



REGULAR MEETING MINUTES
City Council – City Of Quitman, Texas
Thursday May18, 2017, 5:30PM

City Council Chambers, City Hall - 401 E Goode Street, Quitman, TX

Council Present: David Dobbs, Mayor; Randy Dunn, Mayor Pro-Tem; Susan Resnik, Alderman; Brad Medlin, Alderman and Kevin Gilbreath, Alderman.
Council member absent: none

Staff Present: Jim McLeroy, City Attorney; Walter Lutonsky, Streets & Maintenance Director; Dee Gilbreath, Utilities Director; Scott Wheeler, Fire Chief; Kelly Cole, Police Chief; Delene Allen, Civic Services Director; and Greg Hollen, City Secretary / Administrator. City Finance Clerk Sheryl Laudenslager and Municipal Court Clerk Lauren Maynard also present.

Former Mayors David Seago, Sam Lange and J.R. Evans were also in attendance, as was WC Sherriff Tom Castloo.

Staff Absent: none

Following a musical rendition of *America The Beautiful*, by the 2017 QISD Valedictorian Caroline Cameron, **Mayor Dobbs called the meeting to order at 5:30 PM.**

Mayor Pro-Tem Dunn gave an invocation and Alderman Resnik led the recitation of the United States Pledge and the Texas Pledge

Item 1	Citizen Comments	None
Item 2	Mayor comments	

Mayor Dobbs began by thanking the three former mayors in attendance. He provided an overview of the council meeting agenda structure and shared how he would focus on several key themes during his administration, including Safety and Striving for Excellence, in all we do as a city and community. He mentioned a number of engagements during his first week, including the preparation of a proclamation presented to the Heritage Nursing Center, in conjunction with *National Nursing Care Week*, and also attending the QISD board and their new officer installation meeting. Mayor Dobbs stated he was getting up to speed on a number of important administrative matters and noted he had nearly completed the first round of city department head meetings, outlining expectations and communications processes. He further stated that he intends to have department heads share activities that are going on within the city at future council meetings to increase council and community awareness.

CONSENT AGENDA

Mayor Dobbs outlined the contents and purpose of the items listed in the consent agenda (below) and explained that department heads will highlight major accomplishments in future meetings.

Item 3	April 20, 2017 City Council Regular Meeting Minutes
Item 4	May 12, 2017 Special Council Meeting Minutes
Item 5	Financial Report as of April 30, 2017
Item 6	Budget Report as of April 30, 2017
Item 7	April Departmental Reports

Mayor Pro-Tem Dunn made a motion to approve the Consent Agenda, Alderman Gilbreath seconded the motion. The motion passed unanimously.

PRESENTATIONS

Item 8 Wood County Industrial Commission Representative Report WCIC representative Sam Scroggins provided the commission's monthly activity report summary covering the minutes of their May 4, 2017 meeting. He noted efforts continue on creating signage welcoming visitors to "Beautiful Wood County" with the Boy Scouts, and the creation of a WCIC Executive Committee. Enhancements to the TP&W Sharelunker fish program were announced. It was announced that Toyota will continue to sponsor the Sharelunker initiative with requests for additional funding, including HOT Funds being considered.

ORDINANCES

Item 9 O051817(01) ACSC Negotiated Settlement of Atmos Energy RRM for 2017

Ms. Jeanette Mosier, the ATMOS Public Affairs Manager was on hand to discuss the annual request for consideration and approval of the ATMOS Energy Rate Review Mechanism (RRM) tariff. This settlement of gas utility rate issues affects rates, operations and services offered by ATMOS Mid Tex.

Alderman Resnik made a motion to approve; Mayor Pro-Tem Dunn seconded the motion. The motion passed unanimously.

Item10 O051817(02) Change June Council Meeting date

This motion was consideration of requests from Aldermen and staff who have conflicts, to move the city council meeting date to June 22, 2017, a change for this month only.

Alderman Gilbreath made a motion to approve; Mayor Pro-Tem Dunn seconded the motion. The motion passed unanimously.

RESOLUTIONS

Item 11 R051817(A) Resolution authorizing expenditures for Sewer Line Repairs

This resolution is being sought by our city Street staff to approve a bid from 7-H Construction Company of Tyler, TX to handle several emergency street sewer needs at our main lift station as well as the Elaine Street creek area. Bid amount is in the \$18,400.00 range. It was noted that TCEQ could fine the city should repairs not be made promptly. City Streets Director Lutonsky also noted that there was at least one similar situation that would need emergency repairs in the coming weeks.

Alderman Resnik made a motion to approve; Alderman Medlin seconded the motion. The motion passed unanimously.

Item 12 R051817(B) Resolution authorizing change in signatories to COQ bank account at WCNB

As a result of May 2017 city council elections, changes are being made to authorize signatories to our city bank accounts. City Attorney Jim McLeroy noted that many cities have all city council members on the signature cards at the bank for city accounts as a convenience. The general discussion was supportive of this.

Alderman Medlin made a motion to approve; Alderman Gilbreath seconded the motion. The motion passed unanimously.

Mayor Pro-Tem Dunn made a motion to Adjourn, Alderman Resnik seconded the motion. The motion passed unanimously.

MEETING ADJOURNED AT 6:04 PM

(ALL ITEMS ARE POSTED FOR DISCUSSION AND ACTION UNLESS OTHERWISE NOTED)

THE CITY COUNCIL OF THE CITY OF QUITMAN RESERVES THE RIGHT TO RECESS THE MEETING AND CONDUCT AN EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY OF THE MATTERS LISTED, AS AUTHORIZED BY THE TEXAS GOVERNMENT CODE SECTION 551.071-551.088.

ADJOURN

SEWER LINE REPLACEMENT

RESOLUTION 051817(A)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF QUITMAN, TEXAS
AUTHORIZING EXPENDITURE FOR EMERGENCY SEWER LINE REPAIRS**

WHEREAS, the City Council finds it in the best interest of the city to immediately repair certain sewer lines within the city that are in danger of collapse, specifically a 12" line at the Main Lift Station and 8" line in the Elaine St. creek area, and has solicited bid from 7-H Construction Company of Tyler, Texas for that purpose (*attached*) for those emergency repairs;

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

The Mayor is hereby directed and authorized to proceed with bid acceptance and approval of \$18,400.00, plus costs of related required bonds, from the appropriate budget account for that purpose.

PASSED BY THE CITY COUNCIL OF THE CITY OF QUITMAN, TEXAS THIS 18TH DAY OF MAY, 2017.

IN WITNESS WHEREOF WE HAVE AFFIXED OUR SIGNATURES HERETO THIS 18TH DAY OF MAY, 2017.

ATTEST:



Gregory D. Hollen, City Secretary / Administrator



APPROVED:
David Dobbs, Mayor

SIGNATORIES FOR CITY ACCOUNTS

RESOLUTION 051817(B)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF QUITMAN, TEXAS
APPROVING AUTHORIZATION ON CITY ACCOUNTS**

A. I, Gregory D. Hollen, certify that I am Secretary of the above named corporation organized under the laws of State of Texas, Federal Employer I.D. Number 75-6000644, engaged in business under the name of the City of Quitman, Texas and that the following is a correct copy of the resolution adopted at a meeting of the City Council of the City of Quitman, duly and properly called and held on May 18, 2017. This resolution appears in the minutes of the meeting and has not been rescinded or modified.

B. Be it resolved that,

(1) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by any financial institution.

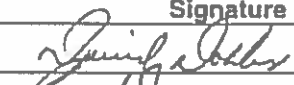
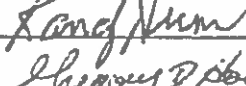
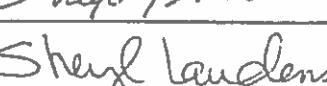


(2) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the City of Quitman with any financial institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.

(3) Any of the persons named below, so long as they act in a representative capacity as agents of this corporation, are authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated below, from time to time with any financial institution, concerning funds deposited in any financial institution, moneys borrowed from any financial institution or any other business transacted by and between the City of Quitman and any financial institution subject to any restrictions stated below.

(4) Any and all prior resolutions adopted by the City Council of the City of Quitman and certified to any financial institution as governing the operation of the city's account(s), are in full force and effect, unless supplemented or modified by this authorization.

(5) The City of Quitman agrees to the terms and conditions of any account agreement, properly opened by any authorized representative(s) of the City, and authorizes any financial institution, at any time, to charge this corporation for all checks, drafts, or other orders, for the payment of money, that are drawn on the financial institution, regardless of by whom so long as they resemble specimens in section 6 and contain the required number of signatures in the proper combination for this purpose.

(6) If indicated, any person listed below (subject to any expressed restrictions) is authorized to:

	Name	Title	Signature
(A)	David Dobbs	Mayor	
(B)	Randy Dunn	Mayor Pro-Tem	
(C)	Gregory D. Hollen	City Secretary / Administrator	
(D)	Sheryl Laudenslager	Finance Clerk	
(E)	Susan Resnik	Alderman	
(F)	Brad Medlin	Alderman	
(G)	Kevin Gilbreath	Alderman	

A or B AND D (1) Open any deposit or checking account(s) in the name of this corporation.
Number of authorized signatures required for this purpose: Two (2) as noted

A, B or C AND D or E (2) Endorse checks and orders for the payment of money and withdraw funds on deposit with this Financial Institution.
Number of authorized signatures required for this purpose: Two (2) as noted

A or B AND D (3) Borrow money on behalf and in the name of this corporation, sign, execute and deliver promissory notes or other evidences of indebtedness.
Number of authorized signatures required for this purpose: Two (2) as noted

A or B AND D (4) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by this corporation as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.
Number of authorized signatures required for this purpose: Two (2) as noted

A or B AND D (5) Enter into written lease for the purpose of renting and maintaining a Safe Deposit Box in this Financial Institution.
Number of authorized signatures required for this purpose: Two (2) as noted

A or B AND D (6) Apply for, receive and utilize debit, automated teller machine cards or other access devices to exercise those powers authorized by this Resolution. Under the terms of the agreement, debit cards will be in effect until cancelled by the customer. The card will be accepted by the depositor regardless of the signatures included in this resolution. The City assumes all responsibility and liability for the use of the card and the financial institution assumes no liability until such time the financial institution is notified that the card is to be cancelled.
Number of authorized signatures required for this purpose: Two (2) as noted

A, B, C, D or E (7) Transfer funds from any established account to another established account.

D. I further certify that the City Council has, and at the time of adoption of this resolution had full power and lawful authority to adopt the foregoing resolutions and to confer the powers granted to the persons named who have full power and lawful authority to exercise the same.

In witness whereof, I have hereunto subscribed my name and affixed the seal of this City,

READ AND PASSED THIS THE 12th DAY OF MAY, 2017.



APPROVED:

David Dobbs, Mayor

ATTEST:

Gregory D. Hollen, City Secretary / Administrator

ORDINANCE NO. 051817 (01)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF QUITMAN, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2017 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 SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; REQUIRING RECONCILIATION AND RATE ADJUSTMENTS IF FEDERAL INCOME TAX RATES CHANGE; TERMINATING THE RRM PROCESS FOR 2018 PENDING RENEGOTIATION OF RRM TERMS AND CONDITIONS; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

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

WHEREAS, ACSC and the Company worked collaboratively to develop a 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, on March 1, 2017, Atmos Mid-Tex filed its 2017 RRM rate request with ACSC Cities; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2017 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$48 million on a system-wide basis; and

WHEREAS, the attached tariffs implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest;

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

WHEREAS, the Company and ACSC have agreed that rates should be adjusted if any change in federal income tax rates is implemented during the period that rates approved herein remain in place; and

WHEREAS, because ACSC believes that certain provisions of the current terms and conditions of the RRM tariff are inconsistent with market conditions, the City expects renegotiation of the current RRM tariff in the Summer of 2017.

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

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

Section 2. That the City Council finds that the settled amount of an increase in revenues of \$48 million on a system-wide basis 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 2017 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment A, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$48 million in revenue over the amount allowed under currently approved rates, as shown in the Proof of Revenues attached hereto and incorporated herein as Attachment B; such tariffs are hereby adopted.

Section 4. That the ratemaking treatment for pensions and other post-employment benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment C, attached hereto and incorporated herein.

Section 5. Consistent with Texas Utilities Code Section 104.055(c), Atmos Energy's recovery of federal income tax expense through the Rider RRM has been computed using the statutory income tax rate. In the event that a change in the statutory income tax rate is implemented during the Rider RRM Rate Effective Date, Atmos Energy shall reconcile the difference between the amount of federal income tax expense included in the Rider RRM calculation for the Rate Effective Date with the amount of federal income tax expense authorized under the new statutory income tax rate. The reconciliation period shall be from the date on which any new statutory income tax rate is implemented through the Rate Effective Date. An

interest component calculated at the customer deposit interest rate then in effect as approved by the Railroad Commission of Texas shall be applied to the federal income tax expense reconciliation. Further, any required reconciliation of federal income tax expense shall be included as part of Atmos Mid-Tex's next annual RRM filing and shall be returned to or recovered from customers as a one-time credit or surcharge to the customer's bill.

Section 6. The City requires renegotiation of RRM tariff terms and conditions during the Summer of 20017. If an agreed renegotiated RRM tariff cannot be achieved, the City will terminate the RRM process and consider initiation of a traditional rate case to reduce the Company's authorized return on equity.

Section 7. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2017 RRM filing.

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

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

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

Section 11. That consistent with the City Ordinance that established the RRM process, this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after June 1, 2017.

Section 12. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LJB 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 this 18th day of May, 2017.



Mayor

ATTEST:

APPROVED AS TO FORM:



City Secretary / Administrator



City Attorney

**AMENDMENT TO REGULAR COUNCIL MEETING ORDINANCE
TO CHANGE JUNE 2017 MEETING DATE**

ORDINANCE 051817(02)

**AN ORDINANCE AMENDING THE CITY OF QUITMAN, TEXAS – CODE OF ORDINANCES
TO CHANGE COUNCIL MEETING TIME ONE TIME ONLY FROM JUNE 15, 2017 TO JUNE 22, 2017**

WHEREAS, Section 30.15 of the City of Quitman – Code of Ordinances, as amended, provides for the regulation of the “the third Thursday of each month at 5:30PM”; and

WHEREAS, the City Council finds it in the best interest of the citizens and employees to change date of the June, 2017 council meeting from June 15, 2017 to June 22, 2017 at 5:30PM.

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

The date of the June city council meeting is changed from June 15, 2017 to June 22, 2017 at 5:30PM. in Section 30.15 of the City of Quitman – Code of Ordinances.

SO CONSIDERED BEFORE AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF QUITMAN THIS THE 18th DAY OF MAY, 2017.

IN WITNESS WHEREOF WE HAVE ATTACHED OUR SIGNATURES HERETO THIS 18th DAY OF MAY, 2017.

APPROVED:



David Dobbs, Mayor

ATTEST:



Gregory D. Hollen, City Secretary / Administrator