

On this the 7th day of August, 2023 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
 Rose Mary Barrett, Commissioner Place One
 Clint Savoini, Commissioner Place Three
 Mark Collier, Commissioner Place Four
 James Stow, Commissioner Place Five
 Rocky Bhakta, Commissioner Place Six
 Steve Bartels, City Manager
 Suzanne Finch, City Secretary
 Audie Sciumbato, City Attorney

Absent: Angie Alonzo, Commissioner Place Two

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

Also, in attendance were Assistant City Manager Dean Turney, HEDC Executive Director Kurt Jones, Finance Manager Wade Hawkins, Public Works Director Johnny Torres, Corporal Holcomb, Ramon Nunez, Carmen Nunez, Rodney Penton, and Kim Leonard.

Mayor Bunch voiced the invocation and then asked Commissioner Savoini 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.

Mayor Bunch reminded those present of the new rule: the public is not allowed to approach the dais without permission; the public will be escorted out of the chamber after the meeting is adjourned.

Ramon Nunez inquired if the City is going to issue an update on water quality.

ITEM 2 – Consider approval of minutes for the July 17th, 2023 Regular meeting.

Commissioner Savoini made a motion to approve the minutes as presented. Commissioner Stow seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 3 - Discuss and consider approval of request from Humane Society of Deaf Smith County for a dog park.

Rodney Penton and Kim Leonard stated they are looking at the area near where the old community center was (on the south side of the water storage tanks) as a possible location for

a dog park. Mr. Penton noted they could tie to the existing fence and would only have to fence three sides instead of four. He then went over the estimate provided to the Commission:

6' Chain Link Fence	\$ 22,000.00
Sprinkler System and Sod	\$ 40,000.00
Shade Canopy	\$ 8,000.00
Benches, Trash Cans, etc.	<u>\$ 5,000.00</u>

Subtotal:	<u>\$ 75,000.00</u>
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Optional Items

Splash Pad	\$ 30,000.00
Parking Area	<u>\$ 20,000.00</u>

Subtotal:	<u>\$ 50,000.00</u>
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Total:	<u>\$125,000.00</u>
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Mr. Penton stated they did a Facebook poll asking the public about a dog park and got a lot of positive responses.

Mrs. Leonard expressed concerns for the safety of animals and children at Dameron park. She stated a lot of people get out of the vehicle without putting their dog on a leash; Park Avenue is a busy street and poses a hazard for the dogs and the unleashed dogs pose a potential threat to people in the park.

Commissioner Savoini asked if they would consider other locations; they both indicated their willingness to look at alternate spots.

City Manager Bartels stated west of the aquatic park might be a better location as it already has grass, a sprinkler system, some parking, and could also be used by people at the RV Park.

The group discussed various heights for the fence, types of gates, options such as separating the dog park into two sections to keep large and small dogs apart, agreed to look more at the cost, and to put it as a budgeted item.

ITEM 4 - Discuss and consider approval of Resolution No. 08.07.23 denying Southwestern Public Service Company's proposed rate increase request in connection with its Statement of Intent submitted on about February 8, 2023; 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.

Mayor Bunch read the caption and then called on City Manager Bartels to give a brief overview of this item.

RESOLUTION NO. 08.07.23

A RESOLUTION BY THE CITY OF HEREFORD, TEXAS ("CITY") DENYING SOUTHWESTERN PUBLIC SERVICE COMPANY'S PROPOSED RATE INCREASE REQUEST IN CONNECTION WITH ITS STATEMENT OF INTENT SUBMITTED ON ABOUT FEBRUARY 8, 2023; 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, 2023, to increase its base revenues for its Texas retail service area by approximately \$148.5 million, which is an increase in base revenue of about 20.6%; and

WHEREAS, on about March 24, 2023, SPS updated its application to revise data it initially presented as estimates of expenses and capital expenditures, to actual data, which had the effect of amending its proposed increase in rates to an increase of about \$158 million; and

WHEREAS, the City previously suspended implementation of SPS's proposed increase in rates and its proposed effective date by 135 days to July 28, 2023; and

WHEREAS, by agreement between AXM and SPS, SPS extended the suspension period to August 25, 2023; 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, SPS failed to establish that its overall revenue request resulted in no more than an amount that will permit SPS a reasonable opportunity to earn a reasonable return on the utility's invested capital used and useful in providing service to the public in excess of the utility's reasonable and necessary operating expenses; and

WHEREAS, SPS failed to establish that its proposed rates are just and reasonable; and

WHEREAS, SPS may exercise its statutory right to appeal a City decision regarding SPS's request to increase rates to the Public Utility Commission of Texas;

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 failed to show that its proposed rates are just and reasonable.

Section 3. The City hereby DENIES SPS's request to increase rates and in support thereof finds that:

- a) SPS's Statement of Intent fails to provide sufficient justification for its requested increase in revenue or the changes set forth in SPS's proposed tariffs;
- b) SPS's Statement of Intent fails to provide sufficient information to justify the adoption of the rate base, expenses, investment, return on equity, and other rate issues.
- c)

Section 4. SPS is hereby directed to continue to reimburse the City on a monthly basis, through AXM's coordinating city, the City of Amarillo, Texas, rate-case expenses for the reasonable costs of attorneys and consultants and expenses related thereto, upon the presentation of invoices reviewed by the City of Amarillo.

Section 5. 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 Pkwy, Austin, Texas 78756, and as a courtesy, provide SPS a copy of this Resolution by sending a copy of the Resolution to Ms. Brooke Trammel, Regional Vice President, Regulatory & Pricing, Southwestern Public Service Company, 790 S. Buchanan St. Amarillo, Texas 79101.

Section 6. 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 7. To the extent any Resolution previously adopted by the City Commission is inconsistent with this Resolution, it is hereby superseded.

Section 8. The findings set out in the preamble are in all things hereby approved.

Section 9. This Resolution shall become effective from and after its passage.

PASSED AND APPROVED this 7TH day of AUGUST, 2023.

/s/ Cathy Bunch
Cathy Bunch, Mayor

ATTEST:

/s/ Suzanne Finch
Suzanne Finch, City Secretary

City Manager Bartels stated these rate increases are done on a regular basis; the utility company comes in high and the AXM member cities work to negotiate it down to get the best possible rate.

Commissioner Collier made the motion to deny Southwestern Public Service Company's proposed rate increase. Commissioner Savoini seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 5 - Discuss and vote on proposed tax rate for 2023.

City Manager Bartels stated the City Commission is required to vote on a *proposed* tax rate. He stated the current rate is \$0.2878 per \$100 of property valuation; the proposed rate is \$0.2750 per \$100 valuation. He stated even though this rate is lower it would raise approximately \$134,000.00 more due to the higher property valuations and the addition of new properties. He noted the City Commission will hold a public hearing in September and vote on the actual tax rate at that time.

Commissioner Bhakta made the motion to vote on the proposed tax rate of \$0.2750 per \$100 property valuation. The motion passed with the following vote: Mayor Cathy Bunch – aye; Commissioner Rose Mary Barrett – aye; Commissioner Angie Alonzo – absent; Commissioner Clint Savoini – aye; Commissioner Mark Collier – aye; Commissioner James Stow – aye; and Commissioner Rocky Bhakta – aye.

ITEM 6 - Consider approval of Order and Notice for the City Special Election set for November 7, 2023. (*Considerare la aprobacion de la Orden y Aviso para la Eleccion Especial de la Ciudad para el 7 de noviembre de 2023.*)

City Manager Bartels stated this election is being held for the citizens to authorize the use of Hereford Economic Development Corporation funds combined with City of Hereford funds to build a baseball/softball complex; total of 6.5 million dollars; it would be very similar to the special election held in 2018 for the civic center.

**ORDER OF ELECTION
FOR THE CITY OF HEREFORD**

A special election is hereby ordered to be held on Tuesday, November 7, 2023 for the purpose of submitting one (1) proposition to the voters for the following:

Should the City of Hereford and the Hereford Economic Development Corporation combine some of their existing funds to build a 6.5 million dollar baseball/softball complex in the city limits of Hereford, Texas. (yes or no)

Location of Polling Place:

CIVIC CENTER BUILDING
1001 WEST 15TH STREET, HEREFORD, TX 79045

DEAF SMITH COUNTY COURTHOUSE
235 E. 3RD STREET, FIRST FLOOR, HEREFORD, TEXAS 79045

Early voting by personal appearance will be conducted each weekday at the Deaf Smith County Courthouse, First Floor, 235 E. 3rd Street, Hereford, Texas, 79045

between the hours of 8:00 a.m. and 5:00 p.m. beginning on Monday, October 23, 2023, and ending on Friday, November 3, 2023.

Applications for ballot by mail shall be mailed to:

Rachel Garman, County Clerk
Deaf Smith County Courthouse
235 E. 3rd Street, Room 203
Hereford, Texas 79045
(806) 363-7077

rgarman@deafsmithcounty.texas.gov
www.co.deaf-smith.tx.us/page/deafsmith.County.Clerk

Applications for ballot by mail (ABEMs) must be received no later than the close of business on Friday, October 27, 2023.

Last day to accept a Federal Post Card Application (FPCA) from a registered voter: Friday, October 27, 2023.

Issued this the 7th day of August, 2023.

/s/ Cathy Bunch
Cathy Bunch, Mayor

Commissioner Savoini made the motion to approve the order and notice for the City Special Election set for November 7th, 2023. Commissioner Collier seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 7 - Consider approval of Resolution No. 08.07.23A authorizing a Joint Election Agreement between the City of Hereford and Deaf Smith County, Texas. (*Considera la aprobacion de la Resolucion No. 08.07.23A que autoriza de Acuerdo de Eleccion Conjunta entre la Ciudad de Hereford y el Condado de Deaf Smith, Texas.*)

City Manager Bartels stated this is a joint election contract between the City of Hereford and Deaf Smith County.

RESOLUTION 08.07.23A OF THE CITY COMMISSION
OF THE CITY OF HEREFORD, TEXAS
AUTHORIZING A JOINT ELECTION AGREEMENT
WITH DEAF SMITH COUNTY, TEXAS

The City Commission for the City of Hereford, Texas does hereby make the following Resolution regarding the joint election to be conducted with Deaf Smith County, Texas, as more fully described in the Joint Election Agreement (the "Agreement") attached hereto as Exhibit "A" and fully incorporated as if set forth herein:

WHEREAS, Texas Election Code § 271.002(a) authorizes the governing bodies of political subdivisions to enter into an agreement to hold joint elections and share common polling places; and,

WHEREAS, the City of Hereford, Texas ("City") and Deaf Smith County ("County") are each political subdivisions of the State of Texas; and,

WHEREAS, the County will conduct an election on November 7, 2023; and,

WHEREAS, the City also intends to conduct an election on November 7, 2023; and,

WHEREAS, the governing bodies of the City and the County desire to hold a joint election as set forth in the Agreement; and,

WHEREAS, the City and the County have agreed to use polling places as permitted by Texas Election Code§ 271.003; and,

WHEREAS, the City and County have common voters, and it would be to the benefit of the County, the City, and the resident voters thereof, to share joint polling places, and for the County to provide election services, as set forth in the Agreement.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF HEREFORD that the Commission hereby adopts the above recitals as findings of fact and operative provisions hereof the same as if set out in full; and,

BE IT FURTHER ORDAINED that the City's election shall be held jointly with Deaf Smith County, Texas, as permitted under Texas Election Code Chapter 271, and as set forth in the Agreement attached hereto; and,

BE IT FURTHER ORDAINED that the Commission authorizes the City Manager to enter into the attached Agreement, and that the City Manager is authorized to take such actions and execute such documents as are necessary to implement the actions that are contemplated herein, whether or not expressly authorized herein.

PASSED AND APPROVED, this 7th day of August, 2023, by the City Commission of the City of Hereford, Texas.

/s/ Cathy Bunch
Cathy Bunch, Mayor

ATTEST:

/s/ Suzanne Finch
Suzanne Finch, City Secretary

Commissioner Bhakta made the motion to approve the joint election. Commissioner Barrett seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 8 - Consider approval of an appointment to fill a vacancy on the City of Hereford's Planning and Zoning Commission.

Mayor Bunch stated Mike Schueler is retiring and is vacating the position; Dodd Scroggin has agreed to replace him.

Commissioner Collier made a motion to appoint Dodd Scroggin to fill the unexpired term of Mike Schueler on the City of Hereford Planning and Zoning Commission. Commissioner Stow seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 9 - Consider approval of Façade Improvement Grant Program application approved by the Hereford Beautification Advisory Board at their regular meeting on August 1st, 2023. (Requested by Paul Tamez of Auto Shop Kustoms located at 921 E. 1st Street).

Commissioner Savoini made the motion to approve the Façade Improvement Grant Program application approved by the Hereford Beautification Advisory Board at their regular meeting held on August 1, 2023 for Paul Tamez of Auto Shop Kustoms located at 921 E. 1st Street). Commissioner Barrett seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 10 - Hear report from Hereford Economic Development Corporation.

HEDC Executive Director Kurt Jones reported on the following:

- 2nd Lunch and Learn to be held this Thursday at noon at the Civic Center
 - It will be live streamed
 - Video posted to Facebook page
 - Linked from website
 - Available to anyone that wants to view
 - Will answer many of the frequently asked questions

ITEM 11 - Consider approval of Hereford Economic Development Corporation's financial incentive package for coin operated laundry .

HEDC Executive Director Kurt Jones stated Brent Dance purchased this property from the EDC and recently began construction of a laundry; they will employ 3-4 people. He stated the incentive is in the amount of \$46,910.00 if approved and would be structured as a three-year forgivable loan based on the number of employees (part-time can be combined to equal a full-time position).

HEDC Executive Director Kurt Jones stated Brent Dance has done some research on this and he felt there was a need for an updated laundromat. He also noted the HEDC does not typically search out retail businesses, they came to him. HEDC Executive Director Jones stated the typical incentive is 10% and this was half of the usual amount (5%).

ITEM 12 - Announcements and comments from Mayor and City Commissioners.

Commissioner Collier asked if there would be a water quality report sent out. He also thanked the Humane Society for all they do.

Mayor Bunch stated the only reason the pool is closed is due to a broken glass – very expensive – had to close earlier than we wanted to for the season.

ITEM 13 - Announcements and comments from City Staff.

City Manager Bartels stated the water quality report and meeting were done in July. In addition to himself and Wade Hawkins there was only one member of the public in attendance. City Manager Bartels stated he would visit with Mr. Nunez and answer his questions.

City Manager Bartels stated the materials for the Aquatic Center covering should be arriving this week. He noted they held a pre-construction meeting this morning with the contractor. He stated construction would begin next week and would hopefully be completed by December so we can reopen.

City Manager Bartels stated a glass window replacement was ordered from Colorado and will be covered by insurance for the one that was broken (alleged vandalism).

City Manager Bartels stated a budget work session would be held during the regular August 21st meeting. He offered to get with Kim Leonard and Rodney Penton to get a good figure to put in the budget for a dog park. Mayor Bunch stated she would also stay in contact with them.

There being no further business before the Commission, the meeting was adjourned at approximately 7:05 p.m.