



## A G E N D A

REGULAR MEETING OF THE  
HIGHLAND VILLAGE CITY COUNCIL  
HIGHLAND VILLAGE MUNICIPAL COMPLEX  
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS  
TUESDAY, AUGUST 25, 2020, at 6:00 P.M.

*Pursuant to Governor Greg Abbott's temporary suspension of various provisions of the Texas Open Meetings Act and in an effort to protect the health and safety of the public, the public will not be allowed to attend the City Council meeting in person. Members of the public may view the City Council meeting live at no cost via the following Internet link:*  
[www.highlandvillage.org/HVTV](http://www.highlandvillage.org/HVTV).

*Any person wishing to provide comments on any matter to be considered on this agenda should email such comments to the City Secretary at [amiller@highlandvillage.org](mailto:amiller@highlandvillage.org) by 1:00 p.m. on Tuesday, August 25, 2020.*

### EARLY WORK SESSION

City Council Chambers – 6:00 P.M.

#### Convene Meeting in Open Session

1. Receive an Update on the 2018 Streets and Parks Bond Projects and Chapel Hill Trail Connection Project
2. Clarification of Consent or Action Items listed on Today's City Council Meeting Agenda for August 25, 2020

(Items discussed during Early Work Session may be continued or moved to Open Session and/or Late Work Session if time does not permit holding or completing discussion of the item during Early Work Session)

### CLOSED SESSION

City Council Chambers

3. Hold a closed meeting in accordance with the following sections of the Texas Government Code:
  - (a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)
  - (b) Section 551.074 – Personnel – Deliberate the Appointment and Employment of a Person to the Public Office of City Manager

### OPEN SESSION

City Council Chambers – 7:00 P.M.

4. Call to Order

5. **Prayer led by Mayor Charlotte J. Wilcox**
6. **Pledge of Allegiance to the U.S. and Texas flags led by Mayor Charlotte J. Wilcox: "Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."**
7. **Visitor Comments** *(Any person wishing to provide comments on any matter to be considered on this agenda should email such comments to the City Secretary at [amiller@highlandvillage.org](mailto:amiller@highlandvillage.org) by 1:00 p.m. on Tuesday, August 25, 2020. In accordance with the Texas Open Meetings Act, the City Council is restricted in discussing or taking action on items not posted on the agenda. Action on your statement can only be taken at a future meeting.)*
8. **City Manager/Staff Reports**
9. **Mayor and Council Reports on Items of Community Interest pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety**

*Anyone wishing to address the City Council on any item posted on the City Council agenda for possible action, including matters placed on the Consent Agenda or posted as a Public Hearing, must complete a Speakers' Request Form available at the entrance to the City Council Chambers and present it to the City Secretary prior to the Open Session being called to order. Speakers may be limited to three (3) minutes and given only one opportunity to speak on an item. Other procedures regarding speaking on matters posted for action on the City Council agenda are set forth on the Speakers' Request Form. Subject to applicable law, the City Council reserves the right to modify or waive at any time the procedures relating to members of the public speaking on matters placed the Council's agenda.*

### **CONSENT AGENDA**

**All of the items on the Consent Agenda are considered for approval by a single motion and vote without discussion. Each Councilmember has the option of removing an item from this agenda so that it may be considered separately and/or adding any item from the Action Agenda to be considered as part of the Consent Agenda items.**

10. **Consider approval of Minutes of the Regular City Council Meeting held on August 11, 2020**
11. **Consider Resolution 2020-2895 cancelling the November 24, 2020 and December 22, 2020 City Council Meetings**

### **ACTION AGENDA**

12. **Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:**
  - (a) **Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on a Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**
  - (b) **Section 551.074 – Personnel – Deliberate the Appointment and Employment of a Person to the Public Office of City Manager**

13. Consider Resolution 2020-2896 approving an Employment Agreement with Paul Stevens to Serve as City Manager of the City of Highland Village, Texas
14. Consider Resolution 2020-2897 awarding and authorizing a Contract with American Building Services for the Replacement of Heating, Ventilation and Air Conditioning Units at the City Municipal Complex, and repealing Resolution 2020-2891
15. Consider Resolution 2020-2898 approving a Negotiated Settlement Agreement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corporation, Mid-Tex Division, regarding the 2020 Rate Review Mechanism Filings

**LATE WORK SESSION**

(Items may be discussed during Early Work Session, Time Permitting)

16. Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.)
17. Adjournment

I HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE PUBLIC BULLETIN BOARD AT THE MUNICIPAL COMPLEX, 1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS IN ACCORDANCE WITH THE *TEXAS GOVERNMENT CODE, CHAPTER 551*, ON THE 21<sup>ST</sup> DAY OF AUGUST, 2020 NOT LATER THAN 5:00 P.M.



Angela Miller, City Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (972) 899-5132 or Fax (972) 317-0237 for additional information.

Removed from posting on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 at  
\_\_\_\_\_ am / pm by \_\_\_\_\_.

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

**AGENDA# 1**

**MEETING DATE: 08/25/2020**

**SUBJECT: Receive an Update on the 2018 Streets and Parks Bond  
Projects and Chapel Hill Trail Connection Project**

**PREPARED BY: Ken Heerman, Assistant City Manager**

**COMMENTS**

City staff will provide an update on the 2018 bond projects and Chapel Hill Trail Connection Project.

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

**AGENDA# 10**

**MEETING DATE: 08/25/2020**

**SUBJECT: Consider Approval of Minutes of the Regular City Council Meeting held on August 11, 2020**

**PREPARED BY: Angela Miller, City Secretary**

**BACKGROUND:**

Minutes are approved by a majority vote of Council at the Council meetings and listed on the Consent Agenda.

**IDENTIFIED NEED/S:**

Council is encouraged to call the City Secretary's Office prior to the meeting with suggested changes. Upon doing so, staff will make suggested changes and the minutes may be left on the Consent Agenda in order to contribute to a time efficient meeting. If the change is substantial in nature, a copy of the suggested change will be provided to Council for consideration prior to the vote.

**OPTIONS & RESULTS:**

The City Council should review and consider approval of the minutes. Council's vote and approval of the minutes reflect agreement with the accuracy of the minutes.

**PROGRESS TO DATE: (if appropriate)**

The City Manager has reviewed the minutes and given approval to include the minutes in this packet.

**BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)**

N/A

**RECOMMENDATION:**

To approve the minutes of the Regular City Council meeting held on August 11, 2020.



**MINUTES OF THE REGULAR MEETING OF THE  
HIGHLAND VILLAGE CITY COUNCIL  
HIGHLAND VILLAGE MUNICIPAL COMPLEX  
1000 HIGHLAND VILLAGE ROAD  
TUESDAY, AUGUST 11, 2020**

**EARLY WORK SESSION**

Mayor Charlotte J. Wilcox called the meeting to order in open session at 5:30 p.m. and announced pursuant to Governor Greg Abbott's temporary suspension of various provisions of the Texas Open Meetings Act and in an effort to protect the health and safety of the public, the meeting is being conducted using social distancing practices. Members of the public are not allowed to attend the City Council meeting in person, but may view the City Council meeting live at no cost via [www.highlandvillage.org/HVTV](http://www.highlandvillage.org/HVTV).

In addition, she reported any person wishing to provide comments on any matter to be considered on this agenda were to email such comments to the City Secretary by 1:00 p.m. on Tuesday, August 11, 2020.

**Roll Call**

Present:	Charlotte J. Wilcox	Mayor
	Jon Kixmiller	Councilmember
	Michael Lombardo	Mayor Pro Tem
	Barbara Fleming	Deputy Mayor Pro Tem
	Tom Heslep	Councilmember
	Robert A. Fiester	Councilmember
	Daniel Jaworski	Councilmember

Staff Members:	Michael Leavitt	City Manager
	Ken Heerman	Assistant City Manager
	Kevin Laughlin	City Attorney
	Angela Miller	City Secretary
	Doug Reim	Police Chief
	Michael Thomson	Fire Chief
	Scott Kriston	Public Works Director
	Jana Onstead	Human Resources Director
	Sunny Lindsey	Information Services Director
	Phil Lozano	Parks and Recreation Director
	Laurie Mullens	Marketing Communications Director
	Andrew Boyd	Media Specialist

Mayor Wilcox announced that Closed Session would be addressed first on the agenda. She read Agenda Items #3(a) and #3(b).

**CLOSED SESSION**

Council convened into Closed Session at 5:31 p.m.

3. **Hold a closed meeting in accordance with the following sections of the Texas Government Code:**
  - (a) **Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**
  - (b) **Section 551.074 – Personnel – Deliberate the Appointment and Employment of a Person to the Public Office of City Manager**

Council concluded Closed Session at 6:10 p.m. and reconvened into Early Work Session.

### **EARLY WORK SESSION**

1. **Follow up Discussion on the General Fund Budget and Discuss the Utility Fund Budget for Fiscal Year 2020-2021**

Assistant City Manager Ken Heerman presented the Utility Fund Budget for Fiscal Year 2020-2021, which will maintain the current rate structure for water and sewer services. The current budget year is estimated to end with a seventy-five (75) day fund balance, and next year is estimated to end with an estimated eighty (80) day fund balance.

Discussion also continued on the General Fund Budget. Mr. Heerman reported approximately 29% of the properties in Highland Village are still under review by the Denton Central Appraisal District. Councilmember Heslep asked about paying cash, instead of financing, large equipment purchases. Mr. Heerman stated that has been our practice in the past. He added that our equipment replacement policy is being reviewed by an outside source to determine if any changes should be made that are more cost effective. Councilmember Kixmiller clarified only one (1) additional position is requested in the budget, which increases ongoing costs. Mr. Heerman stated there is one (1) position requested in next year's budget.

2. **Clarification of Consent or Action Items listed on Today's City Council Meeting Agenda for August 11, 2020**

No items were discussed.

Council concluded Early Work Session at 7:22 p.m. and took a short break prior to the start of the Regular Open Session Meeting.

### **OPEN SESSION**

4. **Call to Order**

Mayor Charlotte J. Wilcox called the meeting to order at 7:35 p.m.

#### Roll Call

Present:	Charlotte J. Wilcox	Mayor
	Jon Kixmiller	Councilmember
	Michael Lombardo	Mayor Pro Tem
	Barbara Fleming	Deputy Mayor Pro Tem

Tom Heslep	Councilmember
Robert A. Fiester	Councilmember
Daniel Jaworski	Councilmember

Staff Members:	Michael Leavitt	City Manager
	Ken Heerman	Assistant City Manager
	Kevin Laughlin	City Attorney
	Angela Miller	City Secretary
	Doug Reim	Police Chief
	Michael Thomson	Fire Chief
	Scott Kriston	Public Works Director
	Jana Onstead	Human Resources Director
	Sunny Lindsey	Information Services Director
	Phil Lozano	Parks and Recreation Director
	Laurie Mullens	Marketing Communications Director
	Andrew Boyd	Media Specialist

**5. Prayer led by Councilmember Daniel Jaworski**

Councilmember Jaworski gave the invocation.

**6. Pledge of Allegiance to the U.S. and Texas flags led by Councilmember Daniel Jaworski**

Councilmember Jaworski led the Pledge of Allegiance to the U.S. and Texas flags.

**7. Visitor Comments**

Mayor Wilcox announced any person wishing to provide comments on any matter to be considered on this agenda were to email such comments to the City Secretary by 1:00 p.m. on Tuesday, August 11, 2020. She asked if any public comments were received; City Secretary Angela Miller reported none were received.

Mayor Wilcox announced she received an email from resident Denise Turner (3106 Calstone Circle) voicing her support of a Chapel Hill trail connection project in next year's budget.

**8. City Manager/Staff Reports**

- **COVID-19 Update**

Fire Chief Michael Thomson sadly reported the loss of two (2) Highland Village residents to COVID. Emergency operations continues to monitor the situation through daily calls with federal, state and county partners.

- **HVTV Update**

The update included a tour of Megan's Lifestyle Boutique located in The Shops and a visit to Froyo Joe's as part of the Foodie Friday segment.

**9. Mayor and Council Reports on Items of Community Interest pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about**

upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety

Mayor Wilcox wished Mr. Wilcox a happy 65<sup>th</sup> birthday.

#### **CONSENT AGENDA**

10. Consider approval of Minutes of the Regular City Council Meeting held on July 28, 2020 and of the Special City Council Meetings held on July 29, 2020, July 30, 2020, and August 4, 2020
11. Receive the Investment Report for Quarter Ending June 30, 2020
12. Receive Budget Reports for Period Ending June 30, 2020

***Motion by Mayor Pro Tem Lombardo, seconded by Councilmember Heslep, to approve Consent Agenda Items #10 through #12. Motion carried 7-0.***

#### **ACTION AGENDA**

13. Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:
  - (a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on a Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)

#### **NO ACTION TAKEN**

- (b) Section 551.074 – Personnel – Deliberate the Appointment and Employment of a Person to the Public Office of City Manager

Mayor Wilcox thanked members of the City Council for their dedication and work in hiring a new city manager. She voiced her appreciation of everyone's trust and confidence as their elected officials made this important decision. Councilmember Jaworski added that Human Resources Director Jana Onstead did a great job and also thanked Ms. Onstead and Riley Harvill with the Harbeck Company for their hard work.

***Motion by Deputy Mayor Pro Tem Fleming, seconded by Councilmember Jaworski, to appoint Paul Stevens of Rowlett, Texas, as City Manager of the City of Highland Village effective October 1, 2020, subject to satisfactory completion and review of a personal background check and successful negotiation and execution of an employment agreement. Further moving that the Mayor be authorized to negotiate an employment agreement with Mr. Stevens for the position of City Manager in accordance with the terms and conditions discussed in Closed Session, execution of such agreement to be subject to final approval by the City Council. Motion carried 7-0.***

14. Consider the Ad Valorem Tax Rate for Year 2020 and Set a Public Hearing Date on the Proposed Fiscal Year 2020-2021 Budget and Proposed Tax Rate

Assistant City Manager Ken Heerman reported Truth in Taxation requires a public hearing, preceded by certain required public notice of the hearing and the proposed real property tax rate before implementing a property tax rate if a rate is considered which will exceed the lower of the Voter Approved Tax Rate (formerly known as the "Rollback Rate") or the No New Revenue Tax Rate (formerly known as the "Effective Rate"). He further reported

that because the proposed tax rate of \$0.56302 (which maintains the current tax rate) for Tax Year 2020 is below the Voter Approved Tax Rate of \$.57908, but exceeds the No New Revenue Tax Rate of \$0.56087, the Council must schedule a public hearing on the proposed tax rate before taking action to adopt the rate. Mr. Heerman added that this vote does not commit Council to a tax rate, however the Council cannot ultimately adopt a tax rate that exceeds the rate that is proposed in the motion approved by the Council.

***Motion by Mayor Wilcox, seconded by Councilmember Jaworski, that \$0.56302 per \$100 valuation be proposed for adoption as the City's Ad Valorem tax rate for the 2020 tax year and sets September 8, 2020 as the date for holding the public hearing to receive public comment on said tax rate and the 2020-2021 Fiscal Year budget. Motion carried 7-0.***

### **LATE WORK SESSION**

**15. Discuss the Upcoming Board and Commission Appointments and Non-Profit Presentations**

City Secretary Angela Miller reported Council has held a Meet and Greet in September prior to making annual board and commission appointments. In addition, non-profit organizations have also provided in-person presentations to Council in October regarding their services. However, due to COVID-19 and the Executive Orders issued by Governor Abbott, other options may need to be considered this year.

Consensus of Council is to hold a Meet and Greet with new applicant and with small groups using social distancing practices. Additionally, presentations by non-profit organizations will be scheduled individually and limited to only one (1) representative from each organization attending.

**16. Discuss an Update of the City's Code of Ordinances**

City Manager Michael Leavitt reported several city ordinances are in need of updates, including our animal ordinance. He provided a copy of the current ordinance, along with proposed modifications as recommended by the City Attorney. He stated the City's prosecutor would also be reviewing the ordinance. Mr. Leavitt added that Police Chief Reim would be working on the updates with our City Attorney and Prosecutor, and will be providing an update to Council at a future meeting. He also reported the City's Code of Ordinances need to be reviewed and updated, with this just being a starting place.

**17. Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.)**

Mayor Wilcox reported the November 24, 2020 and December 22, 2020 meetings fall during holiday weeks, therefore she recommended cancelling those meetings; an item for formal action by Council will be on the next meeting agenda. Mayor Wilcox also asked for an update on the Chapel Hill trail connection at a future Council meeting.

**18. Adjournment**

Mayor Wilcox adjourned the meeting at 8:20 p.m.

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Charlotte J. Wilcox, Mayor

**ATTEST:**

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Angela Miller, City Secretary

DRAFT

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

**AGENDA# 11**

**MEETING DATE: 08/25/2020**

**SUBJECT: Consider Resolution 2020-2895 Canceling the November 24, 2020 and December 22, 2020 City Council Meetings**

**PREPARED BY: Angela Miller, City Secretary**

**BACKGROUND:**

Section 3.13 of City of Highland Village City Charter states that the City Council shall have as many regular meetings as it shall deem necessary, provided it shall have at least one meeting each month to be held within the City limits. If (i) the business of the City is such that the number of items requiring City Council discussion and/or approval are too few to justify the staff time and costs related to preparing for a city council meeting, and (ii) matters pending which do require council approval can be delayed to a later meeting, then cancelation of a council meeting is from time to time proposed.

**IDENTIFIED NEED/S:**

The Regular City Council meeting scheduled for Tuesday, November 24, 2020 and December 22, 2020 both fall during a holiday week - Thanksgiving and Christmas respectively.

**OPTIONS & RESULTS:**

Cancelling the Regular City Council meetings scheduled for November 24 and December 22 would allow Council and staff the opportunity to enjoy this time with their families.

**RECOMMENDATION:**

To approve Resolution 2020-2895 cancelling the November 24, 2020 and December 22, 2020 City Council meetings.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2020-2895**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS CANCELING THE NOVEMBER 24, 2020, AND DECEMBER 22, 2020, CITY COUNCIL MEETINGS, AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, Section 3.13 of the City Charter of the City of Highland Village provides that the City Council shall have as many regular meetings as it shall deem necessary, provided it shall have at least one meeting each month to be held within the City limits; and

**WHEREAS**, the City Council customarily holds its regular meetings on the second and fourth Tuesdays of each month; and

**WHEREAS**, the City Council finds that cancelling the regular meetings scheduled for November 24, 2020 and December 22, 2020 will not adversely affect the operations of the City and will preserve City financial and human resources usually spent in preparation for such meetings.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, THAT:**

**SECTION 1.** The regular City Council meetings scheduled for November 24, 2020, and December 22, 2020, are hereby canceled.

**SECTION 2.** This Resolution shall take effect immediately upon passage.

**PASSED AND APPROVED** this the 25<sup>th</sup> day of August, 2020.

**APPROVED:**

\_\_\_\_\_  
**Charlotte J. Wilcox, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
**Kevin B. Laughlin, City Attorney**

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

**AGENDA# 13**

**MEETING DATE: 08/25/2020**

**SUBJECT: Resolution No. 2020-2896 Authorizing an Employment Agreement with Paul Stevens to Serve as City Manager**

**PREPARED BY: Jana Onstead, Human Resources Director**

**BACKGROUND:**

On March 10, 2020, City Manager Michael Leavitt advised the City Council of his intention to retire effective October 1, 2020. After an extensive search process, assisted by Dr. Riley Harvill of the Harbeck Company, on August 11, 2020, the City Council approved a motion appointing Paul Stevens to serve as City Manager effective October 1, 2020, subject to successful completion of a background check and negotiation of an employment agreement. The Council's August 11<sup>th</sup> motion also authorized the Mayor to negotiate an employment agreement with Mr. Stevens, the execution of such agreement to be subject to approval of the City Council.

Since August 11<sup>th</sup>, the Mayor, with the assistance of the Director of Human Resources and the City Attorney, has successfully negotiated the terms of an employment agreement with Mr. Stevens. Further, the Director of Human Resources has reported to the City Council that nothing within the background check would disqualify Mr. Stevens from serving as City Manager or otherwise serve as the basis for rescinding the prior offer.

**IDENTIFIED NEED/S:**

Approve an employment agreement with Paul Stevens to serve as City Manager

**RECOMMENDATION:**

Take appropriate action regarding Resolution No. 2020-2896 approving an employment agreement with Paul Stevens to serve as City Manager.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2020-2896**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS APPROVING AN EMPLOYMENT AGREEMENT WITH PAUL STEVENS TO SERVE AS CITY MANAGER OF THE CITY OF HIGHLAND VILLAGE, TEXAS; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, pursuant to Section 5.01 of the City Charter of the City of Highland Village, on August 11, 2020, the City Council appointed Paul Stevens to serve as City Manager commencing October 1, 2020, subject to successfully completing a personal background check and successful negotiations of an employment agreement; and

**WHEREAS**, the Mayor, having been authorized to negotiate an employment agreement with Mr. Stevens, has presented to the City Council an employment agreement with which Mr. Stevens is in agreement; and

**WHEREAS**, finding the terms of the negotiated employment agreement acceptable, the City Council of the City of Highland Village, Texas, finds it to be in the public interest to approve the agreement as presented.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS:**

**SECTION 1.** Upon finding that all conditions to the motion approved on August 11, 2020, have been satisfied, in accordance with Section 5.01 of the City Charter of the City of Highland Village, Texas, Paul Stevens is hereby appointed to the position of City Manager of the City of Highland Village, with such appointment to be effective October 1, 2020.

**SECTION 2.** The Mayor is hereby authorized to sign on behalf of the City an employment agreement with Paul Stevens in the form presented this date to the City Council.

**SECTION 3.** This Resolution shall take effect immediately upon passage.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON THIS 25<sup>th</sup> DAY OF AUGUST 2020.**

**APPROVED:**

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**Charlotte J. Wilcox, Mayor**

**ATTEST:**

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**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl:8/19/2020:117468)

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

**AGENDA# 14**

**MEETING DATE: 08/25/2020**

**SUBJECT: Consider Resolution No. 2020-2897 awarding and authorizing a contract with American Building Services for the replacement of heating, ventilation and air conditioning units on the City's Municipal Complex building and repealing Resolution No. 2020-2891**

**PREPARED BY: Scott Kriston, Director of Public Works**

**BACKGROUND:**

Previous Council action dated July 14, 2020, approved Resolution No. 2020-2891 awarding the Municipal Complex HVAC Replacement Project. , Following the approval of Resolution No, 2020-2891, staff discovered an error occurred in the procurement process that required the Project to be rebid.

The Municipal Complex has a total of 21 heating, ventilation and air conditioning (HVAC) units that are used to cool and heat the facility year-round. Seven of those units were replaced last fiscal year. City Council approved \$150,000.00 in the General Fund Maintenance Budget to replace 12 units this fiscal year. The HVAC units have become outdated and have reached their end of useful lives. Repairs have become costly as new technology has been implemented in the industry with new gas mandates. In order for these facilities to continue providing service, improvements need to be made on the HVAC units.

Public bids were solicited and received for the project. The City received three responsive bids from contractors. They are the following:

<b>BIDDER</b>	<b>BASE BID</b>
American Building Services	\$94,695.01
Denali Const. Services, LP	\$106,452.64
TDR Contractors, Inc.	\$128,200.00

The lowest responsive quote is from American Building Services in the amount of \$94,695.01. The low quote has been reviewed and evaluated and is considered a very good bid. American Building Services has sufficient resources and, based on the contractor's work history is considered the lowest responsible bidder. In making the award, Staff also recommends that Council repeal Res. 2020- 2891 as part of this Council action.

**IDENTIFIED NEED/S:**

HVAC unit improvements are needed at City buildings in order for these facilities to continue providing heating and cooling service.

## **OPTIONS & RESULTS:**

These HVAC replacements at the City buildings have reached the end of their useful life and require replacement. New HVAC units will allow these facilities to continue providing heating and cooling service without interruption.

## **PROGRESS TO DATE: (if appropriate)**

Contractors' bids for this HVAC unit replacement project have been received and evaluated.

## **BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)**

Council action approved \$150,000.00 in the FY2019-2020 General Fund Budget to fund this Project.

## **RECOMMENDATION:**

To approve Resolution 2020-2897.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2020-2897**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AWARDED AND AUTHORIZING A CONTRACT WITH AMERICAN BUILDING SERVICES FOR THE REPLACEMENT OF HEATING, VENTILATION AND AIR CONDITIONING UNITS AT THE CITY MUNICIPAL COMPLEX; REPEALING RESOLUTION NO. 2020-2891; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, upon finding an error occurred in the procurement process for replacement of heating, ventilation, and air conditioning units for the City Municipal Complex (the "Project") after the approval of Resolution No. 2020-2891, City Administration determined to seek new bids for the Project; and

**WHEREAS**, City Administration, having solicited, received, and reviewed the new bids for the Project, has determined that American Building Services has submitted the lowest most responsible bid in the amount of \$94,695.01, and recommends award of a contract for the Project to said bidder; and

**WHEREAS**, the City Council of the City of Highland Village, Texas, finds it to be in the public interest to accept the recommendation of the City administration.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS THAT:**

**SECTION 1.** The City Manager is hereby authorized to execute a contract with American Building Services in the amount of \$94,695.01 for the Project and, subject to applicable state laws, city policies, and, in the event change order(s) result in an increase in the contract amount, the availability of funds for such purpose, to negotiate and sign such change order(s) to said contract as the City Manager determines to be in the best interest of the City.

**SECTION 2.** Resolution No. 2020-2891 is hereby repealed.

**SECTION 3.** This Resolution shall become effective immediately upon passage.

**PASSED AND APPROVED THIS 25<sup>th</sup> DAY OF AUGUST 2020.**

**APPROVED:**

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**Charlotte J. Wilcox, Mayor**

**ATTEST:**

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**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**  
(kbl:8/19/2020:117467)

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

**AGENDA# 15**

**MEETING DATE: 08/25/2020**

**SUBJECT: Consider Resolution 2020-2898 Approving and Adopting Rate Schedule Rate Review Mechanism for Atmos Energy Corporation**

**PREPARED BY: Ken Heerman, Assistant City Manager**

**BACKGROUND:**

Highland Village, 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 Steering Committee of Cities Served by Atmos (“Cities”). In 2007, the Cities 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.

**IDENTIFIED NEED/S:**

On or about March 31, 2020, 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, 2019, entitled it to additional system-wide revenues of \$141.2 million. Application of the standards set forth in ACSC’s RRM Tariff required Atmos to reduce its request to \$136.3 million, \$98.7 million of which would be applicable to ACSC members. ACSC’s consultants concluded that the system-wide deficiency under the RRM regime should be \$111.5 million instead of the claimed \$136.3 million. The amount of the \$111.5 million deficiency applicable to ACSC members would be \$80.8 million.

**OPTIONS & RESULTS:**

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 \$90 million from ACSC Cities, but with a two-month delay in the Effective Date until December 1, 2020. This should save ratepayers approximately \$9 million such that the case is functionally equivalent to ACSC’s consultants’ recommendation of \$80.8 million.

The Executive Committee recommends a settlement at \$90 million. The Effective Date for new rates is December 1, 2020. ACSC members should take action approving the Resolution before November 1, 2020.

Atmos generated proof that the rate tariffs attached to the Resolution will generate \$90 million in additional revenues from ACSC Cities. The impact of the settlement on average residential rates is an increase of \$5.15 on a monthly basis, or 9.9 percent. The increase for average commercial usage will be \$15.48 or 6.56 percent.

**RECOMMENDATION:**

To approve Resolution 2020-2898.

**CITY OF HIGHLAND VILLAGE, TEXAS  
RESOLUTION NO. 2020-2898**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2020 RATE REVIEW MECHANISM FILINGS; 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 RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.**

**WHEREAS**, the City of Highland Village, 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 and charges of Atmos Mid-Tex; and

**WHEREAS**, 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 Company worked collaboratively to develop a new 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 RRM tariff was adopted by City in a rate ordinance in 2018; and

**WHEREAS**, on about March 31, 2020, Atmos Mid-Tex filed its 2020 RRM rate request with ACSC Cities based on a test year ending December 31, 2019; and

**WHEREAS**, ACSC coordinated its review of the Atmos Mid-Tex 2020 RRM filing through its Executive Committee, assisted by ACSC’s attorneys and consultants, to resolve issues identified in Company’s RRM filing; and

**WHEREAS**, the Executive Committee, as well as ACSC’s counsel and consultants, recommend the ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$90 million applicable to ACSC Cities with an effective date of December 1, 2020; 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 \$9 million off new rates imposed by the attached tariffs (Exhibit A), the impact on ratepayers should approximate the reasonable value of the rate filing found by the ACSC Consultants' Report, which was \$81 million; and

**WHEREAS**, the attached tariffs (Exhibit A) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by 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 (Exhibit C); and

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

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, THAT:**

**Section 1.** The findings set forth in this Resolution are hereby in all things approved.

**Section 2.** 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 \$90 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 2020 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.** 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.** 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 \$90 million from customers in ACSC Cities, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

**Section 5.** 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.** 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.** Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2020 RRM filing.

**Section 8.** To the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

**Section 9.** 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 10.** 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 11.** 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 December 1, 2020.

**Section 12.** A copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

**PASSED AND APPROVED BY THE CITY COUNCIL OF HIGHLAND VILLAGE, TEXAS THIS 25<sup>TH</sup> DAY OF AUGUST 2020.**

**APPROVED:**

\_\_\_\_\_  
**Charlotte J. Wilcox, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
**Kevin B. Laughlin, City Attorney**

(kbl:8/20/2020:117510)

**Resolution No. 2020-2898  
Exhibit A**

**Mid-Tex Tariffs  
Effective December 1, 2020**

<b>RATE SCHEDULE:</b>	<b>R – RESIDENTIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

**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:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Bill	\$ 20.25 per month
Rider CEE Surcharge	\$ 0.05 per month <sup>1</sup>
<b>Total Customer Charge</b>	<b>\$ 20.30 per month</b>
Commodity Charge – All <u>Ccf</u>	\$0.26651 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.

<sup>1</sup>Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2020.

<b>RATE SCHEDULE:</b>	<b>C – COMMERCIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

**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:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Bill	\$ 54.50 per month
Rider CEE Surcharge	\$ 0.02 per month <sup>1</sup>
<b>Total Customer Charge</b>	<b>\$ 54.52 per month</b>
Commodity Charge – All Ccf	\$ 0.11728 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.

<sup>1</sup> Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2020.

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

**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:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter	\$ 1,014.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4157 per MMBtu
Next 3,500 MMBtu	\$ 0.3044 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0653 per MMBtu

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

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

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

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

**Curtailement Overpull Fee**

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

**Replacement Index**

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

<b>RATE SCHEDULE:</b>	<b>I – INDUSTRIAL SALES</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

**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.

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

**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:

<b>Charge</b>	<b>Amount</b>
Customer Charge per Meter	\$ 1,014.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4157 per MMBtu
Next 3,500 MMBtu	\$ 0.3044 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0653 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.

<b>RATE SCHEDULE:</b>	<b>T – TRANSPORTATION</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

**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**

<b>RIDER:</b>	<b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

Provisions for Adjustment

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

Computation of Weather Normalization Adjustment

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

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

Where

- $i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per Ccf
- $R_i$  = Commodity Charge rate of temperature sensitive sales for the  $i^{th}$  schedule or classification.
- $HSF_i$  = heat sensitive factor for the  $i^{th}$  schedule or classification divided by the average bill count in that class
- $NDD$  = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- $ADD$  = billing cycle actual heating degree days.
- $BL_i$  = base load sales for the  $i^{th}$  schedule or classification divided by the average bill count in that class

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

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

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

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

<b>RIDER:</b>	<b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>	
<b>APPLICABLE TO:</b>	<b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b>	
<b>EFFECTIVE DATE:</b>	<b>Bills Rendered on or after 12/01/2020</b>	<b>PAGE:</b>

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.73	0.1545	94.79	0.7284
Austin	9.53	0.1489	211.76	0.9405
Dallas	15.77	0.1792	199.74	0.9385
Waco	9.99	0.1341	145.27	0.7110
Wichita Falls	11.61	0.1402	120.34	0.5747

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at [atmosenergy.com/mtx-wna](http://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.

**Resolution No. 2020-2898**  
**Exhibit B**

**Mid-Tex**  
**2020 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, 2019**

Line No.	Description	Shared Services		Mid-Tex Direct		Adjustment Total	
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Executive Benefit Plan		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2020 Willis Towers						
2	Watson Report as adjusted (1) (2) (3)	\$ 3,460,135	\$ 3,695,384	\$ 6,132,704	\$ 280,578	\$ 4,992,449	
	Allocation to Mid-Tex	43.29%	43.29%	76.59%	100.00%	76.59%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 1,497,774	\$ 1,599,605	\$ 4,697,072	\$ 280,578	\$ 3,823,744	
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)	\$ 1,497,774	\$ 1,599,605	\$ 4,697,072	\$ 280,578	\$ 3,823,744	\$ 11,898,774
6							
7							
8	Summary of Costs to Approve (1):						
9							
10	O&M Expense Factor (WP_F-2.3; Ln 2)		79.55%		37.83%		37.83%
11							
12							
13	Total Pension Account Plan	\$ 1,191,410		\$ 1,777,056		\$	\$ 2,968,466
14	Total Post-Employment Benefit Plan		\$ 1,272,412			\$ 1,446,647	\$ 2,719,060
15	Total Supplemental Executive Benefit Plan				\$ 32,754		\$ 32,754
16	Total (Ln 13 + Ln 14 + Ln 15)	\$ 1,191,410	\$ 1,272,412	\$ 1,777,056	\$ 32,754	\$ 1,446,647	\$ 5,720,280
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 2020 Willis Towers actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the 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 includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CAMI.						
21							
22	3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.						
23							

**Resolution No. 2020-2898**  
**Exhibit C**

**Mid-Tex 2020 Schedule for**  
**Amortization for Regulatory Liability**

**ATMOS ENERGY CORP., MID-TEX DIVISION  
RATE BASE ADJUSTMENTS  
TEST YEAR ENDING DECEMBER 31, 2019  
AMORTIZATION OF REGULATORY LIABILITY**

Line No.	Year Ended Dec. 31	Beginning of Year Rate Base Adjustment Amount	Annual Amortization (1)	End of Year Rate Base Adjustment Amount (2)	Corrected Balance for December 31, 2017 (3)
	(a)	(b)	(c)	(d)	(e)
1	2017		\$ -	\$ 292,268,881	\$ 292,268,881
2	2018	292,268,881	12,075,562	280,193,319	
3	2019	280,193,319	12,085,165	268,108,155	
4	2020	268,108,155	11,171,173	256,936,982	
5	2021	256,936,982	11,171,173	245,765,809	
6	2022	245,765,809	11,171,173	234,594,635	
7	2023	234,594,635	11,171,173	223,423,462	
8	2024	223,423,462	11,171,173	212,252,289	
9	2025	212,252,289	11,171,173	201,081,116	
10	2026	201,081,116	11,171,173	189,909,943	
11	2027	189,909,943	11,171,173	178,738,770	
12	2028	178,738,770	11,171,173	167,567,597	
13	2029	167,567,597	11,171,173	156,396,424	
14	2030	156,396,424	11,171,173	145,225,251	
15	2031	145,225,251	11,171,173	134,054,077	
16	2032	134,054,077	11,171,173	122,882,904	
17	2033	122,882,904	11,171,173	111,711,731	
18	2034	111,711,731	11,171,173	100,540,558	
19	2035	100,540,558	11,171,173	89,369,385	
20	2036	89,369,385	11,171,173	78,198,212	
21	2037	78,198,212	11,171,173	67,027,039	
22	2038	67,027,039	11,171,173	55,855,866	
23	2039	55,855,866	11,171,173	44,684,692	
24	2040	44,684,692	11,171,173	33,513,519	
25	2041	33,513,519	11,171,173	22,342,346	
26	2042	22,342,346	11,171,173	11,171,173	
27	2043	11,171,173	11,171,173	(0)	
28					
29	Revenue Related Tax Factor		7.16%	See WP_F-5.1	
	Revenue Related Taxes on Annual Amortization		\$ 799,924	Factor	
30	Amortization		\$ 799,924	Factor	
31	Amortization Including Revenue		<u>\$ 11,971,097</u>	Amortization + Taxes	

32  
33 Notes:

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

**CITY OF HIGHLAND VILLAGE**  
**COUNCIL BRIEFING**

**AGENDA# 16**

**MEETING DATE: 08/25/2020**

**SUBJECT: Status Reports on Current Projects and Discussion on Future  
Agenda Items**

**PREPARED BY: Karen McCoy, Executive Assistant**

**COMMENTS**

This item is on the agenda to allow a Councilmember to inquire about a subject of which notice has not been given. A statement of specific information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.



## UPCOMING MEETINGS

<b>August 25, 2020</b>	<b>Regular City Council Meeting - 7:00 pm</b>
September 3, 2020	Zoning Board of Adjustment Meeting - 6:00 pm
<b>September 7, 2020</b>	<b>City Offices Closed for the Labor Day Holiday</b>
<b>September 8, 2020</b>	<b>Regular City Council Meeting - 7:00 pm</b>
September 15, 2020	Planning & Zoning Commission Meeting – 7:00 pm
September 21, 2020	Parks & Recreation Advisory Board Meeting - 6:00 pm
<b>September 22, 2020</b>	<b>Regular City Council Meeting - 7:00 pm</b>
October 1, 2020	Zoning Board of Adjustment Meeting - 6:00 pm
<b>October 13, 2020</b>	<b>Regular City Council Meeting - 7:00 pm</b>
October 19, 2020	Planning & Zoning Commission Meeting – 7:00 pm
October 20, 2020	Parks & Recreation Advisory Board Meeting - 6:00 pm
<b>October 27, 2020</b>	<b>Regular City Council Meeting - 7:00 pm</b>
November 5, 2020	Zoning Board of Adjustment Meeting - 6:00 pm
<b>November 10, 2020</b>	<b>Regular City Council Meeting - 7:00 pm</b>
November 16, 2020	Planning & Zoning Commission Meeting – 7:00 pm
November 17, 2020	Parks & Recreation Advisory Board Meeting - 6:00 pm
<b>November 24, 2020</b>	<b>Regular City Council Meeting - 7:00 pm</b>

Note – The Zoning Board of Adjustment, Parks & Recreation Advisory Board, and the Planning & Zoning Commission meetings are held monthly, IF NEEDED. Please visit [www.highlandvillage.org](http://www.highlandvillage.org) or the City Hall bulletin board for the latest meeting additions and updates.

By: Karen McCoy, Executive Assistant – City of Highland Village