



CITY COUNCIL WORKSHOP/REGULAR MEETING

August 18, 2025, at 6:00 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.

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

WORKSHOP MEETING - 6:00 PM

WORKSHOP DECLARATION OF A QUORUM AND CALL TO ORDER

WORKSHOP AGENDA

1. Continued discussion and recap of the FY 2025-2026 Proposed Capital and Operating Budget.
2. Briefing and discussion concerning the Atmos Cities Steering Committee's (ACSC) negotiated settlement with Atmos Energy Corp., Mid-Tex Division, regarding the Company's 2025 Rate Review Mechanism (RRM) Filing.

WORKSHOP ADJOURNMENT

REGULAR MEETING - 7:00 PM

DECLARATION OF A QUORUM AND CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC HEARING(S) AND RELATED ACTION

3. Conduct the second of two public hearings on the 2025 Tax Rate.

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

4. Approve minutes of the August 4, 2025, City Council Workshop/Regular Meeting and the August 11, 2025, City Council Workshop/Special Meeting.
5. Briefing and discussion concerning Financial Statements ending July 31, 2025.
6. Discussion and possible action to approve the expenditure of \$66,809.00 for the purchase and upfitting of a 2025 Ford F150 for the Police Department.
7. Discussion and possible action on **Ordinance No. 2025-15** accepting the 2025 Certified Tax Roll.
8. Discussion and possible action on **Resolution No. 2025-06** approving the FY 2025-2026 Master Fee Schedule.
9. Discussion and possible action on **Ordinance No. 2025-16** adopting the 2025 Property Tax Rate of \$.539082.
10. Discussion and possible action on ratification of the property tax increase reflected in the budget.
11. Discussion and possible action on **Ordinance No. 2025-17** adopting the FY 2025-2026 Annual Operating and Capital Budget.
12. Discussion and possible action concerning canceling the City Council Regular Meeting scheduled for September 1, 2025.
13. Requests for future workshops and/or agenda items.

RECESS REGULAR SESSION TO CONVENE EXECUTIVE SESSION

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 (**City Manager**).

RECONVENE REGULAR MEETING

14. Discussion and possible action regarding the subject matter described in the Executive Session (if needed).

ADJOURNMENT

I certify that the above notice of meeting was posted on the Public Notice Board in front of City Hall on August 13, 2025, by 5:00 PM.

CITY OF HEWITT

Lydia Lopez

Lydia Lopez, TRMC/MMC
City Secretary

In compliance with the Americans with Disabilities Act, the City of Hewitt will provide reasonable accommodations for people attending and/or participating in City Council meetings. The facility is wheelchair-accessible, and accessible parking is available 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: August 18, 2025

AGENDA ITEM #: 2.

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Briefing and discussion concerning the Atmos Cities Steering Committee's (ACSC) negotiated settlement with Atmos Energy Corp., Mid-Tex Division, regarding the Company's 2025 Rate Review Mechanism (RRM) 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 2025 Rate Review Mechanism Filing, and implementing the rate change by October 1, 2025. Included as backup is a model staff report.

Staff will bring this item before the Council for action at the September 15, 2025, City Council Regular Meeting.

FISCAL IMPACT:

Amount Budgeted - N/A

Line Item in Budget - N/A

SUGGESTED MOTION:

No action is required at this time.

ATTACHMENTS:

1. Atmos Mid-Tex 2025 RRM Model Staff Report
2. Atmos Mid-Tex 2025 RRM Settlement Resolution_Corrected
3. Attachment 1_CY24 MTX RRM - Tariffs

August 7, 2025

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, 2025, 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, 2024, entitled it to additional system-wide revenues of \$245.2 million.

Application of the standards set forth in ACSC’s RRM Tariff reduces the Company’s request to \$225.6 million, \$163.5 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 \$185.6 million instead of the claimed \$245.2 million.

After several settlement meetings, the parties have agreed to settle the case for \$205.6 million. This is a reduction of \$20 million to the Company’s initial request. This includes payment of ACSC’s expenses. The Effective Date for new rates is October 1, 2025. ACSC members should take action approving the Resolution/Ordinance before October 1, 2025.

RATE TARIFFS

Atmos generated rate tariffs attached to the Resolution/Ordinance that will generate \$205.6 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 \$7.83 on a monthly basis, or 9.27%. The increase for average commercial usage will be \$25.73 or 6.56%. 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, 2025, 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:	\$54.68	-
DARR:	\$58.57	\$3.89
ATM Cities:	\$57.39	\$2.71
Environs:	\$55.96	\$1.28

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 \$205.6 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 \$245.2 million in additional system-wide revenues, the RRM settlement at \$205.6 million for ACSC members reflects substantial savings to ACSC cities. Settlement at \$205.6 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 October 1, 2025. New rates become effective October 1, 2025.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF _____, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2025 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 _____, 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, 2025, Atmos Mid-Tex filed its 2025 RRM rate request with ACSC Cities based on a test year ending December 31, 2024; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2025 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$205.6 million on a system-wide basis with an Effective Date of October 1, 2025; 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

_____, 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 \$205.6 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 2025 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 \$205.6 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 2025 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, 2025.

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 THE CITY OF _____, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE _____ DAY OF _____, 2025.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

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 10/01/2025	

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	\$ 23.65 per month
Rider CEE Surcharge	\$ 0.03 per month ¹
Total Customer Charge	\$ 23.68 per month
Commodity Charge – All <u>Ccf</u>	\$ 0.74748 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, 2025.

**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 10/01/2025	

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	\$ 94.00 per month
Rider CEE Surcharge	\$ 0.01 per month ¹
Total Customer Charge	\$ 94.01 per month
Commodity Charge – All Ccf	\$ 0.22261 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, 2025.

**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 10/01/2025	

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	\$ 1,848.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.7678 per MMBtu
Next 3,500 MMBtu	\$ 0.5623 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.1206 per MMBtu

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

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

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

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

Curtailment Overpull Fee

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

Replacement Index

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

**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 10/01/2025	

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 10/01/2025	

Application

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

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

Type of Service

Company's receipt and delivery of all gas quantities under the applicable Transportation Agreement will be on a wholly interruptible basis subject to the Terms and Conditions incorporated in the Transportation Agreement. If Customer is an Industrial Customer, then Customer may elect, at the reasonable discretion of Company, to contract for Plant Protection transportation quantities defined as the minimum natural gas required to prevent physical harm and/or protect critical safety to the plant facilities, plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel. Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

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

Charge	Amount
Customer Charge per Meter	\$ 1,848.75 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.7678 per MMBtu
Next 3,500 MMBtu	\$ 0.5623 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.1206 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).

**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 10/01/2025	

Imbalance Fees

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

Monthly Imbalance Fees

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

Overpull Fee

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

Replacement Index

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

Agreement

A transportation agreement is required.

Notice

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

Special Conditions

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	SUR – SURCHARGES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2025	

Application

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

Monthly Calculation

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

FASB ASC 740-10 (Fin48) Refund

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

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

The decrease shall be calculated as follows:

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

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

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

Rate Schedules	Rate
Rate R – Residential Sales	\$ (0.12)
Rate C – Commercial Sales	\$ (0.41)
Rate I – Industrial Sales	\$ (8.68)
Rate T – Transportation	\$ (8.68)

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	TAX – TAX ADJUSTMENT	
APPLICABLE TO:	Entire Division as Set Forth Below	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2025	PAGE:

Application

Applicable to Customers taking service under Rate R, Rate C, Rate I, and Rate T, except for exempt State Agency Customers, to the extent of state gross receipts taxes only.

1. State Gross Receipts Taxes

Applicability - Entire Division except for Unincorporated Areas

Each monthly bill shall be adjusted for Miscellaneous state gross receipts taxes imposed by Sections 182-021 - 182-025 of the Texas Tax Code.

Entire Division

Each monthly bill shall also be adjusted by an amount equivalent to the amount of all applicable taxes and any other governmental impositions, rentals, fees, or charges (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed upon or allocated to Company with respect to the Gas Service provided to Customer by Company, and any associated facilities involved in the performance of such Gas Service. Each monthly bill shall also be adjusted by an amount equivalent to the proportionate part of any increase or decrease of any tax and any other governmental imposition, rental, fee, or charge (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed subsequent to the effective date of this tariff, upon or allocated to Company's operations, by any new or amended law, ordinance, or contract.

2. Federal or State Tax Law or Rate Changes:

Applicability – All Customers in the Mid-Tex Division (“MTX”) Under the RRM Tariff

Applicable to Customers taking service under Rate R, Rate C, Rate I, and Rate T.

To ensure that gas utility customers receive the benefits or costs associated with the changes in tax rates at a federal or state level, MTX shall establish and accrue on its books and records, as of the effective date of the federal or state tax law or rate change: 1) regulatory liabilities to reflect the impact of a decrease in federal corporate income tax rates or state margin tax rates; or, 2) regulatory assets to reflect the impact of an increase in federal corporate income tax rates or state margin tax rates.

The gas utility may not change rates to give effect to a change in Federal or State Tax law or rates through the Rider TAX unless and until the city issues final authorization, an Accounting Order, or other express guidance authorizing such recovery through the RRM process.

Company may also not change rates to capture the impacts associated with the effects of Public Law 117-169, 136 STAT. 1818 of August 16, 2022 (“Tax Act 2022”) and certain other tax-related costs that will change from the amounts included in the most recent base revenue requirement established through an RRM filing unless and until the city issues a final authorization, an Accounting Order, or other express guidance authorizing such recovery.

Upon receipt of authorization from the city through an Accounting Order, final authorization or other express guidance, the calculation applicable to the aforementioned federal or state tax rate or law changes are as follows; however, to the extent there is a conflict between the calculation or methodology

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	TAX – TAX ADJUSTMENT	
APPLICABLE TO:	Entire Division as Set Forth Below	
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prescribed by an Accounting Order, final authorization, or other express guidance, and those contained in this rate schedule, the Accounting Order, final authorization, or other express guidance controls:

Calculations

1. With regard to changes in the tax rates at a federal or state level, the increase or decrease shall be calculated as follows:
 - a. A portion of the gas utility's revenue representing the difference between: 1) the cost of service as approved by the Commission or the applicable regulatory authority in the gas utility's most recent statement of intent or other rate proceeding, and 2) the cost of service that would have resulted had the rates been based on the new federal income tax rate (increase or decrease) or state margin taxes (increase or decrease), as of the effective date of the change;
 - b. If applicable, the portion of the gas utility's revenue representing the difference between: 1) each Interim Rate Adjustment surcharge approved by the regulatory authority since the gas utility's most recent statement of intent or other rate proceeding, and 2) each Interim Rate Adjustment surcharge that would have resulted had the surcharges been based on the new federal income tax rate (increase or decrease) or state margin taxes (increase or decrease), as of the effective date of the change; and
 - c. The excess or deficient deferred tax reserve, including any associated gross up in taxes, caused by the reduction or increase in the federal corporate income tax rate or state related tax increases, as of the effective date of the change.

Upon the receipt of authorization from the Commission or applicable regulatory authority, the gas utility shall separately refund to customers based on a decrease in federal or state tax rates or separately collect from customers based on an increase in federal or state tax rates within twelve (12) months or, pursuant to applicable Internal Revenue Code ("IRC") rules and regulations, as follows:

- d. The amount collected/refunded by the gas utility that reflects the difference in base rates between: 1) the cost of service approved by the regulatory authority in the gas utility's most recent statement of intent rate proceeding, and 2) the cost of service that would have resulted had the rates been based upon the new federal or state tax rates, between the effective date of this order and the effective date of the changes.
- e. If applicable, the amount collected/refunded by the gas utility that reflects the difference between: 1) each Interim Rate Adjustment surcharge approved by the Commission or the regulatory authority since the gas utility's most recent statement of intent rate proceeding, and 2) each Interim Rate Adjustment surcharge that would have resulted had the rates been based upon the new federal or state tax rates, between the effective date of this order and the effective date of the changes.
- f. The amount collected/refunded by the gas utility that reflects the difference in the excess or deficient deferred tax reserve included in base rates between: 1) the cost of service approved by the Commission or the regulatory authority in the gas utility's most recent statement of intent rate proceeding, and 2) the cost of service that would have resulted had the rates been based upon the new federal or state tax rates, between the effective date of this order and the effective date of the changes. These amounts shall be refunded or collected from customers based upon IRC rules and regulations if applicable.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	TAX – TAX ADJUSTMENT	
APPLICABLE TO:	Entire Division as Set Forth Below	
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2. With regard to the Tax Act 2022 and certain other tax-related costs that will change from the amounts included in the base revenue requirement established through an RRM filing, any change in rates shall be calculated as follows:

- (a) The amount shall be calculated as the product of Company's grossed-up rate of return authorized in the cost of service as approved by the Commission or the applicable regulatory authority in the gas utility's most recent statement of intent or other rate proceeding times the Corporate Alternative Minimum Tax deferred tax asset ("CAMT DTA") estimated at September 30 of the fiscal year or applicable quarter-end within a fiscal year prior to the annual change in the rates pursuant to this tariff, less the income tax credits received in accordance with IRC requirements applicable to the Tax Act 2022 grossed-up for income taxes to a revenue equivalent.
- (b) The estimated CAMT DTA and the related effects on the rider revenue requirements shall be trued up to the actual effects in the following year and the over/under recovery amortized over the twelve months that each year's recalculated tariff rates are in effect. The over/under recovery shall include a grossed-up rate of return as authorized in Company's most recent statement of intent or other rate proceeding.
- (c) The methodology for computing Company's CAMT is as follows:
 - i. Confirm when Atmos Energy Corporation and its affiliates are subject to CAMT as an "applicable corporation" as defined the Tax Act 2022, then there will be MTX's CAMT DTA in the tariff.
 - ii. Calculate the Mid-Tex Division's (MTX) contribution to Adjusted Financial Statement Income ("AFSI") on a stand-alone basis. MTX's AFSI is calculated by adjusting MTX's applicable financial statement income by adjustments to depreciation, pension costs and federal income tax to arrive at AFSI. AFSI is intended to be computed consistent with applicable IRC requirements.
 - iii. Compare MTX's CAMT stand-alone amount with MTX's regular stand-alone tax liability. If the stand alone CAMT is in excess of the stand-alone regular tax, the CAMT DTA is recorded to MTX.

If the Internal Revenue Service issues new guidance related to the Tax Act 2022, Company shall have the right to make additional filings to recognize such adjustments.

Any Commission filing made to give effect to Federal or State Tax Law or Rate Changes shall be filed within 12-months following the enactment of a tax rate change with the Commission's Oversight and Safety Division or as part of a Statement of Intent.

Any city filing made to give effect to Federal or State Tax Law or Rate Changes shall be filed within 12-months following the enactment of a tax rate change and addressed to the city official at the address of record with the Mid-Tex Division.

With the exception of the authorization required from the Commission to allow the gas utility to recognize the new federal income tax rate (increase or decrease) or state taxes (increase or decrease) or the impacts associated with the effects of the Tax Act 2022 and certain other tax-related costs that will change from the amounts included in the base revenue requirement in the last approved RRM Tariff filing, no action on the part of the regulatory authority is required to give effect to the amount to be refunded or

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	TAX – TAX ADJUSTMENT	
APPLICABLE TO:	Entire Division as Set Forth Below	
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collected from customers. However, any amount refunded or collected from customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding, and if applicable, the gas utility shall be required to reconcile any discrepancies.

Regulatory orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007). Rate changes subject to the provisions of this tariff may be implemented upon the filing of an appeal to the relevant authority.

**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 10/01/2025	

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 10/01/2025	

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	9.61	0.1476	91.65	0.7406
Austin	8.19	0.1394	183.99	1.1581
Dallas	12.74	0.2017	193.53	1.1001
Waco	9.23	0.1277	148.26	0.7631
Wichita Falls	10.43	0.1387	122.94	0.7038

Weather Normalization Adjustment (WNA) Report

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



COUNCIL AGENDA ITEM FORM

MEETING DATE: August 18, 2025

AGENDA ITEM #: 4.

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Approve minutes of the August 4, 2025, City Council Workshop/Regular Meeting and the August 11, 2025, City Council Workshop/Special Meeting.

STAFF RECOMMENDATION/ITEM SUMMARY:

Attached are copies 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 4, 2025
2. City Council Minutes - August 11, 2025



CITY COUNCIL WORKSHOP/REGULAR MEETING

August 4, 2025, at 5:30 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

WORKSHOP MEETING - 5:30 PM

WORKSHOP DECLARATION OF A QUORUM AND CALL TO ORDER

Mayor Steve Fortenberry called the Workshop Meeting to order at 5:30 p.m., and announced a quorum of members was present. Mayor Pro Tem Erica Bruce and Council Member Brad Turner were absent.

WORKSHOP AGENDA

1. Presentation and discussion concerning the FY 2025-2026 Proposed Operating and Capital Budget, including Certified Tax Valuations and Certified Tax Rates.

City Manager Bo Thomas stated that the presentation would begin by addressing the additional information requested by the Council at its last meeting, specifically regarding the use and application of Public, Educational, and Governmental (PEG) Funds, as well as the Child Safety Funds. He also noted that the Council had asked staff to prioritize the Capital Improvement Projects list.

PEG Funds & Child Safety Funds

Assistant City Manager Jim Devlin presented an overview of how the PEG and Child Safety Funds can be utilized. He confirmed that the funds could not be used for items removed from the proposed budget.

Capital Improvement Projects list - prioritized

Mr. Thomas presented a prioritized list of Capital Improvement Projects, outlining street and utility projects that could be funded through the Certificates of Obligation scheduled for a vote later in the Regular Meeting. He noted that completing all utility projects would require the use of unrestricted funds.

Mr. Thomas further presented the following budget and financial items:

- 2025 Tax Rate Certified Values
- 2025 Tax Rate Calculations
- All Funds Summary Matrix

- General Fund Budget Summary
- General Fund Projection by Category
- Utility Fund Projection
- Revisions to the Proposed Budget Memo

WORKSHOP ADJOURNMENT

MOTION: Council Member Michael Bancale moved to adjourn the Workshop Meeting at 6:28 p.m.

SECOND: Council Member Bob Potter

AYES: Potter, Bancale, Stephens, and Fortenberry

NAYES: None

ABSENT: Bruce, Turner

MOTION PASSED.

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 p.m., and announced a quorum of members was present. Mayor Pro Tem Erica Bruce and Council Member Brad Turner were absent.

PLEDGE OF ALLEGIANCE

Mayor Steve Fortenberry led the Pledge of Allegiance.

SPECIAL PRESENTATION(S) AND RECOGNITION(S)

2. Special presentation of the Lifesaving Award by Police Chief John McGrath.
Police Chief John McGrath presented the Lifesaving Award to the following for performing CPR and saving a life on a call for service: Officer Michael Zahirniak, Officer Tyler Eckblad, and Sgt. Kristen Ordonez.

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

3. Approve minutes of the July 21, 2025, City Council Workshop/Regular Meeting.
MOTION: Council Member Johnny Stephens moved to approve the minutes as presented, but to allow for corrections.
SECOND: Council Member Michael Bancale
AYES: Stephens, Potter, Bancale, and Fortenberry
NAYES: None

ABSENT: Bruce, Turner
MOTION PASSED.

4. Presentation of the report by City Engineer Miles Whitney, P.E.
Update on pending utility projects.
Update on pending street projects.
Update on pending drainage projects.

City Engineer Miles Whitney, P.E., reviewed the listed projects.

5. Discussion and possible action on setting the date of August 11, 2025, for a public hearing on the Fiscal Year 2025-2026 Proposed Operating and Capital Budget.

City Manager Bo Thomas presented.

MOTION: Council Member Michael Bancale moved to set a public hearing on the FY 2025-2026 Proposed Operating and Capital Budget for Monday, August 11, 2025, at 7:00 p.m. in Hewitt City Hall, Council Chambers, 200 Patriot Court, Hewitt, Texas.

SECOND: Council Member Bob Potter

AYES: Bancale, Stephens, Potter, and Fortenberry

NAYES: None

ABSENT: Bruce, Turner

MOTION PASSED.

6. Discussion and possible action on the record vote to place adoption of the proposed 2025 tax rate on a future agenda and to set dates for two public hearings.

City Manager Bo Thomas presented.

MOTION ON TAX RATE

MOTION: Council Member Bob Potter moved to place adoption of a tax rate of \$.539082 cents per \$100 valuation, equaling \$.189732 cents for debt service and \$.349350 cents for maintenance and operations, as an action item for the August 18, 2025, council meeting to be held at 7:00 p.m., in the Hewitt City Hall, Council Chambers, 200 Patriot Court, Hewitt, Texas.

SECOND: Council Member Michael Bancale

AYES: Potter, Bancale, Stephens, and Fortenberry

NAYES: None

ABSENT: Bruce, Turner

MOTION PASSED.

MOTION TO SET PUBLIC HEARINGS

MOTION: Council Member Michael Bancale moved to set two public hearings to be held on Monday, August 11, 2025, at 7:00 p.m. and Monday, August 18, 2025, at 7:00 p.m., in Hewitt City Hall, Council Chambers, 200 Patriot Court, Hewitt, Texas.

SECOND: Council Member Johnny Stephens

AYES: Bancale, Potter, Stephens, and Fortenberry

NAYES: None

ABSENT: Bruce, Turner

MOTION PASSED.

7. Discussion and possible action taken on **Ordinance No. 2025-12** authorizing the issuance and sale of City of Hewitt, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2025; levying an Annual Ad Valorem Tax and providing for the security for and payment of said certificates; approving the Official Statement; providing an effective date; and enacting other provisions relating to the subject.

City Manager Bo Thomas introduced Andrew Friedman, the city's Financial Advisor from Samco Capital Markets, Inc., who presented information relative to the issuance. His presentation included the following key points:

- *The issuance timetable previously presented on June 2*
- *Pricing of the Certificates of Obligation and General Obligation refunding bonds*
- *S&P Global Ratings*
- *The City's AA credit rating, with a note that a higher rating results in a lower interest rate*
- *Tax rate impact analysis*
- *Water and Sewer Fund Proforma*
- *Overview of the \$9 million bond pricing page*
- *Debt service schedule*

Mayor Steve Fortenberry expressed concern that only four Council members were present to vote. In response, Mr. Friedman advised that market conditions could change within a week. He noted that bond underwriters may view the City's delay unfavorably, as it could be seen as not fulfilling our commitment. Council Members Michael Bancale, Bob Potter, and Johnny Stephens agreed that it would be in the city's best interest to vote.

MOTION: Council Member Michael Bancale moved to approve **Ordinance No. 2025-12** authorizing the issuance and sale of the City of Hewitt, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2025; levying an annual Ad Valorem Tax and providing for the security for and payment of said certificates; approving the Official Statement; providing an effective date; and enacting other provisions relating to the subject.

SECOND: Council Member Bob Potter

AYES: Stephens, Potter, and Bancale

NAYES: None

ABSENT: Bruce, Turner

ABSTAINED: Fortenberry

MOTION PASSED.

8. Discussion and possible action taken on **Ordinance No. 2025-13** authorizing the issuance and sale of City of Hewitt, Texas General Obligation Refunding Bonds, Series 2025; levying an annual Ad Valorem Tax and providing for the security for and payment of said bonds; approving the Official Statement and instruments and procedures relating to said bonds; providing an effective date; and enacting other provisions relating to the subject.

City Manager Bo Thomas reminded the Council of prior discussions regarding the desired level of savings for the bond refunding. He emphasized that the proposed refunding would not extend the debt's maturity and would result in cost savings. Financial Advisor Andrew Friedman presented the results, indicating a 3.6% savings (\$341,388).

MOTION: Council Member Michael Bancale moved to approve **Ordinance No. 2025-13** authorizing the issuance and sale of City of Hewitt, Texas General Obligation Refunding Bonds, Series 2025; levying an annual Ad Valorem Tax and providing the security for and payment of said bonds; approving the Official Statement and instruments and procedures relating to said bonds; providing an effective date; and enacting other provisions relating to the subject.

SECOND: Council Member Bob Potter

AYES: Bancale, Stephens, Potter, and Fortenberry

NAYES: None

ABSENT: Bruce, Turner
MOTION PASSED.

9. Continued discussion concerning the FY 2025-2026 Proposed Operating and Capital Budget, if needed.

No further discussion was held.

10. Requests for future workshops and/or agenda items.

Council Members were encouraged to notify the City Manager of any requests for future workshops or agenda items.

ADJOURNMENT

MOTION: Council Member Bob Potter to adjourn the Regular Meeting at 7:38 p.m.

SECOND: Council Member Michael Bancale

AYES: Potter, Bancale, Stephens, and Fortenberry

NAYES: None

ABSENT: Bruce, Turner

MOTION PASSED.

Approved: _____

ATTEST:

Lydia Lopez, City Secretary

Steve Fortenberry, Mayor



CITY COUNCIL WORKSHOP/SPECIAL MEETING

August 11, 2025, at 6:30 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
WORKSHOP MEETING - 6:30 PM

WORKSHOP DECLARATION OF A QUORUM AND CALL TO ORDER

Mayor Steve Fortenberry called the Workshop Meeting to order at 6:30 p.m., announced all members were present, and declared a quorum.

WORKSHOP AGENDA

1. Presentation and discussion on a personally assigned vehicle program in the Police Department.
City Manager Bo Thomas introduced Police Chief John McGrath, who provided an overview of the personally assigned vehicle program. Chief McGrath highlighted the program's financial benefits and noted that the department is prepared to implement it.

WORKSHOP ADJOURNMENT

MOTION: Council Member Bob Potter moved to adjourn the Workshop Meeting at 6:48 p.m.

SECOND: Council Member Michael Bancale

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

NAYES: None

ABSENT: None

MOTION PASSED.

SPECIAL MEETING - 7:00 PM

DECLARATION OF A QUORUM AND CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Mayor Steve Fortenberry led the Pledge of Allegiance.

PUBLIC HEARING(S) AND RELATED ACTION

2. Conduct a public hearing on the Fiscal Year 2025-2026 Proposed Operating and Capital Budget.

City Manager Bo Thomas presented. Mayor Steve Fortenberry opened the hearing at 7:01 p.m.. and called three times for those wishing to speak on the FY 2025-2026 Proposed Operating and Capital Budget. No one appeared. The public hearing was closed at 7:02 p.m.

3. Conduct the first of two public hearings on the 2025 Property Tax Rate.

City Manager Bo Thomas presented. Mayor Steve Fortenberry opened the public hearing at 7:03 p.m. and called three times for those wishing to speak on the 2025 Property Tax Rate. No one appeared. The public hearing was closed at 7:04 p.m.

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. Discussion and possible action on a motion to announce August 18, 2025, at 7:00 p.m., at Hewitt City Hall, Council Chambers, 200 Patriot Court, as the date to vote on the 2025 Property Tax Rate.

City Manager Bo Thomas presented.

MOTION: Council Member Michael Bancale moved to announce August 18, 2025, at 7:00 p.m., at Hewitt City Hall, Council Chambers, 200 Patriot Court, as the date to vote on the 2025 Property Tax Rate.

SECOND: Council Member Brad Turner

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

NAYES: None

ABSENT: None

MOTION PASSED.

RECESS SPECIAL MEETING TO CONVENE EXECUTIVE SESSION

Mayor Steve Fortenberry recessed the Special Meeting to convene the Executive Session at 7:07 p.m.

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 (City Manager).

RECONVENE SPECIAL MEETING

Mayor Steve Fortenberry reconvened the Special Meeting at 8:50 p.m.

ADJOURNMENT

MOTION: Council Member Michael Bancale moved to adjourn the Special Meeting at 8:51 p.m.

SECOND: Council Member Johnny Stephens

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

NAYES: None

ABSENT: None

MOTION PASSED.

Approved: _____

ATTEST:

Lydia Lopez, City Secretary

Steve Fortenberry, Mayor



COUNCIL AGENDA ITEM FORM

MEETING DATE: August 18, 2025

AGENDA ITEM #: 5.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Briefing and discussion concerning Financial Statements ending July 31, 2025.

STAFF RECOMMENDATION/ITEM SUMMARY:

The financial statements for the period ending July 31, 2025, were sent electronically on August 13, 2025. 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: August 18, 2025

AGENDA ITEM #: 6.

SUBMITTED BY: Heath Vanek, Assistant Police Chief

ITEM DESCRIPTION:

Discussion and possible action to approve the expenditure of \$66,809.00 for the purchase and upfitting of a 2025 Ford F150 for the Police Department.

STAFF RECOMMENDATION/ITEM SUMMARY:

On June 23, 2025, an unmarked Hewitt Police Department vehicle was involved in a motor vehicle crash and subsequently declared a total loss by the City's insurance carrier. The insurance settlement for the totaled vehicle was \$31,395.00. The replacement includes the purchase of a new unmarked 2025 Ford F-150 Police Responder from Silsbee Ford and the installation of necessary emergency equipment by Dana Safety Supply. The total cost for the replacement vehicle and upfitting of emergency equipment is \$66,809.00. This purchase will be made through the BuyBoard State Contract, which meets all competitive purchasing requirements. The insurance settlement of \$31,395.00 will offset a portion of the total cost.

FISCAL IMPACT:

Amount Budgeted - Not budgeted
Line Item in Budget -

SUGGESTED MOTION:

I move to approve the expenditure of \$66,809.00 for the purchase and upfitting of a replacement unmarked police vehicle for the Hewitt Police Department from Silsbee Ford and Dana Safety Supply, through the BuyBoard State Contract, with \$31,395.00 funded from insurance proceeds.

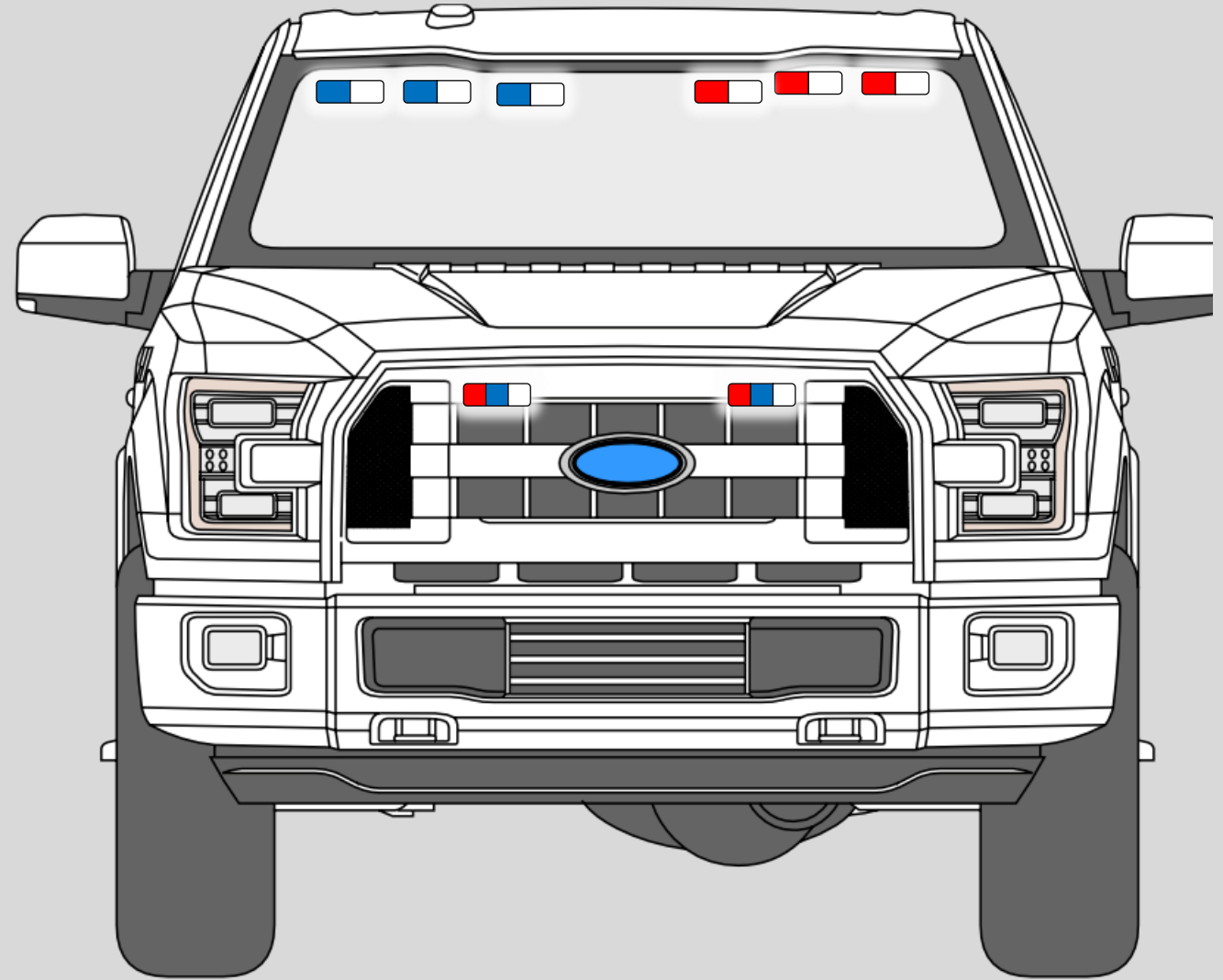
ATTACHMENTS:

1. F150 - Admin - Lighting Locations Hewitt
2. 583593 upfit
3. CITY OF HEWITT W1P F150 RESPONDER 2025 TIPS 062625

Ford F-150 – Front View

Notes

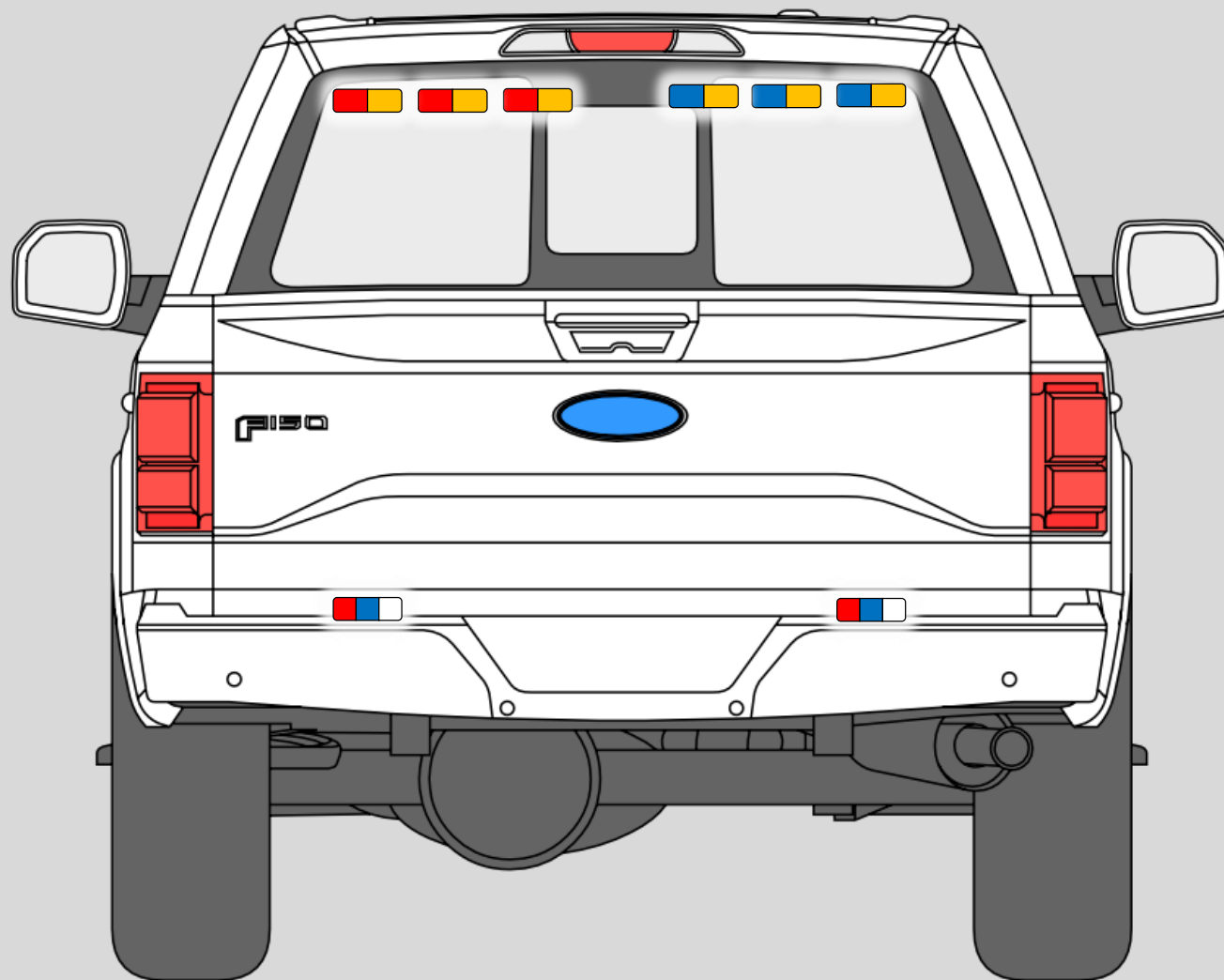
- Headlight Flasher
- 2 x SOI mPower TRI-Color Light heads
- SOI Front Facing Interior Light Bar



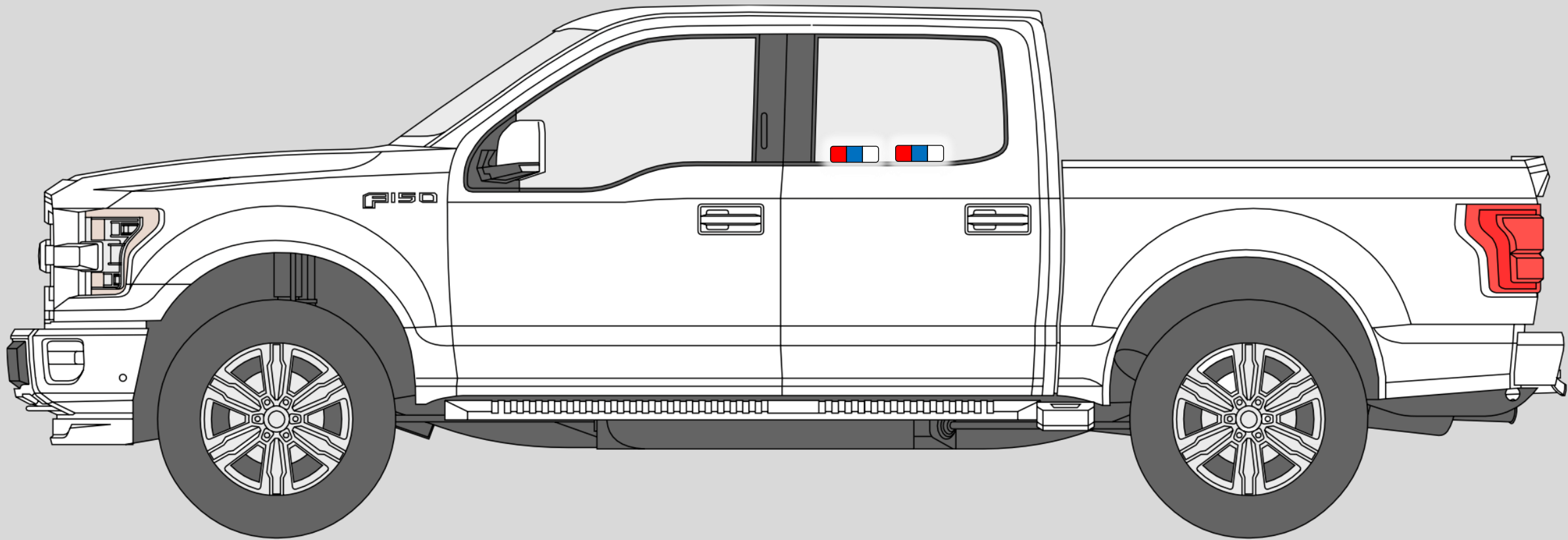
Ford F-150 – Rear View

Notes

- SOI Rear Facing Interior Light Bar Stick
- Taillight Flasher
- SOI mPower TRI-Color Light heads mounted in-between Tailgate and Bumper



Ford F-150 – Side View



Notes

- Headlight & Taillight Flasher
- SOI mPower TRIO Light heads in rear side glass

DANA SAFETY SUPPLY, INC
4809 KOGER BLVD
GREENSBORO, NC 27407

Sales Quote

Telephone: 800-847-8762

Sales Quote No.	583593
Customer No.	HEWITTPD

Bill To

HEWITT POLICE DEPARTMENT
 100 Patriot Ct
 Hewitt, TX 76643
 United States

Ship To

(For Pickup)
 FORT WORTH
 800 Railhead Rd Ste 344
 Fort Worth, TX 76106

Contact: Heath
Telephone: 254-296-5689

E-mail: hvanek@cityofhewitt.com

Contact: Pat Hope
Telephone: 9016477766

E-mail: phope@danasafetysupply.com

Quote Date	Ship Via		F.O.B.	Customer PO Number	Payment Method	
06/26/25	UPS GROUND FREIGHT		QUOTED FREIGHT		NET30	
Entered By			Salesperson	Ordered By	Resale Number	
Patrick Hope			Patrick Hope - Fort Worth			
Order Quantity	Approve Quantity	Tax	Item Number / Description		Unit Price	Extended Price
1	1	N	INFO 24 F150 PPV - Admin Warehouse: FTWO		0.0000	0.00
1	1	N	INFO Hewitt TX Front of Vehicle Delivery Info: --- Warehouse: FTWO		0.0000	0.00
2	2	Y	EMPS2STS5RBW SOI, MPWR FASCIA, 4", STM, BLK HSG, RED/BLU/WHT Warehouse: FTWO mpower® 4" Fascia Light w/ Stud Mount, 18" hard wire w/ sync option, SAE Class 1 & CA Title 13, 9-32 Vdc, Black Housing, 18 LED, Tricolor - Red/Blue/White		150.0000	300.00
1	1	N	In the grille MISC SOI Interior Light Bar RWBW Warehouse: FTWO		1,293.0000	1,293.00
1	1	Y	ETHFSS-SP-ISO SOI SOLID STATE ISOLATED HEADLIGHT FLASHER Warehouse: FTWO NOTE --- NO FLASHER AVAILABLE FOR THE HIGH INTENSITY GAS DISCHARGE HEADKIGHTS. POSITIVE SIDE SWITCHING ONLY *****		84.0000	84.00

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GREENSBORO, NC 27407

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Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
06/26/25	UPS GROUND FREIGHT			QUOTED FREIGHT		NET30	
Entered By			Salesperson		Ordered By		Resale Number
Patrick Hope			Patrick Hope - Fort Worth				
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
1	1	N	INFO Side of Vehicle Warehouse: FTWO			0.0000	0.00
4	4	Y	EMPS2STS5RBW SOI, MPWR FASCIA, 4", STM, BLK HSG, RED/BLU/WHT Warehouse: FTWO mpower® 4" Fascia Light w/ Stud Mount, 18" hard wire w/ sync option, SAE Class 1 & CA Title 13, 9-32 Vdc, Black Housing, 18 LED, Tricolor - Red/Blue/White			150.0000	600.00
4	4	N	rear side glass PMP2BKDGJ SOI 4" mPOWER 90 DEGREE MOUNTING BRACKET, BLACK Warehouse: FTWO			29.0000	116.00
1	1	N	rear side glass INFO Rear of Vehicle Warehouse: FTWO			0.0000	0.00
2	2	Y	EMPS2QMS5RBW SOI, MPWR FASCIA, 4", QM, BLK HSG, RED/BLU/WHT Warehouse: FTWO mpower® 4" Fascia Light w/ Quick Mount, 18" hard wire w/ sync option, SAE Class 1 & CA Title 13, 9-32 Vdc, Black Housing, 18 LED, Tricolor - Red/Blue/White			150.0000	300.00

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06/26/25	UPS GROUND FREIGHT			QUOTED FREIGHT		NET30	
Entered By			Salesperson		Ordered By		Resale Number
Patrick Hope			Patrick Hope - Fort Worth				
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
1	1	N	ETFBSSN-P				

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Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
06/26/25	UPS GROUND FREIGHT			QUOTED FREIGHT		NET30	
Entered By			Salesperson		Ordered By		Resale Number
Patrick Hope			Patrick Hope - Fort Worth				
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
1	1	Y	ENGLMK013 SOI BP LINK KIT, SUPER DUTY, '24 F150, '25 PIU Warehouse: FTWO			300.0000	300.00
1	1	Y	ENGHNK06 SOI 10FT REMOTE NODE HARNESS Warehouse: FTWO			250.0000	250.00
1	1	Y	ENGSYMD01 SOI SOUND OFF / BLUEPRINT SYNC MODULE Warehouse: FTWO			150.0000	150.00
1	1	Y	ETSS100J SOI 100J SERIES COMPOSITE SPEAKER Warehouse: FTWO 100J series composite speaker w/ universal bail brkt-100 watt			200.0000	200.00
1	1	Y	ETSSVBK15 Ford F-150 Police Responder 2021 - 2022, Frame Mount p Warehouse: FTWO			50.0000	50.00

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Quote Date	Ship Via			F.O.B.	Customer PO Number	Payment Method	
06/26/25	UPS GROUND FREIGHT			QUOTED FREIGHT		NET30	
Entered By			Salesperson		Ordered By		Resale Number
Patrick Hope			Patrick Hope - Fort Worth				
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
1	1	N	7170-0882-01 GJ, CONSOLE PKG, 2021-23 F150, RMK TAB, 20", WIDE Warehouse: FTWO KIT INCLUDES 2021+ Ford F-150 Wide Body Console Box (7160-1626) Magnetic Base Cell Phone Holder (7160-0996-00) Internal Cup Holder (7160-0846) Rear Armrest (7160-0429) WEIGHT: 44.9 lbs / 20.37 kg HEIGHT: 16.5 in / 41.91 cm WIDTH: 14 in / 35.56 cm DEPTH: 28.63 in / 72.72 cm			1,033.0000	1,033.00
1	1	Y	20033 GJ SOI 500 SERIES FACEPLATE Warehouse: FTWO			0.0000	0.00
1	1	Y	7160-0321 GJ FULL FACEPLATE FOR XTL2500/5000 Warehouse: FTWO			0.0000	0.00
1	1	N	5026B Delivery Info: OKLA BlueSea 12 Circuit Fuse Block w/ Ground Bus and Cover Warehouse: FTWO			30.0000	30.00
1	1	N	5032B Delivery Info: OKLA BLUE SEA SYSTEM FUSE BLOCK ST BLADE Warehouse: FTWO			30.0000	30.00

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E-mail: hvanek@cityofhewitt.com

Contact: Pat Hope
Telephone: 9016477766
E-mail: phope@danasafetysupply.com

Quote Date		Ship Via		F.O.B.		Customer PO Number		Payment Method		
06/26/25		UPS GROUND FREIGHT		QUOTED FREIGHT				NET30		
Entered By			Salesperson			Ordered By			Resale Number	
Patrick Hope			Patrick Hope - Fort Worth							
Order Quantity	Approve Quantity	Tax	Item Number / Description				Unit Price	Extended Price		
1	1	N	INFO Delivery Info: --- Customer Supplied Warehouse: FTWO Motorola APX8500 Radio System				0.0000	0.00		
1	1	N	TRANSPORT VEHICLE TRANSPORTATION BY HIRED DRIVERS Warehouse: FTWO				674.0000	674.00		
1	1	Y	FUEL CHARGE FUEL CHARGE Warehouse: FTWO *CHARGE ACTUAL AMOUNT OF FUEL FOR CARS				35.0000	35.00		
1	1	Y	MISC Disposal Warehouse: FTWO				65.0000	65.00		
1	1	N	INSTALL KIT MISC INSTALLATION SUPPLIES I.E. Warehouse: FTWO LOOM, WIRE, HARDWARE, CONNECTORS, ETC *****				350.0000	350.00		
1	1	Y	INSTALL DSS INSTALLATION OF EQUIPMENT Warehouse: FTWO				3,250.0000	3,250.00		

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06/26/25	UPS GROUND FREIGHT		QUOTED FREIGHT		NET30		
Entered By			Salesperson	Ordered By	Resale Number		
Patrick Hope			Patrick Hope - Fort Worth				
Order Quantity	Approve Quantity	Tax	Item Number / Description			Unit Price	Extended Price
			Approved By: _____ ☐ Approve All Items & Quantities Quote Good for 30 Days				

Print Date	06/26/25
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Subtotal	11,178.00
Freight	600.00
Order Total	11,778.00



PRODUCT PRICING SUMMARY

TIPS 240901 Transportation Vehicles

VENDOR- Silsbee Ford, 1211 Hwy 96 N., Silsbee TX 77656

End User: CITY OF HEWITT, TX

Prepared by: SETH GAMBLIN

Contact: _____

Phone: 512.436.1313

Email: _____

Email: SGAMBLIN.SILSBEEFLEET@GMAIL.COM

Product Description: FORD F150 RESPONDER

Date: June 26, 2025

A. Bid Item: _____

A. Base Price: \$ **52,105.00**

B. Factory Options

Code	Description	Bid Price	Code	Description	Bid Price
W1P	FORD 2025 RESPONDER 4X4 SHORT BED				
998	3.5L V6 ECOBOOST	\$ 1,995.00	64H	Wheels: 18" Aluminum	\$ 495.00
44G	10 SPEED TRANS AUTO				
18B	BLACK PLATFORM RUNNING BOARDS	\$ 250.00			
67P	REMOTE KEYLESS ENTRY KEY FOBS	\$ 340.00			

Total of B. Published Options: \$ **3,080.00**

Published Option Discount (5%) \$ **(154.00)**

C. Unpublished Options

\$= 0.0 %

Description	Bid Price	Options	Bid Price
		EXTERIOR WHITE	
		INTERIOR- PG MEDIUM EARTH GRAY	
		"NO CONSOLE"	
		150A- EQUIPMENT GROUP	
		UNIT ON ORDER NOW!	

Total of C. Unpublished Options: \$ **-**

D. Floor Plan Interest (for in-stock and/or equipped vehicles):

\$ **-**

E. Lot Insurance (for in-stock and/or equipped vehicles):

\$ **-**

F. Contract Price Adjustment: DANA TO TRANSPORT

G. Additional Delivery Charge: 0

\$ **-**

H. Subtotal:

\$ **55,031.00**

I. Quantity Ordered 1 x H =

\$ **55,031.00**

J. Trade in: _____

\$ **-**

K. _____

L. Total Purchase Price

\$ **55,031.00**



COUNCIL AGENDA ITEM FORM

MEETING DATE: August 18, 2025

AGENDA ITEM #: 7.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Discussion and possible action on **Ordinance No. 2025-15** accepting the 2025 Certified Tax Roll.

STAFF RECOMMENDATION/ITEM SUMMARY:

On July 23, 2025, the City received the 2025 Certified Tax Roll from Jim Halbert, McLennan County Chief Appraisor. The approval of this ordinance officially accepts the 2025 Certified Tax Roll.

FISCAL IMPACT:

Amount Budgeted - N/A

Line Item in Budget - N/A

SUGGESTED MOTION:

I move approval of **Ordinance No. 2025-15** accepting the 2025 Certified Tax Roll.

ATTACHMENTS:

1. 2025 Certification Letter-unsigned
2. 2025-15 ORDINANCE approving Tax Roll 8 18 25

THE STATE OF TEXAS §

COUNTY OF McLENNAN §

Certification of the 2025 Appraisal Roll For McLennan Central Appraisal District

I, Jim Halbert, RPA, CCA, Chief Appraiser for McLennan Central Appraisal District, hereby certify that the attached are the certified values of McLennan Central Appraisal District which lists taxable property for the following taxing units and constitutes the certified appraisal roll:

Axtell Independent School District	City of Bellmead
Bosqueville Independent School District	City of Beverly Hills
Bruceville-Eddy Independent School District	City of Bruceville-Eddy
China Spring Independent School District	City of Crawford
Connally Independent School District	City of Gholson
Crawford Independent School District	City of Golinda
Gholson Independent School District	City of Hallsburg
Hallsburg Independent School District	City of Hewitt
La Vega Independent School District	City of Lacy-Lakeview
Lorena Independent School District	City of Leroy
Mart Independent School District	City of Lorena
McGregor Independent School District	City of Mart
Midway Independent School District	City of McGregor
Moody Independent School District	City of Moody
Robinson Independent School District	City of Riesel
Riesel Independent School District	City of Robinson
Oglesby Independent School District	City of Valley Mills
Valley Mills Independent School District	City of Waco
Waco Independent School District	City of West
West Independent School District	City of Woodway
McLennan County	Castleman Creek Watershed
McLennan Community College	Elm Creek Watershed
McLennan County Water Control Dist. #2	McLennan & Hill Counties Tehuacana Creek W&C Dist. #1

7-23-25
Date Delivered



Date Received

SEC.26.01 (a)

ORDINANCE NO. 2025-15

**AN ORDINANCE OF THE CITY OF HEWITT, TEXAS, ACCEPTING
AND APPROVING THE TAX ROLL OF THE CITY OF HEWITT AND
DECLARING AN EFFECTIVE DATE.**

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

SECTION 1. That the tax roll of the City of Hewitt for 2025, as certified by the
McLennan County Appraisal District is hereby accepted and approved.

SECTION 2. That this ordinance is in full force and effect from and after its passage.

PASSED AND APPROVED THIS 18th day of August, 2025.

CITY OF HEWITT, TEXAS

Steve Fortenberry, Mayor

ATTEST:

Lydia Lopez, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Michael W. Dixon, City Attorney



COUNCIL AGENDA ITEM FORM

MEETING DATE: August 18, 2025

AGENDA ITEM #: 8.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Discussion and possible action on **Resolution No. 2025-06** approving the FY 2025-2026 Master Fee Schedule.

STAFF RECOMMENDATION/ITEM SUMMARY:

This resolution approves the City's Master Fee Schedule for the Fiscal Year 2025-2026.

FISCAL IMPACT:

Amount Budgeted - N/A

Line Item in Budget - N/A

SUGGESTED MOTION:

I move approval of **Resolution No. 2025-06** approving the FY 2025-2026 Master Fee Schedule.

ATTACHMENTS:

1. 2025-06 Master Fee Resolution 8 18 25
2. FY 25 26 Master Fees 8 18 25

RESOLUTION NO. 2025-06

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS, ADOPTING THE "MASTER FEE SCHEDULE"; REPEALING ALL RESOLUTIONS IN CONFLICT; DECLARING AN EFFECTIVE DATE; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

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

Section 1. That the City of Hewitt Master Fee Schedule is hereby adopted to implement and/or revise various fees related to City Services as shown on the attachment "A" and incorporated herein by reference.

Section 2. That should any section, clause, or provision of this resolution be declared by court of competent jurisdiction to be invalid, the same shall not affect the validity of this resolution or any other resolution of the City as a whole or any part thereof, other than the part so declared to be.

Section 3. That this resolution shall become effective immediately upon passage, and be applied to all charges on or after October 1, 2025.

Section 4. It is hereby officially found and determined that the meeting at which the resolution is adopted was noticed and has been open to the public as required by law.

PASSED AND APPROVED this 18th day of August 2025.

CITY OF HEWITT, TEXAS

Steve Fortenberry, Mayor

ATTEST:

Lydia Lopez, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Michael W. Dixon, City Attorney

HEWITT MASTER FEE SCHEDULE

FY 2025-2026

Department	Pages
Permit Fees	1-3
Fire, Police & Administration Fees	4
Library Fees	5
Park Fees	6
Water Rates	7
Wastewater Rates	8
Drainage Rates	8
Solid Waste Rates	8
Utility Fees	9

PERMIT FEES

New Construction

New Construction Building Permit	\$0.25 sq. ft. under roof (per floor) min \$320
Electrical Permit	\$0.10 sq. ft. under roof (per floor)
Plumbing Permit	\$0.10 sq. ft. under roof (per floor)
Mechanical Permit	\$0.10 sq. ft. under roof (per floor)

General Permits

Alcohol Permit	\$60
Carport Permit	\$50, \$0.20 per sq. ft.
Commercial Accessory Building	\$150 min, \$.30 per sq. ft.
Commercial Building Permit – Temporary 72 hr.	\$50
Commercial Occupancy Inspection	\$100
Deck Permit	\$50
Demolition Permit	\$100
Estate Sale/Auction	\$50
Fence Permit	\$50
Flat Work Permit	\$50 min, \$0.02 per sq. ft.
Foundation Repair	\$50
Garage Sales	\$15
Gas Permit	\$50, \$6 per appliance
Hot Tub/Spa	\$50
Land Clearing Filling or Grading Permit	\$250
Lawn Sprinkler System Permit	\$50 base, \$1 per head/\$10 backflow
Mobile Home Move-In Permit	\$50
Moving a Building Permit	\$100
Patio Cover	\$50 min, \$0.10 per sq. ft.

Re-Inspect Fee	\$50 1 st time; \$25 increase cumulative after
Remodeling Permit	\$200 flat fee
Residential Accessory Building Permit	\$50 for 120 sq. ft. more + \$0.08 per sq. ft.
Roof Permit	\$100
Sign Permit	
Up to 72 sq. ft.	\$50
Up to 300 sq. ft.	\$75
Up to 600 sq. ft.	\$100
Sign Variance Request	\$350
Swimming Pool Permit (above/inground)	\$100/\$150
Temporary On-Site Storage Containers	\$10 first 15 days + \$25 next 16 days + \$50 for >30 days/year
Window Replacement Fee	\$100

Electrical

Electrical Permit	\$50
Up to 400 Amp	\$11
Over 400 Amp	\$24
3 Phase Circuits	\$7
220 Circuits	\$6
110 Circuits	\$5
Equipment Motors	
½ hp – 50 hp	\$11
Over 50 hp	\$24
Transformers	
Up to 50 KVA	\$11
Over 50 KVA	\$24
Elevators	\$54
Signs	\$24
Temporary Service	
Carnivals or Similar	\$54
Solar permit	\$150

Mechanical

Mechanical Permit	\$50
Up to 250,000 BTU	\$17
250,000 – 500,000 BTU	\$34
Each Ad. 50,000 Over 500,000 BTU	\$5
Refrigerated Air Systems	
Up to 5 Tons	\$17
Over 5 Tons	\$34
Each Ad. Ton Over	\$5
Ventilation Systems	

Installation Blower or fan to duct system for each building	\$24
---	------

Plumbing

Plumbing Permit	\$50
Per Fixture, Traps, etc.	\$6
Sewer/Water	\$10
Vacuum Breakers	\$8
Backflow Device	\$24
Roof Drain Permit	\$24
Discharge Line	\$8
Roof Drain	\$6

Planning & Zoning

Application for Abandonment of Public Right of Way	\$500
Application for Amendment of the Zoning Ordinance	\$500
Application for Appeal to Board of Adjustment	\$500
Application for Preliminary Plat	\$150 + \$2 per lot, \$500 minimum
Application for Final Plat, Amended Plat, Administrative Plat	\$500
Application for Final Plat and Re-Plat with Infrastructure	\$300 + \$27 per lot
Application for Platting or Re-Platting with Variance Request	\$450 + \$2 per lot
Plat/Plan Review other than Original Review (Staff)	\$50 per hour, one hour minimum
Plat/Plan Review other than Original Review (Engineer)	\$150 per hour, one hour minimum

Network Nodes, Node Support Poles & Transfer Facilities

Network Nodes-Application Fee	Lesser of actual cost or \$500 for up to 5 Network Nodes, and \$250 for each additional Network Node on a permit (up to 30, per Sec 284.152(b))
Network Nodes-Annual Rental Rate	\$1,500 per Network Node site, with annual CPI adjustment
Node Support Poles-Application Fee	\$1,000 for each pole
Node Support Poles-Annual Rental Rate	\$1,500 per Network Node site, with annual CPI Adjustment
Transfer Facilities-Application Fee	\$500 for an application including up to 5 Network Nodes, and \$250 for each additional Network Node on a permit
Transfer Facilities-Monthly Rental Rate	\$500 monthly for each Network Node site
For all other applicants	\$200
Right of Way Permit	\$200

FIRE PROTECTION FEES

Fire Protection Systems	\$55
Per Head	\$0.25
Underground Main	\$50
Fire Pump	\$30
Stand Pipe System	\$55
Per Outlet	\$5
Fire Alarm System	\$55
Per Device	\$1
Hood and Duct System	\$30
Per Nozzle	\$2.50
Commercial Paint Spray	\$30
Other Fire Suppression System	\$30
Per Head	\$55

POLICE DEPARTMENT FEES

Accident Reports	\$6
Body Camera Requests	\$10 per video; then \$1 per minute
CD/DVD Fee	\$3
USB Flash Drive	\$5
Animal Registration	\$10 first 2 pets; \$2 each additional
Animal Reclaim/Disposal Fee	\$150

ADMINISTRATION FEES

Returned Check Fee	\$35
NSF Electronic Draft Fee	\$35
Copies of Public Information	
Standard – 8.5x11	\$0.10 per page
Oversize – 11x17	\$0.50 per page
Postage/Shipping	Actual Cost
Other Media	
Audio Cassette	\$1 each
CD/RW or CD/R	\$1 each
Other Charges	Actual Cost

LIBRARY FEES

Memberships

Hewitt Residents	Free
McLennan County Residents	Free
Non-County Residents – 12 months	\$40
Non-County Residents – 3 months	\$10

Late Fees

Books	\$0.25 per day
Media	\$1 per day
Hotspot	\$2 per day
Interlibrary Loan	\$0.25 per day + any fee by lending library

Damages

Lost/Damaged Book, Material, or Device	Cost of item (as documented in catalog record) + \$5 processing fee
Partially Lost/Damaged Book, Material, or Device	Cost of item x 25%; OR Cost of missing piece
Label Replacement	\$1 per label
Media Case Replacement	\$5
Media Insert Replacement	\$1
RFID Replacement	\$1 per label

Services

Printing – Black & White	\$0.15 per page/side
Printing – Color	\$0.50 per page/side
Large Format Printing	Cost based on ink and paper usage + \$10 admin fee
3D Printing	\$0.10 per gram + \$3 printing fee
Fax	\$1 per page (excl. cover page)
Proctor Exam Fee	\$10 per session
Interlibrary Loan Postage Fee	\$2 per request

Miscellaneous

Library Card Replacement	\$1 per card
Return Check Fee	\$35
Headphones	\$1
USB Drive	\$8

PARK FEES**Amphitheatre**

Hourly Rental	\$100 per hour (2 hr. min)
Deposit	\$80 refundable deposit
Water Key Fee	\$50 fee (\$35 refundable deposit; \$15 water fee)

Food Truck Permits

No Event	\$50 (up to 4 hours)
No Event	\$75 (up to 6 hours)
Event	\$100 (per event)
Water Key Fee	\$50 fee (\$35 refundable deposit; \$15 water fee)

Pavilion Rental

Park Pavilion Deposit	\$80 refundable deposit
Park Pavilion–Hewitt/Warren Park–Up to 150	\$50 per hour (minimum 2 hours)
Park Pavilion–Hewitt/Warren Park–Over 150	\$65 per hour (minimum 2 hours)
Water Key Fee	\$50 fee (\$35 refundable deposit; \$15 water fee)

Walking Track

Hewitt Park Walking Track	\$30 (minimum 2 hours)
Water Key Fee	\$50 fee (\$35 refundable deposit; \$15 water fee)

Event Permit

Various Permits, including but not limited to the use of PA systems, amplified sound, riding or drive horses, food sales, trades, occupation sales and city-provided electrical use. The permit must be applied for, reviewed and approved before being issued.	\$75

WATER RATES Effective 10/1/2025

Residential, Commercial & Builders – Base Rate	1 st 3,000 Gal
5/8"	\$35.25
1"	\$73.75
1.5"	\$220.75
2"	\$220.75
3"	\$441.00
4"	\$441.00
6"	\$661.50
Volume Rate	Per 1,000 Gal
3,001 – 7,000 Gal	\$5.75
7,001 – 12,000 Gal	\$6.40
12,001+ Gal	\$6.85

Master Metered High-Density Multifamily

Multifamily Residential & Multifamily Builders –	Base Fees
1 ½"	\$220.75
2"	\$220.75
3"	\$441.00
4"	\$441.00
6"	\$661.50
Consumption Rate	\$6.85 Per 1,000 Gal. (100% consumption)

Irrigation Rates

Irrigation – Base Rate	
5/8"	\$35.25
1"	\$73.75
1.5"	\$220.75
2"	\$220.75
3"	\$441.00
4"	\$441.00
6"	\$661.50
Consumption Rate	\$6.85 Per 1,000 Gal. (100% consumption)

Bulk Water Rates

Deposit	\$900
Set Fee & Move Fee	\$100
Base Rate for 3" Meter	\$415.50 per month + consumption
Consumption Rate	\$7.30 per 1,000 gallons
Fire Hydrant All Usage	\$7.55 per 1000 gallons
One Day Fee	\$35 per day for 5,000 gallons or less + \$7.05 per 1,000 gallons over 5,000 gallons

All Bulk Water will be sold in 1,000 gallon increments.

WASTEWATER RATES - Effective 10/1/25**Option #1 – Standard Wastewater Rates**

Residential Base Rate – 1 st 5,000 Gal	\$32.00
Residential Volume Rate (Per 1,000)	\$ 5.45
Industrial Institution or Commercial Base Charge – 1 st 10,000 Gallons	\$68.25
Industrial Institution or Commercial Volume Rate (Per 1,000)	\$ 5.45

Option #2 – Winter Average Rates

Single Family Residential Base Rate	\$22.00 (no minimum gallons)
Single Family Residential Volume Rate (Per 1,000)	\$3.35 (no maximum gallons)

Option #3 – Flat Rate

Single Family Residential Flat Rate	\$43.75
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High-Density Multifamily

High-Density Multifamily Base Charge	\$68.25 (per building)
High-Density Multifamily Volume Rate (Per 1,000)	\$5.45 (100% Volume)

DRAINAGE RATES

Residential	\$4.35
Commercial	
1 – 10,000	\$10.08
10,001 – 20,000	\$29.65
20,001 – 40,000	\$48.05
40,001 – 60,000	\$94.55
60,001 – 100,000	\$148.80
100,001 – 150,000	\$228.63
150,001 +	\$359.60

SOLID WASTE RATES-Effective 7/1/2025

Residential	
Collection	\$21.93
Additional Polycart	\$6.10
Administrative Fee – Per Unit	\$1.50 per unit
Damage Fee-Polycart (damage due to misuse)	\$60

**Commercial customers are billed directly by Republic Services.*

UTILITY FEES

Deposits – Residential Commercial	Credit based & previous account history \$100 - \$200
Deposits - Commercial	Quoted based on like accounts & previous account history Equal to minimum bill for (1 or 2) monthly bill of like account
Processing Fee	\$50
Delinquent Fees	15% of balance
Collection Services	25% of final balance
Disconnect Processing Fee	\$50 before 4pm
After Hours Non-Emergency Service Call	\$40 after 4pm
Meter Accuracy Check (Reread)	\$25
Meters up to 1" – Meter Testing Deposit	\$75
Meters greater than 1" up to 2" – Meter Testing Deposit	\$250
Meters larger than 2" – Meter Testing Deposit	Base Fee – Quoted on per cost basis

Tampering Fees

Tampering with Meter without City Permission	\$500 per event
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Water Taps & Meter Set*

All Water Taps	\$2000 Base Fee – Quoted on per cost basis
5/8" x 3/4" meter set	\$450 + cost of meter box if needed
3/4" x 3/4" meter set	\$500 + cost of meter box if needed
1" or larger service or meter set	Base Fee – Quoted on per cost basis

****Prior to the connection of any water line onto a city water main, the party requesting such connection shall pay the city the water service installation and meter fees for labor and materials.***

Wastewater Taps & Service Connection Fees**

All Wastewater Taps	\$1000 Base Fee – Quoted on per cost basis
4" Tap	\$2000 Base Fee – Quoted on per cost basis
6" Tap	\$2000 Base Fee – Quoted on per cost basis
8" or Larger Lateral	\$2000 Base Fee – Quoted on per cost basis

*****In addition, service lines that require the cutting or boring of paved streets or alley will be subject to a minimum charge of \$1000 Base Fee – Quoted on per cost basis. The decision of a bore or utility cut will be made by Community Services.***

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: August 18, 2025

AGENDA ITEM #: 9.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Discussion and possible action on **Ordinance No. 2025-16** adopting the 2025 Property Tax Rate of \$.539082.

STAFF RECOMMENDATION/ITEM SUMMARY:

Texas Property Tax Code, Section 26.05(b) requires a motion to adopt the ordinance setting the 2025 tax rate as follows:

Adoption of 2025 Property Tax Rate:

"I move that the property tax rate be increased by the adoption of a tax rate of \$.539082, which is effectively a 2.79% increase in the tax rate."

(This is the % by which the proposed rate exceeds the no-new revenue rate.)

After the motion, the City Secretary will poll the council for the record vote.

FISCAL IMPACT:

Amount Budgeted - N/A

Line Item in Budget - N/A

SUGGESTED MOTION:

I move that the property tax rate be increased by the adoption of a tax rate of \$.539082, which is effectively a 2.79% increase in the tax rate, and I move approval of **Ordinance No. 2025-16**.

ATTACHMENTS:

1. Steps Required for Adoption of Tax Rate from T.A.
2. Property Tax Rates and calculations for Tax Rate Agenda Item
3. 2025-16 ORDINANCE levying Tax Rate 8 18 25
4. 2025 Hewitt City Adoption Letter

§26.05(b) of Property Tax Code Steps Required for Adoption of Tax Rate & Budget

Entity Name: City of Hewitt

Date: 08/05/2025 10:45 AM

Language Required in the Motion Setting This Year's Tax Rate:

agreed

This year's proposed tax rate exceeds the no-new-revenue tax rate. The vote on the ordinance, resolution, or order setting the tax rate must be a record vote and 60% of the governing body must vote in favor of the adoption of the tax rate. A motion to adopt the ordinance, resolution, or order must be made in the following form:

I move that the property tax rate be increased by the adoption of a tax rate of 0.539082, which is effectively a 2.79 percent increase in the tax rate.

Statement Required in the Ordinance, Resolution, or Order Setting:

agreed

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

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

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.40 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-0.08.

Statement That Must be Posted on the Home Page of Any Internet Website Operated by the Taxing Unit:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document. agreed

City of Hewitt ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.40 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-0.08.

Property Tax Rates Comparison

	2025-2026	2024-2025
No-New-Revenue Tax Rate:	\$0.524443/100	\$0.520038/100
No-New Revenue Maintenance & Operations Tax Rate:	\$0.341149/100	\$0.317559/100
Voter-Approval Tax Rate:	\$0.553760/100	\$0.528031/100
Voter-Approval Maintenance & Operations Tax Rate:	\$0.451279/100	\$0.434230/100
De Minimis Rate:	\$0.560772/100	\$0.539082/100
Proposed Maintenance & Operation Tax Rate:	\$0.349350/100	\$0.349426/100
Debt Rate:	\$0.189732/100	\$0.189656/100
Proposed Property Tax Rate:	\$0.539082/100	\$0.539082/100

Calculation for Tax Rate Agenda Item. See also 'Steps Required...' from the Tax Assessor.

Proposed Tax Rate	0.539082
No-New Revenue Tax Rate	0.524443
	0.014639
increase in tax rate for motion	2.79%
Proposed Tax Rate - M&O Rate	0.34935
No-New Revenue Tax Rate-M&O Rate	0.341149
	0.008201
increase in tax rate for ordinance	2.40%

ORDINANCE NO. 2025-16

AN ORDINANCE OF THE CITY OF HEWITT, TEXAS, ADOPTING THE TAX RATE AND LEVYING THE AD VALOREM TAXES FOR THE FISCAL YEAR 2025-2026 ON ALL TAXABLE PROPERTY WITHIN AND SUBJECT TO TAXATION WITHIN THE CITY AS OF JANUARY 1, 2025, TO PROVIDE REVENUES FOR THE PAYMENT OF CURRENT EXPENDITURES AND DEBT SERVICE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, all notices have been given and public hearings held as required by law to adopt a tax rate for 2025;

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

SECTION 1. That there be and is hereby levied for the fiscal year 2025-2026 on all taxable property, real, personal, and mixed, situated within the limits of the City of Hewitt, Texas, as of January 1, 2025, and not exempt by the Constitution of the State and valid State laws, a tax of \$.539082 on each \$100 of assessed valuation of taxable property, and such taxes shall be apportioned and distributed as follows:

- (A) \$.349350 provides revenues for maintenance and operations and;
- (B) \$.189732 for debt service.

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

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.40 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-.08.

SECTION 2. All ad valorem taxes shall become due and payable on October 1, 2025, and all ad valorem taxes for the year shall become delinquent after January 31, 2026.

SECTION 3. All ordinances of the City of Hewitt in conflict with the provisions of this ordinance are hereby repealed.

SECTION 4. Should any sentence, paragraph, subdivision, clause, phrase, or section of this ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this ordinance as a whole or any part or provision other than the part thereof decided to be unconstitutional, illegal, or invalid.

SECTION 5. This ordinance shall take effect on October 1, 2025.

PASSED AND APPROVED THIS 18th day of August, 2025.

CITY OF HEWITT, TEXAS

Steve Fortenberry, Mayor

ATTEST:

Lydia Lopez, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Michael W. Dixon, City Attorney

Randy H. Riggs, CPA
McLennan County
Tax Assessor/Collector



P O Box 406
Waco TX 76703
(254) 757-5130
randy.riggs@mclennan.gov

Dear City of Hewitt

Under the Truth-in-Taxation laws, it is the duty of the Tax Assessor-Collector to calculate the No-New-Revenue Tax Rate and the Voter-Approval Tax Rate for the entities for which he collects tax and to publicize these rates and other items of information in a way that will come to the attention of the entities' property owners. After this has been done, the governing bodies of the taxing units must adopt by ordinance, resolution, or order the rate for the current tax year. Our office has complied with the calculation and publication requirement.

Enclosed you will find a copy of your unit's 2025 rate calculations as published in:
The Waco Tribune Herald

You may do two things with the Tax Rate at any public meeting of your governing body; either adopt the proposed rate as published, or adopt a lower rate. You cannot adopt a higher rate than what was proposed and published. Adopting the tax rate must be a separate agenda item. The M&O and I&S rate must also be mentioned separately in the motion.

******IF YOUR UNIT'S TAX RATE CONTAINS A DEBT COMPONENT, YOU MUST ADOPT THE DEBT RATE CALCULATED IN THE VOTER-APPROVE RATE CALCULATIONS. ******

If you wish to adopt a rate **more than the notice and hearing rate**, you **must** re-advertise your intentions according to the State guidelines and hold public hearings before you can legally do so. If you adopt a rate that exceeds the calculated Voter-Approval Tax Rate, you should know that the voters of your district have the power to roll back the rate to no more than the Voter-Approval Tax Rate (school districts have an automatic Voter-Approval election.).

Below you will find items that will help you in determining your 2025 tax rate. If you have any questions, feel free to contact this office.

- 1) Total Certified Taxable Value - Value certified to us by the appropriate Appraisal District(s) that includes all real and personal property with all applicable exemptions deducted.
- 2) Taxable Value of New Improvements - Value of properties that appear on the roll
- 3) Anticipated Collection Rate (ACR) for the coming year used to adjust the Debt Component of the No-New-Revenue Tax Rate (NNR) to offset expected delinquencies. The ACR is the best estimate of the total amount of taxes, penalty, interest, and attorney fee that will be collected between July 1, 2025 and June 30, 2026. If your NNR does not contain a debt component, the ACR will have no effect on the calculation.

2025 Total Certified Taxable Value	\$	1,671,408,496.00
2025 Taxable Value of New Improvements	\$	64,129,975.00
2025 Anticipated Collection Rate		100.00%
2025 No-New-Revenue Rate (NNR)	0.524443	Per \$100 Valuation
2025 Voter Approval Rate	0.553760	Per \$100 Valuation
2025 De Minimis Rate	0.560772	Per \$100 Valuation
2025 Proposed Rate	0.539082	Per \$100 Valuation

WHEN YOU HAVE ADOPTED THE 2025 TAX RATE FOR YOUR UNIT, PLEASE WRITE THAT RATE IN THE SPACE PROVIDED BELOW.

"We, the governing body of
City of Hewitt
have adopted the following tax rate for 2025:"

M&O: 0.349350

I&S: 0.189732

TOTAL: 0.539082

Please have the members of your governing body sign below and return to this office by **August 31, 2025**. Your cooperation in providing your rates by these dates will allow this office sufficient time to confirm rates and values to precisely print statements for mailing in a timely manner.

Thank you very much for your consideration.

Randy H. Riggs, CPA
McLennan County Tax Assessor / Collector

Governing Body Members' Signatures:

_____	_____
_____	_____
_____	_____
_____	_____

Date



COUNCIL AGENDA ITEM FORM

MEETING DATE: August 18, 2025

AGENDA ITEM #: 10.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

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

STAFF RECOMMENDATION/ITEM SUMMARY:

Per the Local Government Code, Chapter 102, Municipal Budget, Section 102.007 (c), the governing body is required to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate.

FISCAL IMPACT:

Amount Budgeted - N/A

Line Item in Budget - N/A

SUGGESTED MOTION:

I move to ratify the property tax increase reflected in the budget.

ATTACHMENTS:

None



COUNCIL AGENDA ITEM FORM

MEETING DATE: August 18, 2025

AGENDA ITEM #: 11.

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Discussion and possible action on **Ordinance No. 2025-17** adopting the FY 2025-2026 Annual Operating and Capital Budget.

STAFF RECOMMENDATION/ITEM SUMMARY:

Per the Local Government Code, Section 102.007, Adoption of the Budget, the governing body shall take action on the proposed budget after a public hearing. A vote to adopt the budget must be a record vote. The city charter requires the city manager to present a proposed budget to the city council before August 1 each year. The charter and state law also require a public hearing on the budget. The council conducted this public hearing on August 11, 2025. The FY 2025-2026 Annual Operating and Capital Budget reflects the tax rate adopted in the prior agenda item.

After the motion, the City Secretary will poll the council for the record vote.

FISCAL IMPACT:

Amount Budgeted - N/A

Line Item in Budget - N/A

SUGGESTED MOTION:

I move approval of **Ordinance No. 2025-17** adopting the FY 2025-2026 Annual Operating and Capital Budget.

ATTACHMENTS:

1. 2025-17 Ordinance-Adopting Budget 8 18 25

ORDINANCE NO. 2025-17

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF HEWITT, TEXAS, FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2025 AND ENDING ON SEPTEMBER 30, 2026 AND MAKING APPROPRIATIONS FOR EACH FUND, DEPARTMENT, PROJECT, AND ACCOUNT; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; DECLARING AN EFFECTIVE DATE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS ADOPTED WAS NOTICED AND HAS BEEN OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND RATIFYING THE PROPERTY TAX INCREASE REFLECTED IN THE 2025-2026 FISCAL YEAR BUDGET.

WHEREAS, the City Council has heretofore approved the certified tax roll prepared and presented by the McLennan County Appraisal District as required by the Tax Code; and

WHEREAS, notice of a public hearing on the budget for the City of Hewitt, Texas, for the fiscal year 2025-2026 was theretofore published at least fifteen (15) days in advance of said public hearing; and

WHEREAS, the City Manager of the City of Hewitt has submitted to the City Council a proposed budget of the revenues and expenditures of conducting the affairs of the City and providing a complete financial plan for 2025-2026; and

WHEREAS, the City Council has received the City Manager's proposed budget, a copy of which proposed budget and all supporting schedules have been filed with the City Secretary of the City of Hewitt and available for public inspection on the city's website;

WHEREAS, a public hearing on the said budget was duly held on the 11th day of August 2025, and all interested persons were given an opportunity to be heard for or against any item thereof;

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

WHEREAS, the City Council has adopted the 2025-2026 fiscal budget, which will raise more revenue from property taxes than last year's budget by an amount of \$596,548, which is a 7.1% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$345,713.

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

SECTION 1: That the City Council hereby adopts and approves the proposed budget of the City of Hewitt, providing a complete financial plan for the ensuing fiscal year, as submitted to the City Council by the City Manager, and the same is hereby, in all things adopted and approved as the budget of the City for the Fiscal Year beginning October 1, 2025 and ending September 30, 2026.

SECTION 2: That the City Manager shall cause copies of the budget to be filed with the City Secretary and the County Clerk of McLennan County.

SECTION 3: That all ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict only.

SECTION 4: That it is hereby officially found and determined that the meeting at which this Ordinance is adopted was noticed and has been open to the public as required by law.

SECTION 5: The property tax increase reflected in the 2025-2026 Fiscal Year Budget is hereby ratified.

SECTION 6: This ordinance shall take effect immediately from and after its passage as the law and Charter in such cases provide.

The City Council voted separately and additionally to ratify the increase in property tax revenues reflected in the adopted FY 2025-2026 budget by a vote of _____ AYES to _____ NAYS with _____ abstentions.

PASSED AND APPROVED this the 18th day of August 2025.

CITY OF HEWITT, TEXAS

Steve Fortenberry, Mayor

ATTEST:

Lydia Lopez, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Michael W. Dixon, City Attorney



COUNCIL AGENDA ITEM FORM

MEETING DATE: August 18, 2025

AGENDA ITEM #: 12.

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Discussion and possible action concerning canceling the City Council Regular Meeting scheduled for September 1, 2025.

STAFF RECOMMENDATION/ITEM SUMMARY:

The council meeting scheduled for September 1, 2025, falls on a city holiday. City Offices will be closed. The next scheduled meeting will be September 15, 2025.

FISCAL IMPACT:

Amount Budgeted - N/A

Line Item in Budget - N/A

SUGGESTED MOTION:

The motion is at the Council's discretion.

ATTACHMENTS:

None