

Regular Meeting August 20, 2019

Mayor Dusty Cornelius called the regular meeting to order at 7:00 p.m. with the following members present: Jim Justus, Abel Reyna, Heidi Hays, Doyle Parrish, Alva Rodriguez, and Brad Thornhill. Also present were City Administrator Margot Hardin, City Secretary Amy Wallace, Chief of Police John Wilson, Public Works Director Chase Longo, Randel Terry and Ryan King of Terry & King, CPA's, and Ivan Morales.

Approve July 16, 2019 Minutes: Abel Reyna made a motion to approve the July 16, 2019 minutes. Jim Justus seconded the motion. Motion carried.

Approve July Accounts Payable: Brad Thornhill made a motion to approve the July Accounts Payable, excluding D & H Spraying and Landscaping Accounts Payable and Jim's Service Center Accounts Payable. Abel Reyna seconded the motion. Motion carried.

Approve July D & H Spraying and Landscaping Accounts Payable: Heidi Hays made a motion to approve D & H Spraying and Landscaping Accounts Payable. Abel Reyna seconded the motion. Motion carried.

Approve July Jim's Service Center Accounts Payable: Heidi Hays made a motion to approve Jim's Service Center Accounts Payable. Doyle Parrish seconded the motion. Abel Reyna, Heidi Hays, Doyle Parrish, Alva Rodriguez, and Brad Thornhill voted for the motion. Jim Justus abstained. Motion carried (5-0).

Public Forum: No one came forward.

Police Report: Chief of Police John Wilson presented the monthly Police Report.

Public Works Report: Public Works Director Chase Longo presented the monthly Public Works Report.

Resolution 08-2019 Denying Southwestern Public Service Rate Increase: Heidi Hays made a motion to approve Resolution 08-2019 denying Southwestern Public Service Rate Increase. Doyle Parrish seconded the motion. Motion carried.

RESOLUTION NO. 08-2019

A RESOLUTION BY THE CITY OF CROSBYTON, TEXAS ("CITY") DENYING SOUTHWESTERN PUBLIC SERVICE COMPANY'S PROPOSED RATE INCREASE REQUEST IN CONNECTION WITH ITS STATEMENT OF INTENT SUBMITTED ON ABOUT AUGUST 8, 2019; AUTHORIZING THE CITY'S CONTINUED PARTICIPATION WITH OTHER CITIES IN THE ALLIANCE OF XCEL MUNICIPALITIES ("AXM") AND PARTICIPATION IN RELATED RATE PROCEEDINGS; AUTHORIZING THE HIRING OF ATTORNEYS AND CONSULTANTS; REQUIRING REIMBURSEMENT OF REASONABLE LEGAL AND CONSULTANT EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT

WHEREAS, Southwestern Public Service Company ("SPS" or the "Company") filed a Statement of Intent with the City on or about August 8, 2019 to increase its base revenues; and

WHEREAS, SPS proposes to implement its proposed increase in rates on or about September 12, 2019, and

WHEREAS, SPS's proposed increase in rates would result in a net increase to its base revenues of approximately \$141.3 million, which equates to an increase of approximately 25.5% in base revenue; and

WHEREAS, SPS failed to establish that its overall revenue request resulted in no more than an amount that will permit SPS a reasonable opportunity to earn a reasonable return on the utility's invested capital used and useful in providing service to the public in excess of the utility's reasonable and necessary operating expenses; and

WHEREAS, SPS failed to establish that its proposed rates were just and reasonable; and

WHEREAS, the City is a regulatory authority under the Public Utility Regulatory Act ("PURA") and under Chapter 33, §33.001 et seq. of PURA has exclusive original jurisdiction over SPS's rates, operations, and services within the municipality; and

WHEREAS, SPS may exercise its statutory right to appeal a City decision regarding SPS's request to increase rates to the Public Utility Commission of Texas ("PUC"); and

WHEREAS, SPS filed its Statement of Intent to raise rates with the City and with the Public Utility Commission of Texas ("PUC") on the same date, August 8, 2019 and it is important to intervene in the PUC proceeding because the PUC's decisions will impact rates within the City; and

WHEREAS, in order to maximize the efficient use of resources and expertise in participation in any proceedings at the PUC or in courts of law regarding SPS's rate request and its changes in tariffs it is prudent to coordinate the City's efforts with a coalition of similarly situated municipalities; and

WHEREAS, the City, in matters regarding applications by SPS to change rates, has in the past joined with other local regulatory authorities to form the Alliance of Xcel Municipalities ("AXM") and hereby continues its participation in AXM.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL/COMMISSION FOR THE CITY OF CROSBYTON, TEXAS THAT:

Section 1. ^{...} SPS failed to show that its proposed rates are just and reasonable.

Section 2. The City hereby **DENIES** SPS's request to increase rates and in support thereof finds that:

- a) The Statement of Intent fails to provide sufficient information to justify the requested increase in revenue or to justify the changes set forth in the attached tariffs;

- b) The Statement of Intent fails to provide sufficient information to justify the adoption of the rate base, expenses, investment, return on equity, and other rate issues.

Section 3. The City authorizes intervention in proceedings related to SPS's Statement of Intent before the Public Utility Commission of Texas and any related proceedings in any courts of law.

Section 4. The City continues its participation with other cities in a coalition of cities known as the Alliance of Xcel Municipalities ("AXM") with the understanding that the Steering Committee of AXM is to provide direction and guidance to Special Counsel representing said cities.

Section 5. The City hereby retains Herrera Law & Associates, PLLC as Special Counsel to represent the City with regard to SPS's requested increase in rates and related proceedings before local and state regulatory authorities and any court of law and authorizes Special Counsel to employ such rate experts as may be necessary for review and evaluation of SPS's rate application.

Section 6. The City, in coordination with the Steering Committee, shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to SPS for reimbursement.

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Section 7. SPS shall reimburse the City on a monthly basis, through AXM's coordinating city, the City of Amarillo, Texas, for the reasonable costs of attorneys and consultants and expenses related thereto, upon the presentation of invoices reviewed by the City of Amarillo.

Section 8. The City Secretary or other appropriate city official shall provide a copy of this Resolution to **Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, 816 Congress Ave., Suite 950, Austin, Texas 78701**, and as a courtesy, provide SPS a copy of this Resolution by **sending a copy of the Resolution to William A. Grant, Regional Vice President, Regulatory and Strategic Planning, Southwestern Public Service Company, 790 S. Buchanan St. Amarillo, Texas 79101.**

Section 9. The 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 10. To the extent any Resolution previously adopted by the City Council is inconsistent with this Resolution, it is hereby superseded.

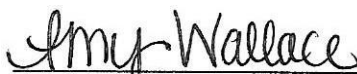
Section 11. The findings set out in the preamble are in all things hereby approved.

Section 12. This Resolution shall become effective from and after its passage.

PASSED AND APPROVED this 20th day of August, 2019 -

Dusty Cornelius, MAYOR

ATTEST: ,,



Amy Wallace, CITY SECRETARY

Tax Deed-Parcel 10861-219 N. Ave C, Lot 9, Blk 131, Revised East Addition: Abel Reyna made a motion to approve the \$200.00 bid by Dorothy and Fred Satchel. Heidi Hays seconded the motion. Motion carried.

Tax Deed-Parcel 10863-217 N. Ave C, Lot 10, Blk 131, Revised East Addition: Heidi Hays made a motion to approve the \$200.00 bid by Dorothy and Fred Satchel. Abel Reyna seconded the motion. Motion carried.

Tax Deed-Parcel 10864-West Side oh N Ave C between 1st and 2nd Streets, Lot 11, Blk 131, Revised East Addition: Heidi Hays made a motion to approve the \$200.00 bid by Dorothy and Fred Satchel. Alva Rodriguez seconded the motion. Motion carried.

Tax Deed-Parcel 10672-413 S. Ayrshire, Lots 28, 29, 30, Blk 104, East Addition: Doyle Parrish made a motion to deny the \$301.00 bid by Maria Christina Duculan. Alva Rodriguez seconded the motion. Motion carried.

Adopt 2019/2020 Property Tax Rate: Brad Thornhill made a motion to adopt the property tax rate of 0.7182 for 2019/2020 Tax Year. This year's tax rate does not exceed the effective tax rate. Abel Reyna seconded the motion. Motion carried.

Council adjourned into executive session at 8:53 p.m. to discuss personnel matters. Council returned into open meeting at 9:21 p.m.

Police Salaries: Doyle Parrish made a motion to increase the Chief of Police salary to \$48,000.00 annually. Brad Thornhill seconded the motion. Motion carried.

Sale of 1993 Peterbilt Truck: Brad Thornhill made a motion to approve the sale of the 1993 Peterbilt Truck for \$8000.00. Heidi Hays seconded the motion. Motion carried.

Terry & King, CPA's-FY 2018/2019 City of Crosbyton/PMB Audit: Jim Justus made a motion to approve the 2018/2019 City of Crosbyton/PMB Audit as presented by Ryan King and Randel Terry. Heidi Hays seconded the motion. Motion carried.

Sale/Purchase of Fire Trucks: Doyle Parrish made a motion to approve the sale of the tanker fire truck and the purchase of the HEMTT fire truck for \$10,000.00 from federal surplus. Brad Thornhill seconded the motion. Abel Reyna, Heidi Hays, Doyle Parrish, Alva Rodriguez, and Brad Thornhill voted for the motion. Jim Justus abstained. Motion carried (5-0).

Administrative Report: City Administrator Margot Hardin updated the council on the status of City projects.

With no further business before the council, the meeting was adjourned at 9:33 p.m.

Dusty Cornelius, Mayor

ATTEST:

Amy Wallace, City Secretary