

On this the 19th day of September, 2022 at 6:30 p.m., the City Commission of the City of Hereford, Texas, convened in a regular session in the Commission Chamber in City Hall, the meeting being open to the public and notice of said meeting having been given as prescribed by Chapter 551 of the Government Code, with the following members being present and in attendance, to-wit:

Cathy Bunch, Mayor
 Reyna Ruiz, Commissioner Place One
 Angie Alonzo, Commissioner Place Two
 Mark Collier, Commissioner Place Four
 Steve Bartels, City Manager
 Suzanne Finch, City Secretary
 Audie Sciumbato, City Attorney

Absent: Clint Savoini, Commissioner Place Three
 James Stow, Commissioner Place Five
 Rocky Bhakta, Commissioner Place Six

Jim Steiert was in attendance from the Hereford Brand to witness the proceedings.

Also, in attendance were Assistant City Manager/Fire Marshal Dean Turney, Finance Manager Wade Hawkins, Public Works Director Johnny Torres, Mary Varner, Bonnie Campbell, Becky Martinez, B. J. Gililand, Virginia Jackson, Janice Carr, Mike Carr, Barbara Franks, Nadine Berend, Judy Williams, Roger Williams, and Norma Jean Cervantez.

Mayor Bunch voiced the invocation and then called upon Commissioner Alonzo to lead the Pledge of Allegiance to the United States flag. She called the meeting to order, welcomed those in attendance, and introduced each item on the agenda.

REGULAR HEARINGS:

ITEM 1 – Public Comments.

Mrs. Janice Carr read a prepared statement against putting up a garage style structure with skylights at the Hereford Aquatic Center pool and in favor of a retractable roof/telescoping roof that would allow the sun to shine in. She gave a copy of her statement to the mayor and commissioners along with a photo of a retractable pool enclosure.

ITEM 2 – Discuss and consider final approval for plan for structural covering over the Hereford Aquatic Center pool.

City Manager Bartels went over the reasons for choosing a structural covering rather than replacing the dome that was destroyed in the hailstorm – citing recommendations by the insurance company, safety concerns, longevity, pricing, and availability. He stated what we are looking at doing, the cost would be covered one hundred percent by insurance; a retractable roof is cost prohibitive.

Assistant City Manager Turney showed the footage captured by the security cameras of the ripping of the dome during the hailstorm and how quickly the dome collapsed.

Ms. Virginia Jackson spoke in favor of the dome citing health issues and a preference for sunshine.

Ms. Patsy Walls stated that was a freak accident and the pool staff makes them leave if a storm is in the area. She spoke in favor of replacing the dome – noting the first one lasted twenty years and the second one had lasted a long time – and she is also in favor of direct sunlight (when the dome is removed during the summer months).

Mr. Mike Carr suggested the commission table this item to gather more information; noting, they just want something we can be proud of as it is a great investment for our community.

Ms. Barbara Franks also stated she loves to be out in the sun; she noted being in a “barn” in the summer is not much fun.

Commissioner Ruiz made a motion to table this item to do further investigation to see if we can afford some type of retractable roof. Commissioner Alonzo seconded the motion and it passed with the unanimous vote of the Commission.

City Manager Bartels stated we want as a city for the community to be able to use the facility year-round. He noted we will leave the pool open as long as we possibly can this year – weather-permitting.

ITEM 3 - Consider approval of minutes for the August 15th, 2022 Work Session and August 15th, 2022 Regular Meeting.

Commissioner Collier made the motion to approve the minutes as presented. Commissioner Alonzo seconded the motion and it passed with the unanimous vote of the Commission.

PUBLIC HEARINGS:

(Mayor Bunch opened the public hearing at 7:01 p.m.)

ITEM 4 - Hear public comments regarding the proposed budget for 10/01/22-09/30/2023.

There were no public comments.

ITEM 5 - Hear public comments regarding the proposed tax rate for 2022.

There were no public comments.

(Mayor Bunch closed the public hearing at 7:02 p.m.)

REGULAR HEARINGS:

ITEM 6 - Consider approval of façade grant application approved by the Hereford Beautification Advisory Board at their regular meeting on September 6, 2022 (Requested by Adriana Silerio/Gloss).

Commissioner Collier made the motion to approve the grant application approved by the Hereford Beautification Advisory Board for Gloss (Adriana Silerio). Commissioner Alonzo seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 7 - Consider approval of façade grant application approved by the Hereford Beautification Advisory Board at their regular meeting on September 6, 2022 (Requested by Clarisa Hernandez/Little Miyas Boutique).

Commissioner Ruiz made the motion to approve the grant application approved by the Hereford Beautification Advisory Board for Little Miyas Boutique (Clarisa Hernandez). Commissioner Collier seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 8 - Consider approval of façade grant application approved by the Hereford Beautification Advisory Board at their regular meeting on September 6, 2022 (Requested by George Pacheco/Pit Stop Liquor Store.)

Commissioner Alonzo made the motion to approve the grant application approved by the Hereford Beautification Advisory Board for Pit Stop Liquor (George Pacheco). Commissioner Ruiz seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 9 - Consider increasing firefighters' pension from \$75 per month to \$100 per month.

Commissioner Collier made the motion to increase firefighters' pension from \$75 per month to \$100 per month. Commissioner Alonzo seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 10 - Consider Resolution No. 09.19.22 a resolution by the City of Hereford, Texas ("City") denying Southwestern Public Service Company's proposed surcharge in connection with final rates approved related to its Statement of Intent submitted on about February 8, 2021; authorizing the City's continued participation with other cities in the Alliance of Xcel Municipalities ("AXM") and participation in related rate proceedings; authorizing the hiring of attorneys and consultants; requiring reimbursement of reasonable legal and consultant expenses; finding that the meeting complies with the Open Meetings Act; making other findings and provisions related to the subject.

RESOLUTION NO. 09.19.22

A RESOLUTION BY THE CITY OF HEREFORD, TEXAS ("CITY") DENYING SOUTHWESTERN PUBLIC SERVICE COMPANY'S PROPOSED SURCHARGE IN CONNECTION WITH FINAL RATES APPROVED RELATED TO ITS STATEMENT OF INTENT SUBMITTED ON ABOUT FEBRUARY 8, 2021; AUTHORIZING THE CITY'S CONTINUED PARTICIPATION WITH OTHER CITIES IN THE ALLIANCE OF XCEL MUNICIPALITIES ("AXM") AND PARTICIPATION IN RELATED RATE PROCEEDINGS; AUTHORIZING THE HIRING OF ATTORNEYS AND CONSULTANTS; REQUIRING REIMBURSEMENT OF REASONABLE LEGAL AND CONSULTANT EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT

WHEREAS, Southwestern Public Service Company ("SPS" or the "Company") filed a Statement of Intent with the City and with the Public Utility Commission of Texas ("PUCT") on or about February 8, 2021, to increase its base revenues for its Texas retail service area by approximately \$143.3 million; and

WHEREAS, the Public Utility Commission of Texas ("PUCT") approved a settlement reached by SPS, the Alliance of Xcel Municipalities ("AXM"), and other parties granting SPS an increase of \$88.5 million; and

WHEREAS, under state law and under the terms of the settlement reached in SPS's general rate case, SPS filed its request for a net surcharge of about \$88.9 million, including interest of about \$5.6 million related to PUCT Docket Nos. 51802, 51644, and 52446; and

WHEREAS, SPS also proposes to implement the net surcharge over a one-year period, from October 1, 2022 through September 30, 2023, and to true up the amounts actually surcharged or refunded against the amounts authorized by the Commission to be surcharged or refunded; and

WHEREAS, the City is a regulatory authority under the Public Utility Regulatory Act ("PURA") and under Chapter 33, §33.001 et seq. of PURA has exclusive original jurisdiction over SPS's rates, operations, and services within the municipality; and

WHEREAS, under PURA § 33.025(a), the City has standing in each case before the Public Utility Commission of Texas that relates to an electric utility providing service in the City; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing, and investigating SPS's rate request and its changes in tariffs it is prudent to coordinate the City's efforts with a coalition of similarly situated municipalities; and

WHEREAS, the City, in matters regarding applications by SPS to change rates, has in the past joined with other local regulatory authorities to form the Alliance of Xcel Municipalities ("AXM") and hereby continues its participation in AXM; and

WHEREAS, SPS's request for a surcharge consists of numerous complex calculations premised on various billing determinants and corresponding rates; and

WHEREAS, after review of SPS's application for a surcharge, SPS failed to establish that its requested surcharge is just and reasonable.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION FOR THE CITY OF HEREFORD, TEXAS THAT:

Section 1. The findings set out in the preamble are in all things hereby approved.

Section 2. SPS's application fails to provide sufficient information to justify the adoption of SPS's proposed surcharges and thus SPS failed to show that its proposed surcharges are just and reasonable.

Section 3. The City hereby **DENIES** SPS's proposed surcharges.

Section 4. The City authorizes intervention in proceedings related to SPS's application before the Public Utility Commission of Texas and any related proceedings in any courts of law.

Section 5. The City continues its participation with other cities in a coalition of cities known as the Alliance of Xcel Municipalities ("AXM")

with the understanding that the Steering Committee of AXM is to provide direction and guidance to Special Counsel representing AXM.

Section 6. The City, as part of AXM, hereby retains Herrera Law & Associates, PLLC as Special Counsel to represent the City with regard to SPS's requested increase in rates and related proceedings before local and state regulatory authorities and any court of law and authorizes Special Counsel to employ such rate experts as may be necessary for review and evaluation of SPS's rate application.

Section 7. The City, in coordination with the Steering Committee, shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to SPS for reimbursement.

Section 8. SPS shall reimburse the City on a monthly basis, through AXM's coordinating city, the City of Amarillo, Texas, for the reasonable costs of attorneys and consultants and expenses related thereto, upon the presentation of invoices reviewed by the City of Amarillo.

Section 9. The City Secretary or other appropriate city official shall provide a copy of this Resolution to **Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, 4400 Medical Parkway, Austin, Texas 78756**, and as a courtesy, provide SPS a copy of this Resolution by **sending a copy of the Resolution to Jeremiah W. Cunningham, Rate Case Manager, Southwestern Public Service Company, 790 S. Buchanan St. Amarillo, Texas 79101.**

Section 10. 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 11. To the extent any Resolution previously adopted by the City is inconsistent with this Resolution, it is hereby superseded.

Section 12. The findings set out in the preamble are in all things hereby approved.

Section 13. This Resolution shall become effective from and after its passage.

PASSED AND APPROVED this 19th day of September 2022.

/s/ Cathy Bunch
Cathy Bunch, Mayor

ATTEST:

/s/ Suzanne Finch
Suzanne Finch, City Secretary

Commissioner Alonzo made the motion to approve Resolution No. 09.19.22. Commissioner Collier seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 11 - Consider Resolution No. 09.19.22A a resolution of the City Commission of the City of Hereford Texas, approving a negotiated settlement between the Executive Committee of Cities served by Atmos West Texas ("Cities") and Atmos Energy Corp., West Texas Division regarding the Company's 2022 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 Cities' 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 Cities' legal counsel.

RESOLUTION NO. 09.19.22A

a resolution of the City Commission of the City of Hereford Texas, approving a negotiated settlement between the Executive Committee of Cities served by Atmos West Texas ("Cities") and Atmos Energy Corp., West Texas Division regarding the Company's 2022 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 cities' 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 cities' legal counsel.

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

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

WHEREAS, Cities and the Company worked collaboratively to develop a new Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process by Cities as a substitute to the Gas Reliability Infrastructure Program ("GRIP") process instituted by the Legislature, and that will establish rates for Cities based on the system-wide cost of serving the Atmos West Texas service area; and

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

WHEREAS, on about April 1, 2022, Atmos West Texas filed its 2022 RRM rate request with Cities based on a test year ending December 31, 2021; and

WHEREAS, Cities coordinated its review of the Atmos West Texas 2022 RRM filing through its Executive Committee, assisted by Cities' attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as Cities' counsel and consultants, recommends that Cities approve an increase in base rates for Atmos West Texas of \$6.72 million with an Effective Date of October 1, 2022; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the Cities' 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 Cities' reasonable expenses associated with RRM applications;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HEREFORD, 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 Cities, the City Commission finds that the settled amount of an increase in revenues of \$6.72 million for Cities represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos West Texas within the municipal limits arising from Atmos West Texas' 2022 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 the existing rates for natural gas service provided by Atmos West Texas are unreasonable. The new tariffs, attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos West Texas to recover annually an additional \$6.72 million in revenue from customers in Cities, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 4. That the ratemaking treatment for pensions and retiree medical benefits in Atmos West Texas' next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

Section 5. That Atmos West Texas shall reimburse the reasonable ratemaking expenses of the Cities in processing the Company's 2022 RRM filing.

Section 6. That to the extent any resolution or ordinance previously adopted by the Commission is inconsistent with this Resolution, it is hereby repealed.

Section 7. 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 8. 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 9. 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, 2022.

Section 10. That a copy of this Resolution shall be sent to Atmos West Texas, care of Philip Littlejohn, Vice President of Rates and Regulatory Affairs, West Texas Division, 6606 66th Street, Lubbock, Texas 79424, and Thomas Brocato, General Counsel to Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED this 19th day of September, 2022.

/s/ Cathy Bunch
Cathy Bunch, Mayor

ATTEST:

/s/ Suzanne Finch
Suzanne Finch, City Secretary

Commissioner Collier made the motion to approve Resolution No. 09.19.22A. Commissioner Ruiz seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 12 - Consider approval of award of bid for group health insurance.

Mr. B. J. Gililand gave a brief summary, as the representative for the City's medical plans, of the bids received and an explanation of how a partially self-funded plan works versus a fully insured plan. Mr. Gililand recommended renewing with IMS.

Commissioner Collier made the motion to accept the proposal by IMS. Commissioner Alonzo seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 13 - Consider approval of 2023 Recommended Budget for Deaf Smith County Appraisal District.

Commissioner Ruiz made the motion to approve the 2023 Recommended Budget for Deaf Smith County Appraisal District. Commissioner Alonzo seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 14 - Consider and adopt budget Ordinance No. 09.19.22 approving the budget and making appropriation for support of the City Government and approving the budget for the Hereford Economic Development Corporation for the fiscal year beginning October 1, 2022, and ending September 30, 2023.

ORDINANCE NO. 09.19.22

AN ORDINANCE OF THE CITY OF HEREFORD, TEXAS APPROVING THE BUDGET AND MAKING APPROPRIATION FOR SUPPORT OF THE CITY GOVERNMENT AND APPROVING THE BUDGET FOR THE HEREFORD ECONOMIC DEVELOPMENT CORPORATION FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2022, AND ENDING SEPTEMBER 30, 2023

Commissioner Ruiz expressed her concerns regarding the budget, stating she had many questions.

Mayor Bunch advised the budget was reviewed during the budget work session and she trusts City Manager Bartels as he has been doing this for twenty-five years. She stated we can't micro-manage; the budget is just a guideline.

Commissioner Alonzo suggested it might be beneficial, especially for the new commissioners, if we scheduled additional budget workshops next year.

Commissioner Collier agreed the budget is just a guideline; but the goal must be to come in under budget.

City Manager Bartels stated we can schedule additional budget work sessions next year if more are needed and noted it is always our goal to spend as little money as possible.

Commissioner Collier made the motion to approve the budget as presented. Motion failed for lack of a second.

City Manager Bartels stated we must pass a budget by September 30th; we will schedule a special meeting – late enough in the month – to allow time to answer any questions between now and the time of the meeting.

ITEM 15 – Consider and adopt Ordinance No. 09.19.22A setting the 2022 tax rate.

ORDINANCE NO. 09.19.22A

AN ORDINANCE OF THE CITY OF HEREFORD, TEXAS SETTING THE TAX RATE FOR THE YEAR

Commissioner Alonzo made the motion to table this item. Commissioner Collier seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 16 - Consider Resolution No. 09.19.22B a resolution of the City Commission of Hereford, Texas, authorizing the submission of a grant application on behalf of the Hereford Police Department for the Bullet-Resistant Shield Grant to the Office of the Governor, Criminal Justice Division and designating the city manager to act as the City's authorized official in all matters pertaining to the City's participation in the Hereford Police Department Bullet-Resistant Shield Grant Project.

RESOLUTION NO. 09.19.22B

A RESOLUTION OF THE CITY COMMISSION OF HEREFORD, TEXAS, AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION ON BEHALF OF THE HEREFORD POLICE DEPARTMENT FOR THE BULLET-RESISTANT SHIELD GRANT TO THE OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION AND DESIGNATING THE CITY MANAGER TO ACT AS THE CITY'S AUTHORIZED OFFICIAL IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE HEREFORD POLICE DEPARTMENT BULLET-RESISTANT SHIELD GRANT PROJECT.

WHEREAS, the City Commission for the City of Hereford, Texas finds it in the best interest of the citizens of Hereford that the Hereford Police Bullet-Resistant Shield Grant be operated for the 2022-2023 year; and

WHEREAS, the City Commission for the City of Hereford agrees that in the event of loss or misuse of the Criminal Justice Division funds, the City Commission for the City of Hereford assures that the funds will be returned to the Criminal Justice Division in full; and

WHEREAS, the City Commission for the City of Hereford designates City Manager Steve Bartels as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HEREFORD, TEXAS:

That the City Commission for the City of Hereford approves submission of the grant application for the Hereford Police Department Bullet-Resistant Shield Grant to the Office of the Governor, Criminal Justice Division.

PASSED AND APPROVED the 19th day of September, 2022.

/s/ Cathy Bunch
Cathy Bunch, Mayor

ATTEST:

/s/ Suzanne Finch
Suzanne Finch, City Secretary

Grant Number: 4672901

Commissioner Ruiz made the motion to approve Resolution No. 09.19.22B. Commissioner Collier seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 17 – Announcements and comments from Mayor and City Commissioners.

Commissioner Collier stated “hats off” to Commissioner Reyna for speaking up.

Commissioner Ruiz stated hopefully we can get through the budget.

ITEM 18 – Announcements and comments from City Staff.

City Manager Bartels thanked the City Commission on behalf of the City Staff for approving the bid from IMS; noting it is a big benefit to the current employees. He also thanked B. J. Gililand for his work on obtaining the health insurance bids.

City Manager Bartels stated one of our long-time police lieutenants is retiring effective October; Daniel Garcia has been with the Police Department for twenty years and he has been promoted to fill that position. City Manager Bartels stated Lt. Garcia was one of the first to utilize a program we had where the City sent local residents interested in law enforcement through the policy academy and paid a portion of their salary until they graduated; he will make a great lieutenant.

There being no further business before the Commission, upon motion by Commissioner Collier, seconded by Commissioner Ruiz, the meeting was adjourned at approximately 7:27 p.m.