

CITY OF SULPHUR SPRINGS, TEXAS

SPECIAL MEETING OF THE

CITY COUNCIL

AUGUST 23, 2011

6:00 P.M.

Mayor Craig Johnson called the special meeting of the Sulphur Springs City Council to order at 6:02 p.m. The following council members and staff were present:

Mayor Craig Johnson
Mayor Pro Tem Freddie Taylor
Councilwoman Kayla Price
Councilman John Sellers
Mayor Gary Spraggins – 6:12 p.m.

Absent: Councilman Clay Walker
Councilman Oscar Aguilar

Staff: Marc Maxwell, City Manager
Gale Roberts, City Secretary
Peter Karstens, Finance Director
Kevin McCarty, Parks Director
Gordon Frazier, Human Resources Director
Cheryl Lawson, Director of Library Services
Jim Bayuk, Chief of Police
Gerry Cleaver, Fire Chief
Joey Baker, Director of Tourism/Airport
Phyllis Rogers, Municipal Court Judge
Robert Lee, Assistant Director of Utilities

PLEDGE AND INVOCATION

Mayor Johnson led in the pledge of allegiance and Mayor Pro Tem Taylor led the invocation.

DISCUSSION/ACTION ON FIRST READING OF ORDINANCE NO. 2595 APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STERRING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID TEX DIVISION (“COMPANY”) REGARDING THE COMPANY’S FOURTH ANNUAL RATE REVIEW MECHANISM 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 SAVING CLAUSE; DECALRING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND STEERING COMMITTEE LEGAL COUNSEL.

The Atmos Mid-Tex RRM filing sought a \$15.7 million rate increase. The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its request to increase rates. The ordinance and attached rate and RRM tariffs are the result of negotiations between ACSC and the Company to resolve issues raised by ACSC during the review and evaluation of RRM filing. The ordinance resolves the Company’s RRM filing by authorizing supplemental revenue of \$6.6 million to be recovered through the customer charge component of rates to cover direct incremental costs associated with a steel service line replacement program approved as part of last year’s rate adjustment. All other relief requested by Atmos Mid-Tex is denied. The average residential customer (using 4.5 Mcf a month) will have an increase of \$0.31 per month or 0.66% and the average commercial customer (using 34.8 Mcf a month) will have an increase of \$0.88 per month or 0.88%. There was no one else to speak to the issue. Councilman Sellers moved to adopt the ordinance on the second and final reading. Councilwoman Price seconded and the vote was unanimous.

The motion carried.

DISCUSSIONS ON PROPOSED FISCAL YEAR 2011-12 BUDGET

Peter Karstens, Director of Finance, presented a summary of highlights from the proposed budget for fiscal year 2010-11 to the City Council. The department heads were available to answer any questions. Mr. Karstens gave a thorough presentation. There was a general discussion but no changes were proposed to the budget.

VISITORS/PUBLIC FORUM

None.

ADJOURN

With all business complete the meeting adjourned at 8:51 p.m.