



CITY COUNCIL WORKSHOP/REGULAR MEETING

September 16, 2024 at 6:30 PM

Hewitt City Hall, 200 Patriot Court, Hewitt, TX 76643

AGENDA

Steve Fortenberry, Mayor: Ward 3, – **Erica Bruce**, Mayor Pro Tem: Ward 3
Michael S. Bancale, Council Member: At-Large – **Johnny Stephens**, Council Member: Ward 1
Bob Potter, Council Member: Ward 2 – **Brad Turner**, Council Member: Ward 1
Vacant Seat, Council Member: Ward 2

The meeting will be streamed live on the city’s website at www.cityofhewitt.com/790/Hewitt-TX-TV.

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

WORKSHOP MEETING - 6:30 PM

WORKSHOP DECLARATION OF A QUORUM AND CALL TO ORDER

WORKSHOP AGENDA

1. Presentation by Martinez Architects regarding the architectural design of Fire Station 2.

WORKSHOP ADJOURNMENT

REGULAR MEETING - 7:00 PM

DECLARATION OF A QUORUM AND CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

The City Council invites citizens to speak on any topic not already scheduled for a public hearing. The Texas Open Meetings Act prohibits the Council from discussing, responding to, or acting on any comments or items not posted on the agenda. (Note: Citizens who wish to speak must complete a “Public Comment Form” and present it to the City Secretary before the meeting.)

REGULAR AGENDA ITEMS

2. Approval of the minutes for the City Council Regular Meeting held on August 19, 2024.
3. Presentation of the report from City Engineer Miles Whitney, P.E.
 - Update on pending utility projects.
 - Update on pending street projects.
 - Update on pending drainage projects.
4. Briefing and discussion concerning Financial Statements ending August 31, 2024.
5. Discussion and possible action to approve the architectural rendering of Fire Station 2 and authorization to proceed with the bid process.
6. Discussion and possible action on **Resolution No. 2024-08** approving a negotiated settlement between the Atmos Cities Steering Committee (ACSC) and the Atmos Energy Corp., Mid-Tex Division regarding the Company's 2024 Rate Review Mechanism Filing.
7. Discussion and possible action on **Ordinance No. 2024-13** amending Ord. No. 2022-13, abolishing one Police Lieutenant position and creating a second Assistant Police Chief position.
8. Discussion and possible action on **Ordinance No. 2024-14** amending Chapter 58 "Sign Regulations" in the City of Hewitt Code of Ordinances.

EXECUTIVE SESSION: Notice is given that a closed meeting will be held pursuant to Section 551.087 of the Texas Government Code (V.T.C.A.) so that the Council may deliberate regarding economic development negotiation and other matters as authorized under the Texas Government Code (**Kirby Smith Machinery, Inc.**).

EXECUTIVE SESSION: Notice is given that a closed meeting will be held pursuant to Section 551.074 of the Texas Government Code (V.T.C.A.) so that the Council may discuss personnel matters regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee (**Municipal Court Judge**).

RECONVENE REGULAR MEETING

9. Discussion and possible action regarding the appointment of the Municipal Court Judge.

ADJOURNMENT

I certify that the above notice of meeting was posted on the Public Notice Board in front of City Hall on **September 11, 2024**, by 5:00 PM.

CITY OF HEWITT

Lydia Lopez
Lydia Lopez, TRMC/CMC
City Secretary

In compliance with the Americans with Disabilities Act, the City of Hewitt will provide reasonable accommodations for persons attending and/or participating in City Council meetings. The facility is wheelchair accessible, with accessible parking at the front of the building. Requests for sign interpreters or special services must be received forty-eight (48) hours before the meeting by calling the City Secretary at 254.296.5602 or by fax at 254.666.6014.



COUNCIL AGENDA ITEM FORM

MEETING DATE: September 16, 2024

AGENDA ITEM #: 2.

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Approval of the minutes for the City Council Regular Meeting held on August 19, 2024.

STAFF RECOMMENDATION/ITEM SUMMARY:

Attached is a copy of the meeting minutes. Please review and advise if any corrections are needed.

FISCAL IMPACT:

Amount Budgeted - N/A

Line Item in Budget - N/A

SUGGESTED MOTION:

I move approval of the minutes as presented but to allow for corrections.

ATTACHMENTS:

1. City Council Minutes - August 19, 2024 -Final



CITY COUNCIL REGULAR MEETING

August 19, 2024 at 7:00 PM

Hewitt City Hall, 200 Patriot Court, Hewitt, TX 76643

MINUTES

Steve Fortenberry, Mayor: Ward 3, – **Erica Bruce**, Mayor Pro Tem: Ward 3
Michael S. Bancale, Council Member: At-Large – **Johnny Stephens**, Council Member: Ward 1
Bob Potter, Council Member: Ward 2 – **Brad Turner**, Council Member: Ward 1
Vacant Seat, Council Member: Ward 2

REGULAR MEETING - 7:00 PM

DECLARATION OF A QUORUM AND CALL TO ORDER

Mayor Steve Fortenberry called the Regular Meeting to order at 7:00 PM, announced all members were present, and declared a quorum.

PLEDGE OF ALLEGIANCE

Mayor Steve Fortenberry led the Pledge of Allegiance.

SPECIAL PRESENTATION(S) AND RECOGNITION(S)

1. Presentation of the Hewitt Public Library's Summer Reading Program and Top 10 Readers.
Library Director Matthew Glaser provided a Summer Program update and presented the Library's Summer Reading Program stats and Top 10 Readers.
2. Presentation and discussion of grant programs at the Hewitt Public Library.
Library Director Matthew Glaser presented an update on the Special Projects Grant Programs. Mayor Steve Fortenberry and the Council congratulated the Library staff for seeking grant funding.

PUBLIC HEARING(S) AND RELATED ACTION

3. Conduct the second of two public hearings on the 2024 Property Tax Rate.
City Manager Bo Thomas presented. Mayor Steve Fortenberry opened the public hearing at 7:24 PM and called for those wishing to speak regarding the 2024 Property Tax Rate. No one appeared. The public hearing was closed at 7:25 PM.

PUBLIC COMMENTS

The City Council invites citizens to speak on any topic not already scheduled for a public hearing. The Texas Open Meetings Act prohibits the Council from discussing, responding to, or acting on any comments or items not posted on the agenda. (Note: Citizens who wish to speak must complete a “Public Comment Form” and present it to the City Secretary before the meeting.)

Mayor Fortenberry read the statement above and inquired if the City Secretary had received any public comment forms. The City Secretary did not receive any public comment forms.

REGULAR AGENDA ITEMS

4. Approval of the minutes for the City Council Special Meeting held August 12, 2024.
MOTION: Mayor Pro Tem Erica Bruce moved to approve the minutes but to allow for corrections.
SECOND: Council Member Michael Bancale
The City Secretary polled the Council.
AYES: Bancale, Potter, Stephens, Turner, Bruce, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.
5. Briefing and discussion concerning Financial Statements ending July 31, 2024.
City Manager Bo Thomas advised that Finance Director Lee Garcia previously sent the July Financial Statements electronically on August 6, 2024. The Council raised no questions or concerns.
6. Discussion and possible action on **Ordinance No. 2024-10** accepting the 2024 Certified Tax Roll.
City Manager Bo Thomas presented the ordinance and read the caption into the record.
MOTION: Council Member Michael Bancale moved to approve **Ordinance No. 2024-10**, accepting the 2024 Certified Tax Roll.
SECOND: Council Member Bob Potter
The City Secretary polled the Council.
AYES: Bancale, Potter, Stephens, Turner, Bruce, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.
7. Discussion and possible action on **Resolution No. 2024-07** approving the FY 2024-2025 Master Fee Schedule.
City Manager Bo Thomas presented. He noted that the council will review the water and sewer rates before they become effective.
MOTION: Council Member Bob Potter moved to approve **Resolution No. 2024-07**, approving the FY 2024-2025 Master Fee Schedule.
SECOND: Council Member Brad Turner
The City Secretary polled the Council.
AYES: Bancale, Potter, Stephens, Turner, Bruce, and Fortenberry
NAYES: None

ABSENT: None

MOTION PASSED.

8. Discussion and possible action on **Ordinance No. 2024-11** adopting the 2024 Property Tax Rate of **\$0.539082**.

City Manager Bo Thomas presented the ordinance and read the caption into the record.

MOTION: Council Member Michael Bancale moved that the property tax rate be increased by the adoption of a tax rate of \$0.539082, which is effectively a 3.66% increase in the tax rate, and moved approval of **Ordinance No. 2024-11**.

SECOND: Council Member Bob Potter

The City Secretary polled the Council.

AYES: Bancale, Potter, Stephens, Turner, Bruce, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED.

9. Discussion and possible action on ratification of the property tax increase reflected in the budget.

City Manager Bo Thomas presented the ordinance and read the caption into record.

MOTION: Council Member Brad Turner moved to ratify the property tax increase reflected in the budget.

SECOND: Council Member Johnny Stephens

The City Secretary polled the Council.

AYES: Bancale, Potter, Stephens, Turner, Bruce, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED.

10. Discussion and possible action on **Ordinance No. 2024-12** adopting the FY 2024-2025 Annual Operating and Capital Budget.

City Manager Bo Thomas presented the ordinance and read the caption into the record.

MOTION: Mayor Pro Tem Erica Bruce moved to approve **Ordinance No. 2024-12**, adopting the FY 2024-2025 Annual Operating and Capital Budget.

SECOND: Council Member Bob Potter

The City Secretary polled the Council.

AYES: Bancale, Potter, Stephens, Turner, Bruce, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED.

11. Discussion and possible action concerning canceling the City Council Regular Meeting scheduled for September 2, 2024.

City Manager Bo Thomas presented.

MOTION: Council Member Brad Turner moved that the next City Council meeting be held on September 16, 2024.

SECOND: Mayor Pro Tem Erica Bruce

The City Secretary polled the Council.

AYES: Bancale, Potter, Stephens, Turner, Bruce, and Fortenberry

NAYES: None

ABSENT: None
MOTION PASSED.

ADJOURNMENT

MOTION: Council Member Bob Potter moved to adjourn the Regular Meeting at 7:43 PM.

SECOND: Council Member Michael Bancale

The City Secretary polled the Council.

AYES: Bancale, Potter, Stephens, Turner, Bruce, and Fortenberry

NAYES: None

ABSENT: None

MOTION PASSED.

Approved: _____

ATTEST:

Lydia Lopez, City Secretary

Steve Fortenberry, Mayor



COUNCIL AGENDA ITEM FORM

MEETING DATE: September 16, 2024

AGENDA ITEM #: 3.

SUBMITTED BY: Miles Whitney, P.E.

ITEM DESCRIPTION:

Presentation of the report from City Engineer Miles Whitney, P.E.

Update on pending utility projects.

Update on pending street projects.

Update on pending drainage projects.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City Engineer will present and answer any questions regarding the Engineer's Report.

FISCAL IMPACT:

Amount Budgeted - N/A

Line Item in Budget - N/A

SUGGESTED MOTION:

No action is required.

ATTACHMENTS:

1. Engineer's Report-9.10.2024

HEWITT TEXAS

CITY ENGINEER'S REPORT

September 10, 2024

Utility Projects

Commerce Park Plant Improvements

- Well
Reviewing pumping equipment submittals.
- Plant
 - The contractor has been turning in submittals. The contractor is to mobilize and begin working on tank subgrade in the coming weeks.

Lift Station No. 4

- Topo ordered, awaiting data.

Street/Transportation Projects

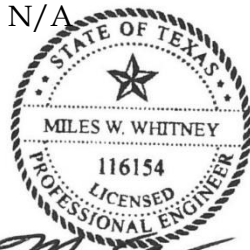
E. Wall and Briarfield

Plans are complete, submitted to AT&T for review for conflicts and will work through those.

Drainage Projects

N/A

By:



Miles W. Whitney, P.E.

Note: All dates are approximate and subject to change.



COUNCIL AGENDA ITEM FORM

MEETING DATE: September 16, 2024

AGENDA ITEM #: 4.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Briefing and discussion concerning Financial Statements ending August 31, 2024.

STAFF RECOMMENDATION/ITEM SUMMARY:

The financial statements ending August 31, 2024, were sent electronically on September 6, 2024. This is an opportunity for the Council to ask questions or comment.

FISCAL IMPACT:

Amount Budgeted - N/A

Line Item in Budget - N/A

SUGGESTED MOTION:

No action is required.

ATTACHMENTS:

None



COUNCIL AGENDA ITEM FORM

MEETING DATE: September 16, 2024

AGENDA ITEM #: 5.

SUBMITTED BY: Bo Thomas , City Manager

ITEM DESCRIPTION:

Discussion and possible action to approve the architectural rendering of Fire Station 2 and authorization to proceed with the bid process.

STAFF RECOMMENDATION/ITEM SUMMARY:

Building Fire Station 2 ensures enhanced emergency response capabilities and community safety. This item allows the Council to review, discuss, and approve the proposed plans presented by Martinez Architects during the Workshop meeting to construct Fire Station 2. The staff is also seeking authorization to proceed with the bid process.

FISCAL IMPACT:

Amount Budgeted - Bond funds
Line Item in Budget - Bond funds

SUGGESTED MOTION:

I move to approve the architectural rendering of Fire Station 2 and authorization to proceed with the bid process.

ATTACHMENTS:

None



COUNCIL AGENDA ITEM FORM

MEETING DATE: September 16, 2024

AGENDA ITEM #: 6.

SUBMITTED BY: Bo Thomas , City Manager

ITEM DESCRIPTION:

Discussion and possible action on **Resolution No. 2024-08** approving a negotiated settlement between the Atmos Cities Steering Committee (ACSC) and the Atmos Energy Corp., Mid-Tex Division, regarding the Company's 2024 Rate Review Mechanism Filing.

STAFF RECOMMENDATION/ITEM SUMMARY:

The Atmos Cities Steering Committee (ACSC) and legal counsel recommend that all cities adopt the resolution with its attachments approving the negotiated rate settlement, resolving the 2024 RRM Filing, and implementing the rate change. Included as backup is a model staff report and resolution.

Staff recommends approval.

FISCAL IMPACT:

Amount Budgeted - N/A

Line Item in Budget - N/A

SUGGESTED MOTION:

I move to approve **Resolution No. 2024-08**, which approves a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and the Atmos Energy Corp., Mid-Tex Division, regarding the Company's 2024 Rate Review Mechanism Filing.

ATTACHMENTS:

1. Atmos Mid-Tex 2024 RRM Model Staff Report
2. CY23 MTX RRM - Average Bill
3. 2024-08 Atmos Mid-Tex 2024 RRM Settlement Resolution
4. Attachment 1_ CY23 MTX RRM - Tariffs
5. Attachment 2_ CY23 MTX RRM - Pension Benchmark

August 6, 2024

MODEL STAFF REPORT FOR RESOLUTION OR ORDINANCE

BACKGROUND AND SUMMARY

The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2024, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2023, entitled it to additional system-wide revenues of \$196.8 million.

Application of the standards set forth in ACSC’s RRM Tariff reduces the Company’s request to \$182.5 million, \$132.6 million of which would be applicable to ACSC members. After reviewing the filing and conducting discovery, ACSC’s consultants concluded that the system-wide deficiency under the RRM regime should be \$149.6 million instead of the claimed \$182.5 million.

After several settlement meetings, the parties have agreed to settle the case for \$164.7 million. This is a reduction of \$32.1 million to the Company’s initial request. This includes payment of ACSC’s expenses. The Effective Date for new rates is October 1, 2024. ACSC members should take action approving the Resolution/Ordinance before September 30, 2024.

RATE TARIFFS

Atmos generated rate tariffs attached to the Resolution/Ordinance that will generate \$164.7 million in additional revenues. Atmos also prepared a Proof of Revenues supporting the settlement figures. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

BILL IMPACT

The impact of the settlement on average residential rates is an increase of \$5.52 on a monthly basis, or 6.84%. The increase for average commercial usage will be \$13.39 or 3.44%. Atmos provided bill impact comparisons containing these figures.

SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When

new rates become effective on October 1, 2024, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates.

Comparison to Other Mid-Tex Rates (Residential)

	<u>Average Bill</u>	<u>Compared to RRM Cities</u>
RRM Cities:	\$48.19	-
DARR:	\$54.30	\$6.11
ATM Cities:	\$49.59	\$1.40
Environs:	\$49.53	\$1.34

Note: ATM Cities and Environs rates are as-filed. Also note that DARR uses a test year ending in September rather than December.

EXPLANATION OF “BE IT RESOLVED” PARAGRAPHS:

1. This section approves all findings in the Resolution/Ordinance.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks.
4. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional \$164.7 million on a system-wide basis.
5. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
6. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution/Ordinance approving new rate tariffs.
7. This section repeals any resolution or ordinance that is inconsistent with the Resolution/Ordinance.

8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
9. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution/Ordinance. This section further directs that the remaining provisions of the Resolution/Ordinance are to be interpreted as if the offending section or clause never existed.
10. This section provides for an effective date upon passage.
11. This section directs that a copy of the signed Resolution/Ordinance be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover \$196.8 million in additional system-wide revenues, the RRM settlement at \$164.7 million for ACSC members reflects substantial savings to ACSC cities. Settlement at \$164.7 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution/Ordinance before September 30, 2024. New rates become effective October 1, 2024.

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2023**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
1	<u>Rate R @ 42.8 Ccf</u>				
2	Customer charge	\$ 22.25			
3	Consumption charge 42.8 CCF X \$ 0.48567 =	20.79			
4	Rider GCR Part A 42.8 CCF X \$ 0.27958 =	11.97			
5	Rider GCR Part B 42.8 CCF X \$ 0.47494 =	20.33			
6	Subtotal	\$ 75.34			
7	Rider FF & Rider TAX \$ 75.34 X 0.07196 =	5.42			
8	Total	<u>\$ 80.76</u>			
9					
10	Customer charge		\$ 22.95		
11	Consumption charge 42.8 CCF X \$ 0.58974 =		25.24		
12	Rider GCR Part A 42.8 CCF X \$ 0.27958 =		11.97		
13	Rider GCR Part B 42.8 CCF X \$ 0.47494 =		20.33		
14	Subtotal		\$ 80.49		
15	Rider FF & Rider TAX \$ 80.49 X 0.07196 =		5.79		
16	Total		<u>\$ 86.28</u>	\$ 5.52	6.84%
17					

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2023**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
18	<u>Rate C @ 363.6 Ccf</u>				
19	Customer charge	\$ 72.00			
20	Consumption charge 363.6 CCF X \$ 0.18280 =	66.47			
21	Rider GCR Part A 363.6 CCF X \$ 0.27958 =	101.67			
22	Rider GCR Part B 363.6 CCF X \$ 0.33806 =	122.93			
23	Subtotal	\$ 363.07			
24	Rider FF & Rider TAX \$ 363.07 X 0.07196 =	26.13			
25	Total	<u>\$ 389.20</u>			
26					
27	Customer charge		\$ 81.75		
28	Consumption charge 363.6 CCF X \$ 0.19033 =		69.21		
29	Rider GCR Part A 363.6 CCF X \$ 0.27958 =		101.67		
30	Rider GCR Part B 363.6 CCF X \$ 0.33806 =		122.93		
31	Subtotal		\$ 375.56		
32	Rider FF & Rider TAX \$ 375.56 X 0.07196 =		27.03		
33	Total		<u>\$ 402.59</u>	\$ 13.39	3.44%
34					

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2023**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
35	<u>Rate I @ 1335 MMBTU</u>				
36	Customer charge	\$ 1,382.00			
37	Consumption charge 1,335 MMBTU X \$ 0.7484 =	998.94			
38	Consumption charge 0 MMBTU X \$ 0.5963 =	-			
39	Consumption charge 0 MMBTU X \$ 0.2693 =	-			
40	Rider GCR Part A 1,335 MMBTU X \$ 2.7303 =	3,644.33			
41	Rider GCR Part B 1,335 MMBTU X \$ 0.7337 =	979.37			
42	Subtotal	\$ 7,004.64			
43	Rider FF & Rider TAX \$ 7,004.64 X 0.07196 =	504.08			
44	Total	<u>\$ 7,508.72</u>			
45					
46	Customer charge		\$ 1,587.75		
47	Consumption charge 1,335 MMBTU X \$ 0.6553 =		874.67		
48	Consumption charge 0 MMBTU X \$ 0.4799 =		-		
49	Consumption charge 0 MMBTU X \$ 0.1029 =		-		
50	Rider GCR Part A 1,335 MMBTU X \$ 2.7303 =		3,644.33		
51	Rider GCR Part B 1,335 MMBTU X \$ 0.7337 =		979.37		
52	Subtotal		\$ 7,086.12		
53	Rider FF & Rider TAX \$ 7,086.12 X 0.07196 =		509.94		
54	Total		<u>\$ 7,596.06</u>	\$ 87.34	1.16%
55					

**ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2023**

Line No.	Description	Current	Proposed	Change	
				Amount	Percent
	(a)	(b)	(c)	(d)	(e)
56	Rate T @ 4645 MMBTU				
57	Customer charge	\$ 1,382.00			
58	Consumption charge 1,500 MMBTU X \$ 0.5684 =	852.60			
59	Consumption charge 3,145 MMBTU X \$ 0.4163 =	1,309.08			
60	Consumption charge 0 MMBTU X \$ 0.0893 =	-			
61	Rider GCR Part B 4,645 MMBTU X \$ 0.7337 =	3,407.90			
62	Subtotal	\$ 6,951.58			
63	Rider FF & Rider TAX \$ 6,951.58 X 0.07196 =	500.26			
64	Total	<u>\$ 7,451.84</u>			
65					
66	Customer charge		\$ 1,587.75		
67	Consumption charge 1,500 MMBTU X \$ 0.6553 =		982.95		
68	Consumption charge 3,145 MMBTU X \$ 0.4799 =		1,509.08		
69	Consumption charge 0 MMBTU X \$ 0.1029 =		-		
70	Rider GCR Part B 4,645 MMBTU X \$ 0.7337 =		3,407.90		
71	Subtotal		\$ 7,487.68		
72	Rider FF & Rider TAX \$ 7,487.68 X 0.07196 =		538.84		
73	Total		<u>\$ 8,026.52</u>	<u>\$ 574.68</u>	<u>7.71%</u>

RESOLUTION NO. 2024-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITY OF HEWITT, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2024 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the City of Hewitt, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

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

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

substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

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

WHEREAS, on about April 1, 2024, Atmos Mid-Tex filed its 2024 RRM rate request with ACSC Cities based on a test year ending December 31, 2023; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2024 RRM filing through its Executive Committee, assisted by ACSC’s attorneys and consultants, to resolve issues identified in the Company’s RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC’s counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$164.7 million on a system-wide basis with an Effective Date of October 1, 2024; and

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

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

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

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

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

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

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$164.7 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2024 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$164.7 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

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

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2024 RRM filing.

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

Section 8. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2024.

Section 11. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF HEWITT, TEXAS,
BY A VOTE OF ____ TO ____, ON THIS THE _____ DAY OF _____
_____, 2024.

CITY OF HEWITT

Mayor Steve Fortenberry

ATTEST:

Lydia Lopez, City Secretary

APPROVED AS TO FORM:

Michael W. Dixon, City Attorney

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 22.95 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 23.00 per month
Commodity Charge – All <u>Ccf</u>	\$0.58974 per Ccf

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

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2024.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 81.75 per month
Rider CEE Surcharge	\$ 0.00 per month ¹
Total Customer Charge	\$ 81.75 per month
Commodity Charge – All Ccf	\$ 0.19033 per Ccf

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

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

Presumption of Plant Protection Level

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

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2024.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 200 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,587.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.6553 per MMBtu
Next 3,500 MMBtu	\$ 0.4799 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.1029 per MMBtu

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

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

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

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

Curtailement Overpull Fee

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Agreement

An Agreement for Gas Service may be required.

Notice

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

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

Presumption of Plant Protection Level

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,587.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.6553 per MMBtu
Next 3,500 MMBtu	\$ 0.4799 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.1029 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

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

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

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

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

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

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.

HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

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

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2024	

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	9.52	0.1526	88.98	0.7485
Austin	8.87	0.1343	213.30	0.9142
Dallas	12.38	0.2024	185.59	1.0974
Waco	8.71	0.1219	130.62	0.7190
Wichita Falls	10.20	0.1394	117.78	0.6435

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2023

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark -						
	Fiscal Year 2024 Willis Towers Watson Report as adjusted	\$ 1,402,365	\$ (1,146,665)	\$ 2,186,549	\$ (4,070,086)	\$ 278,107	
2	Allocation Factor	45.93%	45.93%	82.00%	82.00%	100.00%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 644,172	\$ (526,717)	\$ 1,792,929	\$ (3,337,394)	\$ 278,107	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4)	\$ 644,172	\$ (526,717)	\$ 1,792,929	\$ (3,337,394)	\$ 278,107	\$ (1,148,903)
6							
7	O&M Expense Factor (WP_F-2.3, Ln 2)	81.70%	81.70%	38.85%	38.85%	11.24%	
8							
9	Summary of Costs to Approve:						
10	Total Pension Account Plan	\$ 526,315		\$ 696,536			\$ 1,222,851
11	Total Post-Employment Benefit Plan		\$ (430,349)		\$ (1,296,547)		(1,726,896)
12	Total Supplemental Executive Benefit Plan					\$ 31,256	31,256
13	Total (Ln 10 + Ln 11 + Ln 12)	\$ 526,315	\$ (430,349)	\$ 696,536	\$ (1,296,547)	\$ 31,256	\$ (472,789)



COUNCIL AGENDA ITEM FORM

MEETING DATE: September 16, 2024

AGENDA ITEM #: 7.

SUBMITTED BY: Jessica Higgins, Human Resource Director/Civil Service Director

ITEM DESCRIPTION:

Discussion and possible action on **Ordinance No. 2024-13** amending Ord. No. 2022-13, abolishing one Police Lieutenant position and creating a second Assistant Police Chief position.

STAFF RECOMMENDATION/ITEM SUMMARY:

Chapter 143 of the Local Government Code states that the governing body shall prescribe the number of positions in each classification by ordinance. The attached Strength of Force Ordinance has been updated to match the Staffing Plan in the FY 24/25 approved budget.

FISCAL IMPACT:

Amount Budgeted -N/A
Line Item in Budget -N/A

SUGGESTED MOTION:

I move to approve **Ordinance No. 2024-13**, abolishing one Police Lieutenant position and creating a second Assistant Police Chief.

ATTACHMENTS:

1. 2024-13 Strength of force 2024

ORDINANCE NO. 2024-13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS, AMENDING ORD. 2022-13, ABOLISHING ONE POLICE LIEUTENANT POSITION AND CREATING A SECOND ASSISTANT POLICE CHIEF POSITION, AUTHORIZING THE NUMBER OF EMPLOYEES IN EACH CLASSIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Hewitt has adopted Civil Service, Chapter 143 of the Texas Local Government Code for its Police Department employees; and

WHEREAS, pursuant to Chapter 143, the City Council shall establish the classifications of employees and prescribe the number of positions in each classification pursuant to Section 143.021(a) of the Texas Local Government Code and

WHEREAS, the City Council is amending and superseding Ordinance No.2022-13; and

WHEREAS, the City Council has determined that to further its lawful purposes of providing efficient and effective law enforcement staffing, it should abolish one (1) Police Lieutenant position and create one (1) Assistant Police Chief position and

WHEREAS, this action will not increase the overall number of classified positions in the Police Department; and

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

ARTICLE I.

The classifications and number of positions in each classification in the Police Department were previously as follows:

Police Chief—1
Assistant Police Chief-1¹
Lieutenant-4
Sergeant--6
Police Officer—19

¹ The occupant of this rank/classification is appointed by the Department Head, and will continue to serve in an “at will” capacity according to §143.014 of the Texas Local Government Code. The occupant possesses no civil service protection in that rank.

Total Authorized Force: 31

On October 1, 2024, at 12:00 a.m., one (1) Police Lieutenant position will be abolished. At 12:01 a.m., one (1) Appointed Assistant Police Chief position, which will also be appointed by the Department Head. Therefore, the classifications and number of positions in each classification in the Police Department will be, as of October 1, 2024, at 12:02, as follows:

Police Chief—1
Assistant Police Chief-2²
Lieutenant-3
Sergeant--6
Police Officer—19

Total Authorized Force: 31

ARTICLE II.

Severability: If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or un-enforced, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by way of reasons of any unconstitutionality or invalidity of any other portion, provision, or regulation.

ARTICLE III.

Repealer: All other ordinances, sections, or parts of ordinances heretofore adopted by the City of Hewitt in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

ARTICLE IV.

This ordinance shall become effective immediately upon passage.

ARTICLE V.

It is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law.

²See footnote 1.
Ordinance No. 2024-13

PASSED AND APPROVED on this _____ day of _____, _____.

CITY OF HEWITT, TEXAS

Steve Fortenberry, Mayor

ATTEST:

Lydia Lopez, City Secretary

APPROVED AS TO FORM:

Michael W. Dixon, City Attorney



COUNCIL AGENDA ITEM FORM

MEETING DATE: September 16, 2024

AGENDA ITEM #: 8.

SUBMITTED BY: Jim Devlin, Assistant City Manager

ITEM DESCRIPTION:

Discussion and possible action on **Ordinance No. 2024-14** amending Chapter 58 "Sign Regulations" in the City of Hewitt Code of Ordinances.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City of Hewitt Council Chamber is a polling place during each election cycle. During this time, the City of Hewitt serves the public while elections are held in city-owned facilities. This ordinance standardizes electioneering at city-owned facilities by mitigating safety concerns, preventing damage to public property, ensuring that the property is sufficiently available for its patrons who use the facilities other than for election purposes, and providing a fair and equitable opportunity for all candidates and advocates for and against measures to conduct the election at city-owned facilities.

FISCAL IMPACT:

Amount Budgeted - N/A

Line Item in Budget - N/A

SUGGESTED MOTION:

I move approval of **Ordinance No. 2024-14** amending Chapter 58, "Sign Regulations," by adding section 58.12 to the City of Hewitt Code of Ordinances.

ATTACHMENTS:

1. Ordinance No. 2024-14 Amendment to Chapter 58.12 - Political Signs

ORDINANCE NO. 2024-14

**AN ORDINANCE OF THE CITY OF HEWITT, TEXAS,
AMENDING THE CODE OF ORDINANCES BY AMENDING
CHAPTER 58 - SIGN REGULATIONS OF THE CITY OF
HEWITT CODE OF ORDINANCES TO ADDRESS
REGULATION OF ELECTIONEERING ON CITY-OWNED
POLLING PLACES, PROVIDING A SEVERABILITY
CLAUSE; PROVIDING FOR INCLUSION IN THE CODE;
PROVIDING A PENALTY NOT TO EXCEED \$500,
PROVIDING THAT EACH DAY OF VIOLATION IS A
SEPARATE OFFENSE AND DECLARING AN
EMERGENCY.**

WHEREAS, the City of Hewitt deems it is in the best interest of the health, safety, and welfare of the citizens of the City to regulate signs, including the signs that may be placed on public property; and

WHEREAS, the Texas Legislature enacted House Bill 259, which provides that a public entity that owns or controls a public building being used as a polling place may not, at any time during the voting period, prohibit electioneering on the building's premises, outside of the 100-foot prohibited for electioneering, area prescribed by sections 61.003 and 85.036 of the Texas Election Code; and

WHEREAS, the law does permit the City to enact reasonable regulations concerning the time, place, and manner of electioneering on the public building's premises outside of the 100-foot prohibited electioneering area prescribed by sections 61.003 and 85.036 of the Texas Election Code and

WHEREAS, the City has reviewed the law and its existing signs regulations and has determined that it is in the best interest of the health, safety, and welfare of the citizens of the City to adopt reasonable rules to continue to regulate electioneering or political signs that may be placed on specific areas of particular public property; and

WHEREAS, the City finds that the amendment to the Code of Ordinances herein is necessary to regulate signs and electioneering on public property, including the regulation of signs that may be placed on public property, and the following rules are reasonable as to time, manner, and place; and

WHEREAS, the City Council desires to amend Chapter 58, titled "Sign Regulations," by amending Chapter 58 "Sign Regulations" to add Section 58.12 to read as follows:

58.12 Electioneering at Polling Places.

(a) Purpose.

This article aims to provide reasonable regulations for electioneering on city-owned or controlled property when such property is used as an election polling place. The regulations contained herein are to mitigate against any safety concerns, prevent damage to public property, ensure that the property is sufficiently available for its patrons who use the facilities other than for election purposes, and provide a fair and equitable opportunity for all candidates and advocates for and against measures to conduct the election at city-owned polling places.

(b) Definitions.

The following words and phrases as used in this article shall have the meanings as outlined in this section:

City-owned polling place means a building owned or controlled by the city, including the tract of land on which said building is located, in which a polling place is designated according to Chapter 43 of the Texas Election Code.

Electioneering means the posting, using, or distributing political signs or literature.

Electioneering Literature means any written material other than a sign (i) promoting the election of a candidate or political party or (ii) promoting approval or rejection of a measure.

Electioneering Sign means a sign (i) promoting the election of a candidate or political party or (ii) promoting approval or rejection of a measure.

Voting period means the period beginning the hour the polls are open for voting on the first day of the early voting period and ending on election day on the later (i) the time the polls are closed and (ii) when the last voter has voted. For this definition, a runoff election shall be considered a separate election to determine when the voting period begins and ends.

(c) Regulations and exceptions.

The following regulations apply to electioneering at a city-owned polling place during the voting period.

- (1) It is an offense for any person to leave any electioneering sign or electioneering literature on a city-owned polling place:
 - a. Earlier than two calendar days before the beginning of a voting period
or
 - b. Later than five calendar days after the end of a voting period.

- (2) It is an offense for any person to place an electioneering sign on a city-owned polling place that is more than 36 square feet in area or over eight feet in height. A political sign may not be illuminated or have any moving elements.
- (3) It is an offense to place a political sign in any location that obstructs vision for traffic. City staff may remove any sign in violation of the provision of this section if the sign creates a hazardous condition.
- (4) All political signs shall comply with all state and federal requirements, including the Texas Election Code, Chapter 255 and Section 61.003, and the Texas Transportation Code, Chapters 392 and 393.
- (5) It is an offense for any person to place more than four (4) electioneering signs on a city-owned polling place for the same candidate or the advocated position on a measure.
- (6) Besides imposing any criminal penalty, the city may remove and dispose of an electioneering sign placed in violation of this section without compensation to the owner of the electioneering sign.

(d) Application of Article.

The authority to conduct electioneering on a city-owned polling place under this article is limited to city-owned polling places and only for the voting period. Nothing in this article shall be construed as allowing electioneering to occur where otherwise prohibited by State law or applicable provisions of this Code, as amended, the violations of which shall constitute separate offenses.

(e) Administration.

The provisions of this article shall be administered and enforced by a designated election officer, a code enforcement official, or any law enforcement official.

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

Section 1. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 2. That the terms and provisions of this ordinance shall be deemed to be severable and that if any section, subsection, sentence, clause, or phrase of this ordinance shall be declared to be invalid or unconstitutional, the same shall not affect the validity of any other section, subsection, sentence, clause, or phrase of this ordinance and the remainder of such ordinance shall continue in full force and effect the same as if such invalid or unconstitutional provision had never been a part thereof.

Section 4. The City Council intends and is hereby ordained that the provisions of this ordinance shall become and be a part of the Code of Ordinances of the City of Hewitt, Texas, and that sections of this ordinance may be renumbered or re-lettered to accomplish such intention.

Section 5. A violation of this ordinance shall be a Class C misdemeanor, and the penalty for violating this ordinance shall be provided for in Section 1-12 of the Code of Ordinances of the City of Hewitt, Texas, which shall be a fine not exceeding \$500. Each day a violation exists, it shall be a separate offense.

Section 6. It was found that an urgent public necessity requires this ordinance's immediate passage.

Section 7. This ordinance shall be in full force and effect from and after its date of passage.

PASSED AND APPROVED this ____ day of _____ 2024.

CITY OF HEWITT, TEXAS

Steve Fortenberry, Mayor

ATTEST:

Lydia Lopez, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Michael W. Dixon, City Attorney