HEWITT TEXAS

CITY COUNCIL MEETING AGENDA

September 20, 2021

Regular Meeting – 7:00 PM

Hewitt City Hall, 200 PATRIOT COURT
HEWITT, TX 76643

MAYOR AND CITY COUNCIL

Steve Fortenberry – Mayor, Ward 3

Michael S. Bancale – Mayor Pro Tem, At-Large

Charlie Turner – Council Member, Ward 1

Wilbert Wachtendorf – Council Member, Ward 1

Bill Fuller – Council Member, Ward 2

Bob Potter – Council Member, Ward 2

Erica Bruce – Council Member, Ward 3

CITY STAFF

Bo Thomas, City Manager
Michael W. Dixon, City Attorney
Miles Whitney, City Engineer

Lydia Lopez, City Secretary

Lee Garcia, Finance Director

Waynette Ditto, Library Director

Kevin Reinke, Utilities Director

Tuck Saunders, Assistant Police Chief

Jim Devlin, Police Chief

Lance Bracco, Fire Chief

Tracy Lankford, Community Dev. Director

Scott Coleman, General Services Director

Jessica Higgins, HR Manager/Civil Service Director

HEWITT TEXAS

NOTICE OF MEETING
OF THE GOVERNING BODY

Notice is given that the City Council for the City of Hewitt will conduct a **Regular** meeting, open to the public on **Monday, September 20, 2021, at 7:00 PM in Hewitt City Hall, Council Chamber, 200 Patriot Court**, Hewitt, Texas.

Seating will be limited, and the use of masks will be encouraged to mitigate the spread of COVID-19. The meeting will also be live-streamed on the city's website at https://www.cityofhewitt.com/790/Hewitt-TX-TV.

Citizens who wish to address the Council but not attend the meeting in person may submit written comments on any topic under the public comments item. Complete a Public Comment form available online and submit it via email to the City Secretary. The City Secretary must receive comments no later than **noon** on the date of the meeting.

1. Call meeting to order.
2. Pledge of Allegiance to the U.S. Flag
3. Special Presentations
   - Meritorious Award – Officers Martina Sims and Jeff Foley
   - Recognition from Midway I.S.D. – Hewitt Public Library
4. Public Comments. *The City Council invites citizens to speak to the Council 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:** Please complete a Public Comment Form and present it to the City Secretary before the meeting.)*
5. Consider approval of minutes of the Regular Meeting of August 16, 2021.
6. Presentation of the report from City Engineer
   - Update on pending utility projects.
   - Update on pending street projects.
   - Update on pending drainage projects.
7. Briefing and discussion concerning Financial Statements ending August 31, 2021.
8. Discussion and possible action on **Resolution No. 2021-05** authorizing the selection of a professional service provider for administration services to complete project implementation for the American Rescue Plan Act (ARP Act) program funding administered by the U.S. Department of the Treasury and the Texas Division of Emergency Management.
9. Discussion and possible action on **Resolution No. 2021-06** establishing water and wastewater rates for Fiscal Year 2021-2022.
10. Discussion and possible action on **Ordinance No. 2021-15** approving a negotiated settlement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corp., Mid-Tex Division regarding the Company's 2021 Rate Review Mechanism Filing.

11. Discussion and possible action concerning Coronavirus (COVID-19) measures, protocols, and mitigation efforts.
12. **Executive Session:** Notice is given that a closed meeting will be held pursuant to Section 551.072 of the Government Code (V.T.C.A.) so that the Council may deliberate the purchase, exchange, lease, or value of real property.
13. Adjourn.

I, Lydia Lopez, City Secretary, do hereby certify that this notice was posted on the Public Notice Board located in front of City Hall, a place convenient and readily accessible to the general public at all times and to the City's website, www.cityofhewitt.com, in compliance with Chapter 551, Texas Government Code. The notice was posted on Wednesday, September 15, 2021, by 5:00 PM.

CITY OF HEWITT

Lydia Lopez

Lydia Lopez, TRMC/CMC
City Secretary

In compliance with the American with Disabilities Act, the City of Hewitt will provide reasonable accommodations for persons attending and/or participating in this Council Meeting. To better serve you, request must be made at least 24 hours prior to the meeting. Contact the City Secretary at 254.666.6171 or by fax at 254.666.6014. The building is wheelchair accessible, with handicap parking available at the front of the building.

AGENDA ITEM #4 - PUBLIC COMMENTS

PROCEDURES FOR CITIZEN PARTICIPATION AT MEETINGS

The Council invites citizens to speak to them on any topic not already scheduled for a public hearing. Citizens who wish to address the Council in person must complete a public comment form before the start of the meeting and submit it to the City Secretary. Citizens who want to address the Council without attending in person must complete and submit the Public Comment Form via email to the City Secretary by **NOON** on the day of the meeting. Your comments will be read into the record during the meeting.

The Texas Open Meetings Act prohibits the Council from discussing, responding to, or acting on any comments or items not posted on the agenda. However, the Council may direct the City Manager to resolve the matter or request the issue to be placed on a future agenda.

To mitigate the spread of COVID-19, social distancing will be recommended, seating will be limited, and the use of masks will be encouraged. The meetings will also be streamed live on the City of Hewitt's website at https://www.cityofhewitt.com/790/Hewitt-TX-TV.

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 20, 2021

AGENDA ITEM #: 5

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider approval of minutes of the Regular Meeting of August 16, 2021.

STAFF RECOMMENDATION/ITEM SUMMARY:

Attached are draft 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:

Draft minutes

HEWITT TEXAS

MINUTES OF A CITY COUNCIL REGULAR MEETING HEWITT CITY HALL – 200 PATRIOT COURT August 16, 2021 – 7:00 PM

Attendee Name	Title	Absent	Present	Arrived
Steve Fortenberry (presiding)	Mayor, Ward 3	☐	☒	
Michael S. Bancale	Mayor Pro Tem, At-Large	☐	☒	
Bill Fuller	Council Member, Ward 2	☐	☒	
Bob Potter	Council Member, Ward 2	☐	☒	
Wilbert "Walky" Wachtendorf	Council Member, Ward 1	☐	☒	
Charles D. Turner	Council Member, Ward 1	☐	☒	
Erica Bruce	Council Member, Ward 3	☐	☒	

Staff present:
City Manager Bo Thomas
City Secretary Lydia Lopez
City Attorney Mike Dixon
City Engineer Miles Whitney
Finance Director Lee Garcia
Fire Chief Lance Bracco
General Services Director Scott Coleman
HR Manager/Civil Service Director Jessica Higgins
Library Director Waynette Ditto
Police Chief Jim Devlin
Utilities Director Kevin Reinke

Note: The meeting was open to the public and live-streamed for view on the City of Hewitt's website at https://www.cityofhewitt.com/790/Hewitt-TX-TV. Citizens had the opportunity to speak in person or submit written comments to the City Secretary.

REGULAR MEETING – 7:00 PM

1. **CALL MEETING TO ORDER.** Mayor Steve Fortenberry called the Regular Meeting to order at 7:00 PM. City Secretary Lydia Lopez polled the Council for attendance.
   PRESENT: Bruce, Fuller, Potter, Turner, Wachtendorf, Bancale, and Fortenberry
   ABSENT: None

2. **PLEDGE OF ALLEGIANCE TO THE U.S. FLAG.** Mayor Steve Fortenberry led the Pledge of Allegiance.

3. **HEAR VISITORS ON MATTERS PERTAINING TO CITY BUSINESS.** Under the Texas Open Meetings Act, the Council may not discuss, respond, or act on any comments or items not posted on the agenda. **NOTE:** Citizens had the opportunity to submit written comments on items listed on the agenda or under the hear visitors. Mayor Steve Fortenberry recognized Sharon Chandler. Sharon Chandler and Jim Bruns, 701 Regina, appeared to compliment the Hewitt Fire Department on a recent emergency response. **No other public comment forms were submitted.**

4. **CONSIDER APPROVAL OF MINUTES OF THE BUDGET WORKSHOP AND REGULAR MEETING OF AUGUST 2, 2021, AND THE SPECIAL CALLED MEETING OF AUGUST 9, 2021.**
MOTION: Council Member Charlie Turner moved approval of the meeting minutes as presented but to allow for corrections.
SECOND: Council Member Bob Potter
AYES: Fuller, Potter, Bruce, Turner, Bancale, Wachtendorf, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

5. **CONDUCT THE SECOND OF TWO PUBLIC HEARINGS ON THE 2021 TAX RATE.** City Manager Bo Thomas stated that the proposed tax rate is set at the de minimis rate of $0.540102. Mayor Steve Fortenberry opened the public hearing at 7:04 PM to receive comments and called for those wishing to speak for or against the 2021 Tax Rate. No one appeared. Mayor Fortenberry closed the public hearing at 7:05 PM.

6. **CONSIDERATION AND ACTION ON ORDINANCE NO. 2021-12 ACCEPTING THE 2021 CERTIFIED TAX ROLL.** City Manager Bo Thomas read the ordinance caption into the record.
MOTION: Council Member Charlie Turner moved to approve **Ordinance No. 2021-12** accepting the 2021 Tax Roll.
SECOND: Council Member Bill Fuller
AYES: Fuller, Potter, Bruce, Turner, Bancale, Wachtendorf, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

7. **CONSIDERATION AND ACTION ON ORDINANCE 2021-13 ADOPTING THE 2021 TAX RATE OF $.540102.** City Manager Bo Thomas read the ordinance caption into the record and stated that a motion was provided in the backup that complies with the Texas Property Code.
MOTION: Council Member Charlie Turner moved that the property tax rate be increased by the adoption of a tax rate of .540102, which is effectively a 7.24% increase in the tax rate.
SECOND: Council Member Wilbert "Walky" Wachtendorf
City Secretary polled the Council
AYES: Fuller, Potter, Bruce, Turner, Bancale, Wachtendorf, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

8. **CONSIDERATION OF AND ACTION ON RESOLUTION NO. 2021-04 APPROVING FY 2021-2022 MASTER FEE SCHEDULE.** City Manager Bo Thomas presented and noted that the Water and Wastewater Rate adjustments recommended by Dan Jackson, Willdan Financial Services, were included; however, the effective date would not be until 12/01/2021. Staff would bring an ordinance or resolution with the Water and Wastewater Rates at the next regularly scheduled Council meeting.
MOTION: Council Member Charlie Turner moved to approve **Resolution No. 2021-04**, adopting the FY 2021-2022 Master Fee Schedule.
SECOND: Council Member Erica Bruce
AYES: Fuller, Potter, Bruce, Turner, Bancale, Wachtendorf, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

9. **CONSIDERATION OF AND ACTION ON ORDINANCE NO. 2021-14 ADOPTING THE FY 2021-2022 ANNUAL OPERATING AND CAPITAL BUDGET.** City Manager Bo Thomas read the ordinance into the record.
MOTION: Council Member Bob Potter moved to approve **Ordinance No. 2021-14**, adopting the FY 2021-2022 Annual Operating and Capital Budgets.
SECOND: Council Member Charlie Turner
City Secretary polled the Council
AYES: Fuller, Potter, Bruce, Turner, Bancale, Wachtendorf, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

10. **CONSIDERATION OF AND ACTION ON RATIFICATION OF THE PROPERTY TAX INCREASE REFLECTED IN THE BUDGET.** City Manager Bo Thomas stated that the Local Government Code, Chapter 102, Municipal Budget, Section 102.007 (c), requires the governing body to ratify the property tax increase reflected in the budget.
MOTION: Council Member Charlie Turner moved to ratify the property tax increase reflected in the budget.
SECOND: Mayor Pro Tem Michael Bancale
AYES: Fuller, Potter, Bruce, Turner, Bancale, Wachtendorf, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

11. **BRIEFING AND DISCUSSION CONCERNING FINANCIAL STATEMENTS ENDING JULY 31, 2021.** City Manager Bo Thomas advised that Finance Director Lee Garcia previously sent the July Financial Statements electronically for the Council to review and inquired if Council had any questions. Council raised no questions or concerns. **No action was required.**

12. **CONSIDERATION AND ACTION TO RATIFY THE EXPENDITURE OF $49,600 TO REPLACE SUBMERSIBLE PUMP AT LIFT STATION 2-1.** City Manager Bo Thomas presented.
MOTION: Council Member Charlie Turner moved to ratify the expenditure to $49,600 to Jurgensen Pump, L.L.C., to purchase a new submersible pump for Lift Station 2-1.
SECOND: Mayor Pro Tem Michael Bancale
AYES: Fuller, Potter, Bruce, Turner, Bancale, Wachtendorf, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

13. **CONSIDERATION AND ACTION ON ACCEPTANCE OF THE SUNFLOWER RIDGE SUBDIVISION DETENTION POND IMPROVEMENT DEDICATION.** City Manager Bo Thomas presented.
MOTION: Mayor Pro Tem Michael Bancale moved to accept the dedication deed from Big C Land Development, L.L.C.
SECOND: Council Member Charlie Turner
AYES: Fuller, Potter, Bruce, Turner, Bancale, Wachtendorf, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

14. **DISCUSSION AND ACTION ON CONDUCTING ONLY ONE COUNCIL MEETING ON SEPTEMBER 20, 2021.** City Manager Bo Thomas noted that the next regularly scheduled council meeting on September 6, 2021, falls on Labor Day. Therefore, this item would allow the Council to either reschedule or cancel the next meeting.
MOTION: Council Member Charlie Turner moved to cancel the meeting on September 6, 2021.
SECOND: Council Member Wilbert "Walky" Wachtendorf
AYES: Fuller, Potter, Bruce, Turner, Bancale, Wachtendorf, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

15. **CONSIDERATION AND ACTION CONCERNING CORONAVIRUS (COVID-19) MEASURES, PROTOCOLS, AND MITIGATION EFFORTS.** City Manager Bo Thomas reminded the Council that September 1, 2021, ends the suspension of the Open Meetings Act. He further noted the Council had already taken action to open the meetings back up to the public. Council did not take any further action.

16. **ADJOURN.**
MOTION: Council Member Bill Fuller moved to adjourn the meeting at 7:36 PM.
SECOND: Council Member Charlie Turner
City Secretary polled the Council.
AYES: Fuller, Potter, Bruce, Turner, Bancale, Wachtendorf, and Fortenberry
NAYES: None
ABSENT: None
MOTION PASSED.

Approved: _____

ATTEST:

_____
Lydia Lopez, City Secretary

_____
Steve Fortenberry, Mayor

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 20, 2021

AGENDA ITEM #: 6

SUBMITTED BY: Miles Whitney, P.E.

ITEM DESCRIPTION:

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

- Update on pending utility projects.
- Update on pending street projects.
- Update on pending drainage projects.

STAFF RECOMMENDATION/ITEM SUMMARY:

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

FISCAL IMPACT:

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

SUGGESTED MOTION:

There is no action required.

ATTACHMENTS:

Report

HEWITT TEXAS

CITY ENGINEER'S REPORT
September 14, 2021

Utility Projects

FM 2113; Spring Valley Rd.

Contractor is completing damaged concrete rip rap areas.

Regarding the agreement, TxDOT informed me that they will be preparing the agreement and will be forwarding it over to use for our consideration and execution.

Street/Transportation Projects

E. Warren Street Improvements

City's design is completed. ATMOS has indicated to the City that intend to have their relocation completed by mid-November.

Ritchie Rd. Street Improvements

The remining items on this project are; completing the street intersection fillets, smoothing of joints, resealing of joints, and then roadway striping.

Drainage Projects

N/A

By:

STATE OF TEXAS
MILES W. WHITNEY
116154
LICENSED
PROFESSIONAL ENGINEER

P.E.

Miles W. Whitney, P.E.

Note: All dates are approximate and subject to change.

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 20, 2021

AGENDA ITEM #: 7

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Briefing and discussion concerning Financial Statements ending August 31, 2021.

STAFF RECOMMENDATION/ITEM SUMMARY:

The financial statements ending August 31, 2021, were sent electronically on September 7, 2021. This is an opportunity for the council to ask any questions or make comments.

FISCAL IMPACT:

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

SUGGESTED MOTION:

No action required.

ATTACHMENTS:

None.

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 20, 2021

AGENDA ITEM #: 8

SUBMITTED BY: Lee Garcia, Finance Director

ITEM DESCRIPTION:

Discussion and possible action on **Resolution No. 2021-05** authorizing the selection of a professional service provider for administration services to complete project implementation for the American Rescue Plan Act (ARP Act) program funding administered by the U.S. Department of the Treasury and the Texas Division of Emergency Management.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City of Hewitt has been designated by the American Rescue Plan Act of 2021 (ARP) to receive $3.7 million. The Council authorized staff to request proposals (RFP) on August 2, 2021. A notice requesting proposals (RFP) for administration services was published in the Waco Tribune Herald on August 26, 2021. The City was required to issue 11 RFP Packets to specified groups. Two additional RFP Packets were requested for a total of 13 RFP Packets.

The City received three RFP's by the due date of September 9, 2021. The Selection Review Committee, comprised of Mayor Steve Fortenberry, City Manager Bo Thomas, and Utilities Director Kevin Reinke, met on September 13, 2021, to follow the ARP instructions, and to review and score the proposals. After evaluation and scoring, the Committee recommends the highest rated proposal of Grantworks, Inc. at a lump sum price of $166,000.

FISCAL IMPACT:
Amount Budgeted – N/A
Line Item in Budget – N/A

SUGGESTED MOTION:

"I move to approve Resolution No. 2021-05 authorizing the selection of a professional service provider for Administration Services to complete project implementation for the American Rescue Plan Act (ARP Act) program funding to Grantworks, Inc."

ATTACHMENTS:
RFP Calendar
Notice-Waco Tribune Herald
List of Required Providers and Requestors who were sent an RFP Package.
Cost Price Analysis
Resolution

RFP Calendar

March 2021	Notifed thru TML Updates that we were receiving funds
July 2021	Completed Request for Assistance for CLFRF-ARP Funds thru TDEM website
July 2021	Logged into ARCIT website and downloaded ARP ACT RFP Procument Instructions
August 16, 2021	Council approved RFP for Administrative Services
pre Sept 9th	Completed Pre-Procurement Activities from ARP Instructions/compliance monitoring items
August 27, 2021	Select Review Committee established; Task 1 in ARP instructions
August 25, 2021	Completed Task 2; Independent Cost Estimate
August 26, 2021	Completed Task 3; RFP Notifications
August 26, 2021	RFP published in Tribune Herald
August 26, 2021	Eleven RFP emails with Packets sent as required by ARP Instructions
August 30, 2021	Two more providers requested a RFP Packet; sent by email
September 9, 2021	Bid deadline; 3 bids received
September 9, 2021	Verified that bidders were Active in Sam.gov
September 13, 2021	Select Review Committee reviews bids and determines award of bid
September 20, 2021	Council awards bid and approves resolution
September 21, 2021	Provider is notified of award.

Waco Tribune-Herald

Waco, McLennan County,
Texas
Affidavit of Publication

Account Number
1025238

CITY OF HEWITT-CLASSFD
200 PATRIOT COURT
HEWITT, TX 76643

Date	Category	Description	Ad Size	Total Cost
08/26/2021	Legal Notices	REQUEST FOR PROPOSALS - ARP ACT ADMINISTRATIVE SERVICES	1 x 39.00 CL	159.78

REQUEST FOR PROPOSALS
CITY OF HEWITT, TEXAS

The City of Hewitt has received an allocation from the American Rescue Plan Act program from the U. S. Department of Treasury and is soliciting proposals to provide administration services for the ARP Act eligible projects. Proposals must be received no later than September 9th, 2021 at 11 a.m. Please electronically submit your proposal in .pdf format via email to financedirector@cityofhewitt.com and/or submit your proposal to Lee Garcia, 200 Patriot Court, Hewitt, TX 76643 on a thumb drive to the address provided. It is the responsibility of the submitting firm to ensure that the proposal is received in a timely manner. The City reserves the right to negotiate with any and all individuals or firms that submit proposals and may award one or more contracts to one or more service provider(s). Section 3 Residents and Business Concerns, Minority Business Enterprises, Small Business Enterprises and Women Business Enterprises, and Labor Surplus Area firms are encouraged to submit proposals. The City of Hewitt is an Affirmative Action/Equal Opportunity Employer. Servicios de traducción están disponibles por peticion.

Publisher of the Waco Tribune-Herald

Before me, a notary public, on this day personally appeared Ana Lozano-Harper and after being duly sworn, states that she is a Multi Media Sales Manager of the Waco Tribune Herald, a newspaper published in Waco, McLennan County, Texas, and that the Notice, a copy of which is hereto attached, was published in said newspaper on the following named dates, to-wit:

08/26/2021

The First insertion being given ... 08/26/2021

Newspaper reference: 0000719020

Sworn to and subscribed before me this day: 8/26/21

Grace Allen
Notary Public

Ana Lozano-Harper
Multi Media Sales Manager

State of Texas
Waco,McLennan County
My Commission expires

NOTARY PUBLIC STATE OF TEXAS
GRACE ALLEN
MY COMMISSION EXPIRES
MARCH 14, 2023
NOTARY ID: 128549506

THIS IS NOT A BILL. PLEASE PAY FROM INVOICE. THANK YOU

RFP emails sent to:

			RFP Packet Sent	Read Receipt Requested	Read Receipt Received	Email Delivery Received	**Bids Received**
	Administators LSA List-pick 3						
1	Hanson Professional Services	asmith@hanson-inc.com	Y	Y	Y		
2	Frontera Consulting, Llc	arturopalacios@sbcglobal.net	Y	Y		Y	
3	Gainco, Inc. - undeliverable	Phil@spindletopsafety.com	Y	Y	N/A	N/A	
4	Business Service Company	cdragon2010@gmail.com	Y	Y		Y	
	Administrators HUB List-pick 5						
5	Acri Services and Consulting, LLC	myoung@acri-sc.com	Y	Y		Y	
6	**Gary R. Traylor & Assoc., Inc.**	gary.traylor@grtraylor.com	Y	Y	Y		**Y**
7	**Grantworks**	grantworks@grantworks.net	Y	Y	Y		**Y**
8	RP3 Diversity Solutions	rp3ds2020@gmail.com	Y	Y		Y	
9	Strategic Partnerships, Inc.	Kyoshida@spartnewships.com	Y	Y	Y		
	From ARCIT Procurement instructions, pgs 9 & 10, pick one of the seven Minority-owned business and Small and Women owned business						
10	Dallas MBDA Business Center	admin1@mbdadallas.com	Y	Y		Y	
	From ARCIT Procurement instructions pg 11						
11	TexasAgriculture.gov	MWBE@texasagriculture.gov	Y	Y	Y		
	Email Requests for RFP Packet						
12	**Langford Community Management Services**	jili@lcmsinc.com	Y	Y	Y		**Y**
13	Deltek Public Records	PublicRecords@deltek.com	Y	Y		Y	

Cost and Price Analysis – Administrative Services

City of Hewitt, Texas

Program: AMERICAN RESCUE PLAN

American Rescue Plan Act (ARP Act)
(Need to complete separate form for each program)

All procurements where the expected contract price will exceed $50,000 must conduct a cost analysis. Complete this form for **each service** that you intend to award as a separate contract.

Price analysis is basically a price comparison. It is the evaluation of a proposed price (i.e., lump sum) without analyzing any of the separate cost elements of which it is composed. Compare the fees of the administrative firm's proposals received to ensure it is a fair and reasonable price for the services to be provided.

Scoring Summary and Cost Comparison

Firm	Service (Administration/Program/ Construction Management, Project Service Delivery, etc.)	Total Score	Proposed Cost
GRANT WORKS	ALL OF THE ABOVE	288	$166,000
LANGFORD COMM. MGMT.	ALL OF THE ABOVE	252	$185,000
TRAYLOR + ASSOC.	ALL OF THE ABOVE	261	$185,058.44

Do proposed costs align with cost estimated and/or with previous costs submitted by the vendor or for similar services received in the past?

Program or Project	Proposed Amount	Actual Cost of Service
NOT APPLICABLE		

Cost Analysis – provide Yes or No answers

Firm:	GRANT WORKS
Are proposed costs allowable?	Yes
Costs are necessary and reasonable	Yes
Costs meet the requirements of the Federal award	Yes
Costs are consistent with Policies & Procedures and applied uniformly to purchases made from Federal and non-Federal funding.	Yes
Costs are in accordance with Generally Accepted Accounting Principles (GAAP), except for state and local governments and Indian tribes where exceptions have been made in 2 CFR Part 200	Yes
Costs are not included as a cost, cost sharing or matching of any other federally funded project	Yes
Costs are adequately documented	Yes
Are proposed costs reasonable?	Yes
Costs are ordinary and necessary for completion of the activity	Yes
Costs align with current market prices for the good or service in the area	Yes
Are there any restraints or requirements that impact pricing, such as sound business practices, governmental requirements, arm's length bargaining or the terms of the federal award?	NO
Has the staff exercised sound judgement in making the purchase?	yes
Are the same procedures followed for Federally funded and non-Federally funded procurement?	NO
Are proposed costs allocable?	Yes
Is the cost incurred specifically for the ARP Act project?	Yes
Does the cost incurred benefit both the ARP Act project and other projects and can the cost be allocated pro-rata across the relevant funding sources?	NO
Has an indirect cost plan been approved to allocate indirect costs?	NO
Are all items in the proposal scope of work necessary?	yes
Does the proposer have a track record of cost overruns?	NO
Does the cost proposed compare to the costs of similar work (see Price Analysis)?	Yes
Is there any indication that the vendor's costs are likely to increase or decrease over the life of the contract?	NO
Do the costs reflect the technical approach proposed and the work required?	Yes
Cost complies with the appropriate set of cost principles	yes

*Allowable: All prices proposed are for elements of ARP Act scope of work.

Allocable: All costs are expected to be necessary to complete the scope of work of the anticipated contract.

Reasonable: Costs are prudent and competitive based on the Cost Analysis.

RESOLUTION NO. 2021-05

A RESOLUTION OF THE CITY OF HEWITT, TEXAS, AUTHORIZING PROFESSIONAL SERVICE PROVIDER(S) SELECTION FOR AMERICAN RESCUE PLAN ACT (ARP ACT) PROGRAM(S).

WHEREAS, participation in American Rescue Plan Act (ARP Act) program(s) requires implementation by professionals experienced in the administration of federally-funded projects;

WHEREAS, in order to identify qualified and responsive providers for these services a Request for Proposals (RFP) process for administration services has been completed in accordance with the federal requirements;

WHEREAS, the proposals received by the due date have been reviewed to determine the most qualified and responsive providers for each professional service giving consideration to the ability to perform successfully under the terms and conditions of the proposed procurement, integrity, compliance with public policy, record of past performance, and financial and technical resources

NOW, THEREFORE, BE IT RESOLVED:

Section 1. That Grantworks, Inc. is selected to provide project-related **administration services** for ARP Act program(s).

Section 2. That any and all project-related services contracts or commitments made with the above-named service provider(s) are dependent on the successful negotiation of a contract with the service provider(s).

PASSED AND APPROVED this 20th day of September 2021.

CITY OF HEWITT

_____
Steve Fortenberry, Mayor

ATTEST:

_____
Lydia Lopez, City Secretary

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 20, 2021

AGENDA ITEM #: 9

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Discussion and possible action on **Resolution No. 2021-06** establishing water and wastewater rates for Fiscal Year 2021-2022.

STAFF RECOMMENDATION/ITEM SUMMARY:

The City of Hewitt engaged Willdan Financial Services to prepare and present a Water and Wastewater Rate Study. Consultants Dan Jackson and Jason Gray recommended a multi-year rate plan to increase water and wastewater rates. On August 16, 2021, the Council approved the Master Fee Schedule to include the water and wastewater rate adjustment plan for FY 2021-2022.

The attached resolution approves the initial year rate plan for FY 2021-2022 as recommended by Willdan. As Council requested, this resolution ensures that Council will have the opportunity to review any subsequent rate adjustments annually. The effective date for the rate adjustments is December 1, 2021.

FISCAL IMPACT:
Amount Budgeted – N/A
Line Item in Budget – N/A

SUGGESTED MOTION:

"I move to approve Resolution No. 2021-06 establishing water and wastewater rate for FY 2021-2022."

ATTACHMENTS:
Resolution w/Exhibit A

RESOLUTION NO. 2021-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS APPROVING THE WATER AND WASTEWATER RATES FOR THE FISCAL YEAR 2021-2022.

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

WHEREAS, the City of Hewitt engaged Willdan Financial Services to prepare and present a Water and Wastewater Rate Study; and

WHEREAS, the purpose of the Water and Wastewater Rate Study was to ensure that the utility rate structures are sufficient to support the cost of maintaining and improving the system; and

WHEREAS, the results of the Water and Wastewater Rate Study recommended a multi-year rate plan to increase water and wastewater rates to ensure that revenues meet the needs for all operating expenses, capital expenses, and debt service for the next five years; and

WHEREAS, the City Council has determined that it is in the best interest of the City to approve the recommended multi-year rate plan; however, subsequent rate adjustments will be reviewed on an annual basis; and

WHEREAS, the City Council approved the Master Fee Schedule to include the Water and Wastewater rate plan adjustment proposed for Fiscal Year 2021-2022 by Resolution No. 2021-04 on August 16, 2021.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hewitt, Texas hereby sets the water and wastewater rates as adopted in the Master Fee Schedule (pages 8-10) attached as Exhibit "A" hereto and imposes the fees set forth for the services described therein. These rates are effective December 1, 2021, and subject to be reviewed annually and amended as deemed necessary.

PASSED AND APPROVED this the 20th day of September, 2021.

CITY OF HEWITT, TEXAS

_____

Steve Fortenberry, Mayor

ATTEST:

_____

Lydia Lopez, City Secretary

Note: New Water Rates are effective 12/1/2021.

WATER RATES

Residential, Commercial & Builders – Base Rate	1st 3,000 Gal
5/8"	$31.00
1"	$65.00
1.5"	$195.75
2"	$195.75
3"	$391.50
4"	$391.50
6"	$587.25
Volume Rate	Per 1,000 Gal
3,001 – 7,000 Gal	$5.00
7,001 – 12,000 Gal	$5.60
12,001+ Gal	$6.05

Master Metered High-Density Multifamily

Multifamily Residential & Multifamily Builders –	Base Fees
1 ½"	$195.75
2"	$195.75
3"	$391.50
4"	$391.50
6"	$587.25
Consumption Rate	$6.05 Per 1,000 Gal. (100% consumption)

Irrigation Rates

Irrigation – Base Rate	
5/8"	$31
1"	$65
1.5"	$195.75
2"	$195.75
3"	$391.50
4"	$391.50
6"	$587.25
Consumption Rate	$6.05 Per 1,000 Gal. (100% consumption)

Bulk Water Rates

Deposit	$900
Set Fee & Move Fee	$100
Base Rate for 3" Meter	$380 per month + consumption
Consumption Rate	$6.60 per 1,000 gallons
One Day Fee	$35 per day for 5,000 gallons or less + $6.40 per 1,000 gallons over 5,000 gallons

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

WASTEWATER RATES

Note: New Wastewater Rates are effective 12/1/2021

Option #1 – Standard Wastewater Rates

Residential Base Rate – 1st 5,000 Gal	$28.00
Residential Volume Rate (Per 1,000)	$4.75
Industrial Institution or Commercial Base Charge – 1st 10,000 Gallons	$60.25
Industrial Institution or Commercial Volume Rate (Per 1,000)	$4.75

Option #2 – Winter Average Rates

Single Family Residential Base Rate	$19.00 (no minimum gallons)
Single Family Residential Volume Rate (Per 1,000)	$2.95 (no maximum gallons)

Option #3 – Flat Rate

Single Family Residential Flat Rate	$38.50

High-Density Multifamily

High-Density Multifamily Base Charge	$60.25 (per building)
High-Density Multifamily Volume Rate (Per 1,000)	$4.75 (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

Residential	
Collection	$16.82
Additional Polycart	$4.83
Administrative Fee – Per Unit	$1.50 per unit
Damage Fee-Polycart (damage due to misuse)	$60

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

HEWITT TEXAS

COUNCIL AGENDA ITEM FORM

MEETING DATE: September 20, 2021

AGENDA ITEM #: 10

SUBMITTED BY: Bo Thomas, City Manager

ITEM DESCRIPTION:

Consider **Ordinance No. 2021-15** approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2021 Rate Review Mechanism filings.

STAFF RECOMMENDATION/ITEM SUMMARY:

The Atmos Cities Steering Committee (ACSC) and legal counsel recommend that all cities adopt the ordinance with its attachments approving the negotiated rate settlement resolving the 2021 RRM Filing, and implementing the rate change. Included as backup is a model staff report and ordinance. Staff recommends approval.

FISCAL IMPACT:

Amount Budgeted – NA
Line Item in Budget – NA

SUGGESTED MOTION:

I move to approve and authorize Ordinance No. 2021-15 approving a negotiated settlement between Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division.

ATTACHMENTS:

Model Staff Report w/Attachments
Ordinance

July 21, 2021

MODEL STAFF REPORT FOR RESOLUTION OR ORDINANCE

BACKGROUND AND SUMMARY

The City, along with 171 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, 2021, 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, 2020, entitled it to additional system-wide revenues of $43.4 million.

Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to $40.5 million, $29.3 million of which would be applicable to ACSC members. ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be $22.34 million instead of the claimed $40.5 million. The amount of the $22.34 million deficiency applicable to ACSC members would be $16.8 million.

After the Company reviewed ACSC's consultants' report, ACSC's Executive Committee and the Company negotiated a settlement whereby the Company would receive an increase of $22.78 million from ACSC Cities, but with a two-month delay in the Effective Date until December 1, 2021. This should save ACSC cities approximately $3.8 million.

The Executive Committee recommends a settlement at $22.78 million. The Effective Date for new rates is December 1, 2021. ACSC members should take action approving the Resolution before October 1, 2021.

PROOF OF REVENUES

Atmos generated proof that the rate tariffs attached to the Resolution will generate $22.78 million in additional revenues from ACSC Cities. That proof is attached as Attachment 1 to this Staff Report. 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 $1.28 on a monthly basis, or 2.2 percent. The increase for average commercial usage will be $4.03 or 1.61 percent. A bill impact comparison is attached as Attachment 2.

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 December 1, 2021, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates. See Attachment 3.

EXPLANATION OF "BE IT RESOLVED" PARAGRAPHS:

1. This section approves all findings in the Resolution.
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 like the explosion in North Dallas or the evacuation in Georgetown.
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 $22.78 million from ACSC Cities.
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 approves an exhibit to be used in future rate cases or RRM filings regarding recovery of regulatory liabilities, such as excess deferred income taxes.
7. 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 approving new rate tariffs.
8. This section repeals any resolution or ordinance that is inconsistent with the Resolution.
9. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

10. 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. This section further directs that the remaining provisions of the Resolution are to be interpreted as if the offending section or clause never existed.

11. This section provides for an effective date upon passage. December 1, 2021 represents a two month delay in the Effective Date established by the RRM tariff.

12. This section directs that a copy of the signed Resolution 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 $43.4 million in additional system-wide revenues, the RRM settlement at $22.78 million for ACSC Cities reflects substantial savings to ACSC Cities. Settlement at $22.78 million (plus $3.8 of additional savings due to the two-month delay) is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution before October 1, 2021. New rates become effective December 1, 2021.

Attachment 1 to
Model Staff Report

2021 RRM

Proof of Revenues

ATMOS ENERGY CORP., MID-TEX DIVISION
RRM CITIES RATE REVIEW MECHANISM
PROOF OF REVENUES - RRM CITIES
TEST YEAR ENDING DECEMBER 31, 2020

Line No.	Customer Class	Current	Proposed	Bills	Ccf/MmBtu	Current Revenues	Proposed Revenues	Increase	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1	**Residential**								
2	Customer Charge	$ 20.25	$ 20.85	13,861,632		$ 280,698,048	$ 289,015,027		$ 8,316,979
3	Consumption Charge	0.26651	0.27979		627,298,034	167,181,199	175,511,717		$ 8,330,518
4	Revenue Related Taxes					30,398,805	31,528,717		
5	Total Class Revenue					$ 478,278,052	$ 496,055,461	$ 17,777,409	
6									
7	**Commercial**								
8	Customer Charge	$ 54.50	$ 56.50	1,094,352		$ 59,642,184	$ 61,830,888		$ 2,188,704
9	Consumption Charge	0.11728	0.12263		363,850,875	42,672,431	44,619,033		$ 1,946,602
10	Revenue Related Taxes					6,944,376	7,225,051		
11	Total Class Revenue					$ 109,258,991	$ 113,674,972	$ 4,415,981	
12									
13	**Industrial & Transportation**								
14	Customer Charge	$ 1,014.50	$ 1,054.75	7,056		$ 7,158,312	$ 7,442,316		$ 284,004
15	Consumption Charge Tier 1	$ 0.4157	$ 0.4330		7,479,741	3,109,328	3,238,728		$ 129,400
16	Consumption Charge Tier 2	$ 0.3044	$ 0.3171		8,282,846	2,521,298	2,626,490		$ 105,192
17	Consumption Charge Tier 3	$ 0.0653	$ 0.0680		13,018,926	850,136	885,287		$ 35,151
18	Revenue Related Taxes					925,722	963,306		
19	Total Class Revenue					$ 14,564,796	$ 15,156,127	$ 591,331	
20									
21	**Total Excluding Other Revenue**					$ 602,101,840	$ 624,886,561	$ 22,784,721	$ 21,336,550
22									
23									
24	**Revenue Related Tax Factor**	6.7873%							

Attachment 2
to 2021 RRM Staff Report

Bill Impact

ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2020

Line No.							Current	Proposed	Change
1	**Rate R @ 45.2 Ccf**								
2	Customer charge						$ 20.25		
3	Consumption charge	45.2	CCF	X $ 0.26651	=		12.05		
4	Rider GCR Part A	45.2	CCF	X $ 0.16000	=		7.23		
5	Rider GCR Part B	45.2	CCF	X $ 0.33320	=		15.06		
6	Subtotal						$ 54.59		
7	Rider FF & Rider TAX		$ 54.59	X 0.06787	=		3.71		
8	Total						$ 58.30		
9									
10	Customer charge							$ 20.85	
11	Consumption charge	45.2	CCF	X $ 0.27979	=			12.65	
12	Rider GCR Part A	45.2	CCF	X $ 0.16000	=			7.23	
13	Rider GCR Part B	45.2	CCF	X $ 0.33320	=			15.06	
14	Subtotal							$ 55.79	
15	Rider FF & Rider TAX		$ 55.79	X 0.06787	=			3.79	
16	Total							$ 59.58	$ 1.28
17									2.20%
18									
19	**Rate C @ 332.5 Ccf**						**Current**	**Proposed**	**Change**
20	Customer charge						$ 54.50		
21	Consumption charge	332.5	CCF	X $ 0.11728	=		38.99		
22	Rider GCR Part A	332.5	CCF	X $ 0.16000	=		53.20		
23	Rider GCR Part B	332.5	CCF	X $ 0.26321	=		87.51		
24	Subtotal						$ 234.20		
25	Rider FF & Rider TAX		$ 234.20	X 0.06787	=		15.90		
26	Total						$ 250.10		
27									
28	Customer charge							$ 56.50	
29	Consumption charge	332.5	CCF	X $ 0.12263	=			40.77	
30	Rider GCR Part A	332.5	CCF	X $ 0.16000	=			53.20	
31	Rider GCR Part B	332.5	CCF	X $ 0.26321	=			87.51	
32	Subtotal							$ 237.98	
33	Rider FF & Rider TAX		$ 237.98	X 0.06787	=			16.15	
34	Total							$ 254.13	$ 4.03
35									1.61%

36	**Rate I @ 4079 MMBTU**							Current		Proposed	Change
37	Customer charge							$ 1,014.50			
38	Consumption charge	1,500	MMBTU	X	$	0.4157	=	623.55			
39	Consumption charge	2,579	MMBTU	X	$	0.3044	=	785.05			
40	Consumption charge	0	MMBTU	X	$	0.0653	=	-			
41	Rider GCR Part A	4,079	MMBTU	X	$	1.5625	=	6,373.46			
42	Rider GCR Part B	4,079	MMBTU	X	$	0.5380	=	2,194.58			
43	Subtotal							$ 10,991.14			
44	Rider FF & Rider TAX		$ 10,991.14	X	0.06787		=	746.00			
45	Total							$ 11,737.14			
46											
47	Customer charge									$ 1,054.75	
48	Consumption charge	1,500	MMBTU	X	$	0.4330	=			649.50	
49	Consumption charge	2,579	MMBTU	X	$	0.3171	=			817.80	
50	Consumption charge	0	MMBTU	X	$	0.0680	=			-	
51	Rider GCR Part A	4,079	MMBTU	X	$	1.5625	=			6,373.46	
52	Rider GCR Part B	4,079	MMBTU	X	$	0.5380	=			2,194.58	
53	Subtotal									$ 11,090.09	
54	Rider FF & Rider TAX		$ 11,090.09	X	0.06787		=			752.72	
55	Total									$ 11,842.81	$ 105.67
56											0.90%
57	**Rate T @ 4079 MMBTU**							Current		Proposed	Change
58	Customer charge							$ 1,014.50			
59	Consumption charge	1,500	MMBTU	X	$	0.4157	=	623.55			
60	Consumption charge	2,579	MMBTU	X	$	0.3044	=	785.05			
61	Consumption charge	0	MMBTU	X	$	0.0653	=	-			
62	Rider GCR Part B	4,079	MMBTU	X	$	0.5380	=	2,194.58			
63	Subtotal							$ 4,617.68			
64	Rider FF & Rider TAX		$ 4,617.68	X	0.06787		=	313.41			
65	Total							$ 4,931.09			
66											
67	Customer charge									$ 1,054.75	
68	Consumption charge	1,500	MMBTU	X	$	0.4330	=			649.50	
69	Consumption charge	2,579	MMBTU	X	$	0.3171	=			817.80	
70	Consumption charge	0	MMBTU	X	$	0.0680	=			-	
71	Rider GCR Part B	4,079	MMBTU	X	$	0.5380	=			2,194.58	
72	Subtotal									$ 4,716.63	
73	Rider FF & Rider TAX		$ 4,716.63	X	0.06787		=			320.13	
74	Total									$ 5,036.76	$ 105.67
75											2.14%

Attachment 3
to 2021 RRM Staff Report

RRM Monthly Savings Over GRIP and DARR Rates

ATMOS ENERGY CORP., MID-TEX DIVISION
RESIDENTIAL AVERAGE BILL COMPARISON
(EXCLUDING GAS COSTS)

	ACSC Settled	DARR Settled	ATM Filing	ENVIRONS Filing
Customer Charge	$20.85	$23.80	$27.68	$25.90
Monthly Ccf [1]	45.2	52.7	45.2	45.2
Consumption Charge	$0.27979	$0.19526	$0.14846	$0.18653
Average Monthly Bill	$33.50	$34.09	$34.39	$34.33
		-$0.60	-$0.89	-$0.83

[1] Recognizes that average normal usage for Dallas residential customers is greater than Mid-Tex average.

ORDINANCE NO. 2021-15

A ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2021 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 ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

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

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

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

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

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

WHEREAS, on about April 1, 2021, Atmos Mid-Tex filed its 2021 RRM rate request with ACSC Cities based on a test year ending December 31, 2020; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2021 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 $22.78 million applicable to ACSC Cities with an Effective Date of December 1, 2021; 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 two month delayed Effective Date from October 1 to December 1 will save ACSC ratepayers approximately $3.8 million off new rates imposed by the attached tariffs (Exhibit A); and

WHEREAS, the attached tariffs (Exhibit A) 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 (Exhibit B); and

WHEREAS, the settlement agreement establishes an amortization schedule for regulatory liability prepared by Atmos Mid-Tex (Exhibit C); and

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

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

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

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of $22.78 million for ACSC Cities 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 2021 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 Exhibit A, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional $22.78 million from customers in ACSC Cities, 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 Exhibit B, attached hereto and incorporated herein.

Section 6. That subject to any future settlement or decision regarding the balance of Excess Deferred Income Tax to be refunded to ratepayers, the amortization of regulatory liability shall be consistent with the schedule found in Exhibit C, attached hereto and incorporated herein.

Section 7. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2021 RRM filing.

Section 8. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 9. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 10. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 11. That consistent with the City Ordinance that established the RRM process, this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after December 1, 2021.

Section 12. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato,

General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE _____ DAY OF ____ _____, 2021.

_____
Steve Fortenberry, Mayor

ATTEST:

_____
Lydia Lopez, City Secretary

APPROVED AS TO FORM:

_____
Michael W. Dixon, City Attorney

Exhibit A
to 2021 RRM Resolution or Ordinance

Mid-Tex Tariffs
Effective December 1, 2021

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 12/01/2021	PAGE:

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	$ 20.85 per month
Rider CEE Surcharge	$ 0.05 per month[1]
Total Customer Charge	$ 20.90 per month
Commodity Charge – All Ccf	$0.27979 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.

[1]Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2021.

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 12/01/2021	PAGE: Page

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	$ 56.50 per month
Rider CEE Surcharge	$ 0.01 per month[1]
Total Customer Charge	$ 56.51 per month
Commodity Charge – All Ccf	$ 0.12263 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.

[1] Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2021.

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 12/01/2021	PAGE:

Application
Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 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 3,500 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	$ 1,054.75 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.4330 per MMBtu
Next 3,500 MMBtu	$ 0.3171 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0680 per MMBtu

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

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

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

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

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

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

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

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.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

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

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

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

Charge	Amount
Customer Charge per Meter	$ 1,054.75 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.4330 per MMBtu
Next 3,500 MMBtu	$ 0.3171 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0680 per MMBtu

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

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

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

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

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

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

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

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

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

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

Agreement
A transportation agreement is required.

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

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

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 12/01/2021**	**PAGE:**

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 ith rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the ith schedule or classification.

HSF_i = heat sensitive factor for the ith 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 ith schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the jth customer in ith rate schedule is computed as:

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

Where q_{ij} is the relevant sales quantity for the jth customer in ith rate schedule.

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2021	PAGE:

Base Use/Heat Use Factors

	Residential		Commercial	
Weather Station	Base use Ccf	Heat use Ccf/HDD	Base use Ccf	Heat use Ccf/HDD
Abilene	11.88	0.1459	85.39	0.6996
Austin	10.34	0.1452	194.82	0.9398
Dallas	15.21	0.1915	148.19	1.0986
Waco	10.63	0.1373	130.39	0.7436
Wichita Falls	12.63	0.1398	109.17	0.5803

Weather Normalization Adjustment (WNA) Report

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

Exhibit B
to 2021 RRM Resolution or Ordinance

Mid-Tex
2021 Benchmark for Pensions
and Retiree Benefits

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2020

		Shared Services		Mid-Tex Direct			
Line No.	Description	Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan	Post-Employment Benefit Plan	Adjustment Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2021 Willis Towers Watson Report as adjusted (1) (2) (3)	$ 2,917,949	$ 4,908,358	$ 5,447,063	$ 293,818	$ 6,600,073	
2	Allocation to Mid-Tex	43.68%	43.68%	76.11%	100.00%	76.11%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	$ 1,274,655	$ 2,144,130	$ 4,145,546	$ 293,818	$ 5,023,057	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)	$ 1,274,655	$ 2,144,130	$ 4,145,546	$ 293,818	$ 5,023,057	$ 12,881,205
6							
7							
8	Summary of Costs to Approve (1):						
9							
10	O&M Expense Factor (WP_F-2.3, Ln 2)	75.07%	75.07%	38.66%	11.00%	38.66%	
11							
12							
13	Total Pension Account Plan	$ 956,873		$ 1,602,484			$ 2,559,357
14	Total Post-Employment Benefit Plan		$ 1,609,582			$ 1,941,691	3,551,272
15	Total Supplemental Executive Benefit Plan				$ 32,322		32,322
16	Total (Ln 13 + Ln 14 + Ln 15)	$ 956,873	$ 1,609,582	$ 1,602,484	$ 32,322	$ 1,941,691	$ 6,142,952
17							
18	Notes:						
19	1. Studies not applicable to Mid-Tex or Shared Services are omitted.						
20	2. Mid-Tex is proposing that the Fiscal Year 2021 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the						
21	benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods						
22	includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CAM.						
23	3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.						

Exhibit C
to 2021 RRM Resolution or Ordinance

Mid-Tex 2021 Schedule for
Amortization for Regulatory Liability

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING DECEMBER 31, 2020
AMORTIZATION OF REGULATORY LIABILITY

Line No.	Year Ended Dec. 31	Beginning Protected Balance	Protected Amortization	Ending Protected Balance	Beginning Unprotected Balance	Unprotected Amortization	Ending Unprotected Balance	Total Protected & Unprotected Amortization	Total Protected & Unprotected Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	2017 (3)	$ -	$ -	$ (51,477,654)	$ -	$ -	$ 343,746,535	$ -	$ 292,268,881
2	2018	(51,477,654)	494,977	(50,982,677)	343,746,535	(3,513,868)	340,232,667	(3,018,891)	289,249,991
3	2019	(50,982,677)	1,979,910	(49,002,767)	340,232,667	(14,057,872)	326,174,795	(12,077,963)	277,172,028
4	2020	(49,002,767)	1,979,910	(47,022,857)	326,174,795	(13,988,908)	312,185,886	(12,008,999)	265,163,029
5	2021	(47,022,857)	3,464,842	(43,558,015)	312,185,886	(26,390,127)	285,795,760	(22,925,284)	242,237,745
6	2022	(43,558,015)	1,979,910	(41,578,105)	285,795,760	(60,167,528)	225,628,231	(58,187,619)	184,050,126
7	2023	(41,578,105)	1,979,910	(39,598,195)	225,628,231	(60,167,528)	165,460,703	(58,187,619)	125,862,508
8	2024	(39,598,195)	1,979,910	(37,618,286)	165,460,703	(60,167,528)	105,293,175	(58,187,619)	67,674,889
9	2025	(37,618,286)	1,979,910	(35,638,376)	105,293,175	(60,167,528)	45,125,646	(58,187,619)	9,487,270
10	2026	(35,638,376)	1,979,910	(33,658,466)	45,125,646	(45,125,646)	(0)	(43,145,737)	(33,658,466)
11	2027	(33,658,466)	1,979,910	(31,678,556)	(0)	0		1,979,910	(31,678,556)
12	2028	(31,678,556)	1,979,910	(29,698,647)	-	-		1,979,910	(29,698,647)
13	2029	(29,698,647)	1,979,910	(27,718,737)	-	-		1,979,910	(27,718,737)
14	2030	(27,718,737)	1,979,910	(25,738,827)	-	-		1,979,910	(25,738,827)
15	2031	(25,738,827)	1,979,910	(23,758,917)	-	-		1,979,910	(23,758,917)
16	2032	(23,758,917)	1,979,910	(21,779,007)	-	-		1,979,910	(21,779,007)
17	2033	(21,779,007)	1,979,910	(19,799,098)	-	-		1,979,910	(19,799,098)
18	2034	(19,799,098)	1,979,910	(17,819,188)	-	-		1,979,910	(17,819,188)
19	2035	(17,819,188)	1,979,910	(15,839,278)	-	-		1,979,910	(15,839,278)
20	2036	(15,839,278)	1,979,910	(13,859,368)	-	-		1,979,910	(13,859,368)
21	2037	(13,859,368)	1,979,910	(11,879,459)	-	-		1,979,910	(11,879,459)
22	2038	(11,879,459)	1,979,910	(9,899,549)	-	-		1,979,910	(9,899,549)
23	2039	(9,899,549)	1,979,910	(7,919,639)	-	-		1,979,910	(7,919,639)
24	2040	(7,919,639)	1,979,910	(5,939,729)	-	-		1,979,910	(5,939,729)
25	2041	(5,939,729)	1,979,910	(3,959,820)	-	-		1,979,910	(3,959,820)
26	2042	(3,959,820)	1,979,910	(1,979,910)	-	-		1,979,910	(1,979,910)
27	2043	(1,979,910)	1,979,910	0	-	-		1,979,910	0
28									
29	Revenue Related Tax Factor					See WP_F-5.1		6.79%	
30	Revenue Related Taxes on Annual Amortization					Amortization * Tax Factor		$ 3,949,355	
31	Amortization Including Revenue Related Taxes					Amortization + Taxes		$ 62,136,973	
32									

33 Notes:
34 1. The annual amortization of the protected balance is a 26 year recovery period based on the Reverse South Georgia Method. The annual amortization of the unprotected balance is 5 years.
35 2. The Regulatory Liability is recorded to FERC Accounts 253 and 242, Sub Account 27909.
36 3. This is the final Mid-Tex liability balance filing the Fiscal Year 2018 tax return.