

City of Hale Center – Regular City Council Meeting Agenda
LeMond Community Center, 110 E Stevenson, Hale Center, TX 79041
7:00 P.M. – Tuesday – April 12, 2022

A. CALL TO ORDER / WELCOME GUESTS / PLEDGE OF ALLEGIANCE / INVOCATION

B. PUBLIC COMMENT: An opportunity for the public to address City Council on any subject, not on the Agenda, in accordance with Texas Open Meetings Act, City Council may not discuss issues or make any decision at this time. Issues raised may be referred to City staff for research and possible future action.

C. CONSENT AGENDA: Approve minutes of Regular Council Meeting, “*Re-Scheduled*” to 3/14/2022; Approve March monthly department report(s): Municipal Court / Hale Center EMS / ~~Hale Center Vol Fire Dept / Hale Center EDC~~ / Financial Reports

D. REGULAR AGENDA

- 1) Presentation, Randal Terry and Ryan King, Terry & King CPA’s P.C. Consider approval of Fiscal Year 2021 audit
- 2) Notice of rate case filing - Atmos
- 3) Request to change day of regular city council meetings – Councilperson Martinez
- 4) Discussion and Clarification of Zoning Ordinance for manufactured housing
- 5) **Executive Session** – In accordance with Texas Government Code, Section 551.072, Deliberations about Real Property
- 6) City Manager Administrative Report
 - a. CJD Vehicle grant presented
 - b. Atmos rate case
 - c. CDBG activation notice
 - d. Park Grant update
 - e. Body Armor Grant funded and awarded
 - f. Update on backhoe and pickup(s)
- 7) Consider items to be placed on City Council meeting agenda for 05/10/2022
 - a. Canvass election results
 - b. Oath of office - elected officials - acceptance of filing of office with City Secretary
 - c. Electing Mayor Pro-Tem
 - d. Schedule Budget Workshop
 - e. Appoint/Reappointment member(s) to various boards and commissions

E. ADJOURNMENT

POSTED: 4/7/22 TIME: 3:30 P

ATTEST Patricia Isaguine, TRMC

City of Hale Center
Municipal Court Council Report
From 3/1/2022 to 3/31/2022

Violations by Type

Traffic	Penal	City Ordinance	Parking	Other	Total
18	0	0	0	0	18

Financial

State Fees	Court Costs	Fines	Tech Fund	Building Security	Total
\$2,484.39	\$1,239.93	\$3,060.52	\$108.78	\$125.88	\$7,019.50

Warrants

Issued	Served	Closed	Total
0	0	2	2

FTAs/VPTAs

FTAs	VPTAs	Total
0	0	0

Dispositions

Paid	Non-Cash Credit	Dismissed	Driver Safety	Deferred	Total
20	0	4	3	1	28

Trials & Hearings

Jury	Bench	Appeal	Total
0	0	0	0

Omni/Scofflaw/Collection

Omni	Scofflaw	Collections	Total
0	0	0	0

Hale Center EMS Association

116 W 6th Street * PO Box 1027
Hale Center TX 79041
806-590-8042 * Fax 806-590-8043
Anthony Juarez, Director

March 2022 Run Report

7 Transfers 5(ALS) 2(BLS)

32 EMS calls
16 Within City Limits
16 Out of City

32 Total Calls
09 No Transport

23 Billable Runs

Transports to Hospital's

11 Covenant Medical Center Plainview
05 University Medical Center
00 Lubbock Heart Hospital
03 Covenant Medical Center Lubbock
00 Covenant Woman's and Children's
02 North West Hospital Amarillo
01 Odessa Hospital
01 Methodist Dallas

Next board meeting:

April 21, 2022
Owls Cafe at 5:30 pm

12:42 PM

04/05/22

Cash Basis

Ambulance Service of Hale Center

Profit & Loss

March 2022

	Mar 22
Ordinary Income/Expense	
Income	
City Supplement	4,000.00
County Supplement	5,000.00
Donations	2,045.00
Insurance Billing	6,880.77
Total Income	17,925.77
Gross Profit	17,925.77
Expense	
Bank Service Charges	58.88
Computer Equipment & Software	-1,548.38
Employee Appreciation	24.13
Medical Supplies/Equipment	
Medical Equipment	18.99
Total Medical Supplies/Equipment	18.99
Office Supplies	29.20
Payroll Expenses	30,073.47
Station Supplies	63.00
Vehicle Expense	
Vehicle Fuel	1,612.59
Vehicle Maintenance	7.00
Vehicle Registraton	7.50
Vehicle Repair	0.00
Total Vehicle Expense	1,627.09
Total Expense	30,346.38
Net Ordinary Income	-12,420.61
Other Income/Expense	
Other Income	
Vista Loan 2022	30,000.00
Total Other Income	30,000.00
Net Other Income	30,000.00
Net Income	17,579.39

12:52 PM
04/05/22
Cash Basis

Ambulance Service of Hale Center
Balance Sheet
As of March 31, 2022

	Mar 31, 22
ASSETS	
Current Assets	
Checking/Savings	
aGeneral Operating	24,410.20
Fund Raiser Acct	428.53
Petty Cash	81.16
Total Checking/Savings	24,919.89
Total Current Assets	24,919.89
Fixed Assets	
Furniture and Equipment	
Amb Equipment	27,754.00
Total Furniture and Equipment	27,754.00
Vehicles	
3901 - 2010 Chevy Ambulance	57,491.00
3902 - 1997 Ford Ambulance	16,816.00
3904 - 1997 Chevy Ambulance	13,000.00
Total Vehicles	87,307.00
Total Fixed Assets	115,061.00
Other Assets	
employee Advance	-186.69
Total Other Assets	-186.69
TOTAL ASSETS	139,794.20
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-1,196.75
Total Accounts Payable	-1,196.75
Other Current Liabilities	
Payroll Liabilities	173,209.90
Total Other Current Liabilities	173,209.90
Total Current Liabilities	172,013.15
Total Liabilities	172,013.15
Equity	
Opening Balance Equity	112,135.13
Unrestricted Net Assets	-163,932.43
Net Income	19,578.35
Total Equity	-32,218.95
TOTAL LIABILITIES & EQUITY	139,794.20

**CITY OF HALE CENTER
HALE CENTER, TEXAS
MONTHLY REPORT OF BANK BALANCES
April 1, 2022**

Bank Account Balances

(Demand Deposits)

28.80%

Operational Account	0502219	0.05%	\$231,415.72
Back the Blue	7018059	0%	\$1,391.78
PD Training	7018804	0%	\$2,177.60
Total			\$234,985.10

Schedule of Investments

(Time Deposits)

71.20%

Budget Fund	Account	Origin Date	Current	Length	Original	Current Value
Certificate of Deposit	6348651	2/23/21	0.40%	6 Month	\$100,000.00	\$100,580.71
Certificate of Deposit	6324212	11/9/16	0.40%	6 Month	\$150,000.00	\$154,154.49
Certificate of Deposit	6318810	2/19/16	0.40%	3 Month	\$100,000.00	\$100,566.77
Certificate of Deposit	6350910	8/23/21	0.40%	3 Month	\$225,000.00	\$225,518.33
Totals					\$100,000.00	\$580,820.30

Total Cash Accounts	\$234,985.10
Total Investments	\$580,820.30
Total Cash and Investments	\$815,805.40



Mike Cypert
City Manager

This report complies with the City's Investment Policy and all federal, state, and local statutes, rules, or regulations.

Account	Description	Budget	MTD	YTD	Variance	%
Operating Revenues						
014007	Ad Valorem Taxes	267,147.00	9,735.58	234,657.58	32,489.42	87.84
014021	Ad Valorem P&I	5,300.00	685.25	872.47	4,427.53	16.46
014028	Delinquent Ad Valorem Taxes	14,000.00	1,325.33	5,784.24	8,215.76	41.32
014035	Delinquent Ad Valorem P&I	6,700.00	676.14	2,287.80	4,412.20	34.15
014042	Sales Tax	88,000.00	6,671.30	45,020.52	42,979.48	51.16
014049	Sales Tax EDC	44,000.00	3,335.65	22,510.22	21,489.78	51.16
014056	Franchise Fees	99,000.00	9.12	54,759.59	44,240.41	55.31
014063	Permits	3,100.00	140.60	1,144.60	1,955.40	36.92
014070	Food Permits	1,100.00		58.31	1,041.69	5.30
014084	Interest Income	2,500.00	9.54	45.74	2,454.26	1.83
014098	Animal Control Fees	2,600.00	100.00	1,085.00	1,515.00	41.73
014105	Misc. Income	1,500.00	20.00	146.75	1,353.25	9.78
014112	Leases and Rents	10,000.00	600.00	1,055.00	8,945.00	10.55
014119	Sanitation Charges	162,000.00	13,016.00	78,768.00	83,232.00	48.62
014126	Landfill Fees	47,000.00	3,887.00	23,565.00	23,435.00	50.14
014133	Recycling Income	2,500.00		262.15	2,237.85	10.49
014140	Mosquito Spray Fees	9,380.00	774.00	4,692.00	4,688.00	50.02
014147	Sale of Property	2,000.00		65.00	1,935.00	3.25
014154	Municipal Court Fees	78,600.00	6,281.51	25,537.80	53,062.20	32.49
014161	Court Technology Fees	1,400.00			1,400.00	
014168	Court Security Fees	1,125.00			1,125.00	
014169	Police Training -TX Comptroller	740.00	640.25	640.25	99.75	86.52
014175	Transfer From Water Fund	110,674.00			110,674.00	
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	Operating Revenues	960,366.00	47,907.27	502,958.02	457,407.98	52.37
Non-Operating Revenues						
014401	Insured Claims			5,565.08	-5,565.08	
014407	TP&W Trails Grant			4,204.55	-4,204.55	
014409	TP&W Rec Grant	84,773.00	-571.82	-1,421.93	86,194.93	-1.68
014410	Park Grant Donation	71,080.00			71,080.00	
014411	WBU Bond Fund 2022			10,000.00	-10,000.00	
014444	HCAD Excess of Proceeds			9,185.30	-9,185.30	
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	Non-Operating Revenues	155,853.00	-571.82	27,533.00	128,320.00	17.67
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	Total Revenue	1,116,219.00	47,335.45	530,491.02	585,727.98	47.53
	TOTAL REVENUE	1,116,219.00	47,335.45	530,491.02	585,727.98	
Administration						
015007	Appraisal Dist. Exp.	5,320.00	391.25	2,451.64	2,868.36	46.08
015014	Accounting	9,450.00			9,450.00	
015021	Attorney Fees	4,500.00		575.00	3,925.00	12.78
015028	Legal Publications	1,200.00		100.00	1,100.00	8.33
015035	Codification	1,000.00		395.00	605.00	39.50
015042	Dues, Registrations & Meetings	4,000.00	168.99	3,917.77	82.23	97.94
015049	Office Supplies	4,000.00	95.43	1,949.13	2,050.87	48.73

Account	Description	Budget	MTD	YTD	Variance	%
015056	Postage	700.00		240.00	460.00	34.29
015063	Printing			147.09	-147.09	
015077	Misc. Expense	750.00		18.75	731.25	2.50
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	Administration	30,920.00	655.67	9,794.38	21,125.62	31.68
	Nondepartmental					
015203	EMS Contract	48,000.00	4,000.00	24,000.00	24,000.00	50.00
015210	Fire Dept. Contract	9,900.00	832.50	4,957.50	4,942.50	50.08
015217	Library Contract	5,400.00	450.00	2,700.00	2,700.00	50.00
015224	Sr. Citizens Contract	6,000.00	500.00	3,000.00	3,000.00	50.00
015231	Civil Defense	2,500.00			2,500.00	
015238	Hale Center EDC	44,000.00	3,335.65	22,510.22	21,489.78	51.16
015245	EMS Bld. Maint.	250.00		587.99	-337.99	235.20
015252	Fire Bld. Maint.	250.00			250.00	
015259	City Hall Bld. Maint.	500.00		1,140.61	-640.61	228.12
015266	LeMond Bld. Maint	1,000.00	40.58	390.76	609.24	39.08
015273	Environmental Health Insp.	1,100.00			1,100.00	
015280	Building Inspection Fees	1,600.00		150.00	1,450.00	9.38
015287	General Insurance	13,880.00		8,191.25	5,688.75	59.01
015294	Utilities - Gas and Elect.	12,500.00	1,856.52	9,230.38	3,269.62	73.84
015301	Telephone/Internet	6,100.00	278.52	2,688.11	3,411.89	44.07
015308	Software / IT	3,000.00	297.50	485.00	2,515.00	16.17
015337	Capital Outlay - LeMond	9,000.00		8,979.38	20.62	99.77
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	Nondepartmental	164,980.00	11,591.27	89,011.20	75,968.80	53.95
	Legislative					
015378	Dues Registrations & Meetings	12,000.00		4,592.29	7,407.71	38.27
015385	Election Expense	5,500.00			5,500.00	
015392	Council Stipends	2,500.00	120.00	2,395.00	105.00	95.80
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	Legislative	20,000.00	120.00	6,987.29	13,012.71	34.94
	Judicial					
015406	Dues, Registrations & Training	2,000.00			2,000.00	
015413	State Traffic Fees	27,000.00		13,489.29	13,510.71	49.96
015420	Prosecutor Fees	1,500.00			1,500.00	
015427	IT/Software	2,785.00			2,785.00	
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	Judicial	33,285.00		13,489.29	19,795.71	40.53
	Police					
015455	Dues, Registrations & Training	3,000.00		705.96	2,294.04	23.53
015462	Uniforms	2,000.00	202.80	1,061.25	938.75	53.06
015476	Software / IT	5,500.00		325.00	5,175.00	5.91
015483	Supplies & Equipment	5,000.00	118.11	2,878.13	2,121.87	57.56
015490	Vehicle Fuel	16,800.00	1,845.88	8,971.93	7,828.07	53.40
015497	Vehicle Maint.	5,450.00	2,829.67	4,036.51	1,413.49	74.06
015504	Misc. Expense	500.00		142.65	357.35	28.53
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Account	Description	Budget	MTD	YTD	Variance	%
	Police	38,250.00	4,996.46	18,121.43	20,128.57	47.38
	Streets					
015532	Sealcoat Project	50,000.00			50,000.00	
015539	Engineering - Sealcoat	10,000.00	5,223.76	7,829.40	2,170.60	78.29
015546	Street & Pothole Repair	8,000.00		451.10	7,548.90	5.64
015553	Utilities - Street Lighting	33,000.00	3,049.45	18,127.86	14,872.14	54.93
015560	Street Base Materials	2,000.00	1,056.00	1,056.00	944.00	52.80
015567	Street Sign Repairs	750.00			750.00	
015574	Equipment Maint.	11,500.00		4.59	11,495.41	.04
015581	Weed Control	2,500.00			2,500.00	
015588	Spray License Fees & Training	1,500.00			1,500.00	
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	Streets	119,250.00	9,329.21	27,468.95	91,781.05	23.03
	Parks					
015609	City Park Maint.	7,000.00		2,694.65	4,305.35	38.49
015617	TP&W Rec Grant	155,853.00	5,606.76	12,799.84	143,053.16	8.21
015623	Utilities - Parks	7,400.00	654.69	3,933.65	3,466.35	53.16
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	Parks	170,253.00	6,261.45	19,428.14	150,824.86	11.41
	Sanitation					
015651	Contracted Alley Service	137,000.00	10,477.85	62,465.15	74,534.85	45.59
015658	Recycle Center Disposal	12,500.00	917.20	3,561.86	8,938.14	28.49
015665	Plainview Recycle Prog.	1,800.00		1,252.32	547.68	69.57
015672	Tire Recycling	1,200.00		288.00	912.00	24.00
015679	Vector Control (Mosq.)	7,000.00	2,625.47	3,900.47	3,099.53	55.72
015686	Animal Control	2,000.00	158.81	429.92	1,570.08	21.50
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	Sanitation	161,500.00	14,179.33	71,897.72	89,602.28	44.52
	Non-Budgeted Expense					
016006	21-22 PD In-car cams			9,510.00	-9,510.00	
016007	Insurance Settlement			5,565.08	-5,565.08	
016008	21-22 PD Mobile Computers		4,412.01	7,317.29	-7,317.29	
016009	21-22 EMS Building repairs		850.00	850.00	-850.00	
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	Non-Budgeted Expense		5,262.01	23,242.37	-23,242.37	
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	Total Operating Expense	738,438.00	52,395.40	279,440.77	458,997.23	37.84
	Payroll					
017007	Administrative Payroll	94,745.00	7,646.92	44,870.77	49,874.23	47.36
017014	Police Payroll	179,282.00	13,458.52	86,472.37	92,809.63	48.23
017021	Judicial Payroll	22,942.00	1,313.76	8,031.06	14,910.94	35.01
017028	Sanitation Payroll	7,862.00	571.20	3,494.40	4,367.60	44.45
017035	TML - Admin	5,615.00	849.89	2,816.95	2,798.05	50.17
017042	TML - Police	22,450.00	3,580.66	11,006.06	11,443.94	49.02
017056	TMRS - Admin	4,690.00		1,900.50	2,789.50	40.52

Account	Description	Budget	MTD	YTD	Variance	%
017063	TMRS - Police	8,875.00		3,572.23	5,302.77	40.25
017098	TWC - Unemployment	1,100.00		389.10	710.90	35.37
017105	TML Workman's Comp	6,370.00		3,367.50	3,002.50	52.86
017175	HR Expense	500.00			500.00	
017600	Payroll Tax (FICA)	23,350.00	2,102.59	11,273.21	12,076.79	48.28
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	Payroll	377,781.00	29,523.54	177,194.15	200,586.85	46.90
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	Total Payroll Expense	377,781.00	29,523.54	177,194.15	200,586.85	46.90
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	* CURRENT YEAR SURPLUS		-34,583.49	73,856.10	-73,856.10	
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Account	Description	Budget	MTD	YTD	Variance	%
Operating Revenues						
024007	Metered Water Sales	525,000.00	38,203.91	328,146.23	196,853.77	62.50
024014	Sewer Service Sales	149,500.00	13,254.35	75,102.75	74,397.25	50.24
024021	Late Fees	18,200.00	1,525.75	9,608.89	8,591.11	52.80
024028	Returned Check Fees			60.00	-60.00	
024035	ACH/CC Processing Fees	7,000.00	689.43	4,057.10	2,942.90	57.96
024056	Reconnection Fees	8,700.00	455.00	1,715.00	6,985.00	19.71
024063	Water Tap Fees	2,400.00			2,400.00	
024070	Misc. Income	1,000.00		531.30	468.70	53.13
024200	Returns / Overread / Adj.		-1,610.11	-119,192.05	119,192.05	
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	Operating Revenues	711,800.00	52,518.33	300,029.22	411,770.78	42.15
Non-Operating Revenues						
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	Total Revenue	711,800.00	52,518.33	300,029.22	411,770.78	42.15
	TOTAL REVENUE	711,800.00	52,518.33	300,029.22	411,770.78	
Administration						
025007	Accounting	9,450.00			9,450.00	
025014	Attorney Fees	4,500.00		575.00	3,925.00	12.78
025021	Legal Publications	750.00			750.00	
025028	ACH/CC Expense	5,500.00			5,500.00	
025035	Dues, Registrations & Meetings	4,000.00	50.00	3,900.87	99.13	97.52
025042	Office Supplies	4,000.00	53.66	1,845.26	2,154.74	46.13
025049	Postage	5,200.00	360.80	2,317.78	2,882.22	44.57
025063	Equipment Leasing / Maint.	4,500.00	778.45	2,833.19	1,666.81	62.96
025070	Misc. Expense	500.00		18.75	481.25	3.75
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	Administration	38,400.00	1,242.91	11,490.85	26,909.15	29.92
Nondepartmental						
025105	City Hall Maint.	500.00			500.00	
025112	General Insurance	13,880.00		8,191.25	5,688.75	59.01
025119	Utilities - Gas and Elect.	8,600.00	935.66	4,443.25	4,156.75	51.67
025126	Telephone/Internet	6,100.00	278.52	2,688.09	3,411.91	44.07
025133	Software / IT	3,000.00		707.43	2,292.57	23.58
025147	Pest Control	1,320.00	110.00	660.00	660.00	50.00
025154	Debt Service - Lease Purchase 2027	13,640.00		13,637.68	2.32	99.98
025168	Transfer to General Fund	110,674.00			110,674.00	
025400	Returned Check / Rejected ACH		-407.21	-3,126.57	3,126.57	
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	Nondepartmental	157,714.00	916.97	27,201.13	130,512.87	17.25
Water / Sewer Maintenance						
025560	Dues, Registrations & Training	6,000.00		3,481.92	2,518.08	58.03
025567	Uniforms	3,200.00	250.00	1,654.93	1,545.07	51.72

Account	Description	Budget	MTD	YTD	Variance	%
025581	Engineering Fees	4,000.00			4,000.00	
025588	State Fees & Permits	1,500.00		1,250.00	250.00	83.33
025595	Production Utilities	36,100.00	3,313.00	17,757.22	18,342.78	49.19
025602	Lab Samples - Testing	4,200.00	839.94	1,447.14	2,752.86	34.46
025609	Building & Grounds Maint.	1,000.00			1,000.00	
025616	Vehicle & Equip. Fuel	14,000.00	1,380.58	6,975.54	7,024.46	49.83
025623	Vehicle Maint.	7,000.00	1,052.24	1,844.01	5,155.99	26.34
025630	Equip. Maint.	9,000.00	134.26	1,248.61	7,751.39	13.87
025644	Materials & Supplies	16,000.00	433.01	10,300.65	5,699.35	64.38
025651	Water Sewer Treatment	6,000.00	167.35	1,748.99	4,251.01	29.15
025658	Utility Repairs & Maint.	52,276.00	3,057.47	19,646.61	32,629.39	37.58
		-----	-----	-----	-----	-----
	Water / Sewer Maintenance	160,276.00	10,627.85	67,355.62	92,920.38	42.02
	Non-Budgeted Expense					
026003	2021-Variable Drives			4,477.84	-4,477.84	
		-----	-----	-----	-----	-----
	Non-Budgeted Expense			4,477.84	-4,477.84	
		-----	-----	-----	-----	-----
	Total Operating Expense	356,390.00	12,787.73	110,525.44	245,864.56	31.01
	Payroll					
027007	Administrative Payroll	89,740.00	6,847.43	42,257.26	47,482.74	47.09
027014	W/S Maint Payroll	189,000.00	12,928.97	82,226.13	106,773.87	43.51
027021	TML - Admin.	5,615.00	814.26	2,692.16	2,922.84	47.95
027028	TML - Maint.	28,063.00	3,046.06	11,322.73	16,740.27	40.35
027035	TMRS - Admin.	4,442.00		2,262.39	2,179.61	50.93
027042	TMRS - Maint.	9,256.00		3,146.53	6,109.47	33.99
027056	TWC - Unemployment	1,100.00		389.12	710.88	35.37
027063	TML Workman's Comp	6,370.00		3,367.50	3,002.50	52.86
027175	HR Expense	500.00			500.00	
027600	Payroll Tax Expense (FICA)	21,324.00	1,856.73	9,866.82	11,457.18	46.27
		-----	-----	-----	-----	-----
	Payroll	355,410.00	25,493.45	157,530.64	197,879.36	44.32
		-----	-----	-----	-----	-----
	Total Payroll Expense	355,410.00	25,493.45	157,530.64	197,879.36	44.32
	* CURRENT YEAR SURPLUS		14,237.15	31,973.14	-31,973.14	
		=====	=====	=====	=====	=====

ORDINANCE NO. 2016-1115.1

AN ORDINANCE OF THE CITY OF HALE CENTER AMENDING AND REPEALING ALL LAWS OR ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT THEREWITH; ESTABLISHING STANDARD RULES AND GUIDELINES FOR THE INSTALLATION, USE, PLACEMENT, AND LOCATION OF MOBILE HOMES, HUD CODE MANUFACTURED HOMES, MODULAR HOMES, AND PROVIDING FOR MANUFACTURED HOME PARKS, PROVIDING A PENALTY FOR VIOLATIONS; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE OF THIS ORDINANCE.

WHEREAS, the City of Hale Center, Texas, has authority to regulate, limit, prohibit, and direct the installation, placement, and planning of housing within the municipality through zoning, land use, and its powers to protect the public health, safety, and general welfare; and

WHEREAS, the City of Hale Center, Texas, has adopted various ordinances causing confusion and conflicts regulating mobile homes, HUD-Code manufactured homes and modular homes; and

WHEREAS, portions of the City's current zoning ordinances: are found to be disorganized and confusing and the City desires to amend certain provisions and re-codify and establish a more uniform Code in order to update its Ordinances with the State of Texas Manufactured Housing Standards Act (MHSA) as codified in the Texas Occupations Code; and

WHEREAS, the City Council for the City of Hale Center desires to amend and clarify its rules, procedures, and guidelines related to Mobile Homes, HUD-Code Manufactured Homes, and Modular Homes as they are defined under the MHSA; and

WHEREAS, the City Council of the City of Hale Center, Texas, finds that it is in the best interest of the public safety, health and general welfare, as well as to proper planning and management of zoning and land use, to amend its ordinances regulating Mobile Homes, HUD-Code Manufactured Homes, and Modular Homes as they are defined under the MHSA;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF HALE CENTER, TEXAS:

SECTION 1 - CONTROLLING ORDINANCE

This ordinance shall control over any conflicting terms of Ordinances and any other ordinances amending ordinances thereunder, except as may be otherwise stated herein.

SECTION 2 - DEFINITIONS

a. **"BUILDING OFFICIAL"** – The City Manager or the person or department to whom the city manager may delegate the BUILDING OFFICIAL duties including the physical inspection of property to ensure each major component meets zoning and building codes; foundation, plumbing, electrical wiring, roofing, and fire egress.

b. "CERTIFICATE OF OCCUPANCY" – a document issued by the BUILDING OFFICIAL that authorizes a building or structure to be used or occupied by the proposed use upon being inspected and found to be in compliance with the requirements of all City ordinances.

c. "MOBILE HOME" - a structure constructed before June 15, 1976, according to the rules of the United States Department of Housing and Urban Development, built on a permanent chassis, designed for use as a dwelling with or without a permanent foundation when the structure is connected to the required utilities, transportable in one or more sections, and in the traveling mode, at least eight body feet in width or at least 40 body feet in length or, when erected on site, at least 320 square feet. Tex. Occ. Code §1201.003 (20).

d. "HUD CODE MANUFACTURED HOME" - a structure constructed on or after June 15, 1976, according to the rules of the United States Department of Housing and Urban Development, built on a permanent chassis, designed for use as a dwelling with or without a permanent foundation when the structure is connected to the required utilities, transportable in one or more sections, and in the traveling mode, at least eight body feet in width or at least 40 body feet in length or, when erected on site, at least 320 square feet. Tex. Occ. Code § 1201.003 (12). *(A HUD CODE MANUFACTURED HOME displays a red certification label on the exterior of each section. This label serves as the manufacturer's certification that the section is built in accordance with Federal Housing and Urban Development standards.)*

e. "MANUFACTURED HOME" or "MANUFACTURED HOUSING" – is a HUD CODE MANUFACTURED HOME or a MOBILE HOME. Tex. Occ. Code § 1201.003 (18).

f. "MODULAR HOME" – a structure designed for the occupancy of one or more families, that is constructed in one or more modules or constructed using one or more modular components built at a location other than the permanent site; and designed to be used as a permanent residential structure when the module or the modular component is transported to the permanent site and erected or installed on a permanent foundation system. Tex. Occ. Code § 1202.002. *(A MODULAR HOME will have a blue decal issued by the Texas Department of Licensing and Regulation signifying that the home has been built to comply with the International Residential Code.)*

g. "HUD CODE MANUFACTURED HOME PARK" - A unified development of ten or more MANUFACTURED HOME SPACES for rent or lease, and including common areas and facilities for management, recreation, laundry and utility services, storage, and similar services for the convenience of residents of the HUD CODE MANUFACTURED HOME PARK.

h. "MANUFACTURED HOME SPACE" - An area within a HUD CODE MANUFACTURED HOME PARK which is designed for and designated as the location for a single MANUFACTURED HOME and the exclusive use of its occupants.

i. "MANUFACTURED HOME STAND" - That portion of a MANUFACTURED HOME SPACE upon which the MANUFACTURED HOME is placed.

j. **"PIT SET FOUNDATION"** A foundation system designed to give a low profile appearance resembling a "site" built home on slab foundation which incorporates a full perimeter support wall constructed of poured concrete or concrete block resting on an excavated footing which has been installed so that it forms a barrier to the entry of water underneath the home and acts as a short retaining wall.

k. **"STREET LINE"** - the line of a tract or a lot which adjoins a street or roadway upon which there is situated either street numbered houses or businesses or a combination of both. Where curbing is present, the farthest edge of the curbing from the center of the street shall be considered the STREET LINE. Where a curb is not present, the STREET LINE shall be considered to be 10 feet from the actual property line nearest the street or roadway.

l. **"PERSON, FIRM OR CORPORATION"** - includes a natural person, entity, firm, partnership, association, limited liability company, joint venture, or corporation. Other terms herein shall have the meanings defined in other ordinances of the City, except where the context clearly requires otherwise.

SECTION 4 - MOBILE HOMES PROHIBITED

No MOBILE HOME shall be permitted within the City limits of the City of Hale Center, Texas. Any MOBILE HOME located in the City legally, prior to the enactment of this ordinance and used and occupied as a residential dwelling shall be allowed to remain, but shall not be replaced with another MOBILE HOME under any circumstance.

SECTION 5 - UNLAWFUL PARKING, USE OR LOCATION OF MANUFACTURED

HOMES

It shall be unlawful for any person, firm or corporation to park, locate or permit the parking or location of any HUD-CODE MANUFACTURED HOME upon any lot, street or tract of land unless the lot or tract of land is entirely within an approved HUD CODE MANUFACTURED HOME PARK.

SECTION 6 - EXISTING MANUFACTURED HOMES

This ordinance does not make unlawful any MANUFACTURED HOME already in place and complying with all laws when this ordinance becomes effective. However, after the effective date of this ordinance, if any nonconforming MANUFACTURED HOME is removed from its location, the following shall apply:

- a. If it is a MOBILE HOME, it shall not be allowed to relocate within the city limits of the City of Hale Center, Texas; and
- b. If it is a HUD CODE MANUFACTURED HOME all provisions of this ordinance shall apply.

SECTION 7 – MANUFACTURED HOME USE

A MANUFACTURED HOME shall not be used as an office or business building in any zoning district, except as an office on the site in connection with:

- a. a MANUFACTURED HOME PARK, or

- b. a bona fide retail MANUFACTURED HOME sales lot or park.

SECTION 8 - VIOLATIONS AND PENALTIES

Any person, firm or corporation who commits any of the following shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than FIVE HUNDRED DOLLARS (\$500.00) for:

- a. Any violation of this ordinance; or
- b. Providing false information to a City official concerning licensing or permitting under this ordinance or compliance with this ordinance.

Each day or portion of a day during which any violation occurs or continues shall be a separate offense.

SECTION 9 - PERMISSIBLE PARKING OR LOCATION OF MANUFACTURED HOUSING.

A HUD CODE MANUFACTURED HOME may be parked or located or permitted to be parked or located upon any lot or tract of land not prohibited above as long as such HUD CODE MANUFACTURED HOME complies with the terms and provisions of this ordinance and the provisions of state law. Any person, firm or corporation who desires to park or locate a HUD CODE MANUFACTURED HOME as permitted in this ordinance, shall make application for a housing installation permit with the BUILDING OFFICIAL of the City of Hale Center, Texas.

The fee for the housing installation permit shall be \$0.10 PER SQUARE FEET of enclosure.

Before granting a CERTIFICATE OF OCCUPANCY, the BUILDING OFFICIAL shall insure that the following requirements are met:

- a. **Setbacks.** No HUD CODE MANUFACTURED HOME may be placed on any lot or tract within the City of Hale Center, Texas, in such manner that any part of the HUD MANUFACTURED HOME or any extension thereto is situated within 5 feet of any side lot or tract line whenever the lot or tract is bordered by a lot or tract of land on either side of such lot or tract land so occupied, and is set back is not less than 25 feet from the front STREET LINE. Whenever the lot or tract of land is situated at an intersection of two different streets, or roadways, the HUD MANUFACTURED HOME or any extension thereof shall not be parked nearer than 5 feet from the inside lot or tract line and not nearer than 20 feet from the side STREET LINE adjacent to the street intersecting the street upon which are situated homes or businesses which have street addresses and not nearer than 25 feet to the front STREET LINE.
- b. **Anchoring.** A HUD MANUFACTURED HOME must be anchored in accordance with the manufacturer's installation instructions and anchored, as well as supported and blocked, in accordance with the standards for HUD MANUFACTURED HOUSING established or maintained by the Texas Department of Housing and Community Affairs.
- c. **Porches.** A porch is required at each point of entry to the home. Each porch must be of sturdy construction. The minimum size requirement for any front porch shall be four foot by six foot (4' X 6')

and all other porches shall have a minimum size requirement of four foot by four foot (4'X4'). Any porch with a finished tread surface higher than twelve (12) inches above the existing ground level must have handrails attached.

d. **Driveway.** Any HUD CODE MANUFACTURED HOME is required to have a concrete, gravel, or asphalt driveway and parking area for off-street parking of vehicles. Where the driveway and parking area adjoin a curb along any paved street, a concrete apron extending five feet (5') from the curb shall be required. Driveways shall not be located within twenty feet (20') of any street intersection.

e. **Skirting.** In addition to the requirements specified above, any HUD CODE MANUFACTURED HOME shall be properly skirted. Skirting shall be required around the complete perimeter of said HUD MANUFACTURED HOME in accordance with the following minimum specifications:

1. Skirting shall be installed and maintained in such a manner that prevents animals from entering into the crawl space.

2. The following material (or its equivalent as approved by the BUILDING OFFICIAL) is approved to be used for skirting:

a. manufactured vinyl skirting with vent panels;

b. factory painted steel sheets, with appropriate "J-Trim" installed where the skirting meets the home;

c. reinforced and painted Masonite, HardiPlank or other similar commercially produced hard board siding products;

d. reinforced and painted grooved plywood sheets commonly used as home siding, with a 3/8 inch minimum thickness, rated for exterior use by the manufacturer;

e. reinforced vinyl siding, rated for exterior use by the manufacturer;

f. mortared brick, stone, or concrete blocks installed on a permanent footing.

3. Screened vents are required to be used with all skirting to allow for air circulation under the HUD MANUFACTURED HOME.

4. Used materials for skirting are strictly prohibited.

SECTION 10 - MODULAR HOME

A MODULAR HOME may be parked or located or permitted to be parked or located upon any lot or tract of land which has 6,000 square feet of land or more, whenever such lot or tract is unoccupied other dwelling within the City limits of the City of Hale Center, Texas, as long as such MODULAR HOME complies with the terms and provisions of this ordinance and the provisions of state law. Any person, firm or corporation who desires to park or locate a MODULAR HOME as permitted in this ordinance, shall make application for a housing installation permit with the BUILDING OFFICIAL of the City of Hale Center, Texas. The fee for the housing installation permit shall be \$0.10 PER SQUARE FEET of enclosure.

A MODULAR HOME may be placed in a single-family zoned area consistent with this Ordinance and, must:

1. have a value equal to or greater than the median taxable value for each single family dwelling located within 500 feet of the lot on which the industrialized housing is proposed to be located, as determined by the most recent certified tax appraisal roll in the county in which the properties are located;
2. have exterior siding, roofing, roof pitch, foundation fascia, and fenestration compatible with the single-family dwellings located within 500 feet of the lot on which the modular housing is proposed to be located;
3. have exterior siding, roofing, roofing pitch, foundation fascia, and fenestration compatible with the single-family dwellings located within 500 feet of the lot on which the modular housing is proposed to be located, as well as required herein;
4. comply with municipal aesthetic standards, building setbacks, side and rear yard offsets, subdivision control, architectural landscaping, square footage, and other site requirements applicable to single-family dwellings;
5. be securely fixed to a permanent foundation.

For purposes of Section, "value" means the taxable value of the modular housing and the lot after installation of the housing. TEXAS OCC. CODE 1202.253.

Before granting a CERTIFICATE OF OCCUPANCY, the BUILDING OFFICIAL shall insure that the following requirements are met:

- a. **Setbacks.** No MODULAR HOME may be placed on any lot or tract within the City of Hale Center, Texas, in such manner that any part of the HUD MANUFACTURED HOME or any extension thereto is situated within 5 feet of any side lot or tract line whenever the lot or tract is bordered by a lot or tract of land on either side of such lot or tract land so occupied, and is not set back less than 25 feet from the front STREET LINE. Whenever the lot or tract of land is situated at an intersection of two different streets, or roadways, the MODULAR HOME or any extension thereof shall not be parked nearer than 5 feet from the inside lot or tract line and not nearer than 20 feet from the side STREET LINE adjacent to the street intersecting the street upon which are situated homes or businesses which have street addresses and not nearer than 25 feet to the front STREET LINE.
- b. **Foundation.** In accordance with the Building Code of the City, each MODULAR HOME shall be anchored to a permanent foundation. A PIT SET FOUNDATION is required if the MODULAR HOME is placed on any lot or tract of land within the city limits of the City of Hale Center, Texas, which is not located entirely within an approved HUD CODE MANUFACTURED HOME PARK.
- c. **Anchoring.** A MODULAR HOME shall be anchored in accordance with the manufacturer's installation instructions and anchored, as well as supported and blocked, in accordance with the standards for

MODULAR HOUSING established and/or maintained by the Texas Department of Housing and Community Affairs.

d. **Floor Level.** Any MODULAR HOME placed on any lot or tract of land within the city limits of the City of Hale Center, Texas, must be installed so that finished floor at any entrance does not extend to a height greater than twelve (12) inches above the existing ground level.

e. **Porches.** A porch is required at each point of entry to the home. Each porch must be of sturdy construction. The minimum size requirement for any front porch shall be four foot by six foot (4' X 6') and all other porches shall have a minimum size requirement of four foot by four foot (4'X4'). Any porch with a finished tread surface higher than twelve (12) inches above the existing ground level must have handrails attached.

f. **Driveway.** Any MODULAR HOME is required to have installed, a concrete, gravel, or asphalt driveway and parking area for off-street parking of vehicles. Where the driveway and parking area adjoin a curb along any paved street, a concrete apron extending five feet (5') from the curb shall be required. Driveways shall not be located within twenty feet (20') of any street intersection.

g. **Skirting.** In addition to the requirements specified above, any MODULAR HOME shall be properly skirted. Skirting shall be required around the complete perimeter of said MODULAR HOME in accordance with the following minimum specifications:

1. Skirting shall be installed and maintained in such a manner that prevents animals from entering into the crawl space.

2. For any MODULAR HOME the following material (or its equivalent as approved by the appropriate city officials) is approved to be used for skirting:

a. manufactured vinyl skirting with vent panels;

b. reinforced and painted Masonite, HardiPlank or other similar commercially produced hard board siding products;

c. Poured Concrete

d. Mortared brick, stone, or concrete blocks installed on a permanent footing.

3. For any MODULAR HOME required to utilize a PIT SET FOUNDATION, the only material approved to be used for skirting is:

a. Poured Concrete;

b. Mortared brick, stone, or concrete blocks installed on a permanent footing.

4. Screened vents are required to be used with all skirting to allow for air circulation under the MODULAR HOME.

5. Used materials for skirting is strictly prohibited

SECTION 11 - INSPECTIONS AND CERTIFICATE OF OCCUPANCY

Before a newly installed HUD MANUFACTURED HOME or MODULAR HOME may be occupied, it must first be inspected by the City BUILDING OFFICIAL. Once the premises has been inspected and found to be in compliance with all City ordinances, the BUILDING OFFICIAL shall issue a CERTIFICATE OF OCCUPANCY.

SECTION 12 – CONNECTION TO CITY UTILITY SERVICES

A CERTIFICATE OF OCCUPANCY is required prior to connecting any newly installed HUD MANUFACTURED HOME or MODULAR HOME to the water and/or sewer service of the City of Hale Center, Texas, in accordance with the Plumbing Code of the City.

SECTION 13 - HUD CODE MANUFACTURED HOME PARKS

HUD CODE MANUFACTURED HOME PARKS shall be subject to the following site development regulations unless unique and unusual design restraints are shown. HUD CODE MANUFACTURED HOMES and/or HUD CODE MANUFACTURED HOME PARKS are only allowed in designated zones established by the City. Unique shall be defined as not common to other typical properties in the community.

- a. The minimum number of HUD CODE MANUFACTURED HOME SPACES contained in any HUD CODE MANUFACTURED HOME PARK shall be 10 spaces, and the minimum site area shall be 45,000 square feet.
- b. The minimum HUD CODE MANUFACTURED HOME PARK site area per dwelling unit shall be 4,500 square feet.
- c. Each HUD CODE MANUFACTURED HOME PARK shall have a minimum street yard of 25 feet, and a minimum interior yard of 15 feet. No HUD CODE MANUFACTURED HOME SPACE shall be permitted in any street yard.
- d. The HUD CODE MANUFACTURED HOME PARK shall have direct access to a street having a dedicated and accepted right of way of not less than 60 feet.
- e. Interior vehicular circulation shall be provided by private internal streets paved to a width of not less than 30 feet. Internal streets shall be continuous and connect with other internal streets or with public streets, or shall be provided with a paved cul-de-sac not to exceed 400 feet in length.
- f. Each HUD CODE MANUFACTURED HOME SPACE shall contain a minimum area of 4,500 square feet, adjacent to an internal street designed to permit movement of HUD CODE MANUFACTURED HOMES to and from each space.
- g. Each HUD CODE MANUFACTURED HOME SPACE shall contain a minimum of 2.1 off-street parking spaces per dwelling unit, at least one of which shall be provided on each HUD CODE MANUFACTURED HOME SPACE. The balance of the required parking may be located in common parking area distributed

throughout the HUD CODE MANUFACTURED HOME PARK in a manner that provides reasonable and convenient access to all MANUFACTURED HOME SPACES.

h. Each HUD CODE MANUFACTURED HOME and any attached accessory structures shall be separated from every other HUD CODE MANUFACTURED HOME, building, or structure by at least 10 feet.

i. The minimum distance between a HUD CODE MANUFACTURED HOME STAND and the pavement of an internal street, common parking area, or other common area shall be 10 feet.

j. A solid wall or fence at least six feet high shall be erected and thereafter properly maintained along all boundaries of the HUD CODE MANUFACTURED HOME PARK; except,

1. Where the solid wall or fence would impede drainage;

2. Where the boundary of the HUD CODE MANUFACTURED HOME PARK abuts another HUD CODE MANUFACTURED HOME development.

k. The height of the HUD CODE MANUFACTURED HOME chassis above the ground elevation, measured at 90 degrees to the frame, shall not exceed three feet at the low end.

l. Required street yards shall be landscaped, excluding necessary driveways and walkways providing access to the HUD CODE MANUFACTURED HOME PARK.

m. Each HUD CODE MANUFACTURED HOME PARK shall provide for reasonable and safe pedestrian access to and among each MANUFACTURED HOME SPACE and all common facilities. Walks not designed in common with internal streets or parking areas shall have a minimum paved width of two feet.

n. Each HUD CODE MANUFACTURED HOME PARK shall have a minimum of 300 square feet of usable open space per dwelling unit, with at least 150 square feet being located on each HUD CODE MANUFACTURED HOME SPACE. The balance of the required usable open space may be located in common open space areas distributed throughout the HUD CODE MANUFACTURED HOME PARK in a manner that provides reasonable and convenient access to all HUD CODE MANUFACTURED HOME SPACES.

o. Maximum height shall be 35 feet.

p. Each HUD CODE MANUFACTURED HOME PARK shall be subject to site plan review by the BUILDING OFFICIAL and subject to Zoning approval by the City.

SECTION 14- EXISTING HUD CODE MANUFACTURED HOME PARKS

This ordinance does not make an existing or prior approved HUD CODE MANUFACTURED HOME PARK or any MOBILE HOME park which is already in place and conforming to all laws at the date this ordinance becomes effective. It is further provided that in the situation where the HUD CODE MANUFACTURED HOME PARK or MOBILE HOME park in existence at the time of the passage of this ordinance does not conform to the minimum spacing requirements of this ordinance, such space may not again be occupied

unless and until such vacant space conforms to the minimum spacing requirements of this ordinance. It is the intent of this ordinance to cause existing HUD CODE MANUFACTURED HOME PARKs and/or MOBILE HOME parks to be brought up to the minimum spacing standards of this Ordinance as an existing space becomes vacant.

SECTION 15 - NONLIABILITY

The City and its officers, agents and employees shall have no liability of any nature for any actions, omissions, or other matters in any way concerning the subject matter of this ordinance.

SECTION 16 - CONSTITUTIONALITY

If any section, sub-section, sentence, clause, phrase or portion of this ordinance shall be held to be unconstitutional or invalid by a court of competent jurisdiction, such section, sub-section, sentence, clause, phrase or portion shall be deemed separate, distinct, and independent provision and such invalidity shall not affect the validity of the remaining portions of this ordinance.

SECTION 17 – PUBLICATION

The City Secretary is hereby authorized and directed to cause publication of this ordinance in accordance with law.

SECTION 18 - EFFECTIVE DATE

This ordinance shall be in full force and effect from the date of its passage and adoption by the City Council of the City of Hale Center.

PASSED AND ADOPTED THIS THE 15TH DAY OF NOVEMBER, 2016.



Philip R. Littlejohn
Vice President,
Rates & Regulatory Affairs
West Texas Division

April 1, 2022

To the Honorable Mayor and City Manager

Re: Atmos Energy Corporation's West Texas 2022 Rate Review Mechanism Filing

Dear Mayor and City Manager,

Through this correspondence, Atmos Energy Corporation, West Texas Division ("Atmos Energy" or "the Company") wishes to notify you that the Company has submitted its fifth filing under the Rider RRM - Rate Review Mechanism Tariff. Consistent with our agreement, this filing has been served on Mr. Thomas Brocato, the attorney representing the West Texas Cities Group.

As part of the filing, we have included updated tariffs for Rates R, C, I, T and PA and Rider WNA. In addition, per the RRM Agreement, we have included Minimum Filing Requirements ("MFRs") as part of this filing. The MFRs consists of information that is typically requested by the interveners during the discovery process. We stand ready to respond to your requests for information during the review process. Our goal is to reach a mutual agreement that fairly balances the needs of the Company and the needs of the customer.

Like many of you, we continue to monitor COVID-19 and the effects it has on our employees and customers throughout the communities we serve. For all of us at Atmos Energy, our vision to be the safest provider of natural gas services means we have an important role in the 72 communities we safely serve every day. Throughout the pandemic, we have continued to improve the safety and reliability of our natural gas system through pipeline replacement and system modernization, incorporating COVID-19 safety protocols in our daily operations.

The Company is committed to working with your representative to answer any questions regarding the filing during the interim. If any further information is required, please feel free to contact me at 806.798.4449 or my remote work number 305.801.5192.

In closing, I would like to say again how much Atmos Energy appreciates your City's willingness to work with the Company in order to reach an agreement that implements the necessary change in rates in a cost effective and efficient manner.

Sincerely,

A handwritten signature in black ink, appearing to be "P. Littlejohn", written over the printed name.

Philip R. Littlejohn

Mike Cypert

From: Thomas Brocato <tbrocato@lglawfirm.com>
Sent: Friday, April 1, 2022 5:56 PM
To: Thomas Brocato
Cc: Roslyn Dubberstein
Subject: Atmos West Texas Cities : RRM Filing
Attachments: 2022 WTX RRM Filing Executive Summary.pdf

Atmos West Texas Cities:

Earlier today, Atmos filed its annual RRM rate case (I am attaching a summary provided by Atmos). No city action is necessary at this point. The filing is being reviewed by City consultants who will prepare a report and make recommendations which will be used to negotiate a resolution to the filing. The Cities' Executive Committee will make a recommendation to the membership in the Summer, which will be reflected in a proposed settlement ordinance (or resolution) supported by a model staff report that should be adopted by Council action before October 1.

Atmos has a statutory right to an annual rate increase associated with recovery of capital investment made in the preceding 12 months. The statutory right to recovery of capital costs is pursuant to a process referred to as GRIP. West Texas Cities have always objected to GRIP as piecemeal ratemaking because it does not evaluate rising revenues or declining expenses that may offset the need for a rate increase associated with increased capital investment. Additionally, Cities are not entitled to challenge any portion of a GRIP filing as unreasonable. West Texas Cities negotiated a Rate Review Mechanism ("RRM") with Atmos as a substitute for GRIP. The RRM has no existence in statutes, and exists only pursuant to city ordinances.

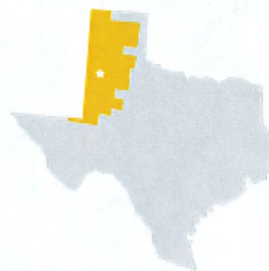
If approved, the proposed rates will change the Company's annual revenues for the RRCM Cities of the West-Tex Division by **\$8.7 million**. This compares to \$903,390 last year. The proposed impact on an average residential customer is **\$4.39 per month**. This compares to \$0.47 per month last year.

Environs (areas outside municipal limits) are subject to GRIP, and Lubbock and Amarillo have chosen to remain under GRIP. Your current RRM rates are lower than GRIP rates, and comparison of this filing to rates proposed by a pending GRIP filing indicate that some rate disparity favorable to RRM will remain, even if Cities are unsuccessful in reducing the amount requested in this filing.

If you have questions, feel free to contact me. Thomas

West Texas Division Highlights

In 2021, Atmos Energy spent more than \$133 million in capital expenditures in the West Texas Division, and more than 85% was spent to enhance the safety and reliability of our natural gas system.



This investment in system modernization also reduces our environmental impact. Our goal of reducing methane emissions by 50 percent from 2017 to 2035 is essential to our environmental commitment.

Atmos Energy submitted a RRM (Rate Review Mechanism) filing to the West Texas Cities Coalition on April 1, 2022 requesting an increase in annual revenues of approximately \$8.7 million. This requested increase does not include the recovery of natural gas costs related to the winter weather event of February 2021 that were approved for securitization in Docket Case No. 00007061.

DRIVERS BEHIND OUR \$8.7M FILING

80

Miles of steel replaced

4.8k

Steel service lines replaced

96.6k

Lines located

359

Hazardous leaks caused
by excavation damage

5.6k

Miles surveyed

FUELING SAFE AND THRIVING COMMUNITIES



In partnership with hundreds of organizations, Atmos Energy's Fueling Safe and Thriving Communities outreach benefits school districts, nonprofits, after school programs, and food banks to everything from backpacks and laptops to nutritious breakfasts and books that help early childhood learners read on level by third grade. Vulnerable households also have access to funds through local energy assistance agencies that provide support with utility bills, weatherization, customer natural gas line repairs, and natural gas appliance repairs and replacements.

In 2021, Atmos Energy contributed approximately \$1.1 million to community partners in the West Texas Division.

Our Customer Bill



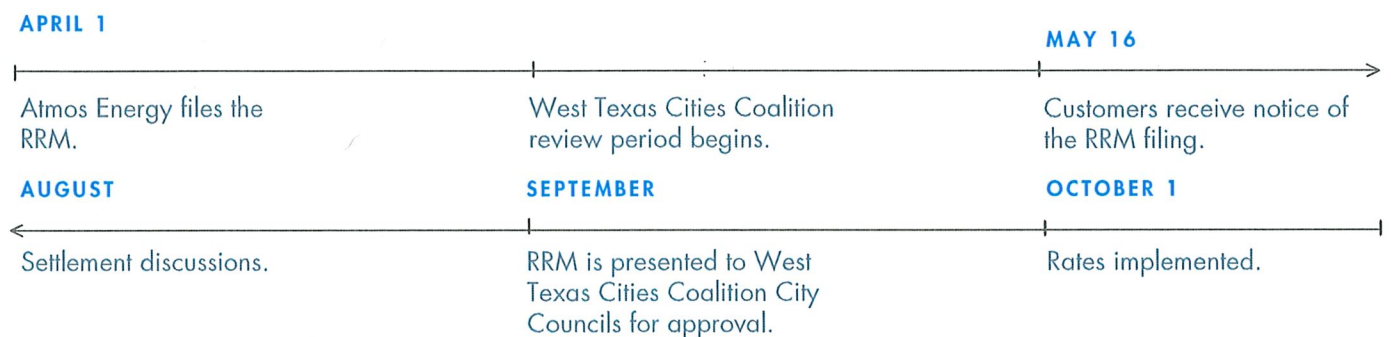
The average residential customer will see an increase of \$4.39 per month.



The average commercial customer will see an increase of \$13.25 per month.

2022 Timeline

From January 2021 and December 2021, more than \$133 million was spent to further increase the safety and reliability of our natural gas system.



RRM FAQs

WHY IS ATMOS ENERGY ASKING FOR A RATE ADJUSTMENT?

Current rates don't allow us to recover our spending on safety and modernization. The rates we charge customers – coupled with investor and creditor capital – allow us to enhance the safety and reliability of our natural gas system through pipeline replacement and system modernization. We are requesting an increase in annual revenue of \$8.7 million to help recover more than \$133 million of capital spent from January 2021 through December 2021.

WHAT ROLE DOES THE CITY PLAY IN SETTING NATURAL GAS RATES?

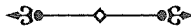
The City Council reviews the rates we charge our customers in their cities. In Texas, cities have original jurisdiction over natural gas rates. In order to recover costs after they've been spent, natural gas utilities must file directly with the cities for approval to adjust rates. The Railroad Commission of Texas is the regulatory body for natural gas companies in Texas, with appellate jurisdiction over cities and jurisdiction over areas outside of city limits.

WHAT IS THE RRM?

The Rate Review Mechanism (RRM) is a fully transparent annual review of the rates we charge our customers in the West Texas Division. This mechanism was developed by the West Texas Cities Coalition and Atmos Energy to ensure all of our spending is reviewed annually. It takes into consideration precedent decided by the Railroad Commission of Texas and outlines specific factors such as return on equity, capital structure and other administrative items, reducing the need for costly litigation that is ultimately borne by our customers.

WHAT IS A CAPITAL EXPENDITURE?

Capital Expenditures are the costs associated with enhancing the safety and reliability of our natural gas system. Just like highways, bridges and other utility lines across the country, natural gas pipelines must be modernized over time. The associated costs, or capital expenditures, primarily include pipe replacement and repair, service line replacement, growth and fortification of the natural gas distribution system and overall pipeline integrity.



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

March 28, 2022

Mike Cypert
City Manager
City of Hale Center
702 Main Street
Hale Center, Texas 79041

Re: Texas Community Development Block Grant (TxCDBG) Program
Notice of Award – 2021 Community Development Fund

Dear Mr. Cypert:

I am pleased to inform you that the Texas Department of Agriculture (TDA) has approved a Community Development (CD) Fund award for Hale Center in the amount of \$350,000.00 for water line installation along 14th Street and installation of components at stand pipe, pump station, and well field. These funds are part of the Texas Community Development Block Grant (TxCDBG) Program, federal funding from the U.S. Department of Housing and Urban Development that TDA has dedicated to economic and community development in rural Texas.

We are delighted to assist in the development of viable communities to help provide decent housing and suitable living environments and expanding economic opportunities.

If TDA can be of assistance in navigating the grant process, please don't hesitate to call my office or TxCDBG Program Specialist, Aubrey-Ann Gilmore at 512-936-7894.

Sincerely,

Sid Miller
Commissioner