- E. Section 551.087- Deliberation Regarding Economic Development Negotiations.
- F. Section 551.089 - Deliberations Regarding Security Devices or Security Audits.

Citizens wishing to submit written comments should e-mail the City Secretary at mparks@evermantx.net. Comments that are received at least one-hour prior to the start of the meeting will be provided to all council members.

According to the City of Everman Policy on Governance Process, individual citizen comments will be restricted to three (3) minutes unless otherwise determined by a majority vote of the Council. The mayor is responsible to enforce the time limit. Citizens may address City Council either during the Citizen Comments portion of the meeting or during deliberation of a listed agenda item. City Council is only permitted by Law to discuss items that are listed on the agenda. Citizens wishing to make comments should notify the City Secretary as soon as possible.

City Hall is wheelchair accessible. Parking spaces for disabled citizens are available. Requests for sign interpretative services must be made 48 hours prior to the meeting. To make arrangements, call 817.293.0525 or TDD 1.800.RELAY TX, 1.800.735.2989.



Proclamation

CONSTITUTION WEEK

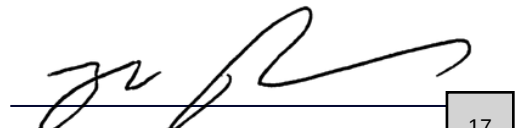
WHEREAS, September 17, 2026, marks the two hundred and thirty-ninth anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS, It is the privilege and duty of the American people to commemorate the anniversary of the drafting of the Constitution of the United States of America with appropriate ceremonies and activities; and

WHEREAS, It is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary; and to the patriotic celebrations which will commemorate the occasion; and

WHEREAS, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week,

NOW, THEREFORE, BE IT PROCLAIMED BY THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, that September 17th through the 23rd, is hereby proclaimed as “CONSTITUTION WEEK” in the City of Everman, Texas, and the City Council asks our citizens to reaffirm the ideals that the Framers of the Constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties, and remembering that lost right may never be regained.


Honorable Mayor Ray Richardson



Proclamation

PATRIOT DAY AND NATIONAL DAY OF SERVICE & REMEMBRANCE

SEPTEMBER 11, 2026

WHEREAS, on September 11, 2001, our nation suffered a tragic terrorist attack that claimed the lives of nearly 3,000 innocent people in New York City, the Pentagon, and southwestern Pennsylvania; and

WHEREAS, in the face of unimaginable danger, first responders, military personnel, and ordinary citizens displayed extraordinary courage, rushing into harm's way to rescue others and sacrifice their own lives; and

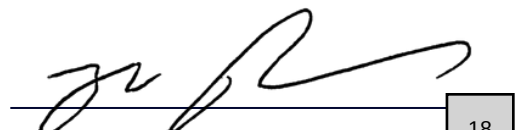
WHEREAS, the pivotal courage and resilience shown on that day demonstrated the unbreakable spirit of our community and our country; and

WHEREAS, Congress designated September 11 as Patriot Day and a National Day of Service and Remembrance, honoring victims and thanking first responders;

WHEREAS, the City of Everman remains committed to honoring the sacrifices of our nation's first responders, members of the Armed Forces, public safety professionals, and all those who dedicate their lives to protecting and serving others; and

WHEREAS, twenty-five years later, we reaffirm our duty to ensure that the stories of September 11, 2001, and the extraordinary acts of heroism witnessed that day are never forgotten and are passed on to future generations;

NOW, THEREFORE, BE IT PROCLAIMED BY THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, that September 11, 2026 is hereby proclaimed as "Patriot Day and National Day of Service & Remembrance" in the City of Everman.


Honorable Mayor Ray Richardson



Proclamation

HONORING THE NATIONAL SOCIETY OF THE DAUGHTERS OF THE AMERICAN REVOLUTION MONTH OF SERVICE 2026

WHEREAS, the National Society Daughters of the American Revolution (NSDAR) and its local chapters across the United States have long been dedicated to the principles of historic preservation, education, and patriotism; and

WHEREAS, service has remained at the very heart of the DAR mission since its founding on October 11, 1891, fulfilling the enduring vision of its founders to create a society rooted in civic contribution and community betterment; and

WHEREAS, as the United States marks its historic 250th anniversary, the DAR has launched a special America250! Month of Service spanning from September 11 to October 11, 2026; and

WHEREAS, during this designated month, DAR members nationwide will partner with prominent community and national initiatives—including 9/11 Day meal packings, Constitution Week outreach, Blue Star Families Welcome Week, and America Gives volunteer efforts—to enrich our neighborhoods and give back; and

WHEREAS, the countless volunteer hours and selfless dedication contributed by members of the Daughters of the American Revolution profoundly strengthen our local community, foster unity, and honor the legacy of our Revolutionary War patriots;

NOW, THEREFORE, BE IT PROCLAIMED BY THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, that September 11, 2026 through October 11, 2026, is hereby proclaimed as “NSDAR Month of Service” in the City of Everman, Texas, and the City Council encourages all citizens to recognize the vital contributions made by service organizations and to join in acts of volunteerism that better our society..


Honorable Mayor Ray Richardson



Proclamation

NATIONAL HISPANIC HERITAGE MONTH

WHEREAS, National Hispanic Heritage Month, known as “Mes de Herencia Hispana”, is celebrated nationwide from September 15th through October 15th each year. The observation started in 1968 as Hispanic Heritage Week and was expanded by President Ronald Reagan in 1988, to cover the month at which it is celebrated today. September 15 is significant because it is the anniversary of the independence of Latin American countries Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. In addition, Mexico and Chile celebrate their independence days on September 16 and 18, respectively; and

WHEREAS Latinos are individuals that are descendants from Latin American countries and may speak a variety of different languages. Hispanics are individuals that speak Spanish and are descendants from Spanish speaking countries, including Spain; and

WHEREAS, Recognizing that Hispanics amount to an estimated 49% of the City of Everman population. Understanding that Hispanics are extremely entrepreneurial and play a vital role in our economy and workforce; and

WHEREAS, the City of Everman recognizes the significant contributions of all Hispanic city employees and numerous grassroots leaders and outreach groups that help increase cultural awareness, education, enrichment, and community engagement with our residents. It is through their support and community involvement that our city has continued to become more culturally diverse and a welcoming city for everyone; and

WHEREAS, the City of Everman is committed to recognizing Hispanic/Latino heritage as an important part of the city and its strong, inclusive community; and

NOW, THEREFORE, BE IT PROCLAIMED BY THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, that September 15, 2026 through October 15, 2026 is hereby proclaimed as “Hispanic Heritage Month” in the City of Everman.


Honorable Mayor Ray Richardson

NOTICE OF MEETING TO VOTE ON TAX RATE

Section 7, ItemA.

A tax rate of \$1.050000 per \$100 valuation has been proposed by the governing body of City of Everman.

PROPOSED TAX RATE	\$1.050000 PER \$100
NO-NEW REVENUE TAX RATE	\$1.069480 PER \$100
VOTER-APPROVAL TAX RATE	\$1.050888 PER \$100

The no-new-revenue tax rate is the tax rate for the 2026 tax year that will raise the same amount of property tax revenue for Everman from the same properties in both the 2025 tax year and the 2026 tax year.

The voter-approval tax rate is the highest tax rate that Everman may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is not greater than the no-new-revenue tax rate. This means that the City of Everman is not proposing to increase property taxes for the 2026 tax year.

A PUBLIC MEETING TO VOTE ON THE PROPOSED TAX RATE WILL BE HELD ON **Tuesday, September 8, 2026, at 6:00 PM** at the Everman Civic Center, 213 N. Race Street, Everman, TX 76140 (Live & Virtual Meeting).

The proposed tax rate is also not greater than the voter-approval tax rate. As a result, Everman is not required to hold an election to seek voter approval of the rate. However, you may express your support for or opposition to the proposed tax rate by contacting the City Secretary at mparks@evermantx.net or by attending the public meeting mentioned above.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{Property tax amount} = (\text{tax rate}) \times (\text{taxable value of your property})/100$$

FOR the proposal:

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by Everman last year to the taxes proposed to be imposed on the average residence homestead by Everman this year:

	2025	2026	Change
Total Tax Rate (per \$100 of value)	\$1.026080	\$1.050000	Increase of \$0.023920 OR 2.33%
Average Homestead Taxable Value	\$198,616	\$191,278	Decrease of \$7,338 OR 3.69%
Tax on Average Homestead	\$2,037.96	\$2,008.42	Decrease of \$29.54 OR 6.91%
Total Tax Levy on All Properties	\$4,090,152	\$3,962,078	Decrease of \$128,074 OR 3.13%

For assistance with tax calculations, please contact the tax assessor for Everman at 817-370-4535 or taxoffice@tarrantcountytx.gov, or visit www.access.tarrantcounty.com for more information.

ORDINANCE No. 858

AN ORDINANCE FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES FOR THE CITY OF EVERMAN, TEXAS, UPON ALL TAXABLE PROPERTY FOR THE TAX YEAR OF 2026 DIRECTING THE ASSESSMENT AND COLLECTION THEREOF; PROVIDING A SEVERABILITY CLAUSE; AND AN EFFECTIVE DATE CLAUSE.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

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

Section 1. For the current expense of the City of Everman and for the general improvements of the City and its property, there is hereby levied and ordered to be assessed and collected for the year 2026 on all property situated within the corporate limits of the City limits of the City of Everman, and not exempt from taxation by valid laws, an ad valorem tax rate of 1.050000 cents on the One Hundred (\$100.00) Dollars valuation of such property.

\$ <u>0.940868</u>	For the purpose of maintenance and operation.
\$ <u>0.109132</u>	For the purpose of interest and principal on general obligation debt.
\$ <u>1.050000</u>	Total tax rate.

Section 2. That the taxes herein are levied according to law and shall be due and payable on October 1, 2026, and the same shall come delinquent on February 1, 2027. Should any taxpayer fail to make payment before the date of delinquency, the penalty as provided by law shall be assessed until the unpaid taxes and penalties have been satisfied. All prior year delinquent taxes will be used for the purpose of maintenance and operation, provided all debt requirements have been met.

Section 3. In the event any section, sub-section, clause, sentence, or phrase of this ordinance shall be declared or adjudged invalid or unconstitutional, such adjudication shall in no means affect any other section, sub-section, clause, sentence, or phrase of this ordinance, but all the rest thereof shall be in full force and effect just as though the section, sub-section, sentence, clause, or phrase so declared or adjudged invalid or unconstitutional was not originally a part thereof.

Section 4. This ordinance shall be in full force and effect from and after its passage and publication as provided by law.

PASSED AND APPROVED IN OPEN SESSION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS ON THE 8th DAY OF SEPTEMBER 2026.

Ray Richardson
Mayor

ATTEST:

Mindi Parks
City Secretary

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2025

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 2026 Willis Towers Watson Report as adjusted (1) (2) (3)	\$ 200,382	\$ (490,197)	\$ 951,536	\$ (3,288,240)	\$ 72,926	
2	Allocation Factor	46.66%	46.66%	87.00%	87.00%	100.00%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 93,490	\$ (228,707)	\$ 827,882	\$ (2,860,928)	\$ 72,926	
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)	\$ 93,490	\$ (228,707)	\$ 827,882	\$ (2,860,928)	\$ 72,926	\$ (2,095,337)
6							
7	O&M Expense Factor (WP_F-2.3, Ln 2)	80.27%	80.27%	36.19%	36.19%	8.73%	
8							
9	Summary of Costs to Approve (1):						
10	Total Pension Account Plan	\$ 75,047		\$ 299,646			\$ 374,693
11	Total Post-Employment Benefit Plan		\$ (183,588)		\$ (1,035,492)		(1,219,080)
12	Total Supplemental Executive Benefit Plan					\$ 6,367	6,367
13	Total (Ln 10 + Ln 11 + Ln 12)	\$ 75,047	\$ (183,588)	\$ 299,646	\$ (1,035,492)	\$ 6,367	\$ (838,020)

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2025

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	<u>Rate R @ 40.7 Ccf</u>							
2	Base Rates:							
3	Customer Charge		\$ 23.65	\$ 24.35	\$ 23.65	\$ 24.35	\$ 0.70	
4	Consumption Charge (Ccf)	40.7	\$ 0.74748	\$ 1.03839	30.44	42.29	11.85	
5	Total Base Rates				\$ 54.09	\$ 66.64	\$ 12.55	23.20%
6								
7	Gas Cost:							
8	Rider GCR Part A (Ccf)	40.7	\$ 0.26375	\$ 0.26375	\$ 10.74	\$ 10.74	\$ -	
9	Rider GCR Part B (Ccf)	40.7	\$ 0.58642	\$ 0.58642	23.88	23.88	-	
10	Total Gas Cost				\$ 34.62	\$ 34.62	\$ -	0.00%
11								
12	Total Base with Gas Cost				\$ 88.71	\$ 101.26	\$ 12.55	
13	Rider FF & Rider TAX		0.06509	0.06509	5.77	6.59	0.82	14.15%
14								
15	Total Residential Average Bill				\$ 94.48	\$ 107.85	\$ 13.37	14.15%
16								
17	<u>Rate C @ 372.6 Ccf</u>							
18	Base Rates:							
19	Customer Charge		\$ 94.00	\$ 115.50	\$ 94.00	\$ 115.50	\$ 21.50	
20	Consumption Charge (Ccf)	372.6	\$ 0.22261	\$ 0.27784	82.95	103.53	20.58	
21	Total Base Rates				\$ 176.95	\$ 219.03	\$ 42.08	23.78%
22								
23	Gas Cost:							
24	Rider GCR Part A	372.6	\$ 0.26375	\$ 0.26375	\$ 98.28	\$ 98.28	\$ -	
25	Rider GCR Part B	372.6	\$ 0.40258	\$ 0.40258	150.02	150.02	-	
26	Total Gas Cost				\$ 248.30	\$ 248.30	\$ -	0.00%
27								
28	Total Base with Gas Cost				\$ 425.25	\$ 467.33	\$ 42.08	
29	Rider FF & Rider TAX		0.06509	0.06509	27.68	30.42	2.74	9.90%
30								
31	Total Commercial Average Bill				\$ 452.93	\$ 497.75	\$ 44.82	9.90%
32								

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2025

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
33	<u>Rate I at 1263 MMBTU</u>							
34	Base Rates:							
35	Customer Charge		\$1,848.75	\$ 2,304.50	\$ 1,848.75	\$ 2,304.50	\$ 455.75	
36	Block 1 - Consumption Charge (MMBtu)	1,263	\$ 0.7678	\$ 0.9582	969.87	1,210.38	240.51	
37	Block 2 - Consumption Charge (MMBtu)	-	\$ 0.5623	\$ 0.7018	-	-	-	
38	Block 3 - Consumption Charge (MMBtu)	-	\$ 0.1206	\$ 0.1505	-	-	-	
39	Total Base Rates	<u>1,263</u>			<u>\$ 2,818.62</u>	<u>\$ 3,514.88</u>	<u>\$ 696.26</u>	24.70%
40								
41	Gas Cost:							
42	Rider GCR Part A (MMBtu)	1,263	\$ 2.63750	\$ 2.63750	\$ 3,331.65	\$ 3,331.65	\$ -	
43	Rider GCR Part B (MMBtu)	1,263	\$ 0.90813	\$ 0.90813	1,147.13	1,147.13	-	
44	Total Gas Cost				<u>\$ 4,478.78</u>	<u>\$ 4,478.78</u>	<u>\$ -</u>	0.00%
45								
46	Total Base with Gas Cost				\$ 7,297.41	\$ 7,993.67	\$ 696.26	
47	Rider FF and Rider TAX		0.06509	0.06509	475.01	520.33	45.32	9.54%
48								
49	Total Industrial Average Bill				<u>\$ 7,772.42</u>	<u>\$ 8,514.00</u>	<u>\$ 741.58</u>	<u>9.54%</u>
50								
51	<u>Rate T at 4935 MMBTU</u>							
52	Base Rates:							
53	Customer Charge		\$1,848.75	\$ 2,304.50	\$ 1,848.75	\$ 2,304.50	\$ 455.75	
54	Block 1 - Consumption Charge (MMBtu)	1,500	\$ 0.7678	\$ 0.9582	1,151.70	1,437.30	285.60	
55	Block 2 - Consumption Charge (MMBtu)	3,435	\$ 0.5623	\$ 0.7018	1,931.41	2,410.57	479.16	
56	Block 3 - Consumption Charge (MMBtu)	-	\$ 0.1206	\$ 0.1505	-	-	-	
57	Total Base Rates	<u>4,935</u>			<u>\$ 4,931.86</u>	<u>\$ 6,152.37</u>	<u>\$ 1,220.51</u>	24.75%
58								
59	Gas Cost:							
60	Rider GCR Part B (MMBtu)	4,935	\$ 0.90813	\$ 0.90813	\$ 4,481.46	\$ 4,481.46	\$ -	
61	Total Gas Cost				<u>\$ 4,481.46</u>	<u>\$ 4,481.46</u>	<u>\$ -</u>	0.00%
62								
63	Total Base with Gas Cost				\$ 9,413.33	\$ 10,633.84	\$ 1,220.51	
64	Rider FF and Rider TAX		0.06509	0.06509	612.74	692.19	79.45	12.97%
65								
66	Total Transportation Average Bill				<u>\$ 10,026.07</u>	<u>\$ 11,326.02</u>	<u>\$ 1,299.96</u>	<u>12.97%</u>

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 10/01/2026	

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	\$ 24.35 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 24.40 per month
Commodity Charge – All <u>Ccf</u>	\$ 1.03839 per Ccf

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

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 19196. Surcharge billing effective July 1, 2026.

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 10/01/2026	

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	\$ 115.50 per month
Rider CEE Surcharge	\$ 0.00 per month ¹
Total Customer Charge	\$ 115.50 per month
Commodity Charge – All Ccf	\$ 0.27784 per Ccf

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

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

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-div-plantprotection@atmosenergy.com.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 19196. Surcharge billing effective July 1, 2026.

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 10/01/2026	

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	\$ 2,304.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.9582 per MMBtu
Next 3,500 MMBtu	\$ 0.7018 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.1505 per MMBtu

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

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

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

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

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.

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 10/01/2026	

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-div-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 10/01/2026	

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.

This tariff is not available to customers with a maximum daily demand of 1,000 MMBtu or greater and a daily/annual load factor of 10% or less. Load factor is calculated as follows: annual usage / (maximum daily connected demand X 365). Load factors will be recalculated once each year to determine appropriate eligibility for Rate T.

Type of Service

Company's receipt and delivery of all gas quantities under the applicable Transportation Agreement will be on a wholly interruptible basis subject to the Terms and Conditions incorporated in the Transportation Agreement. If Customer is an Industrial Customer, then Customer may elect, at the reasonable discretion of Company, to contract for Plant Protection transportation quantities defined as the minimum natural gas required to prevent physical harm and/or protect critical safety to the plant facilities, plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel. 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	\$ 2,304.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.9582 per MMBtu
Next 3,500 MMBtu	\$ 0.7018 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.1505 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).

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2026	

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.

Overpull Fee

Upon notification by Company of an event of interruption of Customer’s deliveries, Customer will, for each MMBtu delivered in excess of the stated level of 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:	SUR – SURCHARGES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2026	

Application

This Rider is applicable to customer classes in the incorporated areas under the RRM tariff as authorized by the state or any governmental entity, a municipality, or a regulatory authority pursuant to any statute, ordinance, order, rule, contract, or agreement.

Monthly Calculation

Surcharges will be calculated in accordance with the applicable statute, ordinance, order, rule, contract, or agreement.

FASB ASC 740-10 (Fin48) Refund

Applicable to Customers taking service under Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation.

To ensure that gas utility customers receive the benefit associated with the changes in the Company's Uncertain Tax Positions ("UTPs") arising from recognition of Texas Margin Tax returns.

The decrease shall be calculated as follows:

Beginning with implementation of rates from the negotiated RRM Tariff, and annually thereafter, the portion of UTP liabilities identified in Schedule FIN48-1.1 for the prior fiscal year shall be allocated based on the final class allocations of GUD No. 10170 as per the RRM Tariff, divided by the annual bill count to derive rates to be refunded through Rider SUR in the subsequent fiscal year. Each year's calculation will include a true-up (+ or -) due to account for over/under collections. Amounts identified in Schedule FIN48-1 shall be adjusted to reflect any audit adjustments received from the Texas Comptroller of Public Accounts.

No action on the part of the Regulatory Authority is required to give effect to the amount to be refunded to customers. However, any amount refunded to customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding with the Railroad Commission of Texas, and if applicable, the gas utility shall be required to reconcile any discrepancies.

The following refund as authorized in the most recent negotiated RRM Tariff shall be refunded to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill in each month for a 12-month period. The refund amount by month by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	\$ (0.14)
Rate C – Commercial Sales	\$ (0.49)
Rate I – Industrial Sales	\$ (10.47)
Rate T – Transportation	\$ (10.47)

RIDER:	SUR – SURCHARGES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2026	

Unprotected Excess Deferred Income Tax Amortization

The allocated RRM Cities balance of the Unprotected portion of the Excess Deferred Income Taxes (“EDIT”) remaining after implementation of rates at October 1, 2026 shall be applied to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer’s monthly bill for a one-month period. The refund amount by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	\$ (4.45)
Rate C – Commercial Sales	\$ (14.80)
Rate I – Industrial Sales	\$ (319.02)
Rate T – Transportation	\$ (319.02)

Maximum Allowable Operating Pressure (“MAOP”) Hydrostatic Testing Cost Recovery

The allocated RRM Cities balance of the MAOP Hydrostatic Testing Cost as of December 31, 2025 is to be recovered through a monthly rate. This monthly rate shall be applied to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer’s monthly bill for approximately twelve (12) months or until all approved costs are recovered from the applicable customer classes. The monthly recovery rate by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	\$ 0.30
Rate C – Commercial Sales	\$ 0.98
Rate I – Industrial Sales	\$ 21.17
Rate T – Transportation	\$ 21.17

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 10/01/2026	

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:

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

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 10/01/2026	

Base Use/Heat Use Factors

<u>Weather Station</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>Base use Ccf</u>	<u>Heat use Ccf/HDD</u>	<u>Base use Ccf</u>	<u>Heat use Ccf/HDD</u>
Abilene	9.78	0.1448	91.89	0.8018
Austin	9.07	0.1318	213.26	0.9418
Dallas	12.87	0.1937	192.49	1.1269
Waco	9.39	0.1261	159.17	0.8068
Wichita Falls	10.61	0.1364	133.65	0.6965

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at www.atmosenergy.com/MTXtariffs, 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.

ORDINANCE NO. 859

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2026 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 Everman, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

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

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

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

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

WHEREAS, on about April 1, 2026 Atmos Mid-Tex filed its 2026 RRM rate request with ACSC Cities based on a test year ending December 31, 2025; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2025 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 \$260.5 million on a system-wide basis with an Effective Date of October 1, 2026; and

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

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

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

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

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

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
Everman, 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 \$260.5 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 2026 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 \$260.5 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 2026 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, 2026.

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
EVERMAN, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 8TH DAY OF
SEPTEMBER, 2026.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney