

**MINUTES
RICHARDSON CITY COUNCIL
WORK SESSION MEETING
SEPTEMBER 12, 2022**

- **Call to Order**

Mayor Voelker called the meeting to order at 6:00 p.m. with the following Council members present:

Paul Voelker	Mayor
Janet DePuy	Mayor Pro Tem
Bob Dubey	Councilmember
Jennifer Justice	Councilmember
Joe Corcoran	Councilmember
Ken Hutchenrider	Councilmember
Arefin Shamsul	Councilmember

The following staff members were also present:

Don Magner	City Manager
Kent Pfeil	Chief Financial Officer
Charles Goff	Assistant City Manager
Michaela Dollar	Assistant City Manager
Bill Alsup	Interim Assistant City Manager
Aimee Nemer	City Secretary

WORK SESSION – 6:00 PM, RICHARDSON ROOM

A. VISITORS/ACKNOWLEDGEMENT OF PUBLIC COMMENT CARDS

The following speakers, representing Comets for Better Transit, addressed Council regarding concerns for pedestrians crossing Campbell Road.

Daniel Yahalom, 2200 Waterview Parkway
Devan Bailey, 2600 Waterview Parkway

An additional public comment card was submitted on this issue by Jack Sierputowski, 3000 Northside Blvd.

Richard Strecker, 2809 Foxcreek Drive, addressed Council with concerns regarding the ATMOS rate increase.

A public comment card was submitted by Kaden Martin, 1200 Harness Lane, regarding RISD taxes and DART.

B. REVIEW AND DISCUSS RECENT RESPONSES AND NATIONAL PREPAREDNESS MONTH

Alisha Gimbel, Emergency Management Coordinator, reported on recent storm damage, the City Hall fire, and National Preparedness Month.

C. REVIEW AND DISCUSS THE ATMOS ENERGY 2022 RATE REVIEW

Background

- Review of Atmos Mid-Tex annual rate request – Filed on April 1, 2022
- August 1, 2022 – Atmos provided Council with an update on its operations and maintenance initiatives in Richardson
- Atmos has statutory right to annual increase associated with recovery of capital investments made in preceding 12 months
- City is a member of the Atmos Cities Steering Committee (“ACSC”)
 - Coalition of 182 cities that work to address gas rate considerations
- In 2007, the ACSC and Atmos Mid-Tex agreed to an annual Rate Review Mechanism (“RRM”) as a substitute for statutory mechanism known as Gas Reliability Infrastructure Program (“GRIP”)
 - RRM: Comprehensive annual review of cost of service
- Annual RRM filing undergoes professional review
- Attorneys for ACSC: Lloyd Gosselink Rochelle & Townsend, P.C.
 - Consultants hired by ACSC conduct analytical review of annual RRM filing which is used to negotiate a resolution
 - ReSolved Energy Consulting
 - NewGen Strategies & Solutions

2022 Rate Request

- April 1, 2022 – Atmos filed request for system-wide increase of rates to recover cost of capital investments made in 2021 in the Mid-Tex Region
- 2021 Capital Investments in the Mid-Tex Region
 - 167 miles of steel pipe replaced
 - 220 miles of cast iron pipe replaced
 - 32,500 steel service lines replaced
 - 1.3 million line locates performed
 - 4,000 lines struck by excavators
 - 14,000 miles of pipe surveyed
- Capital Investments in Richardson
 - \$4.4 million in 2021
 - \$16.9 million since 2017

2022 Rate Request Process

	Atmos Mid-Tex Increase	ACSC Members Increase
ATMOS Initial Request – 4/1/22	\$141.3 million	\$102.4 million
ATMOS/ACSC Negotiated Settlement	\$115 million	\$83.26 million

Settlement resulted in a 18.7% reduction from the initial request

Proposed Rates

- Customer Charge: Fixed monthly cost that covers a portion of Atmos’ fixed costs that it incurs to serve each customer

- Examples of Fixed Costs: Meter reading, system maintenance, and pipeline inspections
- Consumption Charge: Volume usage (cubic feet of gas) that covers a portion of Atmos' fixed costs and variable costs incurred to serve customers
 - Examples of Variable Costs: Transportation of gas and cost of gas

Monthly Customer Charge:

Class	Current Rate	Proposed Rate
Residential	\$20.85	\$21.55
Commercial	\$56.50	\$63.50

Consumption Charge (cubic feet in gas):

Class	Current Rate	Proposed Rate
Residential	\$0.27979	\$0.36223
Commercial	\$0.12263	\$0.14137

Average Bill Comparison

Class	Current Bill	Proposed Bill	% Increase
Residential	\$68.62	\$73.22	6.71%

Based on 43.8 CCF of consumption

Class	Current Bill	Proposed Bill	% Increase
Commercial	\$334.29	\$348.63	4.29%

Based on 345.7 CCF of consumption

Recommendation

- ACSC believes the negotiated rates are fair, reasonable, and recommends approving the settlement
- RRM negotiation saves time and money versus a contested proceeding at Texas Railroad Commission
 - Commission might agree to a higher rate
 - Staff recommends City Council adoption of the settlement rates effective October 1, 2022
- Authorizing Resolution for City Council consideration on September 26, 2022

ATMOS Energy can be contacted at the following link:

<https://www.atmosenergy.com/company/contact-us>

D. REVIEW AND DISCUSS THE INVESTMENT POLICY

Finance Director, Keith Dagen, reviewed the Investment Policy and explained that there are no recommended changes.

E. REVIEW AND DISCUSS THE BOARDS AND COMMISSIONS APPOINTMENT PROCESS

City Secretary Nemer reviewed the current board appointment process, a new concurrent appointment process and transition plan, and the Get on Board promotional campaign.

F. REPORT ON ITEMS OF COMMUNITY INTEREST

Council reported on items of community interest.

G. MINUTES OF THE AUGUST 29, 2022 MEETING

Council Action

Councilmember Hutchenrider moved to approve the Minutes as presented. Councilmember Dubey seconded the motion. A vote was taken and passed, 7-0.

H. CONSENT AGENDA:

A. CONSIDER RESOLUTION NO. 22-21, APPROVING THE TERMS AND CONDITIONS OF AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY OF RICHARDSON AND DALLAS COUNTY, TO JOIN THE DALLAS AREA HOUSEHOLD HAZARDOUS WASTE NETWORK TO COORDINATE THE PLANNING AND IMPLEMENTATION OF A HAZARDOUS WASTE COLLECTION PROGRAM, AS MORE SPECIFICALLY DESCRIBED IN EXHIBIT "A"; AND AUTHORIZING ITS EXECUTION BY THE CITY MANAGER, OR DESIGNEE.

B. CONSIDER AWARD OF THE FOLLOWING BIDS:

- 1. BID #76-22 – WE RECOMMEND THE AWARD TO NORTH TEXAS CONTRACTING, INC. FOR COTTONWOOD CREEK & WEST FORK OF COTTONWOOD CREEK REGIONAL DETENTION FACILITY IN THE AMOUNT OF \$4,328,361.**
- 2. BID #95-22 – WE REQUEST AUTHORIZATION TO ISSUE A PURCHASE ORDER FOR THE COOPERATIVE PURCHASE OF EIGHT (8) TRAFFIC SIGNAL CABINETS AND BATTERY BACKUP SYSTEM (\$173,608) TO CONSOLIDATED TRAFFIC CONTROLS, INC. THROUGH HOUSTON-GALVESTON AREA COUNCIL OF GOVERNMENTS ("HGAC") CONTRACT # PE05-21 AND EIGHT (8) TRAFFIC CONTROLLER TO TEXAS HIGHWAY PRODUCTS, LTD (\$22,880) THROUGH THE LOCAL GOVERNMENT PURCHASING COOPERATIVE ("BUYBOARD") CONTRACT #608-20.**

Council Action

Mayor Pro Tem DePuy moved to approve the Consent Agenda as presented. Councilmember Dubey seconded the motion. A vote was taken and passed, 7-0.

EXECUTIVE SESSION

In compliance with Section 551.071 (1) and (2) of the Texas Government Code, Council will convene into a closed session to discuss the following:

- Consultation with City Attorney
 - Regarding Public Facility Corporations

Council Action

Council convened into Executive Session at 7:45 p.m.

RECONVENE INTO REGULAR SESSION

Council will reconvene into open session, and take action, if any, on matters discussed in Executive Session.

Council Action

Council reconvened in regular session at 8:53 p.m. There was no action as a result of the Executive Session.

ADJOURNMENT

With no further business, the meeting was adjourned at 9:00 p.m.



MAYOR

ATTEST:



CITY SECRETARY