

# MONTGOMERY CITY COUNCIL REGULAR MEETING

## AGENDA

February 8, 2022 at 6:00 PM

**NOTICE IS HEREBY GIVEN** that a Meeting of the Montgomery City Council will be held on **Tuesday, February 8, 2022, at 6:00 PM** at the City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas.

Members of the public may download the Meeting Agenda Packet and view the meeting live on the City's website [www.montgomerytexas.gov](http://www.montgomerytexas.gov) under Agenda/Minutes by selecting **Live Stream page** (located at the top of the page). The meeting will be recorded and uploaded to the City's website.

### **CALL TO ORDER**

### **INVOCATION**

### **PLEDGE OF ALLEGIANCE TO FLAGS**

### **VISITOR/CITIZENS FORUM:**

Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must be recognized by the Mayor. City Council may not discuss or take any action on an item but may place the issue on a future agenda. The number of speakers along with the time allowed per speaker may be limited.

### **CONSENT AGENDA:**

- 1.** Consideration and possible action regarding the Regular Meeting and Public Hearing minutes of January 11, 2022 and the Regular Meeting minutes of January 25, 2022.

### **CONSIDERATION AND POSSIBLE ACTION:**

- 2.** Consideration and possible action regarding adoption of the following Ordinance:

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, ("City") declining to approve the change in rates requested in Entergy Texas, Inc.'s ("ETP" or "Company") Statement of Intent filed with the City on January 31, 2022, AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE WAS CONSIDERED WAS OPEN TO THE PUBLIC AND IN ACCORDANCE WITH TEXAS LAW.

### **EXECUTIVE SESSION:**

The City Council reserves the right to discuss any of the items listed specifically under this heading or for any items listed above in executive closed session as permitted by law including if they meet the qualifications in Sections 551.071(consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

- 3.** Adjourn into Closed Executive Session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, in accordance with the authority contained in the following:
  - a) Section 551.071 (consultation with attorney)
  - b) Section 551.072 (deliberation regarding real property)

c) Section 551.074 (personnel matters) related to interviewing candidates for the position of City Secretary.

**POSSIBLE ACTION FROM EXECUTIVE SESSION:**

4. Consideration and possible action on matters deliberated in Closed Executive Session.

**COUNCIL INQUIRY:**

Pursuant to Texas Government Code Sect. 551.042 the Mayor and Council Members may inquire about a subject not specifically listed on this Agenda. Responses are limited to the recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision shall be limited to a proposal to place on the agenda of a future meeting.

**ADJOURNMENT**

/s/Diana Cooley

Deputy City Secretary

I certify this notice of meeting was posted on the bulletin board at City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas, on February 4, 2022, at 5:00 p.m. I further certify that the following news media was notified of this meeting as stated above: The Courier

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*This facility is wheelchair accessible and accessible parking spaces are available. Please contact the City Secretary's office at 936-597-6434 for further information or for special accommodations.*

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**MINUTES OF PUBLIC HEARINGS and REGULAR MEETING**

**January 11, 2022**

**MONTGOMERY CITY COUNCIL**

**CALL TO ORDER**

Mayor Sara Countryman called the meeting to order at 6:00 p.m. Mayor Countryman stated for the record they do have a quorum present and Councilmember Byron Sanford is absent this evening.

Present:	Sara Countryman	Mayor
	Carol Langley	City Council Place # 1
	Kevin Lacy	City Council Place # 2
	T.J. Wilkerson	City Council Place # 3
	Julie Davis	City Council Place # 4

Absent:	Byron Sanford	City Council Place # 5
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Also Present:	Richard Tramm	City Administrator
	Susan Hensley	City Secretary
	Alan Petrov	City Attorney
	Chris Roznovsky	City Engineer

**INVOCATION**

T.J. Wilkerson gave the Invocation.

**PLEDGE OF ALLEGIANCE TO FLAGS**

**RECEIVE PLANNING AND ZONING COMMISSION FINAL REPORTS – ZONING**

1. Receive the Planning & Zoning Commission Recommendations and Reports for the following:
  - a. A rezoning request from B-Commercial to R1-Single Family residential for Hills of Town Creek Section Five.

b. A rezoning request from R1-Single Family Residential to B-Commercial for 14855 N. Liberty Street, Montgomery, Texas.

c. A Special Use Permit application for a microblading studio located at 20165 Eva Street, Suite C, Montgomery, Texas.

Mr. Tramm said the Planning & Zoning Commission held Public Hearings on January 4, 2022, in conjunction with their regular monthly meeting for interested persons to be heard regarding these requests. Mr. Tramm said two residents attended the meeting along with Councilmember Davis. Mr. Tramm said both residents asked for clarification related to a City-owned property in Hills of Town Creek that was labeled “future water plant.”

Mr. Tramm said no opposition to the rezoning of either properties or the Special Use Permit application was given. Mr. Tramm said the Reports and Recommendations are attached for City Council’s review and acceptance.

Julie Davis moved to accept item #1 as presented. Kevin Lacy seconded the motion, the motion carried unanimously. (4-0)

### **PUBLIC HEARING(S)**

Mayor Countryman convened into Public Hearing at 6:04 p.m.

2. Convene into Public Hearing for the purposes of giving interested persons an opportunity to provide comments on the following:

a. A rezoning request from B-Commercial to R1-Single Family Residential for Hills of Town Creek Section Five.

b. A rezoning request from R1-Single Family Residential to B-Commercial for 14855 N. Liberty Street, Montgomery, Texas.

c. A Special Use Permit application for a microblading studio located at 20165 Eva Street, Suite C, Montgomery, Texas.

Julie Davis said she is curious what Mr. Easley's plans are for the building located at 14855 N. Liberty Street as there were some concerns at the Planning & Zoning Committee meeting about the fact that the City was only notified within 200 feet.

Julie Davis asked if Mr. Easley has set plans or if he is just leasing it. Mr. Easley said he is not leasing it; he wants to relocate it and then he will decide what he is going to do. Mr. Easley said right now he is cleaning up the City one step at a time, but potentially for commercial development. Julie Davis asked not so much specific as far as your cleaning business and nothing being determined yet. Mr. Easley said no. Julie Davis said the property looks amazing.

#### **ADJOURN PUBLIC HEARING(S)**

Mayor Countryman adjourned the Public Hearing at 6:05 p.m.

#### **RECONVENE REGULAR MEETING**

Mayor Countryman reconvened into the Regular Meeting at 6:05 p.m.

#### **VISITOR/CITIZENS FORUM:**

Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must be recognized by the Mayor. Council may not discuss or take any action on an item but may place the issue on a future agenda. The number of speakers along with the time allowed per speaker may be limited.

Mr. Floyd Montgomery, P.O. Box 1456, Montgomery, Texas said he moved to Montgomery to become the owner of a museum as he has over 2,500 items.

Mr. Montgomery said Mr. Wilbert Montgomery, the brother of John Montgomery use to work at the Conroe Library and works at the Conroe Courthouse now. Mr. Floyd Montgomery suggested to Mr. Wilbert Montgomery they hold their family reunion in Montgomery, Texas. Mr. Floyd Montgomery said Mr. Wilbert Montgomery thought that was a good idea. Mr. Floyd Montgomery said there are 10 boys and two girls in this family.

Mr. Floyd Montgomery said in his collection he has an item signed by General Richard Montgomery from the American Revolution and other signed items. Mr. Montgomery said he is hoping to have a Montgomery Museum in Montgomery, Texas this year.

**CONSENT AGENDA:**

3. Matters related to the approval of the December 14, 2021, Regular Meeting Minutes.
4. Consideration and possible action regarding adoption of the Election Services Agreement by and between the City of Montgomery and Montgomery County Elections for the May 7, 2022 Election.
5. Consideration and possible action regarding adoption of the Joint Election Agreement by and between the City of Montgomery and Montgomery County Elections for the purpose of sharing jointly conducted elections to be held on May 7, 2022.

Julie Davis moved to approve the consent agenda items accumulatively and together. T.J. Wilkerson seconded the motion, the motion carried unanimously. (4-0)

**CONSIDERATION AND POSSIBLE ACTION:**

6. Consideration and possible action regarding naming Diana Cooley to serve as Deputy City Secretary.

Mr. Tramm said Diana Cooley currently serves as the Records and Administrative Clerk and has worked closely with his office. Mr. Tramm said Diana Cooley is currently enrolled in the Texas Municipal Clerks Certification Course and will be attending the TMCA Election Law Seminar on January 11, 2022.

Mr. Tramm said this action will allow Diana Cooley to continue the duties of the office of the City Secretary during the hiring process of a new City Secretary.

Carol Langley moved to name Diana Cooley as the Deputy City Secretary. Julie Davis seconded the motion, the motion carried unanimously. (4-0)

7. Consideration and possible action regarding approval of purchase and use of License Plate Reader cameras.

Chief Solomon said the license plate reader cameras were approved at the Budget Workshop. Chief Solomon said these cameras are good for investigative purposes and crime and are good if there is a vehicle that comes from another place that has been on the list where there has been a crime. Chief Solomon said these cameras will pick it up.

Chief Solomon said crooks are now breaking into cars and stealing weapons.

Kevin Lacy asked if the number of cameras increased. Chief Solomon said they discussed putting 10 cameras in the budget which will cover the entire City.

Julie Davis asked Mr. Tramm where this is located in the budget. Mr. Tramm said in the budget under police for \$27,000 - \$27,500. Julie Davis said it shows in the documentation it is coming from the general fund item 7, page 81 and is for five cameras. Julie Davis said pages 82 and 83 show a bid for 10 cameras for \$27,500.

Mr. Tramm said they can change that number from five to 10. Mr. Tramm said the police fund is a subcategory of the general fund. Mr. Tramm said they can correct that for signature.

Julie Davis asked how do they regulate not coming back next year and asking for three more law enforcement officers for employment because now we took all of the officers out of the City limits on arrest or license plate scans and are now degrading the safety of our citizens because we do not have law enforcement on the street because they are doing arrests and transportation to the County.

Chief Solomon said he thinks it works just the opposite. Chief Solomon said they have license plate readers now. Chief Solomon said they have officers who leave the City every day to take people to the County and that is not going to change. Chief Solomon said with the license plate readers in town it gives them an edge on if something should happen while that officer is gone, they have an investigative chance the next day to find out exactly what happened. Chief

Solomon said they are not going to be able to prevent people from leaving town because when they make arrests they have to go to the County. Chief Solomon said it is quite the opposite.

Julie Davis said she spoke with Sargent Smith with the Conroe Police Department and they are also using SWAP Management. Julie Davis asked if there is any additional support that Chief Solomon is planning to collaborate with them so they both have access to each other's systems. Chief Solomon said they will be doing a Memorandum of Understanding (MOU) with agencies who have these. Julie Davis said the Montgomery County Sherriff's Office (MCSO) is using a different system. Chief Solomon said they are using the same system as Conroe. Julie Davis asked if Willis has these in place. Chief Solomon said Willis has none. Chief Solomon said when they started to look at these cameras they looked at their location and the major highway which is SH 105 and the traffic coming out of Conroe into the City of Montgomery. Chief Solomon said they also looked at how many arrests they made from people that were from outside of Houston, Conroe, and Huntsville and looked at the totality of things before they thought the cameras would do them any good. Chief Solomon said they also looked at different cities such as Jersey Village and arrested at least three people that came from there.

Chief Solomon said a few years ago a T-Mobile store was burglarized three nights after it first opened. Chief Solomon said they spoke with the City of Pasadena and Houston and found out these guys always showed back up two nights later. Chief Solomon said two nights later at 4:00 a.m. they were able to catch them breaking back into the same T-Mobile store. Chief Solomon said it is about passing on information with law enforcement and these cameras will help them with this.

Julie Davis asked if 10 cameras are a necessary number. Chief Solomon said 10 is a good number for this City. Julie Davis said the City of Conroe with a population of 200,000 has 19 cameras and we are asking for half of that with a tenth of the population.

Chief Solomon said it is not so much about the population, but the traffic. Mayor Countryman said it is about traffic count and movement because it is not just about people living in the City, but people driving through the City. Chief Solomon said it is not about the population but where the cameras are located within the City that will give them the information they need.



Julie Davis asked what the placement locations were. Chief Solomon said during the Budget Workshop everyone was given a map with the camera locations.

Carol Langley asked once we pay this amount is there a recurring fee. Chief Solomon said \$5,000 each year and we can opt-out at any time.

Julie Davis said we do not own the cameras, but rent them and pay the rental fee every year. Chief Solomon said the equipment is too expensive to own.

Mayor Countryman said she thinks it is a good idea. Mayor Countryman said she has talked with other agencies and they can solve crimes much quicker and faster due to this technology and it has been one of the biggest assets to their city.

Chief Solomon said all the cities that use these cameras have had good investigative success with these cameras. Chief Solomon said we can always say it is never going to happen here, but it does not happen until it happens.

Kevin Lacy asked if the Amber Alert will go through the system. Chief Solomon said yes.

Julie Davis said with everyone she has talked to it is a matter of needs and wants. Julie Davis said she is trying to balance numbers and is glad it is in the budget. Julie Davis said her concern is recurring costs and the labor force behind it to take and detain people to the County since we do not have our own jail.

Mayor Countryman said we are a growing city and we have the financial means. Mayor Countryman said she thinks it is well-spent money and \$25,000 a year to have an additional layer of protection and collaboration with the surrounding area of southeast Texas is a wonderful idea.

Chief Solomon said they are looking at being able to hold people within this City and transport them together to the County. Chief Solomon said it took him three years to get the Harris County Sheriff's Department to do a trip setup.

Chief Solomon said the system we are using now at the Montgomery County jail is not going to be good once we start growing and more people start going through the jail and coming from different cities. Chief Solomon said we have to start looking ahead to what we can do to make it better for the City.

T.J. Wilkerson moved to approve the purchase and use of license plate reader cameras. Carol Langley seconded the motion, the motion carried with the following votes:

- T.J. Wilkerson – Aye
- Julie Davis - Nay
- Carol Langley – Aye
- Kevin Lacy – Aye

The motion carried with 3-Ayes and 1-Nay. (3-1)

For the record, Mayor Countryman said the amount is \$27,500 for 10 license plate reader cameras.

8. Consideration and possible action regarding adoption of the Volunteers in Police Service (VIPS) program.

Chief Solomon said these people started in the Citizens Police Academy and then joined the Volunteers in Police Service program. Chief Solomon said they have already started to help them out with any issues the City may have. Chief Solomon said it helps them out as these people will be able to do things for them such as transporting vehicles that do not require a police officer to do.

Chief Solomon said this program will only grow after each year of the Citizens Police Academy. Chief Solomon said he is presenting this to City Council for approval of the Volunteers in Police Service (VIPS) program.

Mayor Countryman said they have done a good job and have been a huge help during our parades and other events in town.

Kevin Lacy moved to adopt the Volunteers in Police Service (VIPS) program as presented. Julie Davis seconded the motion, the motion carried unanimously. (4-0)

- 9. Consideration and possible action regarding adoption of the following Ordinance: AN ORDINANCE OF THE CITY OF MONTGOMERY, TEXAS, PROVIDING FOR THE HOLDING OF A GENERAL ELECTION TO BE HELD ON MAY 7, 2022, FOR THE PURPOSE OF ELECTING A MAYOR AND TWO (2) CITY COUNCIL MEMBERS, PLACES 2 AND 4; APPROVING ELECTION SERVICE AGREEMENTS WITH MONTGOMERY COUNTY, TEXAS; AND PROVIDING DETAILS RELATING TO THE HOLDING OF SUCH ELECTION.

Consideración y posible acción respecto a la adopción de la siguiente Ordenanza: UNA ORDENANZA DE LA CIUDAD DE MONTGOMERY, TEXAS, PROPORCIONANDO EL FINANCIAMIENTO PARA LLEVAR A CABO UNA ELECCIÓN GENERAL A REALIZARSE EL DÍA 7 DE MAYO DE 2022, CON EL PROPÓSITO DE ELEGIR A UN ALCALDE Y A DOS (2) MIEMBROS DEL CONCEJO MUNICIPAL, PUESTOS 2 Y 4; APROBAR ACUERDOS DEL SERVICIO DE ELECCIÓN CON EL CONDADO DE MONTGOMERY, TEXAS; Y PROPORCIONAR DETALLES EN RELACIÓN CON LA CELEBRACIÓN DE DICHA ELECCIÓN.

Mr. Tramm said this ordinance was reviewed by the City Attorney. Mr. Tramm said the places that are up for election are the Mayor, Sara Countryman, City Council Place 2, Kevin Lacy, and City Council Place 4, Julie Davis.

Julie Davis moved to accept item #9 as presented. Kevin Lacy seconded the motion, the motion carried unanimously. (4-0)

- 10. Consideration and possible action regarding the following Ordinance: AN ORDINANCE OF THE CITY OF MONTGOMERY, TEXAS, GRANTING A SPECIAL USE PERMIT TO MEAGHAN BIRD FOR USE OF THE PROPERTY LOCATED AT 20165 EVA STREET SUITE "C", MONTGOMERY, TEXAS 77356, FOR A MICROBLADING BUSINESS; ESTABLISHING CERTAIN TERMS, CONDITIONS AND LIMITATIONS; PROVIDING FOR PENALTY, SEVERABILITY, AND EFFECTIVE DATE.

Mr. Tramm said Special Use Permits authorize a specific activity in a specific location and include stipulations and requirements that are inherent to the circumstances of the applicant. Mr. Tramm said microblading studios are licensed by the State under the same regulations as tattoo artists. Mr. Tramm said accordingly, a microblading studio requires the same zoning process to practice as a tattoo parlor. Mr. Tramm said tattoo parlors require City Council approval via a Special Use Permit. Mr. Tramm said the Planning & Zoning Commission reviewed the matter at their January 4<sup>th</sup> meeting and recommended approval of the permit.

Mr. Tramm said one key point to note that came from the Planning & Zoning discussion is that persons licensed by the State for microblading cannot transition their work to typical tattoos. Mr. Tramm said additionally, the Special Use Permit will specifically allow microblading, not regular tattooing. Mr. Tramm said in other words, the business cannot become a common tattoo parlor instead of a microblading business and still be compliant with their state license and the Special Use Permit granted by the City.

Mr. Tramm said the City has granted several microblading studio Special Use Permits in the past and two currently operate in the City.

Carol Langley asked if the others have been for five years. Mr. McCorquodale said yes there is one due for renewal this year. Mr. McCorquodale said the applicant is here as well.

Carol Langley asked the applicant if she had read the Special Use Permit and approved all the stipulations in it. Ms. Meaghan Bird, the applicant said yes.

Kevin Lacy moved to approve item #10 as presented. T.J. Wilkerson seconded the motion, the motion carried unanimously. (4-0)

11. Consideration and possible action regarding final acceptance and completion of the one-year warranty period for public infrastructure included in Hills of Town Creek Section Three (Dev. No. 1019).

Mr. Tramm said after the December City Council meeting, the developer received updated pricing for the repair work to the cul-de-sac of Scenic Hills Court and the curve on Brock's

Lane. Mr. Tramm said the engineer's memo is attached and includes the updated pricing from the developer's contractor. Mr. Tramm said the City Engineer can provide an explanation to City Council on how this plan would address the issues in these areas to the satisfaction of the City.

Mr. Roznovsky, City Engineer, said the developer has obtained a proposal from URETEK USA to inject material under the street to adjust the elevations to reduce the ponding in those areas. Mr. Roznovsky said the goal is to eliminate the water in the street and not in the gutter line. Mr. Roznovsky said the area was smoothed out as discussed previously.

Mr. Roznovsky said the total amount to address both locations is \$33,000 based on actual materials.

Mr. Roznovsky said they agree with the method. Mr. Roznovsky said they would request a two-year warranty from URETEK assigned to the City by the contractor. Mr. Roznovsky said once the work is completed, the City accepts the infrastructure and also takes over the warranty of the contractor so if there are any adjustments within those two years the City has the right to request it. Mr. Roznovsky said once the work is done they would still follow the same process. Mr. Roznovsky said they would reflood the streets to compare before and after work and see if the issue is addressed. Mr. Roznovsky said the goal is to get the ponding out of the street.

Kevin Lacy asked when the photos were taken. Mr. Roznovsky said the photos from pages 111 and 112 were from the first week in December and pages 113 and 114 were from January 7<sup>th</sup>.

Kevin Lacy said that is his father's truck in front of his house in the photo and has not been there since October.

Kevin Lacy asked about the concrete cracking on the sidewalks and driveways and if they are going to let them off the hook. Kevin Lacy said it is not just in front of his house, but the entire neighborhood.

Mr. Roznovsky said the sidewalks were put in first by the builder. Mr. Roznovsky said part of the process is the builders put in the sidewalks as the homes were being built and the trucks were driving over them. Mr. Roznovsky said back in January 2020 they did not have these issues. Mr. Roznovsky said there were sidewalk issues on Scenic Hills where it was ponding and they did drainage work in that area to address it, but some of the sidewalks were not even in at that time.

Mr. Roznovsky said once the sidewalks are accepted by the City, if there is cracking or repairs needed it is the responsibility of the City.

Kevin Lacy said his expectation would be they take care of it before the City accepts it. Kevin Lacy said they should make it right.

Julie Davis asked if they inject this side what happens.

Jonathan White, Senior Project Manager, L Squared Engineering said he is the Project Engineer doing oversight work with the City and Stylecraft. Mr. White said they looked at the cost of removing panels and replacing panels. Mr. White said each quarter half of the cul-de-sac is \$35,000 and half of the cul-de-sac is \$70,000.

Mr. White said there is water in the gutter and the water is supposed to be there. Mr. White said it is a small area of ponding on the outside. Mr. White said there is water in the gutter lines most of the time.

Mr. White said when URETEK does their estimate they will shoot grades and assess where they will drill and be able to lift the area to get it drained. Mr. White said URETEK did say they have aimed very high with these estimates because of the work they have done in Hills of Town Creek Section 2. Mr. White said their goal is they would do a full assessment.

Mr. White said there is an area of concern as shown on page 111 on the northeastern corner of the cul-de-sac. Mr. White said if they can lift more of the center and get it directed to the gutter line, the gutter line is plumb.

Kevin Lacy asked why did you dig up and replace one side of Brock's Lane in the curve. Mr. White said the direction was to remove and replace 300 feet which totaled \$80,000.

Mr. White said there have been large gaps in timelines which creates additional problems. Mr. White said they need to find the most beneficial option. Mr. White said another small area of concern that was not brought up initially but was brought up a year later is that there is a new area and can we try and see what is the most cost-effective option as opposed to needing to replace concrete. Mr. White said they did some survey work and came out three separate times to make it better. Mr. White said irrigation and other things are contributing factors and they are also doing this in the worst environmental conditions where it is cold and it is winter. Mr. White said in other months there are other factors that could make this a lot better. Mr. White said he thinks they are looking at this in the worst light at this time.

Mayor Countryman said from their first discussion this was not even an issue regarding the two items needing to be addressed and then the City would sign off. Mayor Countryman asked if this was part of the first two items.

Mr. White said when Hills of Town Creek Section 4 was completed and they did a walk-thru this was a new condition that was not on the list before.

Mr. Roznovsky said at the time of the final inspection in January 2020 the roads were dirty from construction and that was the initial item. Mr. Roznovsky said from that point the original contractor went bankrupt and a request was made to replace the panels for one on the cul-de-sac and one on the curve and was asked if they could wait for Hills of Town Creek Section 4.

Mayor Countryman asked how long was that wait. Mr. Roznovsky said it was close to a year.

Julie Davis said just to clarify, the original request was to plug the streets and see where it stands. Mr. Roznovsky said that is correct. Mr. Roznovsky said then repairs were done and once the repairs were done it was retested. Julie Davis said correct and then they flooded it again to see what the issues were. Mr. Roznovsky said something changed as there was a change in the condition of the streets. Mr. Roznovsky said they can lift the streets but unless they do it all at the same time they will continuously be chasing it to get it completely resolved.

Mr. White said he does not think what was done caused the new issue. Mr. White said the one area on the cul-de-sac they patched has not created a new problem.

Julie Davis asked if there is no cause and effect.

Mr. White said nothing they would have done to repair the right side of Brock's Lane would have caused a small birdbath on the left side curve because they did not do anything in that area. Mr. White said the one panel in Scenic Hills Court they fixed, but the other area was not touched.

Mr. White said he does not agree that what they have done has caused the issue to go to the next area.

Kevin Lacy said he is not willing to receive any responsibility for it until it is done.

Mr. White said this would be a completely different situation if the contractor did not go bankrupt.

Mr. White said a memo was created that highlighted exactly two areas that needed to be repaired and those were the only two areas that would be added to a punch list period. Mr. White said they fully addressed the one area and the current one being discussed today potentially is something that still needs to be discussed. Mr. White said now there is an added area of the cul-de-sac. Mr. White said they had a commitment to fix the two areas and they feel like they are still not there.

Julie Davis said the original instruction was to flood the streets. Mr. White said correct but other conversations happened after that.

Mr. Roznovsky said one thing to consider in going forward with future sections is a timeline for these repairs to be done and to put in writing if the repairs are not completed within 45-60 days, inspections have to be redone.

Mr. Roznovsky said the City has used it in the Hills of Town Creek and other areas and has addressed the birdbath and the issues. Mr. Roznovsky said they did have to call them back out



one time to have them readdress an area under warranty. Mr. Roznovsky said the directive from the last meeting was to get additional proposals.

Mayor Countryman said to recap, Stylecraft is the developer and the concrete company went bankrupt. Mayor Countryman said another company came in and Stylecraft is now responsible for the bankrupt work.

Mr. Roznovsky said at the acceptance of the infrastructure there is a 30 percent construction cost of the Maintenance Bond for the project. Mr. Roznovsky said in normal times when they did the one-year warranty they would have the contractor make repairs leaving the developer the bill. Mr. Roznovsky said in this case the concrete company went bankrupt and the developer is left with the bill.

Mayor Countryman said it is hard to hold Stylecraft 100 percent responsible because it was not their work and they spent \$100,000 to rectify the work. Mayor Countryman said she sees the side that the City does not accept anything that is broken. Mayor Countryman said if you do live in the neighborhood do you want to spend your tax dollars on paying for that. Mayor Countryman said, however, if we are going to have a partnership she does not think the burden is 100 percent on Stylecraft. Mayor Countryman asked is it a partnership where the City gives a little and Stylecraft gives a little and together we get this done and then after two years URETEK is responsible. Mayor Countryman said that would take Stylecraft out of the equation and would take the City out of it if we partner with Stylecraft to get this fixed. Mayor Countryman said anything within the next 24 months would be URETEK's responsibility.

Julie Davis said from what she understands right now Stylecraft is suggesting this is what it is going to cost to fix it and they are going to bear the burden of it and then asking us to release them from this.

Mr. White said the goal they are trying to find is can they determine what last areas need to be fixed, address those concerns within a reasonable period, five or ten days, and then if everything is good and signed off, they will bring it to the next meeting, officially accept the infrastructure, release Stylecraft from any responsibility, and URETEK's warranty will be transferred to the City.

Mr. White said they spent \$80,000 to \$100,000 on the first concrete repair and \$20,000 for additional repairs. Mr. White said the contract for the entire subdivision was less than \$800,000.

Kevin Lacy asked why is this the City's problem. Kevin Lacy said he thinks the City should get a good product and it should be fixed and taken care of.

Mr. White said this has gone through the City's inspections, the engineer's inspections, and tested correctly.

Julie Davis said Stylecraft hired the contractor and does not see why the City should pay for it. Julie Davis said it was a bad decision and it cannot be undone but does not see how the City should pay for it.

Kevin Lacy said he stubbed his toe on concrete at his house, there is paint peeling everywhere, and shingles are messed up. Kevin Lacy said he does not have any sympathy at this point. Kevin Lacy said he thinks the City should accept a project that is finished and complete.

Mayor Countryman said if she understands correctly they need to have a time frame limit on it. Mayor Countryman said they kept moving the goal line and other issues happened. Mayor Countryman said let us get a reasonable time frame and the City will remove Stylecraft from it. Mayor Countryman said waiting another year they will have more issues.

Mr. White said they need a timeline completion on their side and a timeline acceptance on the City's side after completed and passed. Mr. White said they will address these items and bring them back.

Mayor Countryman said anything outside of these two items is not Stylecraft's responsibility.

Julie Davis said there are three items, not two. Julie Davis said they are addressing the ponding in two locations but the aesthetic piece on the cul-de-sac is still an issue.

Mr. Roznovsky said the previous part with the sidewalks has been completed which was a year and a half ago. Mr. Roznovsky said they have repaired and smoothed out the street and have gone back and have done what they can to the extent of replacing the panel again. Mr. Roznovsky said there is a color difference and that is because of the age of the concrete that will work itself out.

Kevin Lacy said he would like to see Stylecraft take care of it.

Julie Davis asked how long does it take for the injection. Mr. Mike Muckleroy, Director of Public Works said they can get a whole section done in a day.

Julie Davis asked if it is unreasonable to say within the next 30 days they can fix it and they have a 30-day timeline for City Council to bring it back for approval.

Mr. White said it is not an unreasonable timeline.

Mr. Roznovsky said if the work gets done within three weeks and within a week after that, they could have the streets reflooded, take the same photos they did, and bring it back to the second February City Council meeting.

Julie Davis asked if 60 days is the time frame they are considering.

Mr. White said he thinks 45 days because the second meeting in February would be 45 days from now.

Mr. Roznovsky said within the next 45 days the work is completed and within two weeks after that is when the City will flood, take pictures, and bring it to the next City Council meeting.

Kevin Lacy said he does not agree with releasing them.

Mr. Roznovsky said for clarification the two areas for URETEK to address are the northeast panel on the cul-de-sac of Scenic Hills Court and the ponding outside the gutter line on the

street of Brock's Lane. Mr. Roznovsky said those areas will get reflooded and that is what is brought back to City Council within the next 45 days.

Julie Davis asked what if they have further ponding issues on another section of the cul-de-sac.

Mr. Roznovsky said they will take the same photos showing the differences and they can compare.

Mr. White said there are no areas outside of this for immediate concern. Mr. White said right now the gutter line already drains. Mr. White said when it floods you can see the gutter line is good. Mr. White said if there is another spot that appears in the area with a new flood, that is what they would bring back to City Council.

Kevin Lacy said on page 112 if you look behind his father's truck it ponds really deep there and goes all the way around the curve. Kevin Lacy said it drains in 48 hours but it is frustrating.

Kevin Lacy moved to table item #11 until it is ready to be presented again. Julie Davis seconded the motion, the motion carried unanimously. (4-0)

### **EXECUTIVE SESSION:**

The City Council reserves the right to discuss any of the items listed specifically under this heading or for any items listed above in executive closed session as permitted by law including if they meet the qualifications in Sections 551.071(consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

12. Adjourn into Closed Executive Session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, in accordance with the authority contained in the following:
  - a) Section 551.071 (consultation with attorney);
  - b) Section 551.072 (deliberation regarding real property); and
  - c) Section 551.074 (personnel matters) City Administrator's Review.

Mayor Countryman adjourned into Closed Executive Session at 7:06 p.m.

Mayor Countryman reconvened into Regular Session at 9:28 p.m.

**POSSIBLE ACTION FROM EXECUTIVE SESSION:**

- 13. Consideration and possible action(s), if necessary, on matter(s) deliberated in Closed Executive Session.

Julie Davis moved to authorize the City Administrator to begin negotiations of real property subject to the terms discussed in Executive Session. Carol Langley seconded the motion, the motion carried unanimously. (4-0)

- 14. Discussion and consideration on relocating a historic home to City of Montgomery property.

Carol Langley moved to not take any action on item #14. Kevin Lacy seconded the motion, the motion carried unanimously. (4-0)

**COUNCIL INQUIRY:**

Pursuant to Texas Government Code Sect. 551.042 the Mayor and Council Members may inquire about a subject not specifically listed on this Agenda. Responses are limited to recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision shall be limited to a proposal to place on the agenda of a future meeting.

T.J. Wilkerson said on Monday they will have the Martin Luther King Jr. celebration at 11:00 a.m. on Lone Star Parkway.

Julie Davis said there is still graffiti on the lift station. Julie Davis said last month when she asked about it she was told specifically that was the fence the City paid to put in and they would address it.

Mr. McCorquodale said the fence was built on three sides and the City does own the gate. Mr. McCorquodale said what you see spray-painted on the side is the homeowner’s fence.

Julie Davis asked if they could do something about it. Julie Davis asked if they have any ordinances regarding graffiti in the City limits. Mr. McCorquodale said not of which he is aware.

Chief Solomon asked where the graffiti was located. Julie Davis said it is written on the side of the lift station right up the street on Old Plantersville Road, on the south side of the wooden fence.

Mr. McCorquodale said he will check the ordinances.

Chief Solomon said he will have someone look at it in the morning.

**ADJOURNMENT**

T.J. Wilkerson moved to adjourn the meeting at 9:32 p.m. Kevin Lacy seconded the motion, the motion carried unanimously. (4-0)

Submitted by: \_\_\_\_\_  
Diana Cooley, Deputy City Secretary

Date Approved: \_\_\_\_\_

\_\_\_\_\_  
Mayor Sara Countryman

**MINUTES OF REGULAR MEETING**  
**January 25, 2022**  
**MONTGOMERY CITY COUNCIL**

**CALL TO ORDER**

Mayor Countryman called the meeting to order at 6:00 p.m. Mayor Countryman stated for the record T.J. Wilkerson is absent this evening.

Present: Sara Countryman Mayor  
Carol Langley City Council Place # 1  
Kevin Lacy City Council Place # 2  
Julie Davis City Council Place # 4  
Byron Sanford City Council Place # 5

Absent: T.J. Wilkerson City Council Place # 3

Also Present: Richard Tramm City Administrator  
Dave McCorquodale Assistant City Administrator  
Diana Cooley Deputy City Secretary  
Caleb Villarreal City Attorney

**INVOCATION**

Byron Sanford gave the Invocation.

**PLEDGE OF ALLEGIANCE TO FLAGS**

**VISITOR/CITIZENS FORUM:**

Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must be recognized by the Mayor. Council may not discuss or take any action on an item but may place the issue on a future agenda. The number of speakers along with the time allowed per speaker may be limited.

Mrs. Stephanie Clevenger, 388 Berkley Drive, Montgomery, Texas, said she would like to say thank you to all the police, constables, and sheriff who were out the other morning looking for a missing gentleman. Mrs. Clevenger said it was incredible to watch and God’s blessing the gentleman was found at Ransom’s.

Mrs. Clevenger said she came to ask if the City plans to purchase land for the playground that is requested on the north side of the City.

**CONSENT AGENDA:**

- 1. Consideration and possible action authorizing City Administrator to execute contract amendment with H2O Innovations, LLC.

Mr. Mike Muckleroy, Director of Public Works said this generator was previously at the old Lift Station 1 location and was moved to Lift Station 6 per City Council approval. Mr. Muckleroy said with that comes yearly maintenance which was not in the contract and what this amendment is for. Mr. Muckleroy said it is a \$15 a month increase per lift station.

Julie Davis moved to accept Item #1 as presented. Kevin Lacy seconded the motion, the motion carried unanimously. (4-0)

**CONSIDERATION AND POSSIBLE ACTION:**

- 2. Present award to retiring City Secretary Susan Hensley for her contributions to the City of Montgomery.

Mayor Countryman presented the Recognition of Service Award for retiring City Secretary Susan Hensley:

“Susan Hensley’s last day as City Secretary was Friday, January 14<sup>th</sup> after almost seven years of service to the City of Montgomery. The position of City Secretary is integral to the operations of any city, and Susan was a key component to many of the activities that occurred during her employment with the City. Susan’s tireless dedication to her craft benefitted the City in ways that included permitting processing, updating ordinances, monitoring compliance



with election laws, keeping detailed minutes of City meetings, and much more. Susan was a big part of the City’s success in recent years, and we wish her well as she retires to the next phase of her life.”

Mayor Countryman presented to Ms. Susan Hensley a flag that was included with this award that was flown over the City of Montgomery at City Hall in honor of her service to the City and its people on this day, Tuesday, January 25, 2022.

3. Consideration and possible action regarding adoption of the following Ordinance:

AN ORDINANCE OF THE CITY COUNCIL OF CITY OF MONTGOMERY, TEXAS, AUTHORIZING PARTICIPATION WITH OTHER ENTERGY SERVICE AREA CITIES IN MATTERS CONCERNING ENTERGY TEXAS, INC. AT THE PUBLIC UTILITY COMMISSION OF TEXAS IN 2022; AUTHORIZING THE HIRING OF LAWYERS AND RATE EXPERTS; AUTHORIZING THE CITY’S PARTICIPATION TO THE FULL EXTENT PERMITTED BY LAW AT THE PUBLIC UTILITY COMMISSION OF TEXAS; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; AND DECLARING AN EFFECTIVE DATE.

Mr. McCorquodale said this annual process has been going on for several years, Entergy and other Entergy providing companies submit to the PUC (Public Utility Commission) for a rate increase that is going to be for more than they are going to receive. Mr. McCorquodale said there is no cost to the City for joining this coalition of cities, but what The Lawton Law Firm does is provide a unified voice for the cities to then negotiate with the PUC to obtain a more acceptable rate.

Byron Sanford moved to adopt the ordinance as presented for Item #3. Julie Davis seconded the motion, the motion carried unanimously. (4-0)

4. Consideration and possible action regarding adoption of the following Ordinance:

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS AMENDING THE ZONING CLASSIFICATIONS AS DEFINED IN THE CITY CODE OF ORDINANCES CHAPTER 98, "ZONING," FOR A 1.5-ACRE TRACT SITUATED IN THE

BENJAMIN RIGSBY SURVEY, ABSTRACT NUMBER 31, COMMONLY REFERRED TO AS 14855 NORTH LIBERTY STREET, MONTGOMERY, TEXAS FROM “R-1” SINGLE FAMILY RESIDENTIAL ZONING DISTRICT, AS FOUND ON THE CITY’S OFFICIAL ZONING MAP TO “B” COMMERCIAL ZONING DISTRICT CLASSIFICATION; AND TO AMEND THE OFFICIAL ZONING MAP; PROVIDING A SAVINGS CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE UPON PASSAGE AND PUBLICATION.

Mr. Tramm said City Council held a Public Hearing on this rezoning request on January 11<sup>th</sup> after receiving the Planning & Zoning Commission’s Recommendation and Report. Mr. Tramm said no comments for or against the request were given at their Public Hearing on January 4<sup>th</sup> and their recommendation is to approve the rezoning request.

Julie Davis moved to approve Item #4 as presented. Kevin Lacy seconded the motion, the motion carried unanimously. (4-0)

5. Consideration and possible action regarding adoption of the following Ordinance:

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS AMENDING THE ZONING CLASSIFICATIONS AS DEFINED IN THE CITY CODE OF ORDINANCES CHAPTER 98, "ZONING," FOR A 16.41-ACRE TRACT OF LAND NORTH OF THE INTERSECTION OF EMMA’S WAY AND SCENIC HILLS COURT, COMMONLY REFERRED TO AS THE PROPOSED HILLS OF TOWN CREEK SECTION FIVE, MONTGOMERY, TEXAS FROM “B” COMMERCIAL ZONING DISTRICT, AS FOUND ON THE CITY’S OFFICIAL ZONING MAP TO “R-1” SINGLE-FAMILY RESIDENTIAL ZONING DISTRICT CLASSIFICATION; AND TO AMEND THE OFFICIAL ZONING MAP; PROVIDING A SAVINGS CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE UPON PASSAGE AND PUBLICATION.

Mr. Tramm said City Council held a Public Hearing on this rezoning request on January 11<sup>th</sup> after receiving the Planning & Zoning Commission’s Recommendation and Report. Mr.

Tramm said no comments for or against the request were given at their Public Hearing on January 4<sup>th</sup> and their recommendation is to approve the rezoning request.

Byron Sanford moved to approve Item #5 as presented. Kevin Lacy seconded the motion, the motion carried unanimously. (4-0)

6. Consideration and possible action regarding award of the 2022 Sanitary Sewer Cleaning and Televising Project and authorization for the City Administrator to execute the Contract.

Mr. Tramm said City Council authorized staff and the City Engineer to move forward with this project on September 28, 2021, following discussions during the annual budgeting process. Mr. Tramm said the Invitation to Bid was advertised beginning December 27, 2021, and bidding closed on January 17, 2022, when the six sealed bids received by the City were recorded during a public bid opening. Mr. Tramm said two of the six bidders attended the 10:00 a.m. bid opening conducted by the City Engineer and City staff.

Mr. Tramm said as a recap, the scope of this project included cleaning and inspecting a total of 35,270 feet of sanitary sewer line (just over six and a half miles). Mr. Tramm said these are some of the oldest sewer lines in the City, primarily located in and near the Historic Preservation District as well as several other key lines near this area. Mr. Tramm said a similar 2017 inspection along FM 149, and another project is proposed for the next fiscal year to inspect the next oldest lines in the City, leaving only the lines that have been installed in recent years and are not due for this type of inspection.

Mayor Countryman asked what they are looking for when they do this inspection.

Mr. Muckleroy said they are looking for anything in the lines that are going to cause infiltration or anything in the lines that need repairs such as joints being offset.

Mayor Countryman asked if this is done every five or 10 years.

Mr. Muckleroy said it depends on the age of the pipes. Mr. Muckleroy said they would like to do it every 10 years.

Mr. Muckleroy said the original estimate was for \$101,000. Mr. Muckleroy said the low bid came in at \$62,000 from Pinnacle Pumping. Mr. Muckleroy said they have worked with Pinnacle Pumping in the past.

Julie Davis asked if there is a timeline regarding how long it will take to have this work completed and if it is in the contract.

Mr. Muckleroy said it is in the contract. Mr. Muckleroy said when they did this in 2017 it was done within two and a half weeks.

Julie Davis said she is concerned that the bid came in so low.

Mayor Countryman asked if we have worked with them before. Mr. Muckleroy said yes.

Mr. Mike Williams, Vice President of H2O Innovation, said they have worked with them for several years and found that when they switched to their services they had the same cost savings for their clients. Mr. Williams said they have always proved to be a very reliable contractor.

Carol Langley asked if smoke testing was done. Mr. Muckleroy said no.

Carol Langley asked if they would alert residents. Mr. Muckleroy said they usually do not because there are no disruptions. Mr. Muckleroy said it is nothing like smoke testing.

Carol Langley asked if the City gets a report. Mr. Muckleroy said they will provide the report to the engineers who will review it.

Julie Davis moved to accept Item #6 as presented. Byron Sanford seconded the motion, the motion carried unanimously. (4-0)

7. Consideration and possible action to approve action by the Montgomery Economic Development Corporation to convert the contracted Event Coordinator position to a full-time staff position and amend the annual budget to fund the position.

Mr. Tramm said as this item includes a significant change made in the MEDC Budget, this item is coming to City Council for approval as City Council is required to approve expenditures by the MEDC over \$10,000.

Mr. Tramm said last summer the MEDC created a contracted position anticipating 20-25 hours of work per week to assist the City and MEDC relative to permitting and events. Mr. Tramm said Ms. Amy Brown is currently serving in this position. Mr. Tramm said to be more accurate the position has been a 40-44 hour-a-week position. Mr. Tramm said as the City has grown so has the needs of the MEDC. Mr. Tramm said positions like this are fully funded by the MEDC which has been done in the past.

Mr. Tramm said he has outlined the budget amendments and the money is available and has confirmed the amounts with Mr. Anthony Lasky, Senior Accounting Clerk. Mr. Tramm said partially those were funds that would be the remaining amount for the contracted position for the year and the others were unallocated funds toward events.

Mr. Tramm said the proposed job description is based on the job descriptions of other cities as well as the City's needs. Mr. Tramm said attached is the agenda report from the MEDC Board of Directors Meeting where this was approved.

Mr. Tramm said two members of City Council are also members of the MEDC and this received approval at the MEDC level.

Kevin Lacy asked if this would be transitioning Ms. Amy Brown's position and turning it into a full-time position paying her \$56,000.

Mr. Tramm said no, the contracted position will go away and that will become a new position. Mr. Tramm said the MEDC position does need to be posted and a person needs to be hired. Mr. Tramm said it is not a conversion of the existing position.

Kevin Lacy asked if this person would absorb the responsibilities regarding Facebook which Mrs. Rebecca Huss is currently reimbursed for and put the \$18,000 back into our pocket.

Mr. Tramm said this position was not designed to take on social media.

Kevin Lacy asked if they could design the position to include social media. Mr. Tramm said if that is how City Council approves it, but that is not how it is being presented.

Kevin Lacy said Texas A&M has programs where the City of Montgomery could be part of their curriculum regarding these exact responsibilities as well as Facebook. Kevin Lacy said Texas A&M students can do these jobs for the City for free. Kevin Lacy said the City could save all this money and have students do this for their curriculum. Kevin Lacy said this is something we should look into.

Mayor Countryman asked why would we want students to take on these roles and then they rotate every year. Mayor Countryman said they have had this position before and it is necessary. Mayor Countryman said what Ms. Brown does is being funded by MEDC and it is necessary and what Mrs. Huss does is more than just Facebook. Mayor Countryman said she thinks Kevin Lacy should find out more about what they do to find out why they are being paid what they are.

Mayor Countryman asked if MEDC was funding the position. Mr. Tramm said yes, it is fully funded by the MEDC.

Mr. Tramm said he would be happy to speak with the universities and thinks they could certainly help; however he thinks there is certain stability that comes with having a permanent person. Mr. Tramm said he does not see why they could not do both and get even better results.

Kevin Lacy said he would like to see some reporting regarding what Ms. Brown and Mrs. Huss are doing. Mayor Countryman said that is what they do in the MEDC meetings.

Kevin Lacy said he does not think they need to pay the President of the MEDC \$18,000 a year as reimbursement for posting on Facebook. Kevin Lacy said he thinks they can get someone in a full-time position that can do both. Kevin Lacy said they gave the MEDC President a raise last year as well.

Mayor Countryman asked Mr. Tramm if the MEDC approved it. Mr. Tramm said yes.

Kevin Lacy said he thinks hiring a full-time person and still paying \$18,000 a year is a lot of money.

Mayor Countryman asked the members on MEDC if they see the need for two different positions.

Byron Sanford said he is not opposed to two positions at all. Byron Sanford said this person is like MVP. Byron Sanford said this position involves building relationships and bringing money into the City. Byron Sanford said this person would build contacts, look for grants which are the things the manager and assistant manager do not have time to do.

Byron Sanford said he does not disagree with Kevin Lacy on the idea of the websites as it is more than just Facebook that Mrs. Huss manages. Byron Sanford said he is hoping somehow they find one person which he thinks would be best because this is the one contact that is the City's representative. Byron Sanford said he sees this as one position and had reservations from the beginning because they were asking for something that the title and job description just did not fit. Byron Sanford said there is no doubt this is a full-time position. Byron Sanford said any time a manager starts going part-time here and part-time there, the manager is telling you he needs help. Byron Sanford said he would like to see it consolidated into one position but he does understand when you do this you need to advertise it and try and get the best applicants you can.

Mr. Tramm said as far as consolidating the position between social media and other attributes, to some degree those are different skill sets. Mr. Tramm said his fear would be if he starts pushing them together he is going to have candidates who likely qualify for this yet say they are no social media expert or vice versa.

Kevin Lacy said they need to find one person who is good at and can handle both.

Byron Sanford said this is the person who goes out and sells the City. Byron Sanford said they need to get a full-time representative for the City as this is a difference-making position. Byron Sanford said he would encourage to advertise and get the best person for the position.

Mayor Countryman asked for 44 hours per week, does Ms. Brown have the bandwidth to do Facebook, advertising, and all the social media aspect.

Mr. Tramm said in order to just keep what was getting done, something is going to have to drop or slide from the 44 hours to pick up the balance. Mr. Tramm said social media may not be enough for a full-time job, but it is probably 10-15 hours per week.

Byron Sanford said there is no argument from that data that it is doing a fantastic job. Byron Sanford said they were higher on the hits just from Facebook alone than Willis, Magnolia, and other areas and we know the job is quality. Byron Sanford said he would like to find one person that could do that if possible.

Carol Langley said it is a major position in Montgomery and as Mr. Tramm said, we have had people in the position before and does not think they knew what the job pertained to because they were not going out to the business owners or chamber meetings. Carol Langley said this position with the new job description states all of that. Carol Langley asked if Ms. Brown can do all of this. Carol Langley said she does not know. Carol Langley said she hopes there are applicants out there that would like to take on the City of Montgomery at this time.

Chief Solomon said the event coordinating in the City had never been as good until Ms. Brown started doing it. Chief Solomon said what she has done has been great and she spends a lot of time doing it. Chief Solomon said this person needs to know the people in the City and what the City events are. Chief Solomon said Ms. Brown has done a great job.

Mayor Countryman said she too has heard compliments and it is great to have that point of contact because before Ms. Brown's existence it was her or Mrs. Huss. Mayor Countryman said Ms. Brown has been great to work with and is extremely efficient.



Chief Solomon said now with these events and having Ms. Brown coordinating them, all the police department has to do is focus on security. Chief Solomon said Ms. Brown does a great job. Chief Solomon said as far as Facebook and combining that element he is not sure.

Byron Sanford said Ms. Brown is uniquely qualified in having owned a business here and knowing the festivals that take place within the City. Byron Sanford said he is all for consolidating the position.

Kevin Lacy said it sounds to him like Ms. Brown would be a top candidate for the job. Kevin Lacy said if Ms. Brown is the person then great, but they need to make sure to get the right person that can do it all.

Julie Davis said she would agree with Mayor Countryman that internship programs are amazing but they are seasonal and you do need a full-time staffer to check in with them. Julie Davis said they would be great for seasonal events where extra help is needed. Julie Davis said she does think you could combine the two and pull in some internship programs that would benefit all of us.

Mayor Countryman said Ms. Brown has stream-lined efficiencies and has gotten this down to a science and is extremely sufficient.

Julie Davis moved to accept Item #7 as presented with the amendment this is a Marketing and Event Coordinator position to include social media.

Discussion: Mr. Tramm asked if the intent of the amendment is for this person to take over the current contract for social media responsibilities or if it would exist with that. Julie Davis said the person would take it over.

Byron Sanford seconded the motion, the motion carried unanimously. (4-0)

Mr. Tramm said now that he has approval from City Council they are going to start the advertising process. Mr. Tramm said the intent from MEDC was they would continue as they

are until this position is filled. Mr. Tramm said he wanted to make sure City Council was aware and that no one had an issue with that.

Julie Davis asked who the person in this position would report to. Mr. Tramm said to him.

Mr. Tramm said he will discuss with the City Attorney because there was an amendment made whether or not this has to go back to the MEDC.

Byron Sanford said they need to closely monitor this position and make sure they are doing everything related to that position and the City Administrator is not having to.

Mr. Tramm said with the contract position in place now, one of the processes he and Ms. Brown have is they have a regular time scheduled weekly to meet for one hour. Mr. Tramm said it has taken his attention span more off the MEDC and allows him to have more time for the City with Ms. Brown being there and he expects the same for this position but at a more executive level.

Julie Davis asked how long the position will be posted. Mr. Tramm said it will post between three to five days for City employees first then three to four weeks for the public. Mr. Tramm said his hopeful goal is to have someone hired during March.

Mr. Tramm said if Councilman Kevin Lacy could provide him with the contact points he mentioned earlier, he would be happy to work with those universities. Mr. Tramm said he thinks that would be a great way for them to magnify what the MEDC does with intern-type help.

8. Consideration and possible action to approve action to set a Special Meeting date for City Council Interviews of City Secretary candidates.

Mr. Tramm said with the assistance of retired City Secretary Susan Hensley, they have narrowed down the initial list of candidates to four qualified individuals for the position of City Secretary. Mr. Tramm said as this is a statutory position appointed by City Council, it is not unusual for the final interviews to be conducted by City Council for City Secretary.

Mr. Tramm said he listed a series of dates he suggested for a potential Special Meeting, but he is also open to other dates. Mr. Tramm asked what works for City Council and how would City Council like to approach this.

Mr. Tramm said one of the important things is that it is a position that interfaces directly with City Council members and it is his preference City Council is involved and does not just have a person put in front of them.

Mayor Countryman asked if they could get back to Mr. Tramm with dates and see what dates they share. Mr. Tramm said yes. Mr. Tramm said they can coral this through email. Mr. Tramm said they do not have to set up a Special Meeting at a City Council meeting.

Julie Davis said most of them could clear their schedules for Tuesday nights. Mayor Countryman said or Saturday mornings.

Mr. Tramm said to communicate to him through email and they will set a date that works for everyone. Mr. Tramm said he will follow up with Councilmember Wilkerson tomorrow.

#### **DEPARTMENTAL REPORTS:**

9. City Administrator Report. – Mr. Tramm, City Administrator said he would like to highlight the three City Christmas events Light Up the Park, the Christmas Parade, and the Snow Party. Mr. Tramm said those events all brought and kept a large number of people in the City. Mr. Tramm said there were 1,900 entrants in the parade and the City population has around 2,000 people. Mr. Tramm said the population of the City was in the parade and everyone else watching the parade shows the number of people that came to the City. Mr. Tramm said near the end of the parade he rode with the Public Works Director around the perimeter of the City. Mr. Tramm said he was able to see all the traffic leaving the City, which was fairly sizable, but also as he came back there were still a lot of people in the City. Mr. Tramm said he believes they accomplished the goals of getting people into the City as well as having fun things to do for the people that were here.

Mayor Countryman said regarding the Cookie Walk, they had to go to different businesses and pull many boxes, the largest they have ever had and went through all of the cookies as well.

Mr. Tramm said for the Snow Party they had just over 300 people there who were signed in with waivers. Mr. Tramm said they used a QR code system where they did not have to use paper. Mr. Tramm said they did something similar at Light Up the Park with Santa Claus.

Julie Davis asked if they are gathering email addresses on those sign-ins. Mr. Tramm said yes. Julie Davis said that would be a great thing to pass over to the new marketing position. Mr. Tramm said they are already doing that. Mr. Tramm said there are multiple mailing lists. Mr. Tramm said one is for the downtown area businesses, another is businesses of Montgomery, and also residents or non-residents who may have an interest in all these events.

Julie Davis said there could be a check box added if they want to subscribe to the City's monthly newsletter and then the newsletter that is put in with the water bills could include those who do not live inside the City to let them know what is going on.

Mr. Tramm said the new terms for MEDC started January 1, 2022, for returning members Byron Sanford and Dan Walker, as well as for new member Wade Nelson.

Mr. Tramm said MEDC had a little over \$9,000 which were unspent funds for the Christmas events. Mr. Tramm said they approved an amendment to split those into two categories. Mr. Tramm said one was with the recommendation by the Police Chief to buy additional safety barricades to be used for all events as needed and another was a recommendation from the Public Works Director of the City to purchase additional Christmas decorations.

Mr. Tramm said Mr. Charlie Diggs came to the MEDC meeting to present a \$2,200 check to the MEDC. Mr. Tramm said that was a return based on attendance at the Fall Festival as part of the sponsorship agreement. Mr. Tramm said they are looking at a similar sponsorship agreement for March 2022 for the Montgomery Music and Mudbugs festival and the amount to be returned is likely to be much higher.

Mr. Tramm said the MEDC approved funding \$200,000 toward the City's Clepper Sidewalk Project. Mr. Tramm said MEDC item expenditures over \$10,000 must be presented to City Council. Mr. Tramm said they will present that when there is an actual expenditure for the money to be spent on or will have to go to a 60-day posting. Mr. Tramm said in addition MEDC projects in excess of \$50,000 must be posted in the newspaper to allow for public comment. Mr. Tramm said there will be a bit of a time lag before this is brought to City Council while they fulfill the legal requirements. Mr. Tramm said that included money they had both allocated in the budget toward sidewalks as well as money allocated they could use each year toward capital projects in the City. Mr. Tramm said since the City already allocated money in this year's budget they will be able to reallocate that for other capital projects later in the year.

Mr. Tramm said the MEDC is also appointing a committee to review the opportunity for a tourist Tax Increment Reinvestment Zone to benefit economic development using City property tax and use that in ways for grants and certain projects that enhance the SH 105 and FM 149 downtown area corridors.

Byron Sanford asked if they said besides the three people mentioned on MEDC to create a group to get that started there would need to be an attorney present during those meetings. Mr. Tramm said as they discussed, the first meeting they will have is a concept meeting to get started and as it goes farther past the concept then they will need to include the attorney.

Byron Sanford said City Council needs to know and understand that Mr. Wade Nelson has extensive experience in setting up a tourist district and they have a well-qualified group already started and thinks it is going to make a big difference for them going forward.

Mr. Tramm said he thinks Mr. Nelson will be very valuable with his skillset toward MEDC.

Mayor Countryman said no one can replace Mr. Arnette Easley.

Mr. Tramm said Mr. Easley's skill set was very valuable during his tenure with MEDC.

Mr. Easley said the property he just acquired is one of many in Montgomery that needs rehabilitating. Mr. Easley said he knows the City does not have a lot of resources or the time

so if he can do another project he definitely will. Mr. Easley said they just approved the remodeling for downtown, but the thoroughfare north, south, east, and west must all be addressed. Mr. Easley said Montgomery is a beautiful town and it is up to them as stakeholders to make sure that happens. Mr. Easley said they need to be productive in these City Council meetings to get things done. Mr. Easley said it is alright to disagree, but let us find common ground to make things happen in the City.

Mr. Tramm said regarding the Development Report, Wendy's was opened as of the last City Council meeting and Batteries Plus Bulbs is now open near AT&T.

Mr. Tramm said they are starting to see some slowing down of the completion of residential development and seeing an increase in the permitting primarily because there are a couple of developments that are moving forward. Mr. Tramm said there are 1,000 homes they know of between things that are platted and talking with developers regarding what they want to build. Mr. Tramm said those homes are coming in the next several years.

Mr. Tramm said there is a Planning & Zoning Commission update. Mr. Tramm said City Council has seen and now acted on the zoning change items. Mr. Tramm said Planning & Zoning has also identified several ordinances and planning documents that they are going to discuss and review through the year and identify where items can be recommended to City Council for change. Mr. Tramm said some of those items may originate from Planning & Zoning and some items may originate out of City Council.

10. Sales Tax Report. – Mr. Tramm said there are two monthly reports. Mr. Tramm said he will email the confidentiality reports to City Council members tomorrow.

Mr. Tramm said the primary item he wants to point out on the report is on page 57 which shows the top 25 businesses for November and December. Mr. Tramm said on November's which is a quarterly filing month explains why Kroger is in November and not in December. Mr. Tramm said on page 55 it shows the top 25 sales tax filers for the twelve months combined.

Mr. Tramm said one thing he found most interesting is that some of the older businesses in the City are doing a lot more business than they did five years ago. Mr. Tramm said they have

dropped down the list because there are other businesses here, but they are still doing a lot better business than they did before.

Byron Sanford asked what is Steelfab. Mr. Tramm said it is for materials used in construction.

Mayor Countryman said Ruthie Grace has a very large online business. Mayor Countryman asked if the City receives those taxes or the taxes are received in the town where the merchandise is delivered. Mr. Tramm said his understanding from the Comptroller's office is the delivery address is the point of sale.

Mr. Tramm said you can also see the January numbers in the column on the left compared to the December numbers. Mr. Tramm said these were both monthly filers so there are no quarterly filers on this one.

Mr. Tramm said he will be following up with the sales tax consultant as it was at the December meeting they had their sales tax consultant here.

Mayor Countryman said Amazing Window Cleaners came about due to the pandemic and the fact they are a quarterly filer and are number 21 is pretty incredible since they have been in business for a year.

Mr. Tramm said there is a lot of good data and that is one reason he wants City Council to see these reports because they can see what businesses are doing and how trends change.

11. Finance Report. – Mr. Anthony Lasky, Senior Accounting Clerk presented his report to City Council for both November and December of 2021.

Mr. Lasky said page three shows the account balances. Mr. Lasky said the operating fund has a total of five months reserve, MEDC has a little over two years reserve, and the utility fund has eleven months reserve.

Mr. Lasky said for all the cash flows this month he combined both November and December. Mr. Lasky said for the budget he did separate those so it can be seen what was earned and spent for each month.

Mr. Lasky said on the cash flow for operating checking the main ticket items were the sales tax for November and December. Mr. Lasky said they collected almost \$541,000 in sales tax for November and almost \$289,000 for December. Mr. Lasky said they did receive \$29,000 from FEMA which was reimbursed back to the general fund. Mr. Lasky said they also received \$490,000 of ad valorem taxes for December. Mr. Lasky said they will see another bulk of it coming in for January for next month.

Mr. Lasky said a couple of big expense items were speed traps they received from All Traffic Solutions which was a little over \$47,000 and they also paid \$70,000-\$71,000 for the new public works building.

Mr. Lasky said on page 15 is the start of the November budget. Mr. Lasky said sales tax was \$405,000 and the remainder of \$100,000 went to the MEDC fund. Mr. Lasky said for the revenues total the City received roughly 15 percent to date and expenditures were 12 percent for November.

Mr. Lasky said on page 20 for December the City received \$216,000 in revenues for sales tax and the ad valorem received \$322,000 the rest of it being transferred to the debt service for the upcoming dates that will be due at the end of February.

Mr. Lasky said for January they did receive the sales tax numbers. Mr. Lasky said \$281,476.57 and around \$70,000 is going into the MEDC fund and \$211,000 into the general fund. Mr. Lasky said the revenues are at 27 percent for the first three months of the fiscal year and the expenditures are at 20 percent.

Mr. Lasky said they did receive a check for \$76,000 which closed out the TBG block grant that has been out there for a long time. Mr. Lasky said that has finally been closed out.



Mr. Lasky said starting in March this report will be formatted differently as they will be going live with the new software beginning Monday, January 31st. Mr. Lasky said there has been a lot of training and a lot of good things are going on and he is excited for this to finally go live. Mr. Lasky said they will be on par with a lot of other cities.

Mayor Countryman asked what does it mean when it is live. Mr. Lasky said it means he will be doing all of his reporting on Incode rather than QuickBooks.

Mr. Lasky said Ms. Susan Hensley did a fantastic job getting him prepared for this and he could not have done it without her. Mr. Lasky said he does thank her for preparing him.

Kevin Lacy asked if the First Financial credit card is like a savings credit card. Mr. Lasky said it is. Kevin Lacy asked if it is \$15,000 for two months or one month. Mr. Lasky said it was for one month. Kevin Lacy asked if that was average. Mr. Lasky said it has been between \$12,000-\$15,000 and a lot of it is because of training that has been going on mostly from the police department. Kevin Lacy asked what do we use it for. Mr. Lasky said for training purposes.

Mr. Tramm said it is one card, but a total of multiple cards the department heads have.

12. Police Report. – Chief Solomon asked if there were any questions regarding the report.

Kevin Lacy asked for the record if Chief Solomon would clarify the location of the cameras. Chief Solomon said he cannot disclose that information on camera.

Kevin Lacy asked if the cameras are going to be inside the neighborhoods. Chief Solomon said no, the City would never place cameras inside neighborhoods.

13. Court Report. – Mrs. Kimberly Duckett, Court Administrator said for the November 2021 revenue they collected \$23,458.35. Mrs. Duckett said for December 2021 the revenue was \$24,648.00.

14. Public Works Report. – Mr. Mike Muckleroy, Director of Public Works asked if there were any questions.

Mayor Countryman asked why the Christmas decorations are still up. Mr. Muckleroy said they had a storm come through town. Mr. Muckleroy said they scheduled for that Monday morning to begin teardown of the Christmas decorations, but because of the storm, they had to postpone the Christmas decoration teardown and lost a solid week because of it. Mr. Muckleroy said they are still not completely done. Mr. Muckleroy said it is on the calendar for this week.

Mayor Countryman asked if they will be able to save the trees. Mr. Muckleroy said some of the trees they are going to have to take down, but they do evaluate the trees closely to determine what to do.

Byron Sanford said in Hardin County whenever they had a storm they reached out to the people who needed public service and they brought crews out. Byron Sanford said it is just a suggestion they reach out to community service centers to help because that is a long time to be taken off track for doing what they need to be doing.

Carol Langley asked what the flags on College Street are for. Mr. Muckleroy said he does not know but will find out the answer.

Mayor Countryman asked if Mr. Muckleroy has a new employee on his crew. Mr. Muckleroy said yes, Brice Crocker is working out well and has been with the City for 90 days.

15. Utility Operations Report. – Mr. Mike Williams, Vice President of H2O Innovation, said there were several call-outs for November. Mr. Williams said at Lift Station 3 there were large balls of rags accumulating, causing them to have to clean it more often.

Mayor Countryman asked if it was a commercial line. Mr. Williams said it is on FM 149 across from the bus barn. Mr. Williams said it does take a considerable amount of flow. Mr. Williams said there are commercial, some residential, and apartment complexes. Mr. Williams said he is not sure where this is coming from all of a sudden. Mr. Williams said they are tracking it and hope to have an answer soon.

Mayor Countryman asked if it was dish rags. Mr. Williams said it was sanitary napkins.

Mr. Williams said the wastewater plant flow detail flow for November was 5,553,000 gallons, the daily peak was November 4, 2021, with 329,000 gallons, and daily average flow was 179,100 gallons with a three-month average flow of 179,900 gallons.

Mr. Williams said all samples complied with the Effluent Monitoring Report for November.

Mr. Williams said they pumped a total of 11,545,000 gallons and sold 10,758,000 gallons with a 97 percent accountability.

Mr. Williams said for the December report there were fewer call-outs although there were still clogged pumps at Lift Station 3.

Mr. Williams said the wastewater plant flow detail for December was 5,136,000 gallons, daily peak was November 18, 2021, with 331,000 gallons, and daily average flow was 171,200 gallons with a three-month average flow of 179,500 gallons.

Mr. Williams said samples complied with the Effluent Monitoring Report for December.

Mr. Williams said they pumped a total of 9,819,000 gallons and sold 8,721,000 gallons with a 96 percent accountability.

Mr. Williams said they did not finish installing the generator at Lift Station 6.

Julie Davis asked if the water is tested monthly. Mr. Williams said yes.

Julie Davis said she has seen quite a few people on social media posting pictures of their water and it is brown and yellow.

Mr. Williams said the brown and yellow color is typically iron which the wells do pump. Mr. Williams said it is not going to affect the bacteria testing. Mr. Williams said it is not aesthetically pleasing to see that but they do use a chemical to coat it and keep it from discoloring. Mr. Williams said they have their chemical suppliers scheduled to retest the well to make sure adequate amounts are being applied. Mr. Williams said they will go through the diagnostic testing to see if things need to change. Mr. Williams said there are times when the water shifts direction in the pipeline causing it to stir up. Mr. Williams said it will need to be flushed out once it is recorded. Mr. Williams said they do maintain a monthly flushing schedule with the City.

Mayor Countryman said the watercolor is terra-cotta and it is significant. Mayor Countryman said her neighbor showed her their water and even with a filter which they change out typically every eight or nine months, they have had to change out their filter every three months.

Mr. Williams said he and Mr. Muckleroy will be updating their flushing points to try and curb the issues. Mr. Williams said they will also discuss directional flushing to try and sweep everything out of the lines.

Mayor Countryman said it looks like in November and December they had the same effluent permitted values, parameters, and inches of water. Mr. Williams said they are close but not the same. Mr. Williams said the numbers will not change that much when they are having good weather. Mr. Williams said the numbers are very healthy with average results.

Julie Davis asked when the chemicals will be tested. Mr. Williams said the end of this week or next.

16. Utility Billing Report. – Mr. Richard Tramm said on both the November and December reports the billing amounts have gone down with cooler weather.

Mr. Tramm said on the December report the \$76,000 listed was due to construction. Mr. Tramm said that was CDBG money from the grant which was referred to earlier.

Mr. Tramm said there are two items for \$248 and \$306.17 which were noted for City reimbursements. Mr. Tramm said those are utility bill payments that Mr. Lasky is getting properly coded.

Mr. Tramm said water usage was normal.

Mr. Tramm said there is a big difference between the cooling tower fee of 2020 and when the cooling tower was down. Mr. Tramm said the cooling tower is now back in operation.

Julie Davis said the City gained eight new water accounts in one month from October to November.

17. Engineer's Report. – Mr. Dave McCorquodale, Assistant City Administrator presented the report to City Council.

Mr. McCorquodale said the Downtown Waterline Replacement is close to completion.

Mr. McCorquodale said regarding Water Plant No. 3 Improvements the contractor poured the foundation for the ground storage tank and cooling tower. Mr. McCorquodale said the hydropneumatic tank is set in place as well.

Mr. McCorquodale said as mentioned earlier the Dr. Martin Luther King Jr. Drive Ditch Regrading and Sanitary Sewer Rehabilitation Project will be advertised for bid on January 26<sup>th</sup> and bids will be opened on February 16<sup>th</sup>.

Mr. McCorquodale said the engineers are expecting to receive the survey work back this week regarding Clepper Sidewalks.

Mr. McCorquodale said a 15-Year Capital Improvement Plan draft will be emailed to City Council. Mr. McCorquodale said they will hold a workshop sometime in February or March to discuss the plan in further detail.

Mr. McCorquodale said for the Feasibility Study with Montgomery Brewing Company, it is currently on hold while options are being discussed with the property owner.

Mr. McCorquodale said the revised drainage impact analysis report was received from Town Creek Crossing, Section 2, and offered no objections to the revised report.

Mr. McCorquodale said Hills of Town Creek Section 5 preliminary plat will be presented at the February 1<sup>st</sup> meeting of the Planning and Zoning Commission.

Mr. McCorquodale said the contractor is still working on addressing the punch list items identified at the final inspection for Town Creek Crossing, Section 1.

Julie Davis said 24-hours after the most recent heavy rain she drove on Scenic the day they did the drilling. Julie Davis said Stylecraft did a phenomenal job of shaving the concrete where there previously was a bad patch job. Julie Davis said even the ponding in front of Kevin Lacy's house only had one spot at the end of his driveway. Julie Davis said in 24 hours there was nothing ponding on the street.

Mr. McCorquodale said ongoing construction includes Town Creek Crossing, Section 1. Mr. McCorquodale said the contractor is still addressing punch list items identified at the final inspection.

Mr. McCorquodale said regarding the two ongoing TxDOT activities, the turn lane at FM 149 and SH-105, they did not connect the power meter to the one pole. Mr. McCorquodale said in speaking with Mrs. Katherine Vu, Project Manager with WGA, TxDOT expects to be done in May. Mr. McCorquodale said as a reminder this was a 53-day working project.

Julie Davis asked if we could use our connection with our Entergy representative to see if it can be connected faster. Mr. McCorquodale said he does not think it would be the same folks but he has let the engineers know that if we cannot get a definite answer we need to go around the Conroe office and that is our next step.

Julie Davis said they started with the turn lanes on FM 2854 moving fast and then it slowed way down. Julie Davis said making that 90-degree turn at that intersection is impossible if you are hauling a trailer or driving a truck. Mr. McCorquodale said he thinks they should have posted some type of detour sign to Buffalo Springs.

Kevin Lacy asked if there will be a light at Chick-Fil-A. Mr. McCorquodale said if they install one there it will be too close to FM 2854. Mr. McCorquodale said they are looking into doing a traffic signal warranty analysis like they did at Buffalo Springs and SH-105.

Mr. McCorquodale said the Emergency Preparedness Plan is nearing completion and the final plan will be submitted in February.

Mayor Countryman said there are two properties and one is pending on North Liberty Street right across from Jim's Hardware. Mayor Countryman asked if we know what that is going to be. Mr. McCorquodale said he has not heard anything. Mr. McCorquodale said most of it is zoned commercial and outside the Historic District.

Mayor Countryman asked if it is the backside of a flood plain. Mayor Countryman said she knows the City looked at it at one point to purchase for additional parking.

Julie Davis said she thought it was going to be turned into a round-about. Mr. McCorquodale said in the proposal for the round-about it depends on if it is one or two lanes and how it is done.

Mayor Countryman said she did not see any update on Montgomery Grove, the new food truck park. Mr. McCorquodale said there is a meeting set with them for tomorrow and they have not seen any updates as of yet.

Mayor Countryman said they called her about permits and she told them she does not handle those. Mr. McCorquodale said it is a different animal because it is an existing restaurant site but at the same time there is a whole lot more going on than just the existing restaurant. Mr. McCorquodale said they want to be mindful of the speed of business, but at the same time, they need to make sure all the bases are covered.

Julie Davis said Mike Anderson has a very long-standing notable reputation in this community as well as Magnolia. Julie Davis said he started as a youth pastor at the Fellowship of Montgomery. Julie Davis said she understands he is on a 30-day timeline but this is his bread and butter. Julie Davis said he is literally closing his shop in Magnolia and coming here. Julie Davis said they need to be 100 percent on their A-game in this office to make sure they are communicating what he needs to do. Julie Davis said they cannot have another situation like that.

Mr. McCorquodale agreed and said there are things they can do to get it off the ground that does not involve wrapping up every single detail.

Julie Davis said she would like to see some clear communication of a detailed punch list of everything the City is expecting from them. Julie Davis said if the City is going to require them to gravel the driveway instead of blacktop it, they need to know they are going to have to pull a permit or gravel instead of blacktop because it is commercial. Julie Davis said not that they must blacktop the driveway, but if they would want to do something different they would need a variance.

Mr. McCorquodale said to that point, it is not just a variance they would need to get a parking lot, it is the Drainage Study that has to go behind that so the folks that live downstream from the food truck park are not getting flooded because they left it out.

Kevin Lacy said he spoke with the new homeowners who purchased his old house. Kevin Lacy said they mentioned how the speed of water is flowing through. Kevin Lacy said they need to make an improvement to stop the water from flowing. Kevin Lacy asked if Mr. McCorquodale had spoken with anyone about the issue.

Mr. McCorquodale said right now there is nothing that has moved forward. Mr. McCorquodale said it is existing water coming off an existing site and there is a 15-foot drainage easement on that side of the driveway. Mr. McCorquodale said he does not see a clearing. Mr.

McCorquodale said a survey crew was out there but a survey crew is not going to clear it. Mr. McCorquodale said in his view, water leaving from an undeveloped property and going to another property is not within the City’s scope to fix. Mr. McCorquodale said if you develop and there is an issue there, then you need to do something about it.

Kevin Lacy said once the clearing was done there was a runway and there was nothing there to slow the water down. Kevin Lacy said there is supposed to be a detention pond to catch the water as part of the plan.

Mayor Countryman asked if the Champagne’s had water in their garage as well before anything was touched. Kevin Lacy said the ditch helped a lot because they used to get water no matter what.

Mr. McCorquodale said there is a drainage easement that is on their property.

Julie Davis moved to accept the Departmental Reports as presented. Byron Sanford seconded the motion. The motion carried unanimously. (4-0)

**EXECUTIVE SESSION:**

The City Council reserves the right to discuss any of the items listed specifically under this heading or for any items listed above in executive closed session as permitted by law including if they meet the qualifications in Sections 551.071(consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

18. Adjourn into Closed Executive Session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, in accordance with the authority contained in the following:

- a) Section 551.071 (consultation with attorney);
- b) Section 551.072 (deliberation regarding real property); and
- c) Section 551.074 (personnel matters).



Mayor Countryman adjourned into Closed Executive Session at 7:40 p.m.

Mayor Countryman reconvened into Regular Session at 7:52 p.m.

**POSSIBLE ACTION FROM EXECUTIVE SESSION:**

19. Consideration and possible action on matters deliberated in Closed Executive Session.

Byron Sanford moved to authorize the City Attorney to reject the real estate offer and make a counteroffer. Julie Davis seconded the motion. The motion carried unanimously. (4-0)

**COUNCIL INQUIRY:**

Pursuant to Texas Government Code Sect. 551.042 the Mayor and Council Members may inquire about a subject not specifically listed on this Agenda. Responses are limited to the recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision shall be limited to a proposal to place on the agenda of a future meeting.

No inquiries from City Council.

**ADJOURNMENT**

Julie Davis moved to adjourn at 7:53 p.m. Carol Langley seconded the motion, the motion carried unanimously. (4-0)

Submitted by: \_\_\_\_\_  
Diana Cooley, Deputy City Secretary

Date Approved: \_\_\_\_\_

\_\_\_\_\_  
Mayor Sara Countryman

Montgomery City Council  
**AGENDA REPORT**

<b>Meeting Date:</b> February 8, 2022	<b>Budgeted Amount:</b> N/A
<b>Department:</b> Administration	<b>Prepared By:</b> Richard Tramm

**Subject**

Consideration and possible action regarding adoption of the following Ordinance:

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, (“City”) declining to approve the change in rates requested in Entergy Texas, Inc.’s (“ETI” or “Company”) Statement of Intent filed with the City on January 31, 2022, AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE WAS CONSIDERED WAS OPEN TO THE PUBLIC AND IN ACCORDANCE WITH TEXAS LAW.

**Recommendation**

Approve the ordinance to decline the requested change in rates requested in Entergy Texas, Inc.’s Statement of Intent filed with the City on January 31, 2022.

**Discussion**

Please see the attached documents regarding Entergy Texas, Inc’s (ETI) request to have their REC (renewable energy credit) tariff approved. The purpose of the proposed rate will give their customers an opportunity to essentially buy green power through this proposed rate filing and support renewable energy and sustainability through REC purchases without having to make a long-term commitment.

I believe it is to the mutual benefit of the City’s residents and Entergy Texas, Inc. for the City to act to reject this request. If a sufficient number of cities act to decline this request, the item will go to a combined hearing at the PUC.

**Approved By**

City Administrator	Richard Tramm	Date: February 3, 2022

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, (“City”) declining to approve the change in rates requested in Entergy Texas, Inc.’s (“ETI” or “Company”) Statement of Intent filed with the City on January 31, 2022, AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE WAS CONSIDERED WAS OPEN TO THE PUBLIC AND IN ACCORDANCE WITH TEXAS LAW.**

**WHEREAS**, ETI filed with the City its *Statement of Intent and Application for Approval of Two Voluntary Renewable Option Tariffs, Rider SVRO and Rider LVRO* (“Statement of Intent”);

**WHEREAS**, the City has duly noticed its consideration of the Company’s Statement of Intent and is acting within its authority under applicable law;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF MONTGOMERY, TEXAS** THAT the City DECLINES to approve any and all changes in rates requested by ETI and included in ETI’s Statement of Intent and that ETI’s proposed new rates should not be made effective.

**PASSED AND APPROVED ON THE FIRST READING THIS 8th day of February 2022.**

\_\_\_\_\_  
Sara Countryman, Mayor

ATTEST:

\_\_\_\_\_  
Diana Cooley, Deputy City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Alan P. Petrov, City Attorney



Entergy Texas, Inc.  
350 Pine Street  
Beaumont, TX 77701  
409-981-2602

Stuart Barrett  
Vice President of Customer Service

*Via Electronic Mail*  
January 31, 2022

City of Montgomery  
101 Old Plantersville Rd  
Montgomery, TX 77316

Subject: **Entergy Texas, Inc.'s Statement of Intent and Application for Approval of Two Voluntary Renewable Option Tariffs, Rider SVRO and Rider LVRO**

Dear Mayor Countryman:

At Entergy Texas, Inc. ("ETI"), we are committed to developing solutions that meet our customers' needs in ways that also benefit the communities we serve. As we look for ways to better serve our customers, ETI has developed two green pricing options in response to interest received from customers seeking more renewable options to help meet their sustainability goals. These voluntary green pricing options are consistent with ETI's commitment to a cleaner, sustainable energy future while maintaining reliability and affordability.

Under Section 33.024 of the Public Utility Regulatory Act ("PURA"), ETI files the attached Statement of Intent to initiate a rate proceeding pursuant to Section 36.102 of PURA. This letter serves as the Company's Notice of Intent to file such proceeding. The rate proceeding proposes the approval of two new, voluntary tariffs that will give customers the ability to match some or all of their monthly electricity usage with renewable energy credits ("RECs") that are purchased by ETI and retired on the customer's behalf.

This rate proceeding, if approved, will result in a rate administered only to customers who sign up to participate in either Rider Small Volume Renewable Option ("Rider SVRO") or Rider Large Volume Renewable Option ("Rider LVRO"). Under Rider SVRO, ETI will offer qualifying small volume customers three levels (tiers) of participation that correspond to the percentage of monthly electricity usage those customers elect to match to green electricity through RECs, up to 499,999 kilowatt-hours ("kWh") per month. Under Rider LVRO, ETI will offer qualifying large volume non-residential customers the opportunity to purchase a fixed, large volume of RECs to match their monthly electricity usage, which must be at least 500,000 kWh.

ETI has simultaneously filed for approval of these new rates (Rider SVRO and Rider LVRO) at the Public Utility Commission of Texas on January 31, 2022. That proceeding has been assigned Docket No. 53153. If you have questions or would like to learn more about this offering, please contact Customer Service Manager: Graham Raven at (936) 525-2074.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stuart Barrett".

SB/CP  
Enclosures

**DOCKET NO. 53153**

<b>ENERGY TEXAS, INC.’S</b>	<b>§</b>	
<b>STATEMENT OF INTENT AND</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION OF</b>
<b>APPLICATION FOR APPROVAL OF</b>	<b>§</b>	
<b>TWO VOLUNTARY RENEWABLE</b>	<b>§</b>	<b>TEXAS</b>
<b>OPTION TARIFFS, RIDER SVRO AND</b>	<b>§</b>	
<b>RIDER LVRO</b>	<b>§</b>	

**ENERGY TEXAS, INC.’S STATEMENT OF INTENT AND APPLICATION**

Entergy Texas, Inc. (“ETI” or the “Company”) files this Statement of Intent and Application for approval of two voluntary rate tariffs, Rider Small Volume Renewable Option (“Rider SVRO”) and Rider Large Volume Renewable Option (“Rider LVRO”). In support, ETI respectfully shows as follows:

**I. JURISDICTION**

ETI is an electric utility, a public utility, and a utility as those terms are defined in PURA<sup>1</sup> §§ 11.004(1) and 31.002(6). Pursuant to PURA §§ 14.001, 32.001(a), and 36.001, the Public Utility Commission of Texas (“Commission”) has exclusive original jurisdiction over this Statement of Intent and Application for service to ETI customers in areas outside of municipalities and areas inside municipalities that have surrendered their jurisdiction to the Commission under PURA § 33.002. ETI is also filing this Statement of Intent and Application with all of the municipalities that retain exclusive original jurisdiction over ETI’s rates within their corporate limits pursuant to PURA § 33.001. ETI anticipates that it will appeal the actions of its original jurisdiction cities to the Commission and that it will seek consolidation of those appeals with this docket pursuant to the Commission’s appellate authority under PURA § 32.001(b).

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<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016 (“PURA”).

**II. DESCRIPTION OF APPLICANT AND AUTHORIZED REPRESENTATIVES**

ETI provides fully bundled electric delivery service to approximately 483,000 customers across 27 counties in Southeast Texas. The only ETI customers that will be affected by this Statement of Intent and Application are those customers who elect to participate in one of the voluntary tariffs proposed.

ETI’s business address is 350 Pine Street, Beaumont, Texas 77701. ETI’s mailing address is P.O. Box 2951, Beaumont, Texas 77704-2951. ETI’s telephone number is (409) 838-6631. ETI’s authorized representatives in this proceeding are:

Richard Lain  
Manager, Regulatory Affairs  
Entergy Texas, Inc.  
919 Congress Ave., Suite 740  
Austin, Texas 78701  
Office: (512) 487-3975  
Facsimile: (512) 487-3998  
rlain1@entergy.com

Erika N. Garcia  
Senior Counsel  
Entergy Services, LLC  
919 Congress Ave., Suite 701  
Austin, Texas 78701  
Office: (512) 487-3962  
Facsimile: (512) 487-3958  
egarci6@entergy.com

ETI requests that all information and documents related to this proceeding be served on Ms. Garcia’s office, as listed in the previous paragraph.

**III. REQUEST FOR APPROVAL OF VOLUNTARY GREEN PRICING OPTIONS**

ETI requests approval to implement two voluntary green pricing options, Riders SVRO and LVRO. Both Riders are voluntary offerings that give customers the ability to match some or all of their monthly electricity usage with renewable energy credits (“RECs”) that are purchased by ETI and retired on the customer’s behalf. The Company has developed these green pricing options in response to interest received from ETI customers, including larger customers seeking more renewable options from the Company to help meet their corporate sustainability goals. These voluntary green pricing options are also consistent with ETI’s commitment to a cleaner, sustainable energy future while maintaining reliability and affordability. Through participation

in these proposed Riders, ETI customers will be able to match up to 100% of their annual energy usage with energy produced by renewable resources, which, in turn, would allow a customer to state that they are supporting the use and deployment of renewable resources and reducing Scope 2 emissions accordingly.<sup>2</sup> Participation in either Rider SVRO or Rider LVRO and the charges assessed under the respective Rider would be in addition to the charges paid by customers under their otherwise applicable rate schedules and riders. Through these Riders, ETI has sought to design green pricing options that will garner robust participation from interested customers, while not affecting customers who do not wish to participate.

ETI will administer these green pricing options by purchasing and then retiring the RECs associated with Riders SVRO and LVRO, and providing assistance with customer enrollment, customer education, and Green-e<sup>®</sup> certification. As described in the Direct Testimony of Anastasia R. Meyer filed in support of this Statement of Intent and Application, RECs purchased or generated for customers participating in Riders SVRO and LVRO will be Green-e<sup>®</sup> certified, which allows the renewable energy sourced by ETI to be validated as being: (a) sourced from facilities that meet quality criteria that have been endorsed by a diverse stakeholder group; (b) marketed transparently and honestly; and (c) delivered exclusively to the purchaser of the REC (*i.e.*, that the renewable attribute of the generation is not double-counted). Through Green-e<sup>®</sup> certification, ETI will be able to further define the resources used and create an offering that meets its customers' needs. ETI expects to initially source RECs for Riders SVRO and LVRO by purchasing RECs through the market.

Under Rider SVRO, ETI will offer qualifying small volume customers (*i.e.* Residential,

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<sup>2</sup> The U.S. Environmental Protection Agency ("EPA") defines Scope 2 emissions as indirect emissions that occur through the use of purchased electricity, steam, heat, or cooling. *See* <https://www.epa.gov/sites/default/files/2020-12/documents/electricityemissions.pdf>.

Small General Service, General Service, and Large General Service customers) three levels (tiers) of participation that correspond to the percentage of monthly electricity usage a customer elects to match to green electricity through RECs (referred to as their “SVRO Election”). A customer can make an SVRO Election that enables them to match 25% (Tier One), 50% (Tier Two), or 100% (Tier Three) of their electricity usage each month with RECs, up to 499,999 kilowatt-hours (“kWh”) per month. There is no minimum term for participation for customers enrolled in Rider SVRO, and service under this option will be month-to-month until terminated by ETI or the customer. As further detailed in Ms. Meyer’s Direct Testimony, the monthly charge for Rider SVRO will be equal to the monthly amount of kWh corresponding to the participating customer’s SVRO Election times the applicable \$/kWh Tier Rate (which includes the cost of REC procurement, and program costs for customer education and Green-e® certification). As an example, for a residential customer using approximately 1,000 kWh per month, their monthly Rider SVRO charge would be approximately \$3.83 if subscribed at the Tier One level, \$6.35 if subscribed at the Tier Two level, and \$10.10 if subscribed at the Tier Three level.

Under Rider LRVO, ETI will offer qualifying large volume non-residential customers (*i.e.* General Service, Large General Service, and Large Industrial Power Service customers) the opportunity to purchase a fixed, large volume of RECs each month. Participating LVRO customers will designate an amount of monthly electricity usage to match to green electricity through RECs (referred to as their “LVRO Energy”), which must be at least 500,000 kWh, but cannot exceed the customer’s average monthly usage for the previous year. In order to allow the Company adequate time to plan for the larger volume of RECs needed for participating LVRO customers, there is a minimum term of participation of one year for service under this option. Large volume customers electing to participate in Rider LVRO will enter into the Agreement for



Large Volume Renewable Option Rider (“LVRO Agreement”). The LVRO Agreement memorializes the terms under which the participating customer will contract with ETI for the Company to procure the necessary quantity of RECs to match the customer’s designated LVRO Energy. As further detailed in Ms. Meyer’s Direct Testimony, the monthly charge for Rider LVRO will be equal to the monthly amount of kWh corresponding to the participating customer’s LVRO Energy times the applicable \$/kWh Monthly Rate (which includes the cost of REC procurement, and program costs for Green-e<sup>®</sup> certification).

ETI also proposes an annual true-up process for each of the proposed Riders, through which the Company will compare the actual cost of RECs purchased by ETI and retired on behalf of participating customers to the revenues actually collected based on the fixed REC price used to develop the rates charged under Riders SVRO and LVRO for the most recent preceding 12 months. The resulting over- or under-collection of REC costs will be incorporated into the subsequent updated pricing for the next 12 months for both green pricing options. This true-up will be limited only to the REC procurement cost portion of the rates. That is, ETI does not propose to true up any over- or under-collection of the program costs associated with either Rider.

In support of this Statement of Intent and Application, ETI is filing the Direct Testimony, Exhibits, and Workpaper of Ms. Meyer. The proposed Rider SVRO tariff is included as Exhibit ARM-1 to Ms. Meyer’s testimony, and the proposed Rider LVRO tariff (and associated LVRO Agreement) is included as Exhibit ARM-2. ETI requests an effective date of March 28, 2022 for Riders SVRO and LVRO (as well as the form LVRO Agreement).

#### **IV. NOTICE AND INTERVENTION DEADLINE**

ETI proposes to provide notice of this filing consistent with 16 TAC § 22.55, “Notice in Other Proceedings.” Because the proposed tariffs are voluntary and offer a subscription-based

service, no existing customers will be affected by this offering. Therefore, ETI proposes to provide notice of this filing by a one-time publication in newspapers of general circulation in the Company's service area.<sup>3</sup> ETI's proposed form of notice is attached as Attachment A.

ETI proposes an intervention deadline of March 17, 2022, which is 45 days following the filing of this Statement of Intent and Application.<sup>4</sup>

## V. PROTECTIVE ORDER

As part of its application in this proceeding, ETI has provided certain confidential information. Accordingly, ETI requests that the Commission's standard protective order be issued in this proceeding.

## VI. CONCLUSION AND REQUESTED RELIEF

ETI respectfully requests that the Commission grant the relief requested in this Statement of Intent and Application, including:

- a) approval of Riders SVRO and LVRO (including the form LVRO Agreement included as Attachment A to Rider LVRO);
- b) approval of ETI's proposed method and form of notice;
- c) entry of the Commission's standard protective order; and
- d) such other relief to which ETI may be entitled.

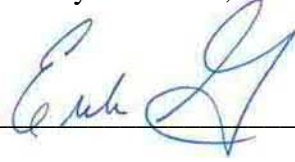
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<sup>3</sup> ETI's proposed method of notice is consistent with the notice provided in other applications for a new, voluntary rate tariff. See *Application of Entergy Texas, Inc. to Amend Its Certificate of Convenience and Necessity to Deploy Natural Gas-Fired Distributed Generation and Statement of Intent for Rate Schedule UODG*, Docket No. 51575; *Application of El Paso Electric Company to Implement a Voluntary Community Solar Pilot Program in Texas*, Docket No. 44800; see also *Application of Southwestern Public Service Company for Authority to: (1) Revise Its Interruptible Credit Option Tariff; and (2) Implement a New Saver's Switch Tariff; and Related Relief*, Docket No. 35668.

<sup>4</sup> See 16 TAC § 22.104(b).

Dated: January 31, 2022

Respectfully submitted,



Erika N. Garcia  
State Bar No. 24092077  
ENERGY SERVICES, LLC  
919 Congress Avenue, Suite 701  
Austin, Texas 78701  
Office: (512) 487-3962  
Facsimile: (512) 487-3958  
[egarci6@entergy.com](mailto:egarci6@entergy.com)

ATTORNEY FOR ENTERGY TEXAS, INC.

**NOTICE OF NEW RATE REQUEST**

On January 31, 2022, Entergy Texas, Inc. (“ETI” or the “Company”) filed a statement of intent and application (“Application”) with the Public Utility Commission of Texas (“Commission”) for approval of two voluntary rate tariffs, Rider Small Volume Renewable Option (“Rider SVRO”) and Rider Large Volume Renewable Option (“Rider LVRO”), as well as an associated form Agreement for service under Rider LVRO. ETI’s Application was assigned Docket No. 53153, and is styled *Entergy Texas, Inc.’s Statement of Intent and Application for Approval of Two Voluntary Renewable Option Tariffs, Rider SVRO and Rider LVRO*. ETI also filed the Application simultaneously with each of the municipalities that has retained original jurisdiction over ETI’s rates. Riders SVRO and LVRO are new voluntary rate tariffs that will be charged only to eligible customers who elect to participate and match some or all of their monthly electricity usage with renewable energy credits that are purchased and/or generated by ETI and retired on the customer’s behalf. The only ETI customers that will be affected by this Application are those customers who elect to participate in one of the voluntary tariffs proposed. ETI is requesting that Riders SVRO and LVRO be effective beginning March 28, 2022.

Persons with questions or who want more information on this petition may contact ETI at Attn: Customer Service, 350 Pine Street, Beaumont, Texas 77701, or call (866) 981-2602 during normal business hours. Persons may also email [tcrc@entergy.com](mailto:tcrc@entergy.com) with questions or to request more information or a copy of the Application.

Commission rules provide that the deadline to intervene in a proceeding before the Commission is 45 days from filing, or March 17, 2022, unless changed by an Order. Persons who wish to formally participate in this proceeding, or who wish to express their comments concerning this petition should contact the Public Utility Commission of Texas, Office of Customer

Protection, P.O. Box 13326, Austin, Texas 78711-3326, or call (512) 936-7120 or toll-free at (888) 782-8477. Hearing and speech-impaired individuals with text telephones (TTY) may call (512) 936-7136 or use Relay Texas (toll-free) 1-800-735-2989.

Due to the COVID-19 pandemic, the preferred method for you to file your request for intervention is electronically, and you will be required to serve the request on other parties by email. Therefore, please include your own email address on the intervention request. Instructions for electronic filing via the “PUC Filer” on the Commission’s website can be found here: <https://interchange.puc.texas.gov/filer>. Instructions for using the PUC Filer are available at: [http://www.puc.texas.gov/industry/filings/New\\_PUC\\_Web\\_Filer\\_Presentation.pdf](http://www.puc.texas.gov/industry/filings/New_PUC_Web_Filer_Presentation.pdf). Once you obtain a tracking sheet associated with your filing from the PUC Filer, you may email the tracking sheet and the document you wish to file to: [centralrecords@puc.texas.gov](mailto:centralrecords@puc.texas.gov). For assistance with your electronic filing, please contact the Commission’s Help Desk at (512) 936-7100 or [helpdesk@puc.texas.gov](mailto:helpdesk@puc.texas.gov). You can review materials filed in this docket on the PUC Interchange at: <http://interchange.puc.texas.gov/>.

**DOCKET NO. 53153**

**ENTERGY TEXAS, INC.'S** §  
**STATEMENT OF INTENT AND** § **PUBLIC UTILITY COMMISSION**  
**APPLICATION FOR APPROVAL OF** §  
**TWO VOLUNTARY RENEWABLE** § **OF TEXAS**  
**OPTION TARIFFS, RIDER SVRO** §  
**AND RIDER LVRO** §

**DIRECT TESTIMONY**  
**OF**  
**ANASTASIA R. MEYER**  
**ON BEHALF OF**  
**ENTERGY TEXAS, INC.**

**JANUARY 31, 2022**

**ENTERGY TEXAS, INC.  
DIRECT TESTIMONY OF ANASTASIA R. MEYER  
DOCKET NO. 53153**

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**EXHIBITS**

- |               |  |
|---------------|--|
| Exhibit ARM-1 | Proposed Small Volume Renewable Option Tariff (Rider SVRO) |
| Exhibit ARM-2 | Proposed Large Volume Renewable Option Tariff (Rider LVRO) |

1 **I. INTRODUCTION**

2 Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

3 A. My name is Anastasia R. Meyer. My business address is 2107 Research Forest Drive, The  
4 Woodlands, TX 77380. I am employed by Entergy Texas, Inc. (“ETI” or the “Company”)  
5 as Manager of Resource Planning.

6  
7 Q2. ON WHOSE BEHALF ARE YOU SUBMITTING TESTIMONY?

8 A. I am submitting this Direct Testimony to the Public Utility Commission of Texas  
9 (“Commission”) on behalf of ETI. ETI is an integrated utility company that provides  
10 bundled generation, transmission, distribution, and customer services to approximately  
11 483,000 retail customers in Southeast Texas. ETI is a subsidiary of Entergy Corporation,  
12 which also owns, among other subsidiaries, Entergy Louisiana, LLC, Entergy  
13 New Orleans, LLC, Entergy Arkansas, LLC, and Entergy Mississippi, LLC (collectively,  
14 along with ETI, the “Entergy Operating Companies”).

15  
16 Q3. PLEASE BRIEFLY DESCRIBE YOUR CURRENT JOB RESPONSIBILITIES.

17 A. I am responsible for the management and administration of ETI’s resource planning  
18 activities. My duties include coordinating the generation resource planning activities for  
19 ETI and implementing the Company’s supply plan for meeting the load and energy  
20 requirements of ETI’s retail customers.



1 Q4. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND AND  
2 PROFESSIONAL EXPERIENCE.

3 A. I earned a Bachelor of Science degree in Applied Mathematical Sciences from Texas A&M  
4 University in 2008. In May 2008, I joined Entergy Services, LLC (“ESL”)<sup>1</sup> as an Analyst  
5 in the System Planning and Operations (“SPO”) organization, where my duties focused on  
6 resource planning and production cost modeling. Over the course of roughly six years, I  
7 held positions of increasing levels of responsibility over development and analysis of long-  
8 term generation plans and multiple requests for proposals (“RFPs”) that led to transactions  
9 on long-term resources. In October 2014, I was promoted to the position of Project  
10 Manager for Regulatory and Strategic Initiatives within SPO. In that position, I was  
11 responsible for, among other things, developing and enhancing processes for participation  
12 in the markets operated by the Midcontinent Independent System Operator, Inc. (“MISO”)  
13 Regional Transmission Organization. I accepted my current position as Manager of  
14 Resource Planning with ETI in February 2016.

15

16 Q5. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THE COMMISSION?

17 A. Yes. I provided direct and rebuttal testimony in Docket No. 48371, *Entergy Texas, Inc.’s*  
18 *Statement of Intent and Application for Authority to Change Rates*; Docket No. 49916,  
19 *Application of Entergy Texas, Inc. for Approval to Reconcile Fuel and Purchased Power*  
20 *Costs*; Docket No. 50790, *Joint Report and Application of Entergy Texas, Inc. and East*

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<sup>1</sup> ESL, formerly Entergy Services, Inc., is the service company for the five Entergy Operating Companies.

1           *Texas Electric Cooperative, Inc. for Regulatory Approvals Related to Transfers of the*  
2           *Hardin County Peaking Facility and a Partial Interest in the Montgomery County Power*  
3           *Station; and Docket No. 51215, Application of Entergy Texas, Inc. to Amend a Certificate*  
4           *of Convenience and Necessity for the Acquisition of a Solar Facility in Liberty County.*

5  
6 Q6.    WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

7 A.      The purpose of my testimony is to support ETI's request for approval of two new renewable  
8           option tariffs: Rider Small Volume Renewable Option ("Rider SVRO") and Rider Large  
9           Volume Renewable Option ("Rider LVRO"). Both Riders SVRO and LVRO are voluntary  
10          offerings that give customers the ability to match up to 100% of their monthly energy usage  
11          with renewable energy credits ("RECs") procured by ETI on their behalf. In particular, I  
12          sponsor Rider SVRO, attached hereto as Exhibit ARM-1, and Rider LVRO, attached hereto  
13          as Exhibit ARM-2, and explain how the proposed Riders SVRO and LVRO are structured,  
14          their mechanics, and the supporting regulatory policy.

15  
16 Q7.    DO YOU SPONSOR ANY EXHIBITS?

17 A.      Yes, I sponsor the exhibits listed in the Table of Contents to my testimony.  
18

19                           **II.    OVERVIEW OF RENEWABLE OPTION PRICING**

20 Q8.    WHAT ARE SOME TYPES OF RENEWABLE OPTIONS THAT A UTILITY CAN  
21          OFFER TO ITS CUSTOMERS?

22 A.      As further described in my testimony below, there are two basic types of renewable options  
23          that can be offered to utility customers: (1) a green pricing option (sometimes referred to

1 as “green power”) based on the use of RECs; and (2) an asset-backed green tariff. The  
2 proposed Riders SVRO and LVRO represent ETI’s first green pricing option to be offered  
3 to its customers.

4  
5 Q9. WHAT IS A GREEN PRICING OPTION?

6 A. With a green pricing option, an enrolled customer would be able to match some or all (*i.e.*,  
7 100%) of their monthly electricity usage with renewable energy sources like wind and  
8 solar. The utility would accomplish this by procuring and/or generating enough RECs  
9 sourced from qualifying renewable energy resources to support the energy (megawatt-hour  
10 (“MWh”)) requirements of the green pricing offering. As defined by a leading clean energy  
11 certification organization, a REC is:

12 “A tradable, contractual instrument that represents the full suite of attributes  
13 of 1 Megawatt-hour of renewable energy generation on the electricity grid.  
14 RECs are the sole means to claim usage of grid-connected renewable  
15 electricity in the United States, and the compliance instrument for  
16 consumption- or delivery-based state Renewable Portfolio Standards.  
17 Renewable electricity generation and use are tracked through RECs, and so  
18 by matching RECs with your electricity service you are using renewable  
19 electricity. A REC represents the environmental benefits of 1 Megawatt-  
20 hour of renewable electricity that can be paired with electricity.<sup>2</sup>

21 As further defined by the Commission’s rules, a Texas REC represents one MWh of  
22 renewable energy that is physically metered and verified in Texas,<sup>3</sup> produced by a facility  
23 meeting the requirements set forth in 16 Tex. Admin. Code § 25.173(e).

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<sup>2</sup> See <https://www.green-e.org/glossary>.

<sup>3</sup> 16 Tex. Admin. Code § 25.173(c)(13).

1           Nationally, demand for green pricing options provided by utilities has increased  
2 substantially in recent years. According to the National Renewable Energy Laboratory, an  
3 estimated 11.6 million MWh of green power was provided to approximately 1,085,000  
4 customers nationally through green pricing options in 2020, representing an increase in  
5 sales of approximately 4% from 2019 and almost 20% from 2018.<sup>4</sup> There are a number of  
6 benefits of green pricing options including:

- 7           • Green pricing helps customers meet goals related to environmental sustainability  
8           and increased use of renewable energy resources.
- 9           • Customers can support increased renewable energy development without having to  
10           make a long-term commitment. Many customers express interest in procuring  
11           renewable energy, but they might not be allowed (in the case of renters or condo  
12           owners) or cannot afford to install their own rooftop solar photovoltaic system.
- 13           • Green pricing options are more flexible given the available market for REC as  
14           compared to initiatives where customer subscriptions are limited by the size of the  
15           underlying renewable resource (*e.g.*, an asset-backed green tariff).

16  
17 Q10. WHAT IS A GREEN TARIFF?

18 A. A green tariff refers to an asset-based program offered by a regulated electric utility and  
19 approved by the state's public utility commission. Although there are many variation of  
20 utility green tariffs, a green tariff generally allows qualifying customers to voluntarily align

---

<sup>4</sup> See <https://www.nrel.gov/docs/fy22osti/81141.pdf>, <https://www.nrel.gov/docs/fy21osti/77915.pdf> and <https://www.nrel.gov/docs/fy20osti/74862.pdf>

1           some or all of their electricity requirements with renewable resources by being able to  
2           participate more directly in a renewable energy project along with having the associated  
3           RECs retired on the customer's behalf.

4           In both types of renewable options (green pricing and a green tariff), participants  
5           are able to claim they are "supplied" by renewable energy by virtue of the RECs that are  
6           retired on their behalf by the utility in accordance with their level of enrollment in the  
7           respective option. The key difference between green pricing as compared to a green tariff  
8           is that a green tariff typically combines some form of economic value to the participating  
9           customer from the energy associated with renewable energy sources, whereas green pricing  
10          programs only include retirement of the RECs. As a result, green pricing involves an  
11          additional charge or "premium" on participating customers' bills with no opportunity for  
12          an offsetting credit. By contrast, a green tariff does not necessarily result in an additional  
13          charge or premium over the entire commitment period as those structures typically account  
14          for both the costs of the designated renewable resources as well as associated benefits, *e.g.*,  
15          the energy value generated by the designated resource in a wholesale market like MISO.  
16          Depending upon the design of the green tariff, the net effect of the economic costs and  
17          benefits might result in a net credit to the participating customer under certain market  
18          conditions.

19          It should also be noted that green tariffs typically require more time to develop and  
20          implement, as they entail the procurement, development, interconnection, regulatory  
21          approvals, and/or construction of new renewable resources. That process can take several  
22          years for utility-scale renewable resources. Because green pricing offerings, such as the  
23          proposed Riders SVRO and LVRO, utilize RECs, which are widely traded in Texas and

1 across the country, and do not require the development and construction of a new  
2 renewable resource, a new green pricing offering can be implemented much more quickly.

### 3 **III. PROPOSED RIDERS SVRO AND LVRO**

4 Q11. PLEASE PROVIDE AN OVERVIEW OF THE COMPANY'S PROPOSED GREEN  
5 PRICING OPTIONS, RIDERS SVRO AND LVRO.

6 A. The Company's proposed green pricing options, Riders SVRO and LVRO, would allow  
7 customers to voluntarily match some or all of their monthly electricity usage with RECs  
8 that are purchased by ETI and retired on the customer's behalf.<sup>5</sup> In that way, up to 100%  
9 of a customer's annual energy usage could be associated with the production of energy  
10 from renewable resources, which, in turn, would allow a customer to state that they are  
11 supporting the use and deployment of renewable resources and reducing Scope 2 emissions  
12 accordingly.<sup>6</sup>

13 Under Rider SVRO, ETI will offer qualifying small volume customers (*i.e.*  
14 Residential, Small General Service, General Service, and Large General Service

---

<sup>5</sup> As previously noted, a REC is a tradable instrument that affords the owner the right to claim a corresponding portion of electricity usage was sourced from renewable energy. Each individual REC, once issued, has a unique identifier. Once an entity has claimed a portion of their electricity usage was sourced from RECs, then corresponding RECs must be "retired" within a REC tracking account. Retiring a REC within a tracking account means that unique REC can never be sold or claimed by any other entity in the future.

<sup>6</sup> The U.S. Environmental Protection Agency ("EPA") defines Scope 2 emissions as indirect emissions that occur through the use of purchased electricity, steam, heat, or cooling. In addition, page 2 of this report notes: "EPA encourages organizations to use renewable energy as a way to reduce the environmental impacts associated with the electricity they purchase. Organizations can reduce their market-based scope 2 emissions by purchasing renewable energy, or "green power." They can do this by choosing a differentiated electricity product from their utility or electricity supplier, by contracting directly with a renewable energy generator (if the regulatory rules allow), or by purchasing unbundled renewable energy certificates (RECs). In any case, the RECs must be acquired and retired." See <https://www.epa.gov/sites/default/files/2020-12/documents/electricityemissions.pdf>

1 customers) three levels (tiers) of participation that correspond to the percentage of monthly  
2 electricity usage a customer elects to match to green electricity through RECs (referred to  
3 as their “SVRO Election”). A customer can make an SVRO Election that enables them to  
4 match 25% (Tier One), 50% (Tier Two), or 100% (Tier Three) of their electricity use each  
5 month with RECs, up to 499,999 kilowatt-hours (“kWh”) per month.

6 In addition, ETI will also offer qualifying large volume non-residential customers  
7 (*i.e.* General Service, Large General Service, and Large Industrial Power Service  
8 customers) the opportunity to enroll in Rider LVRO in order to purchase a fixed, large  
9 volume of RECs each month. Under Rider LVRO, a participating customer designates an  
10 amount of monthly electricity usage to match to green electricity through RECs which must  
11 be at least 500,000 kWh (referred to as their “LVRO Energy”), but cannot exceed the  
12 customer’s average monthly usage for the previous year.

13 The SVRO or LVRO charges would be in addition to the charges paid by the  
14 customer under their otherwise applicable rate schedules and riders. Through these Riders,  
15 ETI has sought to design a program that will garner robust participation from interested  
16 customers, while not affecting customers who do not wish to participate.

1 Q12. HAS THE COMMISSION PREVIOUSLY APPROVED A REQUEST BY A TEXAS  
2 UTILITY TO OFFER A GREEN PRICING OPTION TO ITS CUSTOMERS?

3 A. Yes. The Commission recently approved a voluntary REC Rider for Southwestern Electric  
4 Power Company (“SWEPCO”) as part of its base rate case in Docket No. 51415.<sup>7</sup> Similar  
5 to ETI’s proposed Riders, SWEPCO’s REC Rider “is a voluntary rider available to  
6 customers wishing to support the beneficial attributes known as [RECs] derived from  
7 SWEPCO’s investment in renewable energy resources,” through which participating  
8 customers may purchase RECs that are equivalent up to 100% of their total monthly billed  
9 kWh usage.<sup>8</sup> It is my understanding that SWEPCO will file a final REC Rider tariff in a  
10 compliance filing in Docket No. 51415 to reflect a modification to allow a customer to link  
11 its RECs to specific renewable resources.

12 Additionally, the Commission previously approved a provision in Southwestern  
13 Public Service Company’s (“SPS”) Miscellaneous Service Charges Tariff which allows  
14 SPS to transfer RECs to customers for a mutually agreed-upon price.<sup>9</sup>

15  
16 Q13. HAS ETI RECEIVED CUSTOMER INTEREST IN GREEN PRICING?

17 A. Yes. As part of the Company’s ongoing outreach with its larger customers, several such  
18 customers have expressed interest in having more renewable options from ETI that could

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<sup>7</sup> *Application of Southwestern Electric Power Company for Authority to Change Rates*, Docket No. 51415, Order at 37 (Jan. 14, 2022); *see* Proposal for Decision at 312-315 (Aug. 27, 2021).

<sup>8</sup> Docket No. 51415, Direct Testimony of Jennifer L. Jackson at 30 (Bates 2254).

<sup>9</sup> *Southwestern Public Service Company’s Statement of Intent and Application to Revise Its Miscellaneous Service Charges Tariff; Section No. IV*, Docket No. 37742, Order (May 19, 2010).



1 help them meet their corporate sustainability or climate goals. The voluntary green pricing  
2 tariffs proposed in this application represent the first step in ETI's efforts to provide  
3 renewable options for all of its customers, including the larger customers that have  
4 expressed particular interest.

5 Q14. WHY IS THE COMPANY PROPOSING GREEN PRICING OPTIONS NOW?

6 A. The Company believes a green pricing offering at this time will provide specific benefits  
7 to participating customers. Green pricing programs are fairly straightforward and simple  
8 to launch. To the extent an asset-backed green tariff program is proposed by ETI and  
9 approved in the future by the Commission, it is unlikely to be available for participation  
10 for several years in light of the time needed to develop new renewable resources.  
11 Therefore, green pricing provides an option for customers that can be made available much  
12 more quickly than renewable options that are tied to specific resources, such as green  
13 tariffs.

14  
15 Q15. HAS THE COMPANY PREPARED NEW RENEWABLE OPTION TARIFFS FOR  
16 RIDERS SVRO AND LVRO?

17 A. Yes. Exhibit ARM-1 to my testimony is the proposed Rider SVRO tariff, and Exhibit  
18 ARM-2 is the proposed Rider LVRO tariff. The Company proposes an effective date of  
19 March 28, 2022 to make the green pricing options available to those qualifying customers  
20 who choose to participate on a voluntary basis.

**A. Customer Participation**

1  
2 Q16. WHAT CUSTOMERS WILL BE ELIGIBLE TO PARTICIPATE IN THE TWO GREEN  
3 PRICING OPTIONS?

4 A. Rider SVRO is a voluntary rider that would be available to all small volume customers  
5 (Residential, Small General Service, General Service, and Large General Service  
6 customers) that elect to match a portion of their electricity usage, not to exceed 499,999  
7 kWh per month, with RECs. To participate in Rider SVRO, customers must be taking  
8 metered service, be in good standing with the Company, and meet the eligibility  
9 requirements set forth in the Rider SVRO tariff. Rider LVRO will be limited to large  
10 volume non-residential customers (General Service, Large General Service, and Large  
11 Industrial Power Service customers) that elect to match at least 500,000 kWh per month of  
12 their electricity usage with RECs for a period of at least one year. Like Rider SVRO, Rider  
13 LVRO is limited to customers taking metered service, that are in good standing with the  
14 Company, and meet the eligibility requirements set forth in the LVRO tariff. The Riders  
15 SVRO and LVRO charges would be in addition to the charges paid by customers under  
16 their otherwise applicable rate schedules and riders.

17  
18 Q17. WILL THERE BE ANY LIMITS ON THE NUMBER OF CUSTOMERS WHO CAN  
19 PARTICIPATE?

20 A. Generally, no. ETI anticipates being able to procure sufficient qualifying RECs to support  
21 whatever level of participation ultimately arises. However, to the extent a large volume  
22 customer seeks to match a significant amount of electricity usage through Rider LVRO,  
23 ETI will work with the customer to ensure a sufficient quantity of RECs are available to

1 meet the customer's needs. The terms of Riders SVRO and LVRO allow the Company to  
2 deny or suspend service under the Riders, or limit the quantity of RECs provided to each  
3 participating customer, in the event that the Company is unable to ensure that a sufficiency  
4 quantity of RECs is available to meet a customer's desired participation level.

5 Q18. PLEASE DESCRIBE THE ENROLLMENT PROCESS FOR THESE OPTIONS.

6 A. For Rider SVRO, the priority in the customer enrollment process will be minimizing  
7 barriers to entry, such that customers will only be asked to provide identification  
8 information (such as full name and service address) sufficient to verify eligibility and good  
9 standing as an ETI customer. ETI will facilitate enrollment in Rider SVRO via multiple  
10 channels to accommodate unique customer needs and preferences, including over the  
11 phone as well as online through a dedicated website established to provide information  
12 regarding Rider SVRO.

13 As noted earlier in my testimony, Rider LVRO will be available to large volume  
14 customers committing to purchase a larger volume of RECs for at least one year. Eligible  
15 large volume customers can seek enrollment in Rider LVRO over the phone or by  
16 contacting their applicable customer service representative. For larger industrial  
17 customers, their Industrial Account Executive will be the primary point of contact. For  
18 other eligible commercial and small industrial customers, a representative of the Entergy  
19 Business Center or Customer Service Manager will provide information and assistance.

1 Q19. WILL ANY CUSTOMERS BE REQUIRED TO ENTER INTO A CONTRACT WITH  
2 THE COMPANY FOR PARTICIPATION IN THESE GREEN PRICING OPTIONS?

3 A. For a small volume customer who elects to participate in Rider SVRO, there is no  
4 requirement to enter into a contract with the Company. For a large volume customer to  
5 participate in Rider LVRO, the customer will enter into the Agreement for Large Volume  
6 Renewable Option Rider (“LVRO Agreement”) with the Company included as Attachment  
7 A to the proposed Rider LVRO tariff (Exhibit ARM-2). This Agreement memorializes the  
8 terms under which the participating customer will contract with ETI in order for the  
9 Company to procure a specific quantity of RECs to match the participating customer’s  
10 selected LVRO Energy amount (which must be a minimum of 500,000 kWh per month).  
11 ETI is seeking approval of this LVRO Agreement as part of the proposed Rider LVRO  
12 tariff.

13

14 Q20. IS THERE A MINIMUM TERM FOR PARTICIPATION?

15 A. For customers enrolled in Rider SVRO, there will not be a minimum term for participation.  
16 For those customers, green pricing will be month-to-month until either the customer or ETI  
17 provide written notice of termination to the other, which must be at least 25 days prior to  
18 the requested date of termination. By contrast, customers enrolling in Rider LVRO must  
19 execute an LVRO Agreement with ETI and commit to participate for at least one year to

1 provide the Company adequate time to plan for procurement of larger volumes of RECs.<sup>10</sup>

2 In addition, customers enrolled in either tariff that withdraw from such tariff will not be  
3 eligible to return to either Rider SVRO or Rider LVRO until after the seventh month  
4 following withdrawal.

5 Q21. CAN CUSTOMERS CHANGE THEIR SVRO ELECTION OR AMOUNT OF LVRO  
6 ENERGY?

7 A. Yes. Customers taking service under Rider SVRO may change their SVRO Election no  
8 more than one time in any six-month period. Likewise, customers taking service under  
9 Rider LVRO may change their designated amount of LVRO Energy no more than one time  
10 in any six-month period (to be effective two billing cycles after the change is requested).

11 **B. Green Pricing Program Administration**

12 Q22. WILL ETI ADMINISTER THE GREEN PRICING OPTIONS?

13 A. Yes. ETI employees (or ESL employees acting on behalf of ETI) will provide assistance  
14 with customer enrollment, customer education, and Green-e<sup>®</sup> certification for the proposed  
15 Riders SVRO and LVRO.

16  
17 Q23. PLEASE EXPLAIN GREEN-E<sup>®</sup> CERTIFICATION.

18 A. RECs purchased for customers participating in Riders SVRO and LVRO will be Green-e<sup>®</sup>  
19 certified. Green-e<sup>®</sup> is a certification developed by an independent, non-profit consumer

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<sup>10</sup> It should be noted that customers enrolled in Rider LVRO that terminate electric service or are no longer eligible to participate in Rider LVRO during the term of their enrollment may be assessed a fee to reimburse the Company for the costs incurred in obtaining RECs to cover the remainder of their year-long subscription.

1 protection organization (the Center for Resource Solutions) that verifies the integrity of  
2 RECs through the entire chain of custody, so customers can be confident in their purchase.  
3 Green-e<sup>®</sup> certification also ensures that certain customer disclosure requirements are met  
4 in product marketing. Through Green-e<sup>®</sup> certification, the renewable energy sourced by  
5 ETI will be validated as being: (a) sourced from facilities that meet quality criteria that  
6 have been endorsed by a diverse stakeholder group; (b) marketed transparently and  
7 honestly; and (c) delivered exclusively to the purchaser of the REC (ensuring that the  
8 renewable attribute of the generation is not double-counted). Green-e<sup>®</sup> certification has  
9 specific minimum criteria related to facility online date, REC vintage, and eligible resource  
10 types, yet it also allows for flexibility in design. This means ETI will be able to further  
11 define the resources used and create an offering that meets its specific customers' needs.

12  
13 Q24. WHERE DOES ETI INTEND TO SOURCE THE RECS FOR THE PROPOSED GREEN  
14 PRICING OPTIONS?

15 A. ETI expects to initially source RECs for the proposed program by purchasing a sufficient  
16 quantity of RECs through the market to meet the level of customer demand.

17  
18 Q25. WHO WILL ACQUIRE AND RETIRE THE RECS ASSOCIATED WITH RIDERS  
19 SVRO AND LVRO?

20 A. ETI (or ESL acting on ETI's behalf) will acquire and retire the RECs associated with the  
21 green pricing options on behalf of the participating customers.



1 Q28. PLEASE DESCRIBE THE PROGRAM COSTS FOR RIDER LVRO.

2 A. The program costs for ETI's proposed Rider LVRO are composed of only the costs for  
3 Green-e<sup>®</sup> certification. As previously noted, Rider LVRO is targeted towards large  
4 volume, non-residential customers. Larger customers eligible for service under Rider  
5 LVRO typically interact directly with ETI representatives regarding their account on a  
6 regular basis. For that reason, customer education efforts are expected to be handled  
7 directly as part of those ongoing outreach activities, and no additional cost is expected to  
8 be incurred for customer education.

9

10 Q29. PLEASE DESCRIBE THE REC PROCUREMENT COSTS.

11 A. ETI will purchase the necessary amount of RECs to cover participation for enrolled  
12 customers in both Riders SVRO and LVRO from the REC market. However, under both  
13 Riders SVRO and LVRO, ETI will charge customers a Commission-approved rate based  
14 in part on a fixed REC price, calculated as the most recent available 12-month average  
15 value using the S&P Global Renewable Energy Credit Index for Texas RECs. As  
16 explained later in my testimony, ETI will file annually to true up the difference between  
17 the market price paid by ETI for RECs sourced for participating customers under Riders  
18 SVRO and LVRO and the fixed price for those RECs used to develop the rate paid by  
19 customers during the applicable period.



1 Q30. WHAT ARE THE PROPOSED CHARGES FOR RIDER SVRO?

2 A. Based on the components described above, the pricing for each of the three tier options in  
3 Rider SVRO is composed of the program cost amount<sup>11</sup> specific to the customer's SVRO  
4 Election plus the REC price, which is a fixed dollar per kWh rate (the "Tier Rate"). The  
5 program costs for each tier were developed using a declining rate structure, for the reasons  
6 discussed later in my testimony. As discussed above for Rider SVRO, the fixed REC price  
7 is calculated as the most recent available 12-month average value using the S&P Global  
8 Renewable Energy Credit Index for Texas RECS. In subsequent years, the pricing will  
9 also include a true-up, as discussed below, for any over- or under-collection of costs  
10 associated with the RECs purchased by ETI and retired on behalf of customers participating  
11 in the Company's green pricing options. The total monthly Rider SVRO charge will be  
12 equal to the monthly amount of kWh corresponding to the participating customer's SVRO  
13 Election times the applicable Tier Rate, as shown in the table below and in my workpaper  
14 ARM-WP-1.

15 **Table 1: Rider SVRO Monthly Charge**

	<b>SVRO Election</b>	<b>Tier Rate (per kWh)</b>
Tier One Option	25%	\$0.0153
Tier Two Option	50%	\$0.0127
Tier Three Option	100%	\$0.0101

16  
17 As an example, for a residential customer using approximately 1,000 kWh per month, their  
18 monthly Rider SVRO charge would be approximately \$3.83 if subscribed at the Tier One

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<sup>11</sup> As previously noted, the program costs for Rider SVRO consist of the cost of Green-e<sup>®</sup> certification and customer education.

1 level, \$6.35 if subscribed at the Tier Two level, and \$10.10 if subscribed at the Tier Three  
2 level.

3  
4 Q31. WHY HAS ETI PROPOSED A TIER STRUCTURE FOR RIDER SVRO?

5 A. In designing the proposed Rider SVRO, ETI developed the tier structure shown above as  
6 the best option to balance customer needs, encourage participation, and facilitate program  
7 administration. First, having three different tiers will allow customers the ability to  
8 customize their participation in ETI's green pricing option by choosing to match the  
9 percentage of monthly electricity usage to green electricity that best fits their needs and  
10 budget, while resulting in a program that can be efficiently administered. The tiered pricing  
11 structure that declines is designed to encourage customers to choose the higher percentage  
12 options, thus tying more of their electricity usage to green electricity. But recognizing that  
13 Rider SVRO charges would be in addition to the charges paid by the customer under their  
14 otherwise applicable rate schedules and riders, offering a 25% option makes participation  
15 possible for a wider range of customers.

16  
17 Q32. WHAT ARE THE PROPOSED CHARGES FOR RIDER LVRO?

18 A. Like Rider SVRO, the pricing for Rider LVRO is composed the program cost amount<sup>12</sup>  
19 plus the REC price, which is a fixed dollar per kWh rate (the "Monthly Rate"). In  
20 subsequent years, the pricing will also include a true-up, as discussed below, for any over-  
21 or under-collection of costs associated with the RECs purchased by ETI and retired on

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<sup>12</sup> As previously noted, the program cost for Rider LVRO consists of the cost of Green-e® certification.

1           behalf of customers participating in the Company's green pricing options. The total Rider  
2           LVRO monthly charge will be equal to the customer's LVRO Energy times the Monthly  
3           Rate, which is proposed to be \$0.0050/kWh for the first year. Please refer to my workpaper  
4           ARM-WP-1 for the calculation of the proposed Rider LVRO charges.

5  
6   Q33. PLEASE EXPLAIN HOW THE COMPANY PROPOSES TO ADDRESS ANY OVER-  
7           OR UNDER-COLLECTION OF REC COSTS FOR RIDERS SVRO AND LVRO.

8   A.   Each year no later than October 1, ETI will file with the Commission the updated Rider  
9           SVRO pricing (updated Tier Rates) and Rider LVRO pricing (updated Monthly Rate) to  
10          be effective with the first billing cycle of the following January billing month. The updated  
11          pricing will also include a true-up that compares the actual cost of RECs purchased by ETI  
12          and retired on behalf of customers participating in Riders SVRO and LVRO, to the  
13          revenues actually collected based on the fixed REC price included in the Commission-  
14          approved rates charged under Riders SVRO and LVRO for the most recent preceding 12  
15          months. The resulting over- or under-collection of REC costs will be incorporated into the  
16          subsequent updated pricing for both green pricing options. This true-up applies only to the  
17          REC portion of the rates. ETI does not propose to true up any over- or under-collection of  
18          the program costs associated with either Rider.

1 Q34. WILL APPROVAL OF RIDERS SVRO AND LVRO AFFECT ANY ETI CUSTOMERS  
2 WHO DO NOT VOLUNTARILY ELECT TO PARTICIPATE IN ONE OF THESE  
3 OPTIONS?

4 A. No. As previously discussed, the rates established under Riders SVRO and LVRO will  
5 only be charged to those customers who voluntarily elect to enroll in one of the Riders.  
6 Furthermore, no costs associated with the administration of these Riders will be imposed  
7 on any customers who have not elected to participate.

8

9

**IV. CONCLUSION**

10 Q35. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

11 A. Yes, at this time.

**SECTION III RATE SCHEDULES**

**ENERGY TEXAS, INC.**  
Electric Service

RIDER SVRO

Sheet No.: 147  
Effective Date:  
Revision: 0  
Supersedes: New Schedule  
Schedule Consists of: Two Sheets

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**SMALL VOLUME RENEWABLE OPTION RIDER**

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**I. AVAILABILITY**

This Small Volume Renewable Option Rider (“Rider SVRO”) is a voluntary Rider available to qualifying customers of Entergy Texas, Inc. (“ETI” or the “Company”) taking service under rate schedules Residential Service (“RS”), Small General Service (“SGS”), General Service (“GS”), and Large General Service (“LGS”). Eligible customers must take metered service and be in good standing with the Company. Prior to taking service under this tariff, participating customers must designate a quantity (either the Tier One Option of 25%, the Tier Two Option of 50%, or the Tier Three Option of 100%) of their monthly energy usage (“SVRO Election”), not to exceed 499,999 kilowatt-hours (“kWh”) per month, to be matched with renewable energy credits (“RECs”).

**II. APPLICABILITY**

Rider SVRO is for an optional service to customers that voluntarily elect to match a portion of their monthly energy usage with RECs. A REC represents the full suite of attributes of one megawatt-hour (“MWh”) of electricity generated and delivered to the electricity grid from a renewable energy source. Service under this Rider provides for the purchase of RECs by ETI and related program costs. The Company will retire all RECs purchased under this Rider on behalf of participating customers. Service under Rider SVRO is in addition to service under other rate schedules that apply to the customer. Service under SVRO does not modify any other applicable rate schedule or provisions for service.

**III. TERMS OF SERVICE**

A customer may not enroll if it is a party to a deferred payment agreement, has received two or more final disconnect notices, or has been disconnected for non-payment within the last twelve (12) months. ETI may terminate service under this Rider to a participating customer who becomes delinquent in any amount owed to ETI with a twenty-five (25)-day notice of termination.

Service under Rider SVRO will be month-to-month and shall be automatically extended for successive periods of one month each until terminated by written notice given by either ETI or the participating customer not less than twenty-five (25) days prior to the requested date of termination.

If a participating customer terminates service and moves from the Company’s service territory, the customer’s service under Rider SVRO will be cancelled immediately and without additional notice. If a participating customer moves to a new location within ETI’s service area and continues to be eligible for service under Rider SVRO, the customer’s service under Rider SVRO will be transferred to such new location unless the customer withdraws from Rider SVRO.

Customers who withdraw from Rider SVRO will not be eligible for service under this tariff until the seventh (7th) billing month following such withdrawal.

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The Company reserves the right to deny or suspend service under Rider SVRO, or limit the number of RECs provided to each participating customer, until such time that the Company is able to ensure that a sufficient quantity of RECs is available to meet the customer's desired participation level.

A participating customer's SVRO election may be changed no more than one time in a six-month period.

**IV. MONTHLY CHARGE**

The Rider SVRO monthly charge will be equal to:

SVRO Election x Tier Rate

Where:

1. SVRO Election = The monthly amount of kWh corresponding to the participating customer's Tier Option; and
2. Tier Rate = The rate corresponding to the participating customer's SVRO Election as shown below.

	<u>SVRO Election</u>	<u>Tier Rate (\$ per kWh)</u>
Tier One Option	25%	\$0.0153 per kWh
Tier Two Option	50%	\$0.0127 per kWh
Tier Three Option	100%	\$0.0101 per kWh

On an annual basis, no later than October 1, ETI will file with the Commission the updated Tier Rate for each SVRO Election to be effective with the first billing cycle of the following January billing month. The Tier Rate for each SVRO Election is calculated to be the program costs (customer education and Green-e® certification costs) plus the fixed REC price (calculated as the most recent available 12-month average value using the S&P Global Renewable Energy Credit Index for Texas RECs). The first component of the Tier Rate (program costs) is calculated such that Tier One + Tier Two + Tier Three revenues equal the expected program costs. Structured in the calculation is a regressive schedule in which the Tier Two rate is 75% of the Tier One rate, and the Tier Three rate is 50% of the Tier One rate. The second component of the Tier Rate (fixed REC price) is the same for all tiers. The updated Tier Rate for each SVRO Election will also include a true-up that compares the actual costs of RECs purchased by ETI on behalf of participating customers in Rider SVRO to the revenues collected based on the fixed REC price used to develop the rates charged under Rider SVRO for the most recent preceding twelve (12) months. The resulting over- or under-collection will be incorporated into the subsequent updated Tier Rate for each SVRO Election.

**SECTION III RATE SCHEDULES**

**ENTERGY TEXAS, INC.**

Electric Service

RIDER LVRO

Sheet No.: 148

Effective Date:

Revision: 0

Supersedes: New Schedule

Schedule Consists of: Two Sheets Plus  
Attachment A

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**LARGE VOLUME RENEWABLE OPTION RIDER**

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**I. AVAILABILITY**

This Large Volume Renewable Option Rider ("Rider LVRO") is a voluntary Rider available to qualifying non-residential customers of Entergy Texas, Inc. ("ETI" or the "Company") taking service under rate schedules General Service ("GS"), Large General Service ("LGS"), and Large Industrial Power Service ("LIPS"). Eligible customers must take metered service and be in good standing with the Company. Prior to taking service under this tariff, customers must designate a quantity of energy usage to be matched with renewable energy credits ("RECs") ("LVRO Energy") that is at least 500,000 kilowatt-hours ("kWh") per month but shall not exceed the customer's average monthly energy usage for the previous year.

**II. APPLICABILITY**

Rider LVRO is for an optional service to customers that voluntarily elect to match a designated amount (of at least 500,000 kWh) of their monthly energy usage ("LVRO Energy") with RECs. A REC represents the full suite of attributes of one megawatt-hour ("MWh") of electricity generated and delivered to the electricity grid from a renewable energy source. Service under this Rider provides for the purchase of RECs by ETI and related program costs. The Company will retire all RECs purchased under this Rider on behalf of participating customers. Service under Rider LVRO is in addition to service under other rate schedules that apply to the customer. Service under LVRO does not modify any other applicable rate schedule or provisions for service.

**III. TERMS OF SERVICE**

A customer who wishes to enroll in Rider LVRO must enter an Agreement for Large Volume Renewable Option Rider ("Agreement") with the Company, in the form as set forth in Attachment A.

A customer may not enroll if it is a party to a deferred payment agreement, has received two or more final disconnect notices, or has been disconnected for non-payment within the last twelve (12) months. ETI may terminate service under this Rider to a participating customer who becomes delinquent in any amount owed to ETI with 60-day notice of termination.

The initial term of Agreement under Rider LVRO shall be for a one-year period. This term shall automatically be extended for successive periods of one year each until terminated by written notice given by either ETI or the participating customer to the other not less than sixty (60) days prior to the requested date of termination.

If a participating customer terminates service and moves from the Company's service territory, the customer's service under Rider LVRO will be cancelled immediately and without additional notice. If a participating customer moves to a new location within ETI's

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service area and continues to be eligible for service under Rider LVRO, the customer's service under Rider LVRO will be transferred to such new location unless the customer withdraws from Rider LVRO.

If a participating customer seeks to terminate electric service or withdraw from Rider LVRO prior to the end of the initial one-year term or any successive one-year extensions, the Company reserves the right to assess the customer a fee equal to the cost of RECs obtained by the Company on behalf of the customer for the remainder of the one-year term of the Agreement.

Customers who withdraw from Rider LVRO will not be eligible for service under this tariff until the seventh (7<sup>th</sup>) billing month following such withdrawal.

The Company reserves the right to deny or suspend service under Rider LVRO, or limit the number of RECs provided to each participating customer, until such time that the Company is able to ensure that a sufficient quantity of RECs is available to meet the customer's desired participation level.

The amount of LVRO Energy may be changed no more than one time in a six-month period. The new LVRO Energy election will be effective two (2) billing cycles after the change is requested.

#### IV. MONTHLY CHARGE

The Rider LVRO monthly charge will be equal to:

LVRO Energy x Monthly Rate

Where:

1. LVRO Energy = The fixed, monthly amount of kWh contracted by the participating customer; and
2. Monthly Rate = \$0.0050/kWh.

On an annual basis, no later than October 1, ETI will file with the Commission the updated Monthly Rate to be effective with the first billing cycle of the following January billing month. The Monthly Rate is calculated to be the fixed REC price (calculated as the most recent available 12-month average value using the S&P Global Renewable Energy Credit Index for Texas RECs) plus applicable Green-e® certification costs. The updated Monthly Rate will also include a true-up that compares the actual cost of RECs purchased by ETI on behalf of participating customers in Rider LVRO to the revenues collected based on the fixed REC price used to develop the rates charged under Rider LVRO for the most recent preceding twelve (12) months. The resulting over- or under-collection will be incorporated into the subsequent updated Monthly Rate.

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**ENTERGY TEXAS, INC.  
LARGE VOLUME RENEWABLE OPTION RIDER  
RIDER LVRO**

**SAMPLE AGREEMENT FOR LARGE VOLUME RENEWABLE OPTION RIDER**

This Agreement for service under the Large Volume Renewable Option Rider ("Rider LVRO") is made and entered on the \_\_\_ day of \_\_\_\_\_, \_\_\_\_ by and between Entergy Texas, Inc. ("Company") and \_\_\_\_\_ ("Customer").

WHEREAS, Customer desires to enroll voluntarily in Company's Rider LVRO by designating a specific amount of its monthly energy usage of at least 500,000 kWh to be matched with renewable energy credits ("RECs") to be obtained by Company on behalf of Customer;

WHEREAS, Company has reviewed Customer's request and, based upon the information provided by Customer, has approved Customer's participation in Rider LVRO for Customer's facilities located at \_\_\_\_\_ and served pursuant to Company Account Number \_\_\_\_\_ ("Customer's Facilities");

NOW, THEREFORE, for and in consideration of the mutual covenants set forth herein, Customer and Company agree as follows:

I. Term

The initial term of this Agreement under Rider LVRO shall be for a one-year period ("Original Term") commencing on the Effective Date. The Original Term shall automatically be extended for successive periods of one year each (each a "Secondary Term") until terminated by written notice given by either Company or Customer to the other not less than 60 days prior to the requested date of termination. In the event that the Customer seeks to terminate electric service or withdraw from Rider LVRO prior to the end of the Original Term or Secondary Term, the Company reserves the right to assess the Customer an amount equal to the cost of the RECs purchased on behalf of the Customer for the remainder of the applicable Term of the Agreement.

II. Eligibility

Customer agrees to comply with all conditions of service that are required pursuant to Rider LVRO as such may be modified from time to time.

Customer represents that it has provided all necessary documentation for Company to approve its participation in Rider LVRO. Company reserves the right to request additional information from Customer or to review Customer's previously submitted documentation. Company reserves the right to suspend or revoke Customer's participation in Rider LVRO if it determines that Customer does not meet the terms of eligibility. In such event, this Agreement shall be terminated immediately without any need for additional notice by Company to Customer. Customer shall remain responsible for paying an amount equal to the cost of the RECs purchased on behalf of the Customer for the remainder of the applicable Term of the Agreement.

III. Election of Monthly kWh of LVRO Energy under Rider LVRO

In accordance with Rider LVRO, Customer has agreed to contract for \_\_\_\_\_ monthly kWh of LVRO Energy under Rider LVRO. The amount of LVRO Energy designated by Customer shall be at least 500,000 kWh, but shall not exceed Customer's average monthly energy usage for the previous year. Customer may change its LVRO Energy designation no more frequently than once

in a six-month period. The new LVRO Energy election will be effective two (2) billing cycles after the change is requested.

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IV. Monthly Rate

In addition to payment for the provision of electric service by Company to Customer's Facilities under any other applicable rate schedules, Customer agrees to pay for the RECs corresponding to their designated LVRO Energy and related program costs in accordance with Rider LVRO. Service taken in accordance with Rider LVRO shall be subject to Company's Terms and Conditions Applicable to Electric Service. All applicable rate schedules, including but not limited to Rider LVRO and Company's Terms and Conditions Applicable to Electric Service, are subject to change from time to time by the Company.

V. Company's Right to Suspend Service

Company reserves the right to deny or suspend service under Rider LVRO or limit the amount of LVRO Energy designated by Customer, until such time that the Company is able to ensure that a sufficient quantity of RECs are available to meet the amount of LVRO Energy as designated by Customer in Section III herein.

VI. Miscellaneous

This Agreement shall bind and inure to the benefit of the parties hereto, their successors and assigns, but the Customer shall not assign any of its rights under this Agreement without obtaining the prior written consent of the Company. This Agreement, upon its Effective Date (as defined below), shall supersede all previous contracts between the Company (or its predecessors) and the Customer relative to Rider LVRO. No agreement or representation made by a representative of the Company or Customer, unless reduced to writing or incorporated herein, shall be binding upon either party. All electric service by the Company shall in all respects be subject to the rules, regulations and orders of any and all regulatory authorities having jurisdiction over such service.

VII. Applicable Law

This Agreement shall be governed in accordance with the laws of the State of Texas without reference to the State of Texas principles of conflicts of law.

VIII. Notice

All notices, requests, consents and other communications hereunder shall be in writing and shall be dispatched by nationwide overnight courier service, such as (without limitation) FedEx, or by United States Certified Mail, Return Receipt Requested, postage prepaid, addressed to the parties as follows:

Company:

Customer:

Entergy Texas, Inc.

\_\_\_\_\_

P.O. Box 2951

\_\_\_\_\_

Beaumont, Texas 77704

\_\_\_\_\_

Attention: \_\_\_\_\_

Attention: \_\_\_\_\_

IX. Effective Date

The Effective Date of this Agreement shall be \_\_\_\_\_.

Entered into as of the date first written above.

Customer  
\_\_\_\_\_

Company  
Entergy Texas, Inc.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

N

**WORKPAPER FILED ELECTRONICALLY**

Workpaper ARM-WP-1 (CONF) to the Direct Testimony of Anastasia R. Meyer has been filed electronically on the PUCT Interchange. This workpaper contains confidential information and will be provided under the terms of the Protective Order in this case.