

REGULAR MEETING

June 12, 2012

7:00 p.m.

There being a quorum present, Mayor Saunders called the meeting to order at 7:00 p.m.

Council members present: Rick Neumayer, Carole Cottrell, Greg Allen, Ann Fessenden and Tyrone Martin

Absent: None

Neumayer made a motion to approve the Consent Agenda to include the Minutes to the last meeting and budget review and payment of bills. Martin seconded the motion. Votes:

For – Neumayer, Cottrell, Allen, Fessenden and Martin

Against – None

Passed – 5-0

Public Comment:

- None

Cottrell, Allen, and Fessenden were sworn in by the City Secretary.

Neumayer made a motion to designate Carole Cottrell as Voting Representative to North Central Texas Council of Governments. Fessenden seconded the motion. Votes:

For – Neumayer, Cottrell, Allen, Fessenden, and Martin

Against – None

Passed – 5-0

Neumayer made a motion to approve and have Cindy Scott sign the Acceptance of Engagement Letter with Anderson, Marx & Bohl for audit services for fiscal year ending September 30, 2012. Martin seconded the motion. Votes:

For – Neumayer, Cottrell, Allen, Fessenden, and Martin

Against – None

Passed – 5-0

Neumayer made a motion to approve an additional street light at the intersection of N. Colket Ave. and N. Third Street. Allen seconded the motion. Votes:

For – Neumayer, Cottrell, Allen, Fessenden, and Martin

Against – None

Passed – 5-0

The following Resolution was read for consideration:

RESOLUTION

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AND AUTHORIZING THE PAYMENT OF 10 CENTS PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY, LLC

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WHEREAS, the City of Kerens is a regulatory authority under the Public Utility Regulatory Act (PURA) and has exclusive original jurisdiction over the rates and services of Oncor Electric Delivery Company, LLC (Oncor) within the municipal boundaries of the city; and

WHEREAS, the Steering Committee has historically intervened in Oncor (formerly known as TXU) rate proceedings and electric utility related rulemakings to protect the interests of municipalities and electric customers residing within municipal boundaries; and

WHEREAS, the Steering Committee is participating in Public Utility Commission dockets and projects, as well as court proceedings, affecting transmission and distribution utility rates; and

WHEREAS, the City is a member of the Steering Committee of Cities Served by Oncor; and

WHEREAS, in order for the Steering Committee to continue its participation in these activities which affects the provision of electric utility service and the rates to be charged, it must assess its members for such costs; **NOW THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERENS, TEXAS:

- I. That the City is authorized to continue its membership with the Steering Committee of Cities Served by Oncor to protect the interests of the City of Kerens and protect the interests of the customers of Oncor Electric Delivery Company, LLC residing and conducting business within the City limits.
- II. The City is further authorized to pay its assessment to the Steering Committee at the rate of ten cents (\$0.10) per capita.
- III. A copy of this Resolution and the assessment payment check made payable to "Steering Committee of Cities Served by Oncor" shall be sent to Jay Doegey, Chair, Steering Committee of Cities Served by Oncor, c/o City Attorney's Office, Mail Stop 63-0300, P. O. Box 90231, Arlington, Texas 76004-3231.

Neumayer made a motion to accept and approve the Resolution as presented. Martin seconded the motion. Votes:

For – Neumayer, Cottrell, Allen, Fessenden, and Martin

Against – None

Passed – 5-0

The following Resolution was read for consideration:

RESOLUTION

A RESOLUTION BY THE CITY OF KERENS, TEXAS, ("CITY") DENYING A RATE INCREASE REQUESTED BY ATMOS ENERGY CORPORATION ON OR ABOUT JANUARY 31, 2012; DETERMINING THAT THE MEETING COMPLIED WITH THE TEXAS OPEN MEETINGS ACT; AND

MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, Atmos Energy Corporation (“Atmos” or “Company”) filed a Statement of Intent with the City on or about January 31, 2012 to change increase its revenue and change its rate schedules within the corporate limits of the City, specifically to increase its system-wide, annual revenue requirement by approximately \$49.0 million which is an increase in base-rate exclusive of cost of gas of approximately 12%; and

WHEREAS, the City is a regulatory authority under the Gas Utility Regulatory Act (“GURA”) and under Chapter 104, § 103.001 et seq. of GURA has exclusive original jurisdiction over Atmos’ rates, operations, and services within the municipality; and

WHEREAS, the City approved a Resolution suspending Atmos’ proposed effective date for its rate increase ninety days beyond Atmos’ proposed effective date; and

WHEREAS, on or about April 25, 2012, Atmos extended its proposed effective date from March 6, 2012 to March 13, 2012, which has the effect of extending the statutory deadline from June 4, 2012 to June 11, 2012, subject to the City’s right to continue a hearing in progress; and

WHEREAS, the City has concluded that the rate increase proposed by Atmos is unreasonable and Atmos has not consented to appropriate adjustments to its proposed rate increase and that Atmos has failed to prove that its request is reasonable;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERENS, TEXAS 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 denies the rate increase Atmos filed on or about January 31, 2012.

Section 3. A copy of this Resolution shall be sent to Atmos Energy Mid-Tex, care of Mr. David Park, Vice President

Rates and Regulatory Affairs, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240; and to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Avenue, Suite 1250, Austin, Texas 78701.

Section 4. This 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 5. This Resolution shall become effective from and after its passage.

Martin made a motion to accept and approve the Resolution as presented. Neumayer seconded the motion. Votes:

For – Neumayer, Cottrell, Allen, Fessenden, and Martin
Against – None
Passed – 5-0

The following Ordinance was read for the first time for consideration:

PROPOSED ORDINANCE

**AN ORDINANCE BY THE CITY COUNCIL OF THE
CITY OF KERENS, TEXAS, AMENDING CHAPTER 5
SECTION 5 PART 21 OF THE CODE OF ORDINANCES OF
THE CITY OF KERENS**

BE IT ORDAINED by the City Council of the City of Kerens, Texas that Chapter 5 Section 5 Part 21 of the City Code of Ordinances is hereby amended to read as follows:

SECTION 5 - ANIMAL CONTROL

PART 21: PROHIBITED ANIMALS

- E. It shall be unlawful for any person, firm or corporation to keep, harbor, raise or possess livestock or fowl of any kind within any area not zoned Agricultural within the city limits of the City of Kerens for longer than 72 hours without a permit. (amended by Ordinance 11/6/01)
- F. Application for a Permit to Allow Livestock or Fowl must be made in writing to the City Secretary. Permits will be considered in zones C-1, C-2, and M-1 only. After application fee of \$25.00 is received, all persons residing or working within 200 feet of the proposed barn, stable, shed, pen or enclosure will be required to submit approval or disapproval of the proposed permit. If there are no opponents to the permit, the City Secretary will issue a one-year permit. Permit may be revoked at any time permittee is found to be in violation of Part 7 of this Section. (amended by Ordinance 11/6/01)

FURTHERMORE, BE IT ORDAINED by the City Council of the City of Kerens, Texas that any existing Livestock Permits will expire, and not be renewed as of December 31, 2012.

Martin made a motion to accept Ordinance as presented and schedule the second reading at the July Regular Meeting. Neumayer seconded the motion. Votes:

For – Neumayer, Cottrell, Allen, Fessenden, and Martin

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Against – None

Passed – 5-0

Operations

- **Property Inspections** – Chief Miers stated that Officer Covey is back on regular shift since May 29, and that his report shows 7 yards cleaned, 3 vehicles abated, and 2 occupancy inspections passed.
- **Water Dept.** – Mayor Saunders reported that the crew had begun laying the new line behind the tennis courts at the school.
- **Sewer Dept.** – No major problems to report.
- **Street Dept.** – Mayor Saunders announced that the roller is in use! Scott stated that TxDot Commissioner Jeff Austin has requested letters of support for the Relief Route around Corsicana from the City, Chamber, and EDC.
- **Police Dept.** – Chief Miers reported that Eric Heilman has successfully completed his 6 week field training. He also advised the council that a SOA hearing has been set in Austin regarding Monteagudo's appeal of his Dishonorable Discharge.
- **Animal Control** – no new problems.
- **Court** – new court clerk, Katherine Combs is working out very good.
- **Tax Dept.** – 90.18% of current property taxes collected as of May 31, 2012.
- **Office** – A Budget Workshop was set for June 26 at 7:00 p.m.
- **Grants** – Public Hearing on 2012 Grant Application has been set for June 23.
- **Economic Development** – Construction has started on the new strip center to be anchored by Fresh Donuts.
- **Long Range Planning** – Still working on downtown lighting.

Neumayer made a motion to adjourn the meeting. Cottrell seconded the motion.

Votes:

For – Neumayer, Cottrell, Allen, Fessenden, and Martin

Against – None

Passed – 5-0

With no further business to transact, Mayor Saunders adjourned the meeting at 7:50 p.m.

Jeffrey Saunders, Mayor

Attest:

Cindy Scott, City Secretary