

**TULIA CITY COUNCIL
TUESDAY DECEMBER 17, 2024
AT 6:00 P.M.
TULIA CITY HALL, CITY COUNCIL CHAMBERS**

1. Call to Order and Quorum Call

_____ Dusty George, Mayor	_____ City Manager
_____ Israel ‘Bibo’ Ramirez	_____ City Secretary
_____ Jay Smith	_____ City Attorney
_____ Jed Owens	_____ Electric Director
_____ Greg Needham	_____ Public Works Director
	_____ Chief of Police

2. Presentations and Public Comment (Public Comments is limited to 3 minutes per speaker.)

3. Consider action on the Consent Agenda (usually approval of council meeting minutes will be placed under consent agenda along with non-controversial items that may have already been discussed or routinely handled in the past. This may include resolutions but not ordinances. A council member may remove an item from the consent agenda and place it on the Discussion and Action agenda before a vote on the Consent Agenda items.)

- CONSIDER AND APPROVE MINUTES FROM THE NOVEMBER 12 AND NOVEMBER 25, 2024 MEETINGS

4. Items for Discussion and Action

a. ATMOS RATE SETTLEMENT DISCUSS AND CONSIDER ACTION

- SUSPENDING THE DECEMBER 19, 2024 EFFECTIVE DATE OF ATMOS ENERGY CORP., WEST TEXAS DIVISION’S REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH THE CITIES SERVED BY ATMOS WEST TEXAS AND AUTHORIZING INTERVENTION IN ATMOS WEST TEXAS’ REQUESTED RATE CHANGE PROCEEDINGS BEFORE THE COMMISSION; HIRING LLOYD GOSSELINK ATTORNEYS AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; REQUIRING REIMBURSEMENT OF CITIES’ RATE CASE EXPENSES; FINDING THAT THE MEETING AT

WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS
REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO
THE COMPANY AND LEGAL COUNSEL

- b. DISCUSS PURCHASE OF TULIA VOLUNTEER FIRE DEPARTMENT
TRUCK

5. Announcements

- TULIA POWER & LIGHT
- PUBLIC WORKS
- POLICE DEPT
- CITY HALL

6. Adjournment

The City Council of the City of Tulia reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberation about Real Property), 551.073 (Deliberation about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.087 (Economic Development)

This agenda was posted on or before December 13, 2024 by 5:00 p.m.

STATE OF TEXAS X

COUNTY OF SWISHER X

CITY OF TULIA X

ON the 12th day of November, 2024, the City Council of the City of Tulia met in the City Council Chambers at 6:00 p.m.

Present were:	Dusty George	Mayor
	Israel ‘Bibo’ Ramirez	Mayor ProTem
	Gregory Needham	Council Member
	Jay Smith	Council Member
	Jed Owens	Council Member

Also present were:	BJ Potts	City Manager
	Kristina Solomon	City Secretary
	Paul Brown	Chief of Police
	Russell Proctor	Public Works Director
	Brian West	Electric Director

Absent was:	Slater Elza	City Attorney
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1. Call to Order and Quorum Call Work Session

Dusty George called the meeting to order at 6:00 p.m. in the City Council Chambers.

2. Presentations and Public Comment (Public Comment is limited to 3 minutes per speaker.)

No comments at this time

3. Consider action on the Consent Agenda (usually approval of council meeting minutes will be placed under consent agenda along with non-controversial items that may have already been discussed or routinely handled in the past. This may include resolutions but not ordinances. A council member may remove an item from the consent agenda and place it on the Discussion and Action agenda before a vote on the Consent Agenda items.)

- CONSIDER AND APPROVE MINUTES FROM THE OCTOBER 1ST, 2024 MEETING

Bibo Ramirez made a motion to approve the minutes as presented with corrections. A second was made by Bibo Ramirez and passed with a 5-0 vote.

4. Items for Discussion and Action

- a. CONSIDER AND TAKE ACTION ON THE RECOMMENDATION OF THE PLANNING AND ZONING COMMITTEE TO CONSIDER THE APPLICATION OF REZONING 429 S MAXWELL AVE, TX 79088, BLOCK 60, LOTS 12-16 OT TULIA FROM RESIDENTIAL R2 TO COMMERCIAL C2 ZONED PROPERTY

Greg Needham made a motion to table Item a. to gather more information. A second was made by Jed Owens and passed with a 5-0 vote.

- b. DISCUSS AND TAKE ACTION ON ENCROACHMENT LICENSE AGREEMENT WITH PIZZA HUT

Jed Owens made a motion to approve the encroachment license agreement with Pizza Hut. A second was made by Greg Needham and passed with a 5-0 vote.

- c. DISCUSS AND TAKE ACTION ON TULIA VOLUNTEER FIRE DEPARTMENT BULIDING PLANS FOR ADDITION

Fire Chief Jeremy Earl reviewed the revised plans for the addition. They would like to build the structure (Metal Mart) rather than using the shipping containers.

Jay Smith made a motion to approve the revised buildings plans for the addition. A second was made by Bibo Ramirez.

- d. DISCUSS PURCHASE OF TULIA VOLUNTEER FIRE DEPARTMENT TRUCK

Jeremy stated to the council the department's request to purchase a 2008 International with 17,000 miles and lots of add ons. Asking price is \$165,000. He is asking the council for the purchase money.

5. Announcements

- TULIA POWER & LIGHT
- PUBLIC WORKS
- POLICE DEPT
- CITY HALL

6. Adjournment

With no further business to discuss the meeting was adjourned at 7:35 p.m.

Mayor, Dusty George

ATTEST:

City Secretary, Kristina Solomon

STATE OF TEXAS X

COUNTY OF SWISHER X

CITY OF TULIA X

ON the 25th day of November, 2024, the City Council of the City of Tulia met in special session in the City Council Chambers at 12:00 p.m.

Present were:	Dusty George	Mayor
	Gregory Needham	Council Member
	Jed Owens	Council Member
	Jay Smith	Council Member
	BJ Potts	City Manager
	Kristina Solomon	City Secretary
	Slater Elza	City Attorney
	Brian West	Electric Director
	Russell Proctor	Public Works Director
	Paul Brown	Chief of Police

Absent was:	Israel ‘Bibo’ Ramirez	Mayor ProTem
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1. Call to Order and Quorum Call Work Session

Dusty George called the meeting to order at 12:02 p.m. in the City Council Chambers.

2. Items for Discussion and Action

- a. PRESENTATION OF SECTION 3 GOALS AND REQUIREMENTS AS IT RELATES TO THE CITY’S TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT – DOWNTOWN REVITALIZATION PROGRAM PROJECT #CDM23-0446 FOR SIDEWALK IMPROVEMENTS TO INCLUDE INFORMATION ON EMPLOYMENT OPPORTUNITIES OF LOW AND VERY LOW-INCOME PERSONS AS WELL AS RESIDENTS RESIDING IN THE COMMUNITY.

Paige Goodell with PRPC reviewed Section 3 of the Housing and Urban Development Act requirements as a condition of funding the TXCDBG Downtown Revitalization Program Project.

- b. CONSIDERATION OF AWARD TO JAJ CONCRETE FOR THE CITY OF TULIA’S TXCDBG DOWNTOWN REVITALIZATION PROGRAM PROJECT #CDM23-0446 – SIDEWALK IMPROVEMENTSPRPC

Greg Needham made a motion to award the bid to JAJ Concrete for the downtown revitalization project. A second was made by Jay Smith and passed with a 4-0 vote.

c. DISCUSS AND TAKE ACTION ON THE USE OF CARES ACT MONEY ON EVIDENCE ROOM INVENTORY AND AUDIT PROPOSAL

Paul presented a proposal he received from Mission Control Consulting Group, LLC, for the evidence room inventory and audit.

Jed Owens made a motion to approve the use of cares act money for an inventory and audit of the evidence room. A second was made by Greg Needham and passed with a 4-0 vote.

d. DISCUSS AND TAKE ACTION ON THE USE OF CARES ACT MONEY FOR DISCRETIONARY RETENTION PAY

Greg Needham made a motion to approve the use of cares act money for discretionary retention pay. A second was made by Jed Owens and passed with a 4-0 vote.

e. EXECUTIVE SESSION PURSUANT TO SECTION 551.071 CONSULTATION WITH ATTORNEY REGARDING THE ELK CITY AGREEMENT

Council convened in to executive session at 12:33

Council reconvened in to regular session at 1:04

f. CONSIDER AND TAKE ACTION REGARDING MATTERS DISCUSSED IN EXECUTIVE SESSION

No action take at this time

3. Adjournment

With no further business to discuss the meeting was adjourned at 1:05 p.m.

Mayor, Dusty George

ATTEST:

City Secretary, Kristina Solomon

Dear Cities Served by Atmos West Texas,

On Friday, October 25, 2024, Atmos Energy Corp., West Texas Division (Atmos West Texas or Company) filed a gas rate case for cities in its West Texas Division. In its filing, Atmos West Texas is seeking to increase its system-wide base rates by approximately \$66.1 million. If approved, this will increase the annual revenues received from the incorporated areas by approximately \$26.9 million (an increase of 32.27% excluding gas costs). According to Atmos, the impact of this approval on an average residential customer would be an increase of about \$16.66 per month (an increase of 10%).

Also on Friday, Atmos West Texas filed its application at the Railroad Commission of Texas. As we have done in the past, we will be intervening on behalf of Cities Served by Atmos West Texas. We will supplement our motion to intervene as additional cities provide us with authorization to intervene for them. Please contact me if we are authorized to intervene for your city. We have hired two consultants to assist us with the case. As a ratemaking proceeding, cities are entitled to reimbursement of their legal and consultant expenses. Thus, there will be no direct charge to your city as a participant in the rate case.

Your city has original jurisdiction over this matter. **Unless the city takes action to suspend the December 19, 2024, effective date, the rate increase can be charged to all customers within the city's jurisdiction after December 19, 2024.**

We have attached a model suspension resolution and staff report. The resolution authorizes the hiring of Lloyd Gosselink, intervention in the Railroad Commission proceeding and suspends the rate filing. Rather than permit the increase to go into effect within your city, we advise that cities suspend the rate filing for 90 days via the attached resolution or ordinance. This will give us more time to review the application. We will follow up with a resolution for final action as the case proceeds. Your city must adopt the attached suspension resolution by December 19, 2024. We have attached a model staff report for your use as well.

Feel free to contact me if you have any questions.
Thanks you,

Thomas Brocato
Principal
Lloyd Gosselink Rochelle & Townsend, P.C.
816 Congress Ave., Suite 1900, Austin, TX 78701
www.lglawfirm.com | 512-322-5800

RESOLUTION NO. 2024-05

**RESOLUTION OF THE CITY OF TULIA
SUSPENDING THE DECEMBER 21, 2024 EFFECTIVE
DATE OF ATMOS ENERGY CORP., WEST TEXAS
DIVISION'S REQUESTED RATE CHANGE TO PERMIT
THE CITY TIME TO STUDY THE REQUEST AND TO
ESTABLISH REASONABLE RATES; APPROVING
COOPERATION WITH THE CITIES SERVED BY ATMOS
WEST TEXAS AND AUTHORIZING INTERVENTION IN
ATMOS WEST TEXAS' REQUESTED RATE CHANGE
PROCEEDINGS BEFORE THE COMMISSION; HIRING
LLOYD GOSSELINK ATTORNEYS AND CONSULTING
SERVICES TO NEGOTIATE WITH THE COMPANY AND
DIRECT ANY NECESSARY LITIGATION AND APPEALS;
REQUIRING REIMBURSEMENT OF CITIES' RATE CASE
EXPENSES; FINDING THAT THE MEETING AT WHICH
THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC
AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS
RESOLUTION TO THE COMPANY AND LEGAL
COUNSEL**

WHEREAS, on or about October 25, 2024, Atmos Energy Corp., West Texas Division ("Atmos West Texas" or "Company") filed with the City of Tulia ("City") a Statement of Intent to increase gas utility rates in all municipalities exercising original jurisdiction within its service area, effective December 21, 2024; and

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

WHEREAS, the Gas Utility Regulatory Act § 104.107 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days after the date the rate change would otherwise be effective; and

WHEREAS, the City retains its rights as a city with original jurisdiction including the right to suspend the application; and

WHEREAS, the City's consultants and attorneys recommend that the City suspend the application for further review; and

WHEREAS, Atmos West Texas has filed an application with the Railroad Commission that could become the docket into which appeals of city action on the Atmos West Texas filing are consolidated; and

WHEREAS, the Gas Utility Regulatory Act § 103.022 provides that costs incurred by Cities in ratemaking activities are to be reimbursed by the regulated utility.

**THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
TULIA, TEXAS:**

SECTION 1. That the December 21, 2024, effective date of the rate request submitted by Atmos West Texas on or about October 25, 2024, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

SECTION 2. That the City joins other Cities Served by Atmos West Texas in this proceeding and, subject to the right to terminate employment at any time, hereby authorizes the hiring of Thomas Brocato of Lloyd Gosselink Rochelle and Townsend, P.C, and consultants to review the Company's filing, negotiate with the Company, make recommendations regarding reasonable rates and to direct any necessary administrative proceedings or court litigation associated with an appeal of city action.

SECTION 3. That the City shall work with Cities Served by Atmos West Texas in the review and evaluation of whether the proposed rates are appropriate, fair, just, and reasonable; and intervene as a necessary party in the Railroad Commission of Texas' consideration of Atmos West Texas' rate filing in Case No. 00018879 as it affects the customers in the unincorporated areas of Atmos West Texas' service territory.

SECTION 4. That the City's reasonable rate case expenses shall be reimbursed by Atmos West Texas.

SECTION 5. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

SECTION 6. A copy of this Resolution shall be sent to Atmos West Texas, care of Philip Littlejohn, Vice President of Rates and Regulatory Affairs, West Texas Division, 6606 66th Street, Lubbock, Texas 89424 (Philip.littlejohn@atmosenergy.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PASSED AND APPROVED this 17 day of December, 2024.

MAYOR

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney