

February 6, 2017

A City Council workshop and regular meeting was held on the above date in the City Council Chamber, 100 South Houston Avenue with all officers and members present except Council Member Hardeman.

Mayor Anderle called the workshop to order at 5:30 p.m.

City Manager JRhett Parker briefly reviewed the agenda items.

Mayor Anderle called the regular meeting to order at 5:32 p.m.

Council Member Davis offered the invocation.

Council Member Williams led the pledge of allegiance.

Mayor Anderle requested citizen comments.

There were no citizen's comments at this time.

Council Member Schiller moved to approve minutes of the special meeting of January 17, 2017. Council Member Goza seconded the motion and it carried unanimously.

Krista Jones, representing C. H. Yoe High School National Honor Society and Student Council, requested use of the hike and bike trail to hold a color run on April 15, 2017. A crossing guard will be present at Fannin Avenue. No streets will be closed and tarps will be down to keep clean up to a minimum.

Council Member Davis moved to approve the use of the trail for the color run on April 15, 2017. Council Member Williams seconded the motion and it carried unanimously.

Ken Janicek and Tom Kelly, representing the Cameron Car Club, requested the use of the downtown mall for the Cameron Car Show on April 1, 2017. The Car Club would like use of barricades and a dumpster for the event.

Council Member Goza moved to approve the use of the downtown mall for the Cameron Car Show on April 1, 2017. Council Member Schiller seconded the motion and it carried unanimously.

Council Member Davis moved to approve the following resolution. Council Member Williams seconded the motion and it carried unanimously.

RESOLUTION NO. 2017-02-06-008

RESOLUTION BY THE CITY OF CAMERON; AUTHORIZING PARTICIPATION IN A COALITION OF SIMILARLY SITUATED CITIES IN CONNECTION WITH THE STATEMENT OF INTENT TO CHANGE RATE CGS AND RATE PT OF ATMOS PIPELINE—TEXAS FILED ON OR ABOUT JANUARY 6, 2017; AUTHORIZING PARTICIPATION IN RELATED RATE PROCEEDINGS; AUTHORIZING THE RETENTION OF SPECIAL COUNSEL; REQUIRING THE REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; FINDING THAT THE MEETING

COMPLIES WITH THE OPEN MEETINGS ACT; AND MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT

WHEREAS, Atmos Pipeline—Texas (“APT”) filed a Statement of Intent with the Railroad Commission of Texas on or about January 6, 2017 to increase Rate CGS and Rate PT; and

WHEREAS, APT plans to increase its revenue requirement by approximately \$72.9 million, representing an increase of approximately 17.38%; and

WHEREAS, the impact on customers, on a rate-schedule basis, is as follows:
Capacity Charges

| Rate Schedule | Current Capacity Charge per MMBtu of MDQ | Proposed Capacity Charge per MMBtu of MDQ | Difference | Percentage Increase |
|---|---|--|-------------------|----------------------------|
| Rate CGS (“City Gate Service”) – MidTex | \$9.1275 | \$11.24146 | \$2.11396 | 23% |
| Rate CGS – Other | \$9.1275 | \$11.24146 | \$2.11396 | 23% |
| Rate PT (“Pipeline Transportation”) | \$4.8331 | \$7.70001 | \$2.86691 | 59% |

The customer charge in a customer’s bill is the “Maximum Daily Quantity” (“MDQ”), multiplied by the capacity charges shown in the table above.

Usage Charge

| Rate Schedule | Current Usage Charge per MMBtu | Proposed Usage Charge per MMBtu | Difference | Percentage Increase |
|----------------------|---------------------------------------|--|-------------------|----------------------------|
| Rate CGS – Mid-Tex | \$0.0276 | \$0.02785 | \$0.00025 | 1% |
| Rate CGS – Other | \$0.0276 | \$0.02785 | \$0.00025 | 1% |
| Rate PT | \$0.0163 | \$0.01325 | (\$0.00305) | -19% |

WHEREAS, APT seeks a Return on Equity (ROE) of 13.5%; a capital structure weighted toward equity – 59.83% Equity and 40.17% Debt; and

WHEREAS, APT’s rate request consists of a voluminous amount of information including APT’s rate-filing package, exhibits, schedules, and workpapers; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating APT’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 APT to change rates, has in the past joined with other local regulatory authorities to form the Atmos Texas Municipalities (“ATM”) and hereby continues its participation in ATM; and

WHEREAS, the City will require the assistance of specialized legal counsel and rate experts to review the merits of APT’s application to increase rates; and

WHEREAS, APT filed a statement of intent to increase rates with the Railroad Commission of Texas, and therefore the decision of the Railroad Commission of Texas will have an impact on the rates paid by the City and its citizens who are customers of APT, and in order for the City’s participation to be meaningful, it is important that the City promptly intervene in such proceedings at the Railroad Commission of Texas.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CAMERON THAT:

Section 1. The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

Section 2. The City authorizes intervention in proceedings related to APT's Statement of Intent before the Railroad Commission of Texas and related proceedings, including in courts of law, as part of the coalition of cities known as the Atmos Texas Municipalities ("ATM").

Section 3. The City hereby orders APT to reimburse the City's rate case expenses as provided in the Gas Utility Regulatory Act and that APT shall do so on a monthly basis and within 30 days after submission of the City's invoices for the City's reasonable costs associated with the City's activities related to this rate review or to related proceedings involving APT before the Railroad Commission of Texas or any court of law.

Section 4. Subject to the right to terminate employment at any time, the City retains and authorizes the law firm of Herrera & Boyle, PLLC to act as Special Counsel with regard to rate proceedings involving APT before the Railroad Commission of Texas or any court of law and to retain such experts as may be reasonably necessary for review of APT's rate application subject to approval by the City.

Section 5. The City, or its designee member city in the Atmos Texas Municipalities, shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to APT for reimbursement.

Section 6. A copy of this resolution shall be sent to APT, care of Mr. Charles R. Yarbrough, II, 5420 LBJ Freeway, Suite 1557, Dallas, Texas, 75240; and to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Ave., Suite 1250, Austin, Texas 78701.

Section 7. 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. This resolution shall become effective from and after its passage.

City Manager JRhett Parker presented a proposal to create a position of Director of Development and Tourism. This person would be funded by the Chamber of Commerce, Cameron Economic Development Corporation, Cameron Tourism Advisory Board and the City of Cameron. This person will manage the Yards of Cameron, Farmers Market and concentrate on retail development. The City of Cameron would provide the retirement and benefits which would total approximately \$10,000 - \$15,000. A joint interlocal agreement will be presented at a future meeting date with specific details and time commitment. Council Members Davis and Williams voiced concern at the timing of the creation of this position with our current financial status. Mr. Parker explained that budgeted items would be put on hold to fund the benefits. An ordinance will be presented to consider the budget amendment as well as the interlocal agreement. Chamber President, Daniel Willie, stated that the Chamber currently has a Chamber Secretary, but they would like to see a person that could sell Cameron to more retail businesses. Neal Bhakta, representing the Cameron Tourism Advisory Board, stated that Cameron would benefit from a person like this.

Council Member Schiller moved to approve proceeding to create a position of Director of Development and Tourism pending approval of the interlocal agreement. Council Member Mondrik seconded the motion and it carried unanimously.

Council Member Mondrik moved to approve the expenditures of January 14, 2017 to February 3, 2017. Council Member Goza seconded the motion and it carried unanimously.

The following expenditures exceeded \$25,000.00:

- American Medical Response \$ 25,061.46
- State Comptroller \$ 26,939.38
- The Bank of New York \$161,812.50

The City Council went into Executive Session at 6:09 p.m. The Executive Session was held to discuss the following:

- §551.074 to deliberate about personnel matters regarding Police Chief
- §551.071 to consult with attorney

The City Council ended the Executive Session at 7:03 p.m. and resumed the regular session.

City Manager JRhett Parker requested termination of Police Chief Randy Dixon. Council Member Davis moved to confirm the request for termination. Council Member Schiller seconded the motion and it carried unanimously.

There being no further business for the Council to consider, Council Member Schiller moved to adjourn the meeting at 7:04 p.m. Council Member Davis seconded the motion and it carried unanimously.