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MINUTES

LANCASTER CITY COUNCIL REGULAR MEETING OF AUGUST 9, 2021

The City Council of the City of Lancaster, Texas, met in a called Regular Meeting in the Council Chambers of City Hall on August 9, 2021, at 7:00 p.m. with a quorum present to-wit:

Councilmembers Present (City Hall & Zoom):

Mayor Clyde C. Hairston
Carol Strain-Burk
Deputy Mayor Pro-Tem Stanley M. Jaglowski
Marco Mejia
Keithsha C. Wheaton
Mayor Pro-Tem Racheal Hill
Betty Gooden-Davis

City Staff Present (City Hall & Zoom):

Opal Mauldin-Jones, City Manager
Fabrice Kabona, Deputy City Manager
Carey Neal, Assistant City Manager
Chris Youngman, Emergency Management Chief
Dori Lee, Director of Human Resources
Jermaine Sapp, Director of Equipment and Facility Services
Kenneth Johnson, Fire Chief
Lisa Wube, Director of Parks and Recreation
Mike Delmore, Interim Director of Finance
Shane Shepard, Director of Economic Development
Vicki Coleman, Director of Development Services
Bryce Reed, Communications and Public Relations Coordinator
Cheryl Womble, Administrative & Community Relations Supervisor
Crystal Cloud, Utility Billing Manager
John Melton, Library Manager
Kellen Benbrook, Airport Manager
Keturah Barnett, Assistant to the City Manager
Ron Gleaves, IT Manager
Shawn Gary, Fire Marshal
Terry Hunter, Assistant Fire Chief
David T. Ritter, City Attorney
Sorangel O. Arenas, City Secretary

Call to Order:

Mayor Hairston called the meeting to order at 7:04 p.m. on August 9, 2021.

Invocation:

Bishop Clyde C. Hairston of Miracle Temple Fellowship Church gave the invocation.

Pledge of Allegiance:

Councilmember Gooden-Davis led the pledge of allegiance.

Public Testimony:

Vicki Coleman, 211 N. Henry Street. Shared information regarding FEMA flood map and information on how to appeal map designation.

Consent:

1. Consider a resolution adopting the City of Lancaster Proposed Budget Calendar for Fiscal Year 2021/2022.
2. Consider a resolution authorizing the award of Bid 2021-29 to Titan Aviation Fuels, Inc. for aviation fuel supply services at the Lancaster Regional Airport.
3. Consider a resolution authorizing the City Manager to execute commercial and non-commercial leases, ground leases, and assignments and assumptions of ground leases at the Lancaster Regional Airport from August 1, 2021 to July 31, 2022.

Deputy Mayor Pro-Tem Jaglowski pulled item C3.

MOTION: Deputy Mayor Pro-Tem Jaglowski made a motion, seconded by Councilmember Strain-Burk to approve Consent items 1-2. The vote was cast 6 for, 1 against. [Wheaton]

3. Consider a resolution authorizing the City Manager to execute commercial and non-commercial leases, ground leases, and assignments and assumptions of ground leases at the Lancaster Regional Airport from August 1, 2021 to July 31, 2022.

Deputy Mayor Pro-Tem Jaglowski requested Council to consider the City Manager to execute the leases from one year to five years.

Councilmember Mejia shared he would rather have leases brought back each year.

Mayor Pro-Tem Hill shared she would rather have the leases come back each year.

MOTION: Councilmember Mejia made a motion, seconded by Mayor Pro-Tem Hill to approve consent item 3. The vote was cast 7 for, 0 against.

Action:

4. Discuss and consider a resolution approving a negotiated settlement between Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2021 rate review mechanism filing; declaring existing rates to be unreasonable; and adopting tariffs that reflect rate adjustments consistent with the negotiated settlement.

City Manager Mauldin-Jones shared the City of Lancaster, 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 Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC 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). The 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. On or about April 1, 2021, 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, 2020, entitled it to additional system-wide revenues of \$43.4 million. Application of the standards set forth in ACSC's RRM Tariff reduces the company's request to \$40.5 million, \$29.3 million of which would be applicable to ACSC members. ACSC's consultants concluded that the system-wide deficiency under the RRM regime should

be \$22.34 million instead of the claimed \$40.5 million. The amount of the \$22.34 million deficiency applicable to ACSC members would be \$16.8 million. 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 \$22.78 million from ACSC Cities, but with a two-month delay in the effective date until December 1, 2021. This should save ACSC cities approximately \$3.8 million. The Executive Committee recommends a settlement at \$22.78 million. The effective date for new rates is December 1, 2021. ACSC members are urged to take action approving the resolution before October 1, 2021.

The purpose of this item is to adopt the new gas rates for Atmos Mid-Tex pursuant to a settlement between Atmos Cities Steering Committee and the company to resolve the pending RRM rate filing. The impact of the settlement on average residential rates is an increase of \$1.28 on a monthly basis, or 2.2 percent. The increase for average commercial usage will be \$4.03 or 1.61 percent. The resolution was prepared by Lloyd Gosselink Rochelle & Townsend, P.C. legal counsel for ACSC. Staff recommends approval of the resolution, as submitted.

MOTION: Councilmember Strain-Burk made a motion, seconded by Councilmember Gooden-Davis to approve item 4. The vote was cast 7 for, 0 against.

MOTION: Councilmember Strain-Burk made a motion, seconded by Councilmember Gooden-Davis to adjourn. The vote was cast 7 for, 0 against.

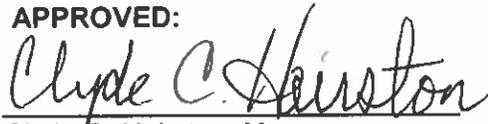
The meeting was adjourned at 7:27 p.m.

ATTEST:



Sorangel O. Arenas, City Secretary

APPROVED:



Clyde C. Hairston, Mayor