

**Minutes**  
**Of**  
**REGULAR MEETING**  
**of the**  
**DALWORTHINGTON GARDENS**  
**CITY COUNCIL**

**Executive Session: Thursday August 18, 2011, at 7:00 P.M.**

**Regular Session: Thursday, August 18, 2011, immediately following Executive Session.**

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**EXECUTIVE SESSION**

An executive session of the City Council was held at **7\_o'clock p.m.** on Thursday, **August 18, 2011, in the Council Chambers of the Dalworthington Gardens City Hall, 2600 Roosevelt Drive, Dalworthington Gardens, Texas.** The City Council met in closed, executive session pursuant to the provisions of the Open Meetings Law, Chapter 551 of the Government Code, in accordance with the authority contained therein. The following items of business were considered and discussed.

1. Real estate - Pursuant to Government Code Section 551.072, to deliberate and consider the value of real estate and potential purchase of real estate.

Following the executive session, The Council will reconvene in open session to possibly take action on matters discussed in the executive session.

**REGULAR SESSION**

**A regular meeting was held immediately following the executive session on Thursday, August 18, 2011 in the Council Chambers of the Dalworthington Gardens City Hall, 2600 Roosevelt Drive, Dalworthington Gardens, Texas. The following items of business were considered, discussed and acted upon, as deemed appropriate by the Council:**

**MEMBERS PRESENT:**

Michael Tedder, Mayor  
Guy Snodgrass, Mayor Pro tem  
Mike Pettke, Councilman  
Steve Loe, Councilman  
Ed Motley, Councilman  
Jim Piland, Councilman

**MEMBERS ABSENT:**

**Guy Snodgrass, Mayor Pro tem**

**STAFF PRESENT:**

Melinda Brittain, City Administrator  
Bill Waybourn, Chief of Public Safety  
Jerry Venum, Deputy Chief  
Jim Jeffrey, City Attorney  
Krysten Jeter, Deputy City Secretary

## **CALL TO ORDER**

**Invocation by the Mayor**

**Pledge of Allegiance to the United States of America Flag**

**Pledge of Allegiance to the State of Texas Flag**

- 1. Citizen Comments**
- 2. Mayor and Council comments.**
- 3. Resolution 11-53, Departmental Reports**

DPS Report

Yearly Budget Summary

Trial Balance

TexSTAR Reports

Sales Tax History

Ad Valorem Report

General, Water & Public Works Report

Court Activity Report

On motion by Councilman Pettke, seconded by Councilman Loe, by a vote of 4 ayes and 0 nays, it was:

**RESOLVED**, that the departmental and financial reports for July, 2011 with the adjustments stated by Melinda Brittain, be approved and placed in the records of the city.

- 4. Resolution 11-54, Minutes of July 14, August 9, 10, 2011 Meetings.**

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On motion by Councilman Motley, seconded by Councilman Pettke, by a vote of 4 ayes and 0 nays, it was:

**RESOLVED**, that the minutes of the July 14 & August 9 & 10, 2011 Council meetings be approved and placed in the records of the city.

## **No Tabled Items from Previous Meetings**

### **Discussion and Action Items:**

- 5. Municipal Setting Designation Fee Ordinance Amendment**

No action was taken.

- 6. Resolution 11-55, Investment Policy/Strategies**

On motion by Councilman Pettke, seconded by Councilman Motley, by a vote of 4 ayes and 0 nays, it was:

**RESOLVED**, that staff pursue researching investment policies with as much return as possible, including credit unions if legally applicable.

- 7. Resolution 11-56, Council Packet Technology Options**

On motion by Councilman Piland, seconded by Councilman Loe, by a vote of 4 ayes and 0 nays, it was:

**RESOLVED**, that staff pursue Ipads for use by City Council to be used for Council Packets and city business.

**8. Ordinance 11-06, Atmos Mid-Tex RRM-4 Settlement**

On motion by Councilman Motley, seconded by Councilman Pettke, by a vote of 4 ayes and 0 nays, the following ordinance was adopted:

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALWORTHINGTON GARDNES, TEXAS, (“CITY”) APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC” OR “STEERING COMMITTEE”) AND ATMOS ENERGY CORP., MID-TEX DIVISION (“ATMOS MID-TEX” OR “COMPANY”) REGARDING THE COMPANY’S FOURTH ANNUAL RATE REVIEW MECHANISM (“RRM”) FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; REQUIRING THE COMPANY TO REIMBURSE CITIES’ REASONABLE RATEMAKING EXPENSES; REPEALING CONFLICTING RESOLUTIONS OR ORDINANCES; 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 STEERING COMMITTEE’S LEGAL COUNSEL.**

WHEREAS, the City of DALWORTHINGTON GARDENS, 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” or “Steering Committee”), a coalition of approximately 154 similarly situated cities served by Atmos Mid-Tex 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 (such participating cities are referred to herein as “ACSC Cities”); and

WHEREAS, pursuant to the terms of the agreement settling the Company’s 2007 Statement of Intent to increase rates, ACSC Cities and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process controlled in a three-year experiment by ACSC Cities as a substitute to the current GRIP process instituted by the Legislature; and

WHEREAS, the City took action in 2008 to approve a Settlement Agreement with Atmos Mid-Tex resolving the Company’s 2007 rate case and authorizing the RRM Tariff; and

WHEREAS, the 2008 Settlement Agreement contemplates reimbursement of ACSC Cities’ reasonable expenses associated with RRM applications; and

WHEREAS, the Steering Committee and Atmos Mid-Tex agreed to extend the RRM process in reaching a settlement in 2010 on the third RRM filing; and

WHEREAS, on or about April 1, 2011, the Company filed with the city its fourth annual RRM filing, requesting to increase natural gas base rates by \$15.7 million; and

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex’s RRM filing by designating a Settlement Committee made up of ACSC representatives, assisted by ACSC attorneys and consultants, to resolve issues identified by ACSC in the Company’s RRM filing; and

WHEREAS, independent analysis by ACSC’s rate expert concluded that Atmos Mid-Tex is unable to justify an increase over current rates except for undisputed costs of \$6.6 million to cover the steel service line replacement program initiated in 2010; and

WHEREAS, the ACSC Settlement Committee, as well as ACSC lawyers and consultants, recommend that ACSC Cities approve the attached rate tariffs (“Attachment A” to this

Ordinance), which will increase the Company's revenue requirement by \$6.6 million to extend current recovery of incremental direct costs of the steel service line replacement program authorized by ACSC Cities in ordinances passed in 2010; and

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated resolution reached by ACSC Cities and are just, reasonable, and in the public interest.

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

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

Section 2. That the City Council finds the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable and new tariffs which are attached hereto and incorporated herein as Attachment A, are just and reasonable and are hereby adopted.

Section 3. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC Cities in processing the Company's rate application.

Section 4. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 5. 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 6. 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 7. That 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 September 1, 2011.

Section 8. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of David Park, Vice President Rates and Regulatory Affairs, at Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

**9. Resolution 11-57, NCTCOG Public Works Council Subregional Nominations**

On motion by Councilman Pettke, seconded by Councilman Motley, by a vote of 4 ayes and 0 nays, it was:

**RESOLVED**, that Mike Watkins be designated as the city representative in the NCTCOG Public Works Council.

**10. 2011-2012 Budget**

No action.

**11. Resolution 11-58, Executive session action (if needed)**

On motion by Councilman Piland, seconded by Councilman Loe, by a vote of 4 ayes and 0 nays, it was:

**RESOLVED**,

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**12. FUTURE AGENDA ITEMS**

**Asphalt/seal cracks on city streets**

**ADJOURN**

On motion by Councilman Pettke, seconded by Councilman Loe, by a vote of 4 ayes and 0 nays, the meeting was adjourned at 8:42 p.m.