



EVERMAN CITY COUNCIL REGULAR MEETING

Tuesday, August 15, 2023 at 6:30 PM

213 North Race Street Everman, TX 76140

AGENDA

1. MEETING CALLED TO ORDER

2. INVOCATION

3. PLEDGE OF ALLEGIANCE

4. CONSENT AGENDA

5. PRESENTATIONS

A. Promotional Ceremony - Tarrant County Regional Communications Supervisors

6. CITIZEN'S COMMENTS

A. PUBLIC HEARING: Fiscal Year 2023 - 2024 Budget. This budget will raise more total property taxes than last year's budget by \$165,741 or 5.53% and of that amount \$11,408 is tax revenue to be raised from new property added to the tax roll this year. The purpose of this public hearing is to receive public comment regarding the proposed budget.

B. PUBLIC HEARING: Notice of Tax Increase - A tax rate of \$1.036080 per \$100 valuation has been proposed by the governing body of the City of Everman. The purpose of this public hearing is to receive public comment on the proposed tax rate.

7. DISCUSSION ITEMS

8. CONSIDERATION AND POSSIBLE ACTION

A. Resolution #2023-08-01 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, ESTABLISHING A CONCURRENT ENFORCEMENT JURISDICTION INTERLOCAL AGREEMENT WITH THE CITY OF FORT WORTH; AND PROVIDING AN EFFECTIVE DATE.

B. Resolution #2023-08-02 - 02A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, APPROVING AN INTERLOCAL COOPERATION AGREEMENT FOR EMERGENCY DISPATCH SERVICES WITH THE CITY OF AZLE, TEXAS; AND PROVIDING AN EFFECTIVE DATE.

C. ORDINANCE #801 - AN ORDINANCE ADOPTING A BUDGET AND APPROPRIATING RESOURCES FOR THE BUDGET YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024 APPROVING BUDGET FIGURES FOR FISCAL YEAR 2024; PROVIDING FOR THE FILING OF THE BUDGET AS REQUIRED BY STATE LAW; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE.

D. RESOLUTION 2023-08-03 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS RATIFYING THE PROPERTY TAX INCREASE REFLECTED IN THE CITY'S ADOPTED FISCAL YEAR 2023-2024 BUDGET, WHICH IS A BUDGET THAT WILL

REQUIRE RAISING MORE REVENUE FROM PROPERTY TAXES THAN IN THE PREVIOUS YEAR; AND PROVIDING AN EFFECTIVE DATE

- E.** ORDINANCE # 802 - 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 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.
- F.** Recommendation of Award from City Engineer - Recommendation to award the 48th Year CDBG contract construction of the Race Street Water Line Improvements project to Atkins Brothers Equipment Company, Inc for the Total Base Bid of \$407,291.00; of which the City of Everman will commit and allocate a total of \$233,155.00 in city funds.

9. EXECUTIVE SESSION

10. CITY MANAGERS REPORT

11. MAYOR'S REPORT

12. ADJOURN

I hereby certify that this agenda was posted on the City of Everman bulletin board at or before 5:00 p.m. on Friday August 11, 2023.

/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.

NOTICE OF PUBLIC HEARING

Fiscal Year 2023 – 2024 Budget

This budget will raise more total property taxes than last year's budget by \$165,741 or 5.53%, and of that amount \$11,408 is tax revenue to be raised from new property added to the tax roll this year.

The City Council of the City of Everman, Texas will hold a public hearing on the Fiscal Year 2023 – 2024 Proposed Budget on **Tuesday, August 15, 2023 at 6:30 PM** at the Everman Civic Center, 213 N. Race Street, Everman, TX 76140 (Live & Virtual Meeting).

The purpose of the public hearing is to receive public comment regarding the proposed budget. To submit written comments, please email the City Secretary at mparks@evermantx.net. The meeting will be available for viewing on the City website: www.evermantx.us.

The proposed budget and budget message are available for public inspection at:

- Everman Civic Center, 213 N. Race Street, by appointment. Please contact the City Secretary at mparks@evermantx.net; and
- The City of Everman website: www.evermantx.us.

NOTICE OF PUBLIC HEARING ON TAX INCREASE

Section 6, ItemB.

A tax rate of \$1.036080 per \$100 valuation has been proposed by the governing body of City of Everman.

PROPOSED TAX RATE	\$1.036080 PER \$100
NO-NEW REVENUE TAX RATE	\$0.983288 PER \$100
VOTER-APPROVAL REVENUE TAX RATE	\$1.036080 PER \$100

The no-new-revenue tax rate is the tax rate for the 2023 tax year that will raise the same amount of property tax revenue for Everman from the same properties in both the 2022 tax year and the 2023 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 greater than the no-new-revenue tax rate. This means that the City of Everman is proposing to increase property taxes for the 2023 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON **Tuesday, August 15, 2023 at 6:30 PM** at the Everman Civic Center, 213 N. Race Street, Everman, TX 76140 (Live & Virtual Meeting).

The proposed tax rate is not greater than the voter-approval tax rate. As a result, Everman is not required to hold an election at which voters may accept or reject the proposed tax 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 hearing 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:

	2022	2023	Change
Total Tax Rate (per \$100 of value)	\$1.119676	\$1.036080	Decrease of \$0.083596 OR -7.47%
Average Homestead Taxable Value	\$112,545	\$149,621	Increase of \$37,076 OR 32.94%
Tax on Average Homestead	\$1,260.14	\$1,550.19	Increase of \$290.05 OR 23.02%
Total Tax Levy on All Properties	\$3,003,482	\$3,161,102	Increase of \$157,620 OR 5.25%

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

CITY OF EVERMAN, TEXAS**RESOLUTION NO. 2023-08-01****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, ESTABLISHING A CONCURRENT ENFORCEMENT JURISDICTION INTERLOCAL AGREEMENT WITH THE CITY OF FORT WORTH; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code (the "Act"), authorizes political subdivisions to contract with each other to facilitate the governmental functions and services of said political subdivisions; and

WHEREAS, the City of Everman ("Everman") and City of Fort Worth ("Fort Worth") are local governments with the authority to enter into interlocal agreements pursuant to the Act; and

WHEREAS, Fort Worth has within its territorial jurisdiction certain roadways and areas that are contiguous with the territorial limits of Everman, such areas and roadways being more fully described in Exhibit A to the Interlocal Agreement (ILA) described herein; and

WHEREAS, police officers' authority to make warrantless arrests is limited to their geographical jurisdiction under common law and the Code of Criminal Procedure, Chapter 14; and

WHEREAS, Code of Criminal Procedure Article 14.03(g) was amended in 2005 to expand a municipal officer's authority to make stops and arrests for traffic violations beyond the city limits of the boundaries of any county in which the municipality is located, and

WHEREAS, Everman and Fort Worth wish to allow the Everman Police Department to have concurrent jurisdiction for the purpose of enforcing state laws under the Transportation Code, Code of Criminal Procedure, Penal Code and Health and Safety Code in the area described in the ILA.

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

SECTION 1. The City Manager is hereby authorized to sign on behalf of the City the Interlocal Agreement with the City of Fort Worth relating to concurrent enforcement jurisdiction, the terms of which shall be substantially as set forth in the agreement attached hereto and incorporated herein as Exhibit "A".

SECTION 2. This resolution shall be effective immediately upon its approval.

PASSED AND APPROVED this the 18th day of July 2023.

APPROVED:

Ray Richardson, Mayor

ATTEST:

Mindi Parks, City Secretary

APPROVED AS TO FORM:

_____, **Asst. City Attorney**

8/9/23/cgm/4889-8974-6038, v. 1

EXHIBIT A

[Interlocal Agreement for Concurrent Enforcement Jurisdiction]

4889-8974-6038, v. 1

**INTERLOCAL COOPERATION AGREEMENT
ESTABLISHING CONCURRENT ENFORCEMENT JURISDICTION BETWEEN
THE CITY OF EVERMAN
AND
THE CITY OF FORT WORTH**

THE STATE OF TEXAS §
 § **KNOW ALL BE BY THESE PRESENTS:**
COUNTY OF TA RRANT §

THIS AGREEMENT ("Agreement") is made and entered into by the City of Everman, Texas ("Everman"), a home rule municipality of the State of Texas, and the City of Fort Worth, Texas ("Fort Worth"), a home rule municipality of the State of Texas (collectively, the "Parties"), each acting by and through its duly appointed and authorized representatives.

RECITALS

WHEREAS, Section 791 of the Texas Government Code provides that governmental entities of the State may contract with each other to provide governmental functions and services to protect public health; and

WHEREAS, Fort Worth owns and has territorial jurisdiction over territory that is contiguous to the jurisdictional limits of Everman; and

WHEREAS, the territory that constitutes the subject of this Agreement (the "Territory") consists of roadways and areas within the territorial jurisdiction of Fort Worth. The Territory is more fully described in Exhibit "A," which is attached hereto and made a part hereof for all purposes.

WHEREAS, police officers' authority to make warrantless arrests is limited to their geographical jurisdiction under common law and the Code of Criminal Procedure Chapter 14.

WHEREAS, Code of Criminal Procedure Article 14.03(g) was amended in 2005 to expand a municipal officer's authority to make stops and arrests for traffic violations beyond the city limits of the boundaries of any county in which the municipality is located.

NOW, THEREFORE, in consideration of the mutual promises and consideration provided for herein, the receipt and sufficiency of which are hereby confirmed, Fort Worth and Everman hereby agree to the following:

1. TERRITORY

The Territory that constitutes the subject of this Agreement is described in Exhibit "A," which is attached hereto and made a part hereof for all purposes.

2. SERVICES

Of and from the Effective Date of this Agreement, the Everman Police Department shall have and assume concurrent jurisdiction for the purposes of enforcing state laws under the Transportation Code, Code of Criminal Procedure, Penal Code, and Health and Safety Code. Everman Police Officers will file fine-only misdemeanor cases within

the original jurisdiction of Fort Worth, Texas with the Tarrant County Justice of the Peace Precinct 8. No arrests through immediate disposition of Subtitle C, Title 7, Transportation Code will be authorized by Everman Police Officers in the original jurisdiction of Fort Worth, Texas. Everman Police Officers will file misdemeanor and felony non-fine cases with the Tarrant County Criminal District Attorney's Office. Everman Police Officers will respond and assist the Fort Worth Police Department on calls for service within this Territory, as staffing allows.

3. **TERMINATION**

Either Party may terminate this Agreement upon thirty days' written notice to the other, provided, however, that termination shall not apply to any case pending on the effective date of termination.

4. **INDEPENDENT CONTRACTOR**

The Parties agree that this Agreement is not a joint enterprise and neither is a contractor, independent or otherwise, partner, or agent of the other.

5. **PAYING FOR PERFORMANCE**

Either Party paying for the performance of governmental functions or services under this Agreement will make those payments from current revenues available to the paying Party. This Agreement does not require an expenditure of City of Fort Worth funds; however, the Parties agree that the Party paying for the performance of governmental functions or services under this Agreement has been fairly compensated.

6. **RIGHT TO AUDIT**

Everman agrees that Fort Worth shall, until the expiration of three years after final payment under this Agreement, or the final conclusion of any audit commenced during the said three years, have access to and the right to examine at reasonable times any directly pertinent books, documents, papers and records of the Everman involving transactions relating to this Agreement at no additional cost to Fort Worth. Everman agrees that Fort Worth shall have access during normal working hours to all necessary Everman facilities and shall be provided adequate and appropriate workspace in order to conduct audits in compliance with the provisions of this section. Fort Worth shall give Everman reasonable advance notice of intended audits. Fort Worth and Everman acknowledge and agree that such access under this section is subject to the limitations and requirements of the Texas Public Information Act.

7. **NOTICES**

Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other Party, c/o the designated person listed below; or (2) received by the other Party by United States Mail, registered, return receipt requested, addressed as follows:

City of Fort Worth
ATTN: Fernando Costa
Assistant City Manager

City of Everman
ATTN: Craig Spencer
City Manager

200 Texas Street
Fort Worth, Texas 76102-6311

212 N Race Street
Everman, Texas 76140

With Copy to the City Attorney
At same address

With Copy to City Attorney

Victoria W. Thomas
Nichols Jackson LLP
500 N. Akard Street, Suite 1800
Dallas, Texas 75201

8. GOVERNMENTAL POWERS/IMMUNITIES

It is understood and agreed that by execution of this Agreement, neither the City of Fort Worth nor the City of Everman nor the officers or employees thereof waives or surrenders any of their governmental powers or immunities.

9. NO WAIVER

The failure of Fort Worth or Everman to insist upon the performance of any term or provision of this Agreement or to exercise any right granted herein shall not constitute a waiver of Fort Worth's or Everman's respective right to insist upon appropriate performance or to assert any such right on any future occasion.

10. GOVERNING LAW/VENUE

This Agreement shall be construed in accordance with the laws of the State of Texas. If any action, whether real or asserted, at law or in equity, is brought pursuant to this Agreement, venue for such action shall lie in state courts located in Tarrant County, Texas or the United States District Court for the Northern District of Texas, Fort Worth Division.

11. SEVERABILITY

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired

12. FORCE MAJEURE

Fort Worth and Everman shall exercise their best efforts to meet their respective duties and obligations as set forth in this Agreement, but shall not be held liable for any delay or omission in performance due to force majeure or other causes beyond their reasonable control, including, but not limited to, compliance with any government law, ordinance or regulation, acts of God, acts of the public enemy, fires, strikes, lockouts, natural disasters, wars, riots, material or labor restrictions by any governmental authority, transportation problems and/or any other similar causes.

13. HEADINGS NOT CONTROLLING

Headings and titles used in this Agreement are for reference purposes only, shall not be deemed a part of this Agreement, and are not intended to define or limit the scope of any provision of this Agreement.

14. APPROVAL OF AGREEMENT

The governing bodies of Fort Worth and Everman have approved the execution of this Agreement, and the persons signing the Agreement have been duly authorized by the governing bodies of Fort Worth and Everman to sign this Agreement on behalf of the governing bodies.

15. REVIEW OF COUNSEL

The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement.

16. AMENDMENTS

No amendment of this Agreement shall be binding upon a Party hereto unless such amendment is set forth in a written instrument, which is executed by an authorized representative of each Party.

17. ENTIRETY OF AGREEMENT

This Agreement, including Exhibit A, contains the entire understanding and agreement between Fort Worth and Everman, their assigns, and successors in interest as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent it conflicts with any provision of this Agreement.

18. COUNTERPARTS

This Agreement may be executed in one or more counterparts, and each counterpart shall, for all purposes, be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Exhibit A

- Everman Parkway between Oak Grove Rd. and S. Race St.
Shelby Rd. between S. Race St. and Rendon Rd.
S. Race St. between Everman Pkwy/Shelby and Oak Grove Shelby Rd.
1800 – 2000 Blocks of Oak Grove Shelby Rd.
8700 – 9200 Blocks of Oak Grove Rd.
To include: Family Dollar Store – 2400 Shelby Rd
 EISD Administration – 1520 Everman Pkwy
 Dan Powell Early Learning Academy – 8875 Oak Grove Rd
 Roy Johnson Stem Academy – 8901 Oak Grove Rd.
 Baxter Junior High – 3038 Shelby Rd.



100 Block of Georgian Rd

7300 Block of Sheridan Rd

To include: EISD – E. Ray Elementary 7309 Sheridan Rd.



ACCEPTED AND AGREED:

<p>City of Fort Worth</p> <p>By: <u></u> Name: Fernando Costa Title: Assistant City Manager Aug 8, 2023</p> <p>Approval Recommended:</p> <p>By: <u></u> <small>Robert Allen Alldredge Jr. (Aug 8, 2023 15:07 CDT)</small> Name: Robert A. Alldredge, Jr. Title: Executive Assistant Chief</p> <p>Attest:</p> <p>By: <u></u> Name: Jannette S. Goodall Title: City Secretary</p>	<p>Contract Compliance Manager: By signing I acknowledge that I am the person responsible for the monitoring and administration of this contract, including ensuring all performance and reporting requirements.</p> <p>By: <u></u> Name: Loraine Coleman Title: Administrative Services Manager</p> <p>Approved as to Form and Legality:</p> <p>By: <u></u> <small>Jerris Penrod Mapes (Aug 2, 2023 16:02 CDT)</small> Name: Jerris Penrod Mapes Title: Assistant City Attorney</p> <p>CONTRACT AUTHORIZATION: M&C: Date Approved: Form 1295 Certification No.:</p>
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VENDOR:

<p>CITY OF EVERMAN.</p> <p>By: _____ Name: C.W. Spencer Title: City Manager & Chief of Police</p>
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CITY OF EVERMAN, TEXAS
RESOLUTION NO. 2023-08-02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS,
APPROVING AN INTERLOCAL COOPERATION AGREEMENT FOR
EMERGENCY DISPATCH SERVICES WITH THE CITY OF AZLE, TEXAS; AND
PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Azle Fire Department has previously received emergency dispatch services from Tarrant County Regional Communications Center (City of Everman); and

WHEREAS, effective October 1, 2023 the City of Azle wishes to continue to contract with the City of Everman, through an interlocal cooperation agreement, for the City to provide the needed emergency dispatch services on the terms and conditions stated therein; and

WHEREAS, the City Council finds it to be in the public interest to approve the interlocal cooperation agreement with the City of Azle;

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

SECTION 1. The City Council of the City of Everman hereby approves the Interlocal Cooperation Agreement for Emergency Dispatch Services attached hereto and incorporated herein by this reference as Exhibit “A”.

SECTION 2. The City Manager is authorized to execute the Interlocal Cooperation Agreement, in substantially the form of the attached Exhibit “A”, and all related documents necessary for carrying out the terms of that Interlocal Cooperation Agreement.

SECTION 3. This Resolution shall be effective immediately upon approval.

PASSED AND APPROVED this the 15th day of August, 2023.

APPROVED:

Ray Richardson, Mayor

ATTEST:

Mindi Parks, City Secretary

APPROVED AS TO FORM:

_____, Asst. City Attorney
(021323vwtTM133585)

Exhibit A
[Interlocal Cooperation Agreement for Emergency Dispatch Services with Tarrant County
Emergency Services District No. One]

STATE OF TEXAS §
 § **INTERLOCAL COOPERATION AGREEMENT**
 COUNTY OF TARRANT §

This Interlocal Agreement for Emergency 9-1-1 Communications Center and Dispatch Services ("Agreement") is entered into by and between the City of Everman, Texas, a home-rule municipal corporation ("Everman") and the City of Azle, Texas, a home-rule municipal corporation ("Azle") by and through their authorized representatives. Everman and Azle are at times each referred to herein as a "Party" or collectively as the "Parties."

RECITALS:

WHEREAS, Everman has established a comprehensive regional public safety and public service communications and dispatch center ("Communications Center"); and

WHEREAS, Everman's Communications Center is equipped with radio, telephone and data equipment and is designated as an emergency 9-1-1 communications Public Safety Answering Point ("PSAP"); and

WHEREAS, Everman currently has equipment and operator capacity above and beyond the immediate needs of Everman and has offered to make such equipment and operators available to address the regional communications/dispatch needs for the purpose of local government/agency communications; and

WHEREAS, Everman has determined that it is in the best interests of the public to share its communication facility, equipment and personnel capabilities with cities, towns, fire departments, emergency medical care providers and other governmental entities in order to facilitate more effective and efficient use of the Communications Center; and

WHEREAS, Azle has requested that Everman provide emergency 9-1-1 communications and dispatch services to Azle as outlined in this Agreement, and Everman has agreed to provide such services under the terms and conditions of this Agreement and pursuant to the provisions of Chapter 791 of the Texas Government Code (otherwise known as the Interlocal Cooperation Act) and specifically Section 791.006 of the Texas Government Code, as amended; and

WHEREAS, the provision of emergency 9-1-1 communications and dispatch services is a governmental function that serves the public health and welfare and is of mutual concern to the Parties; and

WHEREAS, Everman and Azle deem it to be in the best interest of both Parties to enter into this Agreement; and

WHEREAS, each Party paying for the performance of governmental functions or services will make payments from current revenues available to the paying Party and all payments are in an amount that fairly compensates the performing Party for the services or functions performed under this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Everman and Azle hereby agree as follows:

Article I

Performance of Services

1.1 Everman shall provide to Azle, on a non-exclusive basis, emergency 9-1-1 communication and dispatch services through its Communications Center for the following emergencies: fire, medical, weather, hazardous materials and general civil emergencies (collectively, "Services"). In order to facilitate the Services, Azle shall provide to Everman's communications personnel, on a continuing basis, all necessary street, apparatus and response information, as well as all necessary dispatching information unique to Azle's operations.

1.2 Azle shall further be responsible for contacting and coordinating with Tarrant 9-1-1 and any other applicable agencies or authorities and take all actions necessary for establishment, configuration, and operation required to facilitate Everman's provision of the Services and for payment of all associated costs.

1.3 Without waiving any governmental immunity to which it is entitled, Everman agrees to and accepts full responsibility for the acts, negligence and/or omissions of all Everman employees and agents in connection with the performance of the Services. Without waiving any governmental immunity to which it is entitled, Azle agrees to and accepts full responsibility for the acts, negligence and/or omissions of all Azle employees and agents. It is also the responsibility of Azle to ensure that its use of the Communications Center conforms to all Federal Communications Commission rules and regulations. The Parties understand and agree that this assignment of liability is intended to be different than liability that would otherwise be assigned pursuant to Government Code Section 791.006(a).

1.4 On an ongoing basis, Everman and Azle agree to provide complete and adequate training to personnel selected by Azle and/or Everman in the use of the Communications Center.

1.5 It is specifically agreed and understood by the Parties hereto that no property rights are granted under this Agreement.

1.7 Correspondence, comments, requests, and complaints regarding Services rendered under this Agreement shall be in writing and forwarded to the persons designated below for receipt of notices. Failure to properly forward comments, requests, demands, and complaints may be considered as sufficient cause to terminate this Agreement under Section 1.6 above.

1.8 It is understood by the Parties that unforeseen circumstances may arise which prevent Everman from providing Services at a particular time, however, Everman agrees that it has the duty and responsibility of rendering Services twenty-four hours per day, seven days a week to citizens of both Everman and Azle.

1.9 There is hereby created a Chiefs Advisory Board. During the term of this Agreement, the Chiefs Advisory Board shall be composed of the Police and Fire Chiefs from Everman, the Police and Fire Chiefs from Azle, the police chief(s) from any other cities or entities that enter into a similar Interlocal Agreement for police dispatch services with Everman, and the fire chief(s) from any other cities or entities that enter into a similar Interlocal Agreement for fire dispatch services with Everman. The Everman Chief of Police shall be the Chairman of the Chiefs

Advisory Board and shall have the authority to call meetings of the Chiefs Advisory Board. A majority of the members of the Chiefs Advisory Board constitutes a quorum to conduct business. The Chiefs Advisory Board will, by majority vote of the full membership, set policies and procedures for personnel and equipment required for the provision of Services under this Agreement, including but not limited to criteria for determination of priorities in the dispatching and use of equipment and personnel.

Article II Term

The term of this Agreement shall commence on Effective Date and shall terminate five (5) years after the Effective Date ("Primary Term"), unless terminated earlier in accordance with this Agreement. Upon the completion of the Primary Term, this Agreement shall automatically renew for two (2) successive five (5) year periods ("Renewal Terms"), unless terminated earlier by either Party in accordance with this Agreement.

Article III Termination

- 3.1 This Agreement may be terminated on the occurrence of either of the following:
- (a) Either Party may terminate the Agreement by providing the other Party written notice of termination at least one hundred and eighty (180) days prior to the anticipated date of termination; or
 - (b) Mutual agreement of termination of the Agreement, executed in writing by both Parties, without the requisite one hundred and eighty (180) days prior written notice.

3.2 In the event of a termination, Everman shall be compensated on a pro-rata basis for all Services performed to the termination date. In the event of termination, should Everman be over-compensated on a pro-rata basis for all Services performed to the termination date, Azle shall be reimbursed on a pro-rata basis for all such over-compensation. Receipt of payment and/or reimbursement shall not constitute a waiver of any claim that may otherwise arise out of this Agreement. At the sole discretion of Everman, this Agreement may be terminated or renegotiated in the event Azle annexes additional territory into its corporate limits and/or increases the area the Azle services. Immediately upon the completion of any annexation proceedings, Azle shall notify Everman of the annexation, in writing, and provide Everman with a legal description of the annexed area.

Article IV Fee for Services

4.1 Azle, out of current available revenue, shall annually pay to Everman the amounts set forth below as compensation for Everman's provision of the Services during the Term and each

Renewal Term of this Agreement, except as otherwise provided in this Section (the "Annual Compensation Amount"). Such amount is based upon the annual costs incurred by Everman in order to fulfill Everman's obligations under this Agreement. Azle shall pay the Annual Compensation Amount to Everman annually on or before the Effective Date of this Agreement and each annual anniversary of the Effective Date thereafter during the Term and each Renewal Term of this Agreement. The Annual Compensation Amount for the first year of the Primary Term under this Agreement shall be \$38,500.00, subject to sections 4.2 and 4.3 of this Agreement. For each year of the Primary Term thereafter and for any year of a Renewal Term, the Annual Compensation Amount shall be set in accordance with the provisions of sections 4.2 and 4.3 of this Agreement.

4.2 For the second through fifth years of the Primary Term and for any year of a Renewal Term, the Parties may, by mutual agreement, leave unchanged or decrease the Annual Compensation Amount. If increases are needed for costs for providing the Services, the increases shall be communicated by Everman to Azle in writing on or before March 1 of each year during the Primary Term and any Renewal Term. To the extent that the total amount of any such increases communicated by Everman would be in excess of fifteen percent (15%) of the full amount of Azle's payment due for the then-current term, Azle may, at its discretion, elect to terminate this Agreement by providing Everman written notice of termination at least one hundred and eighty (180) days before the start of the next successive Primary or Renewal Term (i.e. on or before July 5 of the then-current year). In such an event, this Agreement shall be deemed to terminate immediately before said Primary or Renewal Term would have commenced and the Parties shall have no further obligations under this Agreement.

Article V Indemnification

5.1 **TO THE EXTENT ALLOWED BY LAW, EACH PARTY HERETO SHALL INDEMNIFY AND SAVE HARMLESS THE OTHER PARTY, ITS OFFICERS, AGENTS, AND EMPLOYEES FROM ALL SUITS, ACTIONS, LOSSES, DAMAGES, CLAIMS, OR LIABILITY OF ANY CHARACTER, TYPE, OR DESCRIPTION, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES FOR INJURY OR DEATH TO ANY PERSON, OR INJURY TO ANY PROPERTY, RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING OUT OF, OR OCCASIONED BY, THE ACTS OF THE PARTY, ITS OFFICERS, AGENTS, OR EMPLOYEES IN THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT.**

5.2 **IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT, IN THE EXECUTION OF THIS AGREEMENT, NO PARTY WAIVES, NOR SHALL BE DEEMED HEREBY TO WAIVE, ANY IMMUNITY OR DEFENSE THAT WOULD OTHERWISE BE AVAILABLE TO OR AGAINST CLAIMS ARISING IN THE EXERCISE OF GOVERNMENTAL FUNCTIONS RELATING HERETO OR OTHERWISE. BY ENTERING INTO THIS AGREEMENT, THE PARTIES DO NOT CREATE ANY OBLIGATIONS EXPRESSED OR IMPLIED, OTHER THAN THOSE SET FORTH HEREIN, AND THIS AGREEMENT SHALL NOT CREATE ANY RIGHTS IN ANY PARTIES NOT SIGNATORY HERETO.**

5.3 EACH PARTY AGREES TO AND ACCEPTS FULL RESPONSIBILITY FOR THE ACTS, NEGLIGENCE AND/OR OMISSIONS OF SUCH PARTY'S OFFICERS, AGENTS AND EMPLOYEES IN THE EXECUTION AND PERFORMANCE OF THIS AGREEMENT.

Article VI
Miscellaneous Provisions

5.1 **Consideration.** This Agreement contains the entire agreement of the parties with respect to the matters contained herein and may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the parties hereto.

5.2 **Notice.** Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the Party to be notified, postage pre-paid and registered or certified with return receipt requested, or be delivered the same in person to such Party via a hand-delivery service, Federal Express or any courier service that provides a return receipt showing the date of actual delivery of same to the addressee thereof. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee. For purposes of notification, the addresses of the Parties shall be as follows:

If to Azle, to: City of Azle
Attn: _____
505 W. Main St
Azle, Texas 76020

If to Everman, to: City of Everman
Attn: Craig Spencer City Manager
212 N. Race Street
Everman, Texas 76140

5.3 **Entire Agreement.** This Agreement represents the entire and integrated agreement between the Parties hereto and supersedes all prior negotiations, representations and/or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both parties

5.4 **Venue and Governing Law.** This Agreement is performable in Tarrant County, Texas and any of its terms or provisions, as well as the rights and duties of the Parties hereto, shall be governed by the laws of the State of Texas, and both Parties agree that venue shall be in Tarrant County, Texas.

5.5 **Binding Effect.** This Agreement shall be binding on and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this Agreement.

5.6 **Authority to Execute.** The individuals executing this Agreement on behalf of the respective Parties below represent to each other and to others that all appropriate and necessary

action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the Party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the Party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

5.7 **Severability.** The provisions of this Agreement are severable. In the event that any paragraph, section, subdivision, sentence, clause or phrase of this Agreement shall be found to be contrary to the law, or contrary to any rule or regulation having the force and effect of the law, such decisions shall not affect the remaining portions of this Agreement. However, upon the occurrence of such event, either Party may terminate this Agreement by giving the other Party fifteen (15) days written notice of its intent to terminate.

5.8 **Amendments.** Everman and Azle may amend this Agreement only by mutual agreement of the Parties in writing.

5.9 **Counterparts.** This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. An electronic mail and/or facsimile signature will also be deemed to constitute an original if properly executed and delivered to the other Party.

5.10 **Assignment.** Except as may be permitted under this Agreement, the Agreement may not be assigned by any Party without the prior written consent of the other Party.

5.11 **Force Majeure.** In the event that any performance by either Everman or Azle of any of its obligations under this Agreement shall be in any way prevented, interrupted, or delayed by an act of God, acts of war, riot or civil commotion, by and act of State, by strikes, fire or flood, pandemic, or by the occurrence of any other event or development beyond the control of either Everman or Azle; either Party, as applicable, shall be excused from such performance for such a period of time as is reasonably necessary after such occurrence abates for the effects thereof to have dissipated or for Everman or Azle to have effected a reasonable recovery therefrom, as the case may be. Everman acknowledges, however, the vital importance of the services provided under this Agreement and, therefore, will undertake all steps necessary to ensure that said services are uninterrupted by any Force Majeure event, to the fullest extent possible. Failure of Everman to implement steps necessary to avoid interruption caused by a Force Majeure event will be deemed a breach of this Agreement.

5.11 **Representations.** Each signatory represents this Agreement has been read by the Party for which this Agreement is executed, that each Party has had an opportunity to confer with counsel, on the matters contained herein.

5.12 **Drafting Provisions.** This Agreement shall be deemed to have been drafted equally by all Parties hereto. The language of all parts of this Agreement shall be constructed as a whole according to its fair and common meaning, and any presumption or principle that the language herein is to be construed against any Party shall not apply. Headings in this Agreement are for the convenience of the Parties and are not intended to be used in construing this Agreement.

5.13 **Independent Contractor.** Except as otherwise expressly provided herein, Azle and Everman agree and acknowledge that each entity is not an agent of the other entity and that each entity is responsible for its own acts, forbearance, negligence and deeds, and for those of its agents or employees in conjunction with the performance of work covered under this Agreement.

5.14 **No Third-Party Beneficiaries.** Nothing in this Agreement shall be construed to create any right in any third party not a signatory to this Agreement, and the Parties do not intend to create any third-party beneficiaries by entering into this Agreement.

IN WITNESS WHEREOF, the Agreement is effective on this the ____ of _____, 2023 (the “Effective Date”).

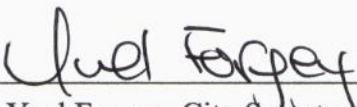
CITY OF AZLE, TEXAS



Tom Muir, City Manager

Date: 8/2/2023

ATTEST:



Yael Forgey, City Secretary

CITY OF EVERMAN, TEXAS

Craig Spencer, City Manager

Date: _____

ATTEST:

Mindi Parks, City Secretary

APPROVED AS TO FORM:

John Oliver, Asst. City Attorney
(051923vwtTM135151)

ORDINANCE No. 801

AN ORDINANCE ADOPTING A BUDGET AND APPROPRIATING RESOURCES FOR THE BUDGET YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024 APPROVING BUDGET FIGURES FOR FISCAL YEAR 2024; PROVIDING FOR THE FILING OF THE BUDGET AS REQUIRED BY STATE LAW; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Everman, (hereinafter referred to as the “City”), is a Home Rule municipality located in Tarrant County, created in accordance with the provisions of Chapter 6 of the Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, the City Manager of the City submitted a budget proposal to the City Council prior to the beginning of the fiscal year, and in said budget proposal set forth the estimated revenues and expenditures; and

WHEREAS, the City Manager of the City has filed with the City Secretary a budget outlining all proposed expenditures of the Government of the City for the fiscal year beginning October 1, 2023 and ending September 30, 2024, (hereinafter referred as the “Budget”) and

WHEREAS, the Budget, a copy of which is attached hereto as Exhibit “A” and incorporated herein for all purposes, specifically sets forth each of the various projects for which appropriations are delineated, and the estimated amount of money carried in the Budget for each of such projects; and

WHEREAS, the budget has been filed with the City Secretary for at least thirty (30) days before the date the City Council makes its tax levy for the fiscal year and such Budget has been available for inspection by any taxpayer; and

WHEREAS, the public notice of a public hearing on the proposed Budget, stating the date, time, place and subject matter of said public hearing, was given as required by the laws of the State of Texas; and

WHEREAS, such public hearing was held on August 15, 2023, prior approval of such date being hereby ratified and confirmed by the City Council, and those wishing to speak on the Budget were heard; and

WHEREAS, the City Council has studied the Budget and listened to the comments of the taxpayers at the public hearing held therefore and has determined that the Budget attached hereto is in the best interest of the City and that same should be approved and adopted.

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

SECTION 1. All of the above premises are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2. The Budget as set forth in Exhibit “A”, of the revenue of the City and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning October 1, 2023, and ending September 30, 2024, as modified by the City Council, be, and the same is, in all things adopted and approved as the Budget of the City of Everman for the fiscal year beginning October 1, 2023 and ending September 30, 2024, and there is hereby appropriated from the funds indicated therein such sums for the projects, operations, activities, purchases and other expenditures proposed in the Budget.

SECTION 3. The City Manager shall file or cause to be filed a true and correct copy of this ordinance, along with the approved Budget attached hereto, with the City Secretary. The City Manager shall file or cause to be filed a true and correct copy of this ordinance, along with the approved Budget attached hereto, and any amendments thereto, in the office of the County Clerk of Tarrant County, Texas as required by State law.

SECTION 4. That the revised figures, prepared and submitted by the City Manager for the 2023/2024 Budget, be, and the same are hereby, in all things, approved and appropriated, and any necessary transfers between accounts and departments are hereby authorized, approved and appropriated.

SECTION 5. Any and all ordinances, resolutions, rules, regulations, policies or provisions in conflict with the provisions of this ordinance are hereby repealed and rescinded to the extent to conflict therewith.

SECTION 6. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 7. That this ordinance be in full force and effect from and after its adoption.

PASSED AND APPROVED IN OPEN SESSION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS ON THE 15th DAY OF August, 2023.

APPROVED:

Ray Richardson
Mayor

ATTEST:

Mindi Parks
City Secretary

RESOLUTION NO. 2023-08-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS RATIFYING THE PROPERTY TAX INCREASE REFLECTED IN THE CITY’S ADOPTED FISCAL YEAR 2023-2024 BUDGET, WHICH IS A BUDGET THAT WILL REQUIRE RAISING MORE REVENUE FROM PROPERTY TAXES THAN IN THE PREVIOUS YEAR; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Texas Local Government Code §102.007(c) requires that adoption of a budget that raises more property tax revenue than was generated the previous year requires a record vote of the City Council to ratify the property tax increase reflected in the budget in addition to and separate from the record votes to approve the ordinance adopting the annual budget and the ordinance adopting the tax rate for the current tax year; and

WHEREAS, the City Council has adopted the 2023-2024 fiscal year budget, which will require raising more revenue from property taxes than last year’s budget; and

WHEREAS, the City Council of the City of Everman, Texas, desires to ratify the property tax increase reflected in the adopted 2023-2024 Fiscal Year Budget.

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

SECTION 1. The property tax increase reflected in the adopted 2023-2024 Fiscal Year Budget, which is a budget that will require raising more revenue from property taxes than the previous year, is hereby ratified.

SECTION 2. This Resolution shall take effect immediately from and after its passage, as the law and charter in such cases provides.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS RESOLUTION, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:

	Aye	Nay
Mayor Ray Richardson		
Susan Mackey, Mayor Pro Tem, Place 4		
Linda Sanders, Place 1		
Carolyn Renfro, Place 2		
Johnnie Allen Place 3		
Judy Sellers, Place 5		

Miriam Davila, Place 6		
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WITH ____ VOTING “AYE” AND ____ VOTING “NAY”, THIS RESOLUTION NO. _____ IS DULY PASSED BY THE CITY COUNCIL OF THE CITY OF EVERMAN, TEXAS, ON THE ____ DAY OF AUGUST 2023.

ATTEST:

APPROVED:

Mindi Parks, City Secretary

Ray Richardson, Mayor

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).

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

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:

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

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 10/01/2023	

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
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	Rate C @ 356.6 Ccf				
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	<u>\$ 476.43</u>			
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	<u>\$ 501.15</u>	<u>\$ 24.72</u>		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							Change	
								Amount	Percent
	(a)							(d)	(e)
35	<u>Rate I @ 1720 MMBTU</u>								
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							<u>\$ 14,651.36</u>	
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							<u>\$ 15,300.40</u>	<u>\$ 649.04 4.43%</u>
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	<u>\$ 6,446.15</u>			
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		<u>\$ 6,940.19</u>	<u>\$ 494.04</u>	<u>7.66%</u>

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



CITY OF EVERMAN
212 North Race Street Everman, TX 76140
STAFF REPORT

AGENDA TITLE: ORDINANCE # 802 - 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 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.

MEETING DATE: 08/15/2023

PREPARED BY: C. W. Spencer

RECOMMENDED ACTION:

Approval

BACKGROUND INFORMATION:

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 \$130.1 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)

	Average Bill	Compared to RRM Cities
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.

FISCAL IMPACT:

Stormwater Revenues would be restricted and only eligible to be allocated specifically towards stormwater and drainage improvements.

ORDINANCE NO. 802

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 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 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 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 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 \$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
EVERMAN, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 15TH DAY OF AUGUST,
2023.

Mayor Ray Richardson

ATTEST:

Mindi Parks; City Secretary

APPROVED AS TO FORM:

City Attorney

May 18, 2023

Mr. Craig Spencer
City of Everman
212 N. Race Street
Everman, Texas 76140

**RE: 48th Year CDBG Project – Everman
Race Street Water Line
Recommendation of Award
TNP Project # TAR 22388**

Dear Mr. Spencer,

The bid opening for the 48th Year CDBG, was held at the offices of Tarrant County Community Development on April 5, 2023. Five responsive bids were received and are provided in the attached bid tabulation.

Based on experience with the low bidder on projects of similar scope and size, we recommend that the City of Everman recommend award of the contract for construction of the Race Street Water Line Improvements project to Atkins Brothers Equipment Company, Inc. for the Total Base Bid of \$407,291.00. With this award, the Race Street water line will be replaced from Enon Ave to Neill Ave.

The 48th Year CDBG construction funds amount to \$174,136.53 for construction of this project. Therefore as part of the recommendation, the City must commit a total of \$233,155 in city funds for construction.

If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

tnp



Andrew Luce, P.E.

Encl.

cc: Brad Hearne, Tarrant County CDBG