

Council Chambers, City Hall
401 South Alamo
Marshall, TX 75670
903-935-4421



Members
Amy Ware, District 4 - Mayor
Marvin Bonner, District 1
Leo Morris, District 2
Jennifer Truelove, District 3
Reba Godfrey, District 5
Amanda Abraham, District 6
Micah Fenton, District 7

PLEASE SILENCE ALL DEVICES
REGULAR CITY COUNCIL MEETING
November 9, 2023
6:00 PM

1. Call to Order and Roll Call

2. Invocation and Pledges

3. Presentations & Proclamations

- A. Recognize graduates of the most recent Marshall Police Department Citizens Police Academy. (Police)

4. Recess to conduct the City of Marshall Employee Benefits Trust meeting

5. Reconvene the City Council Meeting

6. Citizen Comments

Texas Government Code, Sec. 551.007 requires that a governmental body must allow each member of the public who desires to address the body regarding an item on the agenda the opportunity to do so before or during the body's consideration of the item. The "Citizens Comments" portion of the meeting meets the requirements of this law and is the public's opportunity to speak on any item on the agenda. Those who wish to speak are requested to fill out a public comment form and will have three (3) minutes to speak unless additional time has been requested.

7. Items to be Withdrawn From Consent Agenda

8. Consent Agenda

The items on the Consent Agenda require little or no deliberation by the Council. Approval of the Consent Agenda authorizes the City Manager or his designee to proceed with conclusion of each in accordance with staff recommendations, a copy of which is filed with the minutes of the meeting. A Councilmember may remove items from the Consent Agenda by making such request prior to a motion and vote on the Consent Agenda.

- A. Consider approval of the minutes from the October 26, 2023 Regular Council meeting. (City Secretary)
- B. Consider approval of an amendments to the Personnel Policy and Procedures Manual. (Human Resources)
- C. Consider approval of appointments and reappointments to the various City boards, commissions, and committees. (City Secretary)
- D. Consider approval of the revised TxDOT Municipal Maintenance Agreement. (Public Works)

- E. Contract Award: Various Chemicals for Water Production. (Public Works)
- F. Consider a resolution that denies an increase in revenue and a change in rates proposed by CenterPoint Energy Resources Corporation, D/B/A, CenterPoint Energy Entex and CenterPoint Energy Texas Gas; authorizes continued participation in the Alliance of CenterPoint Municipalities; representation of the City by special counsel intervention in proceedings related to CenterPoint's Statement of Intent; and requires the reimbursement of municipal rate case expenses. (City Attorney)

9. Consideration of Items Withdrawn From the Consent Agenda

10. Executive Session

- A. An Executive Session pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code under Section 551.074 Personnel Matters.

11. Adjournment

Posted: K. Perkins

11/6/2023

5:00 PM

This meeting will be conducted in accordance with the Americans with Disabilities Act. Requests for sign interpretive services will be available with at least 72-hour notice prior to the meeting. To make arrangements for these services, please call the City Secretary's Office at 903-935-4446.



TO: City Council
DATE: November 9, 2023
ITEM #: 3.A
SUBJECT: Recognize graduates of the most recent Marshall Police Department Citizens Police Academy.
(Police)

Recommendation for Action: N/A

Executive Summary: Chief Carruth wishes to recognize the most recent graduates of the Marshall Police Department's Citizens Police Academy.

Budget Cost: None

Staff Contact: Cliff Carruth - Chief of Police

Attachments: None



TO: City Council
DATE: November 9, 2023
ITEM #: 8.A
SUBJECT: Consider approval of the minutes from the October 26, 2023 Regular Council meeting. (City Secretary)

Recommendation for Action: Consider approval of the minutes from the October 26, 2023 Regular Council meeting.

Executive Summary: Minutes from the Regular meeting held on October 26, 2023.

Budget Cost: N/A

Staff Contact: Nikki Smith, City Secretary

Attachments: 1. 10-26-23 minutes

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401 South Alamo
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903-935-4421



Members
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Amanda Abraham, District 6
Micah Fenton, District 7

MINUTES
PLEASE SILENCE ALL DEVICES
REGULAR CITY COUNCIL MEETING
October 26, 2023
6:00 PM

1. Call to Order and Roll Call

Mayor Amy Ware called the Regular meeting to order in the Council Chambers, City Hall at 06:00 PM.

PRESENT:

Mayor and Council Members:

Mayor Amy Ware
Councilmember Marvin Bonner
Councilmember Leo Morris
Councilmember Reba Godfrey

ABSENT: Councilmember Fenton
Councilmember Abraham
Councilmember Truelove

Motion to approve absences: Councilmember Bonner

Second: Councilmember Godfrey

Vote: 4:0

ADMINISTRATIVE STAFF PRESENT:

Terrell Smith, City Manager	Cliff Carruth, Police Chief
Scott Rectenwald, City Attorney	Reggie Cooper, Fire Chief
Anna Lane, Community Services Director	Dawn Jones, Finance Director
Randy Pritchard, Support Services Director	
Nikki Smith, City Secretary/Payroll Accountant	

2. Invocation and Pledges

Mayor Ware

3. Citizen Comments

Texas Government Code, Sec. 551.007 requires that a governmental body must allow each member of the public who desires to address the body regarding an item on the agenda the opportunity to do so before or during the body's consideration of the item. The "Citizens

Comments” portion of the meeting meets the requirements of this law and is the public’s opportunity to speak on any item on the agenda. Those who wish to speak are requested to fill out a public comment form and will have three (3) minutes to speak unless additional time has been requested.

There were no citizen comments.

4. Items to be Withdrawn From Consent Agenda

There were no items withdrawn from the Consent Agenda.

5. Consent Agenda

The items on the Consent Agenda require little or no deliberation by the Council. Approval of the Consent Agenda authorizes the City Manager or his designee to proceed with conclusion of each in accordance with staff recommendations, a copy of which is filed with the minutes of the meeting. A Councilmember may remove items from the Consent Agenda by making such request prior to a motion and vote on the Consent Agenda.

Councilmember Bonner made a motion to approve the Consent Agenda.

Councilmember Godfrey seconded the motion, which passed by a vote of 4:0.

- A. Consider approval of the minutes from the October 12, 2023 Regular Council meeting. (City Secretary)
- B. Consider approval of a resolution for a Multiple User Agreement with TXDOT regarding placement of LPR cameras on TXDOT rights-of-way. (Police)

6. Consideration of Items Withdrawn From the Consent Agenda

There were no items withdrawn from the Consent Agenda.

7. Public Hearings & Ordinances

- A. **Z-23-10-** Conduct a public hearing and make a recommendation to the City Council regarding a rezoning request for the residue of Lot 3 of the Gateway Park Subdivision, and being described by metes and bounds in that Plat recorded in the Plat Records of Harrison County, Texas in Cabinet B, Page 129-B, less and except Lots1, 2, and 3A as further described in that Plat recorded in the Harrison County Plat Records in Cabinet B, Page 170-B. From A&E (Agriculture and Estate) to I-2 (Heavy Industry). Parcel No. #R000026542. Location 300 Block of Gateway Park Drive.
Terrell Smith, City Manager, asked for approval of an ordinance regarding a rezoning request for the residue of Lot 3 of the Gateway Park Subdivision, and being described by metes and bounds in that Plat recorded in the Plat Records of Harrison County, Texas in Cabinet B, Page 129-B, less and except Lots1, 2, and 3A as further described in that Plat recorded in the Harrison County Plat Records in Cabinet B, Page 170-B. From A&E (Agriculture and Estate) to I-2 (Heavy Industry). Parcel No. #R000026542. Location 300 Block of Gateway Park Drive.

Mayor Ware opened the public hearing.

Rush Harris, Marshall EDC, stated this is an effort to finalize the annexation and keep

the property industrial.

Mayor Ware closed the public hearing.

Councilmember Godfrey made a motion to approve an ordinance regarding a rezoning request for the residue of Lot 3 of the Gateway Park Subdivision, and being described by metes and bounds in that Plat recorded in the Plat Records of Harrison County, Texas in Cabinet B, Page 129-B, less and except Lots 1, 2, and 3A as further described in that Plat recorded in the Harrison County Plat Records in Cabinet B, Page 170-B. From A&E (Agriculture and Estate) to I-2 (Heavy Industry). Parcel No. #R000026542. Location 300 Block of Gateway Park Drive. Councilmember Morris seconded the motion, which passed by a vote of 4:0.

- B. **Z-23-11**: Conduct a public hearing and make a recommendation to the City Council regarding a rezoning request for the residue of a 223.729 acre tract of land parcel # R000051930, a 25.284 acre tract parcel # R000051929, a 99.380 acre tract parcel # R009920688, a 4.01 acre tract parcel # R 000050234, and a 27 acre tract parcel # R000011757 all located in the S. Murphey Survey A-15. From A&E (Agriculture and Estate) to I-2 (Heavy Industry). Location 7100 Block of Regency Road.

Terrell Smith asked for approval of an ordinance regarding a rezoning request for the residue of a 223.729 acre tract of land parcel # R000051930, a 25.284 acre tract parcel # R000051929, a 99.380 acre tract parcel # R009920688, a 4.01 acre tract parcel # R 000050234, and a 27 acre tract parcel # R000011757 all located in the S. Murphey Survey A-15. From A&E (Agriculture and Estate) to I-2 (Heavy Industry). Location 7100 Block of Regency Road.

Rush Harris stated this item is similar to the previous item to finalize the annexation and zoning

Mayor Ware opened the public hearing.

No one came forward to speak.

Mayor Ware closed the public hearing.

Councilmember Godfrey made a motion to approve an ordinance regarding a rezoning request for the residue of a 223.729 acre tract of land parcel # R000051930, a 25.284 acre tract parcel # R000051929, a 99.380 acre tract parcel # R009920688, a 4.01 acre tract parcel # R 000050234, and a 27 acre tract parcel # R000011757 all located in the S. Murphey Survey A-15. From A&E (Agriculture and Estate) to I-2 (Heavy Industry). Location 7100 Block of Regency Road. Councilmember Bonner seconded the motion, which passed by a vote of 4:0.

8. Ordinance

- A. Consider approval of an ordinance regarding the comprehensive fee schedule. (Finance)

Kristina Hamilton, Assistant Finance Director, provided information regarding the comprehensive fee schedule and asked the Council for approval of the resolution setting the fees for Fiscal Year 2024.

Councilmember Godfrey made a motion to approve a resolution regarding the comprehensive fee schedule. Councilmember Morris seconded the motion, which passed by a vote of 4:0.

9. Adjournment

Councilmember Godfrey made a motion for adjournment. Councilmember Bonner seconded the motion, which passed by a vote of 4:0.

APPROVED:

Mayor of the City Council
of the City of Marshall, Texas

ATTEST:

City Secretary



TO: City Council
DATE: November 9, 2023
ITEM #: 8.B
SUBJECT: Consider approval of an amendments to the
Personnel Policy and Procedures Manual. (Human
Resources)

Recommendation for Action: Consider approval of amendments to the Handbook

Executive Summary:

Budget Cost:

Staff Contact: Christol Hall

Attachments: None



TO: City Council
DATE: November 9, 2023
ITEM #: 8.C
SUBJECT: Consider approval of appointments and reappointments to the various City boards, commissions, and committees. (City Secretary)

Recommendation for Action: Requesting approval of appointments and reappointment to the various City boards, commission, and committees.

Executive Summary: In September, the City announced vacancies on the various City boards, commissions, and committees to Council. We advertised in the local newspaper, on the City television channel, on City social media sites, and on the City website to encourage interested citizens to contact City Hall about serving. The deadline for citizens to respond was October 27th. Applications were received from thirty (30) citizens!

We are now providing the Council with our recommendations and asking for approval of the appointments and reappointments.

Information is attached that provides a summary of the responsibilities of each of the City boards, commissions and committees.

Budget Cost: N/A

Staff Contact: Nikki Smith, City Secretary

Attachments: 1. Recommendations for 2024

CITY BOARDS, COMMISSIONS, & COMMITTEES

COMMUNITY DEVELOPMENT ADVISORY COMMITTEE

The Community Development Advisory Committee assists with establishing long-range goals and objectives for the Community Development Block Grant program and makes recommendations on the annual plan and budget for this annual federal grant. The term of service on this board is three years, beginning on January 1 after the appointment is made. There is no limit to the number of consecutive terms a member can serve. The current members of this committee are Deon Behrman, Lee Ferguson, Christy Godwin, Keith Hill, Loretta Martin, and Ernest Spencer. The staff member who works with this committee is Anna Lane, Director of Community Services. Questions may be directed to Mrs. Lane at 903-935-4419 or at alane@marshalltexas.net.

Deon Behrman indicated a desire to step down from the committee.

It is the recommendation of Staff to reappoint Christy Godwin and Ernest Spencer and appoint LeaShondria Harden and Ernest Morrow.

HISTORIC LANDMARK PRESERVATION BOARD

The Historic Landmark Preservation Board is responsible for the historic landmark preservation plan and makes recommendations on establishing historic landmark preservation districts in the city limits. Members of this board must have knowledge and experience in history, art, architecture, or real estate planning and development; and have demonstrated interest, competence, or knowledge in historic preservation. The term of service on this board is two years, beginning on January 1 after the appointment is made. There is no limit to the number of consecutive terms that a member can serve. The current members of this board are Jay Carriker, Tony Crosby, Travis Keeney, Rita Louise, Veronique Ramirez, Mary Lynn Vassar, and Faye Whitaker. The staff member who works with this board is Lacy Burson, Main Street Manager. Questions may be directed to Mrs. Burson at 903-934-7902 or at Burson.lacy@marshalltexas.net.

Faye Whitaker and Veronique Ramirez indicated a desire to step down from the board.

It is the recommendation of Staff to reappoint Tony Crosby, Rita Louise, and Mary Lynn Vassar and appoint Charles Cornish and Jonathan McCarty.

KEEP MARSHALL BEAUTIFUL BOARD

Keep Marshall Beautiful Board advises the City Council on issues related to littering and property appearance. The term of service on this board is two years, beginning on January 1 after the appointment is made. A member can serve a maximum of two consecutive full terms. The current members of this board are Lillian Banks, Deloris Butler, Cheryel Carpenter, Becky Koesel, Susan Marshall, Felicia Mathis, and Linda Scott. The staff member who works with this board is Anna Lane, Director of Community Services. Questions may be directed to Mrs. Lane at 903-935-4419 or at alane@marshalltexas.net.

Becky Koesel and Felicia Mathis indicated a desire to step down from the board.

It is the recommendation of Staff to appoint Judith Journey, Gwendolyn Wylie and Alene White. There is still one vacancy on this board.

MAIN STREET ADVISORY BOARD

The Main Street Advisory Board assists in the economic revitalization and promotion of downtown Marshall. This is a thirteen-member board, representing public and private sector interests. The term of service on this board is three years, beginning on January 1 after the appointment is made. A member can serve a maximum of two consecutive full terms. The current members of this board are Lori Acker, Marcial Avelar, Kim Brown, Scott Carlile, Cheryel Carpenter, Lucy Goladay, Tracy Jackson, Jeanette Krohn, Brooker LaBouve, Raven Lenz, Mary O'Neal, Stephanie Phelps, and Zelina Wright. The staff member who works with this board is Lacy Burson, Main Street Manager. Questions may be directed to Mrs. Burson at 903-934-7902 or at Burson.lacy@marshalltexas.net.

Jeanette Krohn and Scott Carlile indicated a desire to step down from the board.

It is the recommendation of Staff to reappoint Cheryel Carpenter, Mary O'Neal, Stephanie Phelps, and Zelina Wright and appoint Richie Arnold, Bridget Wanjiku, and Risa Anderson.

MARSHALL DOWNTOWN DEVELOPMENT CORPORATION

The Marshall Downtown Development Corporation promotes and assists in the development, growth, and economic wellbeing of the downtown area of Marshall. The term of service on this board is three years, beginning on January 1 after the appointment is made. A member can serve a maximum of two consecutive full terms. The current members of this board are Glenn Bickerdike, Dr. Blair Blackburn, Jim Davis, Kat Evans, Jessica Ford, Dinaora Harris and Stacey Splawn. The staff member who works with this board is LeAnne White, Tourism & Economic Development Administrator. Questions may be directed to Ms. White at 903-935-4417 or at white.leanne@marshalltexas.net.

Stacey Splawn and Dr. Blair Blackburn indicated a desire to step down from the board.

It is the recommendation of Staff to appoint Michael McCurdy and Ashli Dansby.

MARSHALL PUBLIC LIBRARY BOARD OF TRUSTEES

The Marshall Public Library Board of Trustees serves as the advisory board for the Marshall Public Library. Of the seven members on this board, at least five members must be full-time residents of the City of Marshall. The term of service on this board is two years, beginning on January 1 after the appointment is made. A member can serve a maximum of two consecutive full terms. The current members of this board are Darlene Dotson, Jerry Hancock, Jenny Kerr, Lacey Lawson, and Vivian Lewis. The staff

member who works with this board is Terri Nalls, Library Director. Questions may be directed to Ms. Nalls at 903-935-4465 or at nalls.terri@marshalltexas.net.

It is the recommendation of Staff to reappoint Jerry Hancock and Lacey Lawson and appoint Elizabeth Ponder and Bonnie Strauss.

PARKS ADVISORY BOARD

The Parks Advisory Board serves as an advisory committee to the City Council and City staff in establishing plans or procedures concerning usage, planning, goals, and objectives of parks and recreation services. The term of service on this board is three years, beginning on January 1 after the appointment is made. There is no limit to the number of consecutive terms a member can serve. The current members of this board are Colin Brady, Jerry Calderon, LaDarius Carter, Mike Haynes, Melisa Lewis, Gloria Moon, and James Runnels. The staff member who works with this board is Randy Pritchard, Director of Support Services. Questions may be directed to Mr. Pritchard at 903-934-7920 or at Pritchard.randy@marshalltexas.net.

It is the recommendation of Staff to reappoint Colin Brady, Jerry Calderon, Melisa Lewis, and Gloria Moon.

PLANNING AND ZONING COMMISSION

The Planning and Zoning Commission hears and makes recommendations on requests for zoning changes and special use permits. This commission also reviews and approves subdivision plats in the city limits and within one mile of the city limits. The term of service on this board is three years, beginning on June 1 after the appointment is made. A member can serve a maximum of two consecutive full terms. The current members of this commission are Richie Arnold, LaDarius Carter, Robert Cole, Kyle Dansby, Jacob Fulbright, Brooke LaBouve, and Kenneth Moon. The staff member who works with this commission is John Clark, Plans Examiner. Questions may be directed to Mr. Clark at 903-935-4407 or at JWClark@marshalltexas.net.

Appointments to the Planning and Zoning Commission are brought before the City Council in May or June. The Planning and Zoning Commission is not part of the annual year-end appointment process. The appointment procedures for the Planning and Zoning Commission are provided for by ordinance in the Zoning Ordinance. It is required by ordinance that the appointments to the Planning and Zoning Commission be made in May or June each year, and that all members must be resident citizens and qualified to be voters in the City of Marshall.

VISIT MARSHALL ADVISORY BOARD

The Visit Marshall Advisory Board is responsible for establishing operating policies for Visit Marshall and for evaluating the progress of Visit Marshall in the attainment of its goals. This board consist of seven tourism related representatives. The term of service on this board is two years, beginning on January 1 after the appointment is made. A member can serve a maximum of three consecutive full terms. The current members are Gary Arthur, Krysta Coleman, Joseph Filippazo, Fran Hurley, Ryan Irwin, and Vivian

Lewis. The staff member who works with this board is LeAnne White, Tourism & Economic Development Administrator. Questions may be directed to Ms. White at 903-935-4417 or at white.leanne@marshalltexas.net.

It is the recommendation of Staff to reappoint Gary Arthur, Krysta Coleman, and Vivian Lewis and appoint Texas Ruegg and Glynn Duncan.

ZONING BOARD OF ADJUSTMENT

The Zoning Board of Adjustment conducts hearings on appeals to enforcement of the city's Zoning Ordinance, decides on exceptions to the Zoning Ordinance, and grants variances to the Zoning Ordinance. The term of service on this board is three years, beginning on January 1 after the appointment is made. There is no limit to the number of consecutive terms a member can serve. The current members of this board are Clayton Allen, Elton Brock, Sam Fogle, and Bill Seibert. The staff member who works with this board is John Clark, Plans Examiner. Questions may be directed to Mr. Clark at 903-935-4407 or at JWClark@marshalltexas.net.

It is the recommendation of Staff to reappoint Sam Fogle and appoint Nathan McDaniel, LeaShondria Harden, and Steven Hammond.

MARSHALL ECONOMIC DEVELOPMENT CORPORATION

The Marshall Economic Development Corporation (Marshall EDC) is the industrial recruitment, development, and retention component of the City of Marshall. Marshall EDC is a Type A Corporation created in 1991 by a vote of the citizens and city council of Marshall under the State of Texas economic development laws. Marshall EDC receives funds from a three-eighths cent sales tax for economic development. Marshall EDC uses these funds to support the expansion, retention, and recruitment of primary employers and primary jobs in Marshall and to encourage overall private investment in accordance with the Texas Local Government Code. The current members and officers of the Marshall EDC Board of Directors are Chairman Keith Hill, Vice-Chairman Colin Brady, Secretary/Treasurer Jeremy Spears, Director Brenda Brown, and Director Sam Moseley. A full term of service on the board is three years, beginning in January after the appointment is made. A member can serve a maximum of two consecutive full terms. Rush Harris is the lead staff member for Marshall EDC and serves as Executive Director. Questions may be directed to Mr. Harris at (903) 934-8037 or at rushharris@marshalledc.org.

It is the recommendation of Staff to reappoint Keith Hill and Colin Brady.



TO: City Council
DATE: November 9, 2023
ITEM #: 8.D
SUBJECT: Consider approval of the revised TxDOT Municipal Maintenance Agreement. (Public Works)

Recommendation for Action: Requesting approval of the resolution authorizing the mayor to execute the revised Municipal Maintenance Agreement with TxDOT.

Executive Summary: Consider approval of a Resolution to renew the existing Municipal Maintenance Agreement with the State of Texas for the maintenance, control, supervision, and regulation of certain state highways and/or portions of state highways in the City of Marshall

Budget Cost: None

Staff Contact: Eric Powell, PE

Attachments: 1. 2023MuniMaintAgreement



MUNICIPAL MAINTENANCE AGREEMENT

This Municipal Maintenance Agreement ("Agreement") is made this 9th day of November 2023, by and between the State of Texas through the Texas Department of Transportation ("State"), and the City of Marshall (population 23,386, 2020, latest Federal Census) acting by and through its duly authorized officers ("City").

RECITALS

A. Chapter 311 of the Transportation Code gives the City exclusive dominion, control, and jurisdiction over and under the public streets within its corporate limits and authorizes the City to enter agreements with the State to fix responsibilities for maintenance, control, supervision, and regulation of State highways within and through its corporate limits; and

B. Section 221.002 of the Transportation Code authorizes the State, at its discretion, to enter agreements with cities to fix responsibilities for maintenance, control, supervision, and regulation of State highways within and through the corporate limits of such cities; and

C. The Executive Director, acting for and on behalf of the Texas Transportation Commission, has made it known to the City that the State will assist the City in the maintenance and operation of State highways within the City, conditioned that the City will enter into agreements with the State for the purpose of determining the respective responsibilities of the parties; and

D. The City has requested the State to assist in the maintenance and operation of State highways within the City as described herein. The Municipal Ordinance or Resolution authorizing the undersigned City Official to execute this Agreement on behalf of the City is attached as **Exhibit C**.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties hereto, it is agreed as follows:

ARTICLE I. COVERAGE

1. State assumption of maintenance and operations described in this Agreement shall be effective on the date of execution of this agreement by the Texas Department of Transportation.
2. In this Agreement, the use of the words "State Highway" shall be construed to mean all numbered highways that are part of the State's Highway System.

3. This Agreement is intended to cover and provide for State participation in the maintenance and operation of the following classifications of State Highways within the City:
 - A. Non-Controlled Access highways or portions thereof which are described as “State Maintained and Operated” highways in the document attached and incorporated as **Exhibit A**.
 - B. All State highways or portions thereof which have been designated by the Texas Transportation Commission, or are maintained and operated, as Controlled Access Highways and which are described in the document attached and incorporated as **Exhibit B**.
4. In the event that the present system of State highways within the City is changed by cancellation, modified routing, new routes, or a change to City boundaries, the State shall terminate maintenance and operation and this Agreement shall become null and void on those portions of the highways which are no longer on the State Highway System; and this Agreement shall apply to the new highways on the State Highway System within the City; and they shall be classified as “State Maintained and Operated” under paragraph 3 above, unless the execution of a new agreement on the changed or new portions of the highways is requested by either the City or the State.
5. Exhibits that are a part of this Agreement may be changed with both parties’ written concurrence. Additional exhibits may also be added with both parties’ written concurrence. The Parties shall periodically update any exhibits to reflect changes to the State Highway System under paragraph 3. Paragraph 4 shall apply to changes to the State Highway System regardless of whether an exhibit has been updated under this Paragraph.
6. The terms of the Agreement apply to a State Highway described by paragraphs 2-4 of this Article, unless provided otherwise in a specific project agreement.

ARTICLE II. GENERAL CONDITIONS

1. The City authorizes the State to maintain and operate the State highways covered by this agreement in the manner set out herein.
2. This agreement is between the State and the City only. No person or entity may claim third party beneficiary status under this contract or any of its provisions, nor may any non-party sue for personal injuries or property damage under this contract.
3. This agreement is for the purpose of defining the authority and responsibility of both parties for maintenance and operation of State highways through the City. This agreement shall supplement any special agreements between the State and the City for the maintenance, operation, and/or construction of the State highways covered herein, and this agreement shall supersede any existing Municipal Maintenance Agreements.

4. Traffic regulations, including speed limits, shall be established only after traffic and engineering studies have been completed by the State or City, as applicable and in accordance with 43 Tex. Admin. Code Ch. 25, Subch. B, and approved by the State.
5. The State shall install, maintain, and operate, when required, all traffic signs and associated pavement markings necessary to regulate, warn, and guide traffic on State highways within the State right-of-way, including main lanes and frontage roads, except as otherwise provided in this paragraph and elsewhere in this Agreement.
 - A. At the intersections of off-system approaches to State highways, the City shall install and maintain (1) all stop signs, yield signs, and one-way signs to regulate, warn, and guide traffic on the off-system street, even if such signs are to be installed on State right-of-way, and (2) any necessary stop or yield bars and pedestrian crosswalks outside the main lanes or outside the frontage roads, if such exist. These signs and markings must meet or exceed the latest State breakaway standards, if applicable, and be in accordance with the latest edition/revision of the Texas Manual on Uniform Traffic Control Devices
 - B. The City shall install and maintain all street name signs except for those mounted on State-maintained traffic signal poles or arms or special advance street name signs on State right-of-way.
 - C. Any other signs or pavement markings desired by the City on State right-of-way shall require prior written authorization by the State, and shall be installed and maintained by the City.
 - D. All signs and markings installed by the City under this Paragraph must meet or exceed the latest State breakaway standards, if applicable, and be in accordance with the latest edition/revision of the Texas Manual on Uniform Traffic Control Devices. All existing signs or markings shall be upgraded on a maintenance replacement basis to meet these requirements.
6. Traffic control devices such as signs, traffic signals, and pavement markings, with respect to type of device, points of installation, and necessity, shall be determined by traffic and engineering studies as provided by regulation in the Texas Administrative Code.
 - A. The City shall not install, maintain, or permit the installation of any type of traffic control device which will affect or influence the use of State highways unless approved in writing by the State. Traffic control devices installed prior to the date of this agreement are hereby made subject to the terms of this agreement and the City agrees to the removal of such devices which affect or influence the use of State highways unless their continued use is approved in writing by the State.
 - B. It is understood that basic approval for future installations of traffic control signals by the State or as a joint project with the City, shall be indicated by the

proper City official's signature on the title sheet of the plans. Both parties should retain a copy of the signed title sheet or a letter signed by both parties acknowledging which signalized intersections are covered by this agreement. Any special requirements not covered within this agreement shall be covered under a separate agreement.

- C.** This Agreement satisfies the agreement requirements of 43 Tex. Admin. Code § 25.5 concerning traffic signal installation, unless the parties determine a separate agreement is necessary to address project-specific issues that are not otherwise addressed by this Agreement.
- 7.** Subject to approval by the State, any State highway lighting system may be installed by the City provided the City shall pay or otherwise provide for all cost of installation, maintenance, and operation, except in those installations specifically covered by separate agreements between the City and State.
 - A.** For all highway lighting system projects, including those covered by separate agreements unless provided otherwise therein, (1) costs shall include the electricity required to construct and operate the lighting system, (2) the State shall not begin the trial phase of a newly installed lighting system until the applicable utility account is established by the City.
 - B.** Attached as **Exhibit D** is a list of lighting installations subject to this Agreement, but which do not have a separate agreement. Exhibit D shall be updated as necessary pursuant to Article 1, Section 6.
- 8.** The City shall enforce the State laws governing the movement of loads which exceed the legal limits for weight, length, height, or width as prescribed by Chapters 621, 622, and 623 of the Transportation Code for public highways outside corporate limits of cities. The City shall also, by ordinance/resolution and enforcement, prescribe and enforce lower weight limits when mutually agreed by the City and the State that such restrictions are needed to avoid damage to the highway and/or for traffic safety.
- 9.** The City shall prevent future encroachments within the right-of-way of the State highways and assist in removal of any present encroachments when requested by the State except where specifically authorized by separate agreement; and prohibit the planting of trees or shrubbery or the creation or construction of any other obstruction within the right-of-way without prior approval in writing from the State. Permitted landscaping and public art installations shall be handled through separate agreements.
- 10.** New construction of sidewalks, shared use pathways, curb ramps, or other accessibility-related items by either Party shall comply with current ADA standards. Except as otherwise provided in this paragraph, the City is responsible for the maintenance of these items, regardless of whether the City or the State constructed the item. Maintenance includes keeping sidewalks clear of debris and vegetation, but does not

include pavement work except as provided in the next sentence. If a Party's highway project is considered an "alteration" under the ADA that triggers the requirement to construct or upgrade accessibility-related items, that Party is responsible for the construction or upgrade, unless provided otherwise in a separate agreement.

11. If the City has a driveway permit process that has been submitted to and approved by the State, the City shall issue permits for access driveways on State highway routes and shall assure the grantee's conformance, for proper installation and maintenance of access driveway facilities, with either a Local Access Management Plan that the City has adopted by ordinance and submitted to the State or, if the City has not adopted by ordinance and submitted to the State a Local Access Management Plan, the State's Access Management Manual. If the City does not have an approved city-wide driveway permit process, the State shall issue access driveway permits on State highway routes in accordance with the City's Local Access Management Plan, adopted by city ordinance and submitted to the State or, if the City has not adopted by ordinance and submitted a Local Access Management Plan, the State's Access Management Manual.
12. The use of unused right-of-way and areas beneath structures for public functions, such as parking, recreation, and law enforcement use, shall be determined by a separate agreement.
13. The State shall be responsible for installation, repair, and maintenance of any mailbox supports installed on the State highway system, including any markings needed on the mailbox supports.
14. The State shall be responsible for installation, repair, and maintenance of any roadside barriers including guardrail, guardrail end treatments, cable barriers, and concrete barriers needed for traffic safety on the state highway system.
15. The State shall be responsible for any structural repairs needed at bridges, culverts, drainage pipes, embankments, and retaining walls on the state highway system.
16. For purposes of this Agreement, "grade separation structure" is defined as any bridge, overpass, or similar structure that raises the roadway above ground level, regardless of what is underneath the structure.

ARTICLE III. NON-CONTROLLED ACCESS HIGHWAYS

The following specific conditions and responsibilities shall apply to the non-controlled access State highways described in Exhibit A, in addition to the General Conditions in Article II above.

1. State's Responsibilities (Non-Controlled Access)

- A. Maintain the traveled surface and foundation beneath such traveled surface necessary for the proper support of vehicular loads encountered, and maintain the shoulders.

- B.** Assist in mowing and litter pickup within the right of way to supplement City resources, when requested by the City and if State resources are available.
- C.** Assist in sweeping and otherwise cleaning the traveled surface and shoulders to supplement City resources, when requested by the City and if State resources are available.
- D.** Assist in snow and ice control to supplement City resources, when requested by the City and if State resources are available.
- E.** Structural maintenance and repairs of drainage facilities within the limits of the right-of-way and State drainage easements. This does not relieve the City of its responsibility for drainage of the State highway facility outside of the right of way or State easements but within its corporate limits.
- F.** In cities with less than 50,000 population, the State shall install and maintain school safety devices, school crosswalks, and crosswalks installed in conjunction with pedestrian signal heads. This does not include other pedestrian crosswalks.
- G.** Install, operate, and maintain traffic signals in cities with less than 50,000 population.
- H.** In cities equal to or greater than 50,000 population, the State may provide for installation of traffic signals when the installation is financed in whole or in part with federal-aid funds, if the City agrees to enter into an agreement setting forth the responsibilities of each party.

2. City's Responsibilities (Non-Controlled Access)

- A.** Prohibit angle parking, except upon written approval by the State after traffic and engineering studies have been conducted to determine if the State highway is of sufficient width to permit angle parking without interfering with the free and safe movement of traffic.
- B.** Install and maintain all parking restriction signs, pedestrian crosswalks (except as provided in Art. II.5), parking stripes, and special guide signs when agreed to in writing by the State. Cities greater than or equal to 50,000 population shall also install, operate, and maintain all school safety devices and school crosswalks.
- C.** Signing and marking of intersecting city streets with State highways shall be the full responsibility of the City (except as provided under Art. II.5).
- D.** Require installations, repairs, removals or adjustments of publicly or privately owned utilities or services to be performed in accordance with Texas Department of Transportation specifications and subject to approval of the State in writing.

- E.** Regular cleanups and litter control to ensure drainage facilities are clear. Further, State structural maintenance and repair of drainage facilities within the right-of-way does not relieve the City of its responsibility for drainage of the State highway facility outside of the right-of-way or State easements but within its corporate limits, except where participation by the State is specifically covered in a separate agreement between the City and the State.
- F.** Install, maintain, and operate all traffic signals in cities equal to or greater than 50,000 population. Any variations shall be handled by a separate agreement.
- G.** Perform mowing and litter pickup.
- H.** Sweep and otherwise clean the pavement, including grade separation structures. This includes cleaning and removing litter, trash, discarded personal property, unauthorized temporary shelters, or any other unauthorized item from all areas within the right of way, including underneath a grade separation structure.
- I.** Perform snow and ice control.
- J.** Retain all functions and responsibilities for maintenance and operations which are not specifically described as the responsibility of the State.

ARTICLE IV. CONTROLLED ACCESS HIGHWAYS

The following specific conditions and responsibilities shall apply to the controlled access State highways described in Exhibit B, in addition to the General Conditions in Article II above.

1. State's Responsibilities (Controlled Access)

- A.** Maintain the traveled surface and foundations of the main lanes, ramps, and frontage necessary for the proper support of vehicular loads encountered.
- B.** Mow and clean up litter within the outermost curbs of the frontage roads or the entire right-of-way width where no frontage roads exist. Assist in performing these operations between the right-of-way line and the outermost curb or crown line of the frontage roads on the City's request and if State resources are available.
- C.** Sweep and otherwise clean the traveled surface and shoulders of the main lanes, ramps, grade separation structures, and frontage roads.
- D.** Remove snow and control ice on the main lanes and ramps. Assist in these operations on the frontage roads and grade separation structures on the City's request and if State resources are available.

- E.** Install and maintain school safety devices, school crosswalks, and crosswalks installed in conjunction with pedestrian signal heads on frontage roads. This does not include other pedestrian crosswalks.
- F.** Install, operate and maintain traffic signals at ramps and frontage road intersections, unless covered by a separate agreement.
- G.** Structural maintenance and repair of drainage facilities within the limits of the right-of-way and State drainage easements. This does not relieve the City of its responsibility for drainage of the State highway facility outside of the right-of-way or State easement but within its corporate limits.

2. City's Responsibilities (Controlled Access)

- A.** Prohibit, by ordinance or resolution and through enforcement, all parking on frontage roads except when parallel parking on one side is approved by the State in writing. Prohibit all parking on main lanes and ramps and at such other places where such restriction is necessary for satisfactory operation of traffic, by passing and enforcing ordinances or resolution and taking other appropriate action in addition to full compliance with current laws on parking.
- B.** When considered necessary and desirable by both the City and the State, the City shall pass and enforce an ordinance or resolution providing for one-way traffic on the frontage roads except as may be otherwise agreed to by separate agreements with the State.
- C.** Secure the approval of the State before any utility installation, repair, removal or adjustment is undertaken, crossing over or under the highway facility or entering the right-of-way. In the event of an emergency, it being evident that immediate action is necessary for protection of the public and to minimize property damage and loss of investment, the City, without the necessity of approval by the State, may at its own responsibility and risk make necessary emergency utility repairs, notifying the State of this action as soon as practical.
- D.** Pass necessary ordinances or resolutions and retain responsibility for enforcing the control of access to an expressway/freeway facility.
- E.** Sweep and otherwise clean the pavement other than the traveled surface and shoulders, including underneath grade separation structures. This includes cleaning and removing litter, trash, discarded personal property, unauthorized temporary shelters, or any other unauthorized item.
- F.** Mow and clean up litter between the right-of-way line and the outermost curb or crown line of the frontage roads, including drainage facilities in this area.

- G.** Install and maintain all parking restriction signs, pedestrian crosswalks (except as provided by Art. II.5), and parking stripes when agreed to by the State in writing.
- H.** Signing and marking of intersecting city streets to State highways shall be the full responsibility of the City (except as provided by Art. II.5).
- I.** Retain all functions and responsibilities for maintenance and operations which are not specifically described as the responsibility of the State. State maintenance of drainage facilities within the right-of-way does not relieve the City of its responsibility for drainage of the State highway facility outside of the right-of-way but within its corporate limits except where participation by the State is specifically covered in a separate agreement between the City and the State.

ARTICLE V. TERMINATION

1. All obligations of the State to maintain and operate a State highway covered by this agreement shall terminate if and when such highway ceases to be designated as part of the State highway system.
2. Should either party fail to properly fulfill its obligations under this Agreement, the other party may terminate this agreement upon 30 days written notice.
3. Upon termination, all maintenance and operation duties on non-controlled access State highways shall revert to City responsibilities, except that the State shall retain all maintenance and operation responsibilities on controlled access State highways.

City of Marshall

State of Texas



Signature

TxDOT District Engineer

Amy Ware
Name

Name

Mayor
Title

November 09, 2023
Date

Date



TO: City Council
DATE: November 9, 2023
ITEM #: 8.E
SUBJECT: Contract Award: Various Chemicals for Water Production. (Public Works)

Recommendation for Action: Award of contract for the supply of various chemicals for water treatment and production.

Executive Summary:

Bids were received on October 25, 2023 by the City of Marshall for the supply of various chemicals at the Water Production facility. There were four (4) bids submitted and their responses are listed below:

	Item A: Liquid Chlorine (TONS)	Item B: Caustic Soda (TONS)	Item C: Coagulant (POUNDS)	TOTAL
1. USALCO, LLC	No Bid	No Bid	\$0.4350	
2. Brenntag Southwest	\$2,495	\$980	\$0.3195	\$608,765
3. ChemTrade	No Bid	No Bid	\$0.3700	
4. Univar Solutions	No Bid	\$924	No Bid	

Given the fact that three of the four bidders did not provide bids for all three chemicals, Brenntag Southwest is the only bidder that completed the bid form properly. Therefore, the lowest responsive and responsible bidder is Brenntag Southwest at a total cost of \$608,765.

Staff recommends that the City Council award the contract for the FY2024 Supply of Various Chemicals to Brenntag Southwest with the contract period to begin on January 1, 2024.

If approved, this contract has a renewal clause each year for up to four (4) years with the Dallas-Fort Worth CPI adjustment as the governing percent increase at the time of renewal.

Budget Cost: \$608,765

Staff Contact: Eric Powell, PE

Attachments: 1. 2024-WSU-001VariousChemicalsBidTabulation10252023

BID TABULATION

City Project: 2024 Various Chemicals for Surface Water Treatment

City Project Number: 2024-WSU-001

Bid Opening Time\Date: October 25, 2023 @ 3:00pm

Prepared By: Eric G. Powell, PE, Director\City Engineer

				USALCO, LLC Baltimore, MD		Brenntag Southwest Houston, TX		ChemTrade Parsippany, NJ		Univar Solutions Dover, FLA	
ITEM NO.	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE BID	EXTENDED TOTAL	UNIT PRICE BID	EXTENDED TOTAL	UNIT PRICE BID	EXTENDED TOTAL	UNIT PRICE BID	EXTENDED TOTAL
A	Liquid Chlorine	60	TONS	No Bid	#VALUE!	\$ 2,495.00	\$149,700.00	No Bid	#VALUE!	No Bid	#VALUE!
B	Liquid Caustic Soda	250	TONS	No Bid	#VALUE!	\$ 980.00	\$245,000.00	No Bid	#VALUE!	\$ 924.00	\$231,000.00
C	Coagulant (OACL/ACH)	670,000	POUNDS	\$ 0.4350	\$291,450.00	\$ 0.3195	\$214,065.00	\$ 0.3700	\$247,900.00	No Bid	#VALUE!
Total Annual Cost:					#VALUE!	\$608,765.00		#VALUE!		#VALUE!	

As Read  10/25/2023
Eric G. Powell, PE
Director of Public Works and Utilities\City Engineer



TO: City Council
DATE: November 9, 2023
ITEM #: 8.F
SUBJECT: Consider a resolution that denies an increase in revenue and a change in rates proposed by CenterPoint Energy Resources Corporation, D/B/A, CenterPoint Energy Entex and CenterPoint Energy Texas Gas; authorizes continued participation in the Alliance of CenterPoint Municipalities; representation of the City by special counsel intervention in proceedings related to CenterPoint's Statement of Intent; and requires the reimbursement of municipal rate case expenses. (City Attorney)

Recommendation for Action: Requesting approval of resolution.

Executive Summary: Discuss and consider approval of a resolution that denies an increase in revenue and a change in rates proposed by CenterPoint Energy Resources Corporation, D/B/A, CenterPoint Energy Entex and CenterPoint Energy Texas Gas; authorizes continued participation in the Alliance of CenterPoint Municipalities; representation of the City by special counsel intervention in proceedings related to CenterPoint's Statement of Intent; and requires the reimbursement of municipal rate case expenses.

Budget Cost: N/A

Staff Contact: Scott Rectenwald, City Attorney

Attachments:

1. Case15513-Resolution-DENIAL-AIS-Beaumont_East TX-110123
2. Case15513-Resolution-DENIAL-Beaumont_East TX-110123

AGENDA INFORMATION SHEET
AGENDA ITEM NO. _____

**DENIAL OF APPLICATION FOR AUTHORITY TO CHANGE RATES
SUBMITTED BY CENTERPOINT ENERGY RESOURCES
CORPORATION, D/B/A, CENTERPOINT ENERGY ENTEX AND
CENTERPOINT ENERGY TEXAS GAS**

BACKGROUND

On or about October 30, 2023, CenterPoint Energy Resources Corporation, D/B/A, CenterPoint Energy Entex and CenterPoint Energy Texas Gas (“CenterPoint” or “Company”) filed a Statement of Intent to increase rates by a total of approximately \$37.4 million. CenterPoint filed its application with the Railroad Commission of Texas (RRC) on the same date it filed its application with the City.

Further, though the overall increase is \$37.4 million, CenterPoint proposes to increase rates for its residential class of customers by \$58.4 million, and to decrease rates for its small and large commercial customers by a combined amount of about \$21 million.

Additionally, a key element of CenterPoint’s application is that it proposes to consolidate its four rate divisions into a single rate division. Currently, CenterPoint has four divisions: the Beaumont/East Texas Division; the South Texas Division; the Texas Coast Division; and the Houston Division. CenterPoint asserts that the effect of combining the four divisions into a single division is to produce a decrease in rates in its Beaumont/East Texas Division and in its South Texas Division, while increasing rates in its Texas Coast Division and in the Houston Division.

Thus, though it may seem counter intuitive to deny a rate decrease, as recommended below, historically, the Railroad Commission of Texas (RRC) almost always approves a lower change in overall revenue than as proposed by the utility. So, if a city approves CenterPoint’s as-filed decrease in rates and if CenterPoint doesn't appeal the decrease in rates approved at the city level, i.e., the decrease in rates CenterPoint proposed, e.g., in its Beaumont/East Texas and South Texas divisions, the cities in those divisions may miss out on a potentially lower rate than as proposed by CenterPoint.

Although not tested in quite some time, court decisions suggest that the rates approved at the city level remain in effect until changed on appeal by the RRC. If CenterPoint does not file an appeal of the rates the cities approved in CenterPoint's Beaumont/East Texas and South Texas divisions, the rates approved at the city level would be the "final rates" for those cities approving the decrease in rates as proposed by CenterPoint.

And, so assuming as history suggests, the RRC approves a level of overall revenue lower than as proposed by CenterPoint, though CenterPoint proposed a decrease for ratepayers in its Beaumont/East Texas and South Texas divisions, the decrease likely should've been even

lower. This presumes that the RRC will approve CenterPoint's proposal to consolidate its four divisions into a single rate division. Note that the RRC has recently approved other utilities' similar requests that proposed consolidation of those other utilities' separate rate divisions into a single division.

Another factor that argues against approval of CenterPoint's proposed decrease in its Beaumont/East Texas and South Texas divisions, is that even though CenterPoint's *overall* proposed increase is about \$37.4 million, the Residential class under CenterPoint's proposal, would see an increase in excess of \$58.4 million. This means that CenterPoint's proposed allocation of costs to the customer classes needs a close review.

OVERVIEW OF MAJOR ELEMENTS OF CENTERPOINT'S APPLICATION

As noted above, CenterPoint proposes to increase rates by a total of approximately \$37.4 million. However, CenterPoint also proposes to increase rates for residential customers by about \$58.4 million and to decrease rates for small and large commercial customers by about \$21 million.

Additionally, CenterPoint proposes to consolidate its four rate divisions into a single rate division. If approved, CenterPoint will have a single set of rates for all its customers in Texas.

These two factors – the increase to residential customers while decreasing rates for commercial customers, and the consolidation of CenterPoint's four divisions into a single rate division – warrant a closer review of its cost-allocation study.

CenterPoint also proposes an overall profit margin of about 8.25%, based on a return on equity of 10.50% and a capital structure comprised of 60.61% equity and 39.39% long-term debt. As with CenterPoint's proposed allocation of costs, its cost of capital, too, will require a thorough review.

The tables below show the changes in revenue CenterPoint proposes for each of its divisions. We present the information for all the divisions so that the City is informed on the effect of CenterPoint's proposal overall:

Houston Division Classes	Number of Customers (Total/Commission OJ)	Non-Gas Revenue Change, exclusive of revenue-related taxes
Residential	1,086,874 / 573,213	\$66.332 million
General Service – Small	52,890 / 22,832	(\$0.799) million
General Service – Large Volume	1,439 / 428	(\$6.508) million
TOTAL	1,141,202 / 596,473	\$59.024 million
Texas Coast Division Classes	Number of Customers (Total/Commission OJ)	Non-Gas Revenue Change, exclusive of revenue-related taxes
Residential	360,526 / 142,014	\$22.963 million
General Service – Small	17,876 / 6,842	(\$0.254) million
General Service – Large Volume	255 / 60	(\$1.496) million

TOTAL	378,656 / 148,917	\$21.214 million
South Texas Division Classes	Number of Customers (Total/Commission OJ)	Non-Gas Revenue Change, exclusive of revenue-related taxes
Residential	149,052 / 55,181	(\$17.190) million
General Service – Small	11,762 / 5,860	(\$5.544) million
General Service – Large Volume	241 / 131	(\$0.868) million
TOTAL	161,055 / 61,173	(\$23.602) million
Beaumont/East Texas Division Classes	Number of Customers (Total/Commission OJ)	Non-Gas Revenue Change, exclusive of revenue-related taxes
Residential	171,537 / 72,120	(\$13.715) million
General Service – Small	20,007 / 8,860	(\$5.154) million
General Service – Large Volume	444 / 170	(\$0.378) million
TOTAL	191,988 / 81,150	(\$19.247) million

In terms of customers' bills, the tables below show the effect of CenterPoint's proposed changes in rates:

For Customers in the Houston Division

	Non-Gas Revenue Change \$ MM	Percentage Change With/Without Gas Costs**		Average Current Monthly Bill, including Gas Cost*	Average Proposed Monthly Bill, including Gas Cost*	Proposed Monthly Change
<u>@14.95 PSI:</u>						
Residential	\$66.3	11.7%	20.5%	\$43.62	\$48.74	\$5.12
General Service-Small	-\$0.8	-0.6%	-3.2%	\$140.32	\$139.42	-\$0.90
General Service-Large Volume	-\$6.5	-18.5%	-66.0%	\$2,009.59	\$1,637.69	-\$371.90

For Customers in the Texas Coast Division

	Non-Gas Revenue Change \$ MM	Percentage Change With/Without Gas Costs**		Average Current Monthly Bill, including Gas Cost*	Average Proposed Monthly Bill, including Gas Cost*	Proposed Monthly Change
<u>@14.95 PSI:</u>						
Residential	\$23.0	12.4%	21.8%	\$43.36	\$48.74	\$5.38
General Service-Small	-\$0.3	-0.8%	-3.3%	\$113.69	\$112.78	-\$0.91
<u>@ 14.65 PSI:</u>						
General Service-Large Volume	-\$1.5	-22.4%	-71.3%	\$2,167.09	\$1,682.52	-\$484.57

For Customers in the South Texas Division

	Non-Gas Revenue Change \$ MM	Percentage Change With/Without Gas Costs**		Average Current Monthly Bill, including Gas Cost*	Average Proposed Monthly Bill, including Gas Cost*	Proposed Monthly Change
<u>@14.95 PSI:</u>						
Residential	-\$4.7	-24.0%	-25.7%	\$54.16	\$41.17	-\$12.99
General Service-Small	-\$1.5	-31.9%	-51.4%	\$202.72	\$138.05	-\$64.67
<u>@ 14.65 PSI:</u>						
Residential	-\$12.5	-23.9%	-25.6%	\$53.68	\$40.84	-\$12.84
General Service-Small	-\$4.0	-32.0%	-51.3%	\$199.63	\$135.79	-\$63.84
General Service-Large Volume	-\$2.2	-26.7%	-57.0%	\$2,904.18	\$2,128.80	-\$775.38

For Customers in the Beaumont/East Texas Division

	Non-Gas Revenue Change \$ MM	Percentage Change With/Without Gas Costs**		Average Current Monthly Bill, including Gas Cost*	Average Proposed Monthly Bill, including Gas Cost*	Proposed Monthly Change
Beaumont/East Texas Division (without North East Texas/Tyler)						
<u>@14.95 PSI:</u>						
Residential	-\$3.4	-9.1%	-18.1%	\$56.10	\$51.02	-\$5.08
General Service-Small	-\$1.2	-10.1%	-37.0%	\$142.94	\$128.49	-\$14.45
<u>@ 14.65 PSI:</u>						
Residential	-\$5.4	-9.0%	-17.9%	\$55.48	\$50.49	-\$4.99
General Service-Small	-\$2.3	-10.4%	-37.2%	\$141.03	\$126.43	-\$14.60
General Service-Large Volume	-\$0.2	2.9%	-25.4%	\$1,753.03	\$1,804.23	\$51.20
Beaumont/East Texas Division (North East Texas/Tyler only)						
<u>@ 14.73 PSI:</u>						
Residential	-\$1.6	-4.0%	-18.0%	\$52.76	\$50.64	-\$2.12
General Service-Small	-\$0.7	-1.5%	-37.3%	\$128.85	\$126.97	-\$1.88
<u>@ 14.65 PSI:</u>						
Residential	-\$3.4	-4.0%	-17.9%	\$52.61	\$50.49	-\$2.12
General Service-Small	-\$1.0	-1.6%	-37.3%	\$128.43	\$126.43	-\$2.00
General Service-Large Volume	-\$0.1	18.0%	-26.1%	\$1,529.55	\$1,804.23	\$274.68

CITY JURISDICTION TO SET CENTERPOINT's RATES

Municipalities have exclusive, original jurisdiction over a gas utility's rates, services, and operations within a city's boundaries. But, the Railroad Commission has appellate jurisdiction

over rate-setting decisions a city makes. This means that CenterPoint may appeal to the Railroad Commission, a city's decision regarding rates.

REPRESENTATION

As part of the Alliance of CenterPoint Municipalities ("ACM"), the City in prior applications filed by CenterPoint has engaged the law firm of Herrera Law & Associates as Special Counsel to review CenterPoint's application. The attached Resolution, if adopted, continues that relationship.

RATE CASE EXPENSES

Cities, by statute, are entitled to recover their reasonable rate case expenses from the utility. The accompanying Resolution directs CenterPoint to continue to reimburse ACM's rate case expenses on a monthly basis based on presentation of invoices from the cities.

CITY ACTION

At this juncture the City's options are to:

1. Do nothing, which means that CenterPoint's proposed change in rates will go into effect on Dec. 4, 2023;
2. "Suspend" CenterPoint's proposed effective date by 90 days, thus giving the cities 125 days to review CenterPoint's application and make a final decision or
3. Deny CenterPoint's proposed change in rates; a denial of the application will mean that CenterPoint will file an appeal to the Railroad Commission.

RECOMMENDATION

Because CNP filed its application with the Railroad Commission on the same day it filed with the cities, and given how quickly these cases move, ACM's Special Counsel recommends that the City deny CenterPoint's proposed change in rates and expeditiously intervene in the case at the Railroad Commission. Thus, if adopted the attached resolution:

1. Denies CNP's proposed increase in revenue and change in rates;
2. Directs CenterPoint to reimburse the ACM cities' rate-case expenses;
3. Authorizes:
 - A. Continued participation in ACM;
 - B. Intervention in proceedings at the Railroad Commission of Texas and related proceedings, including appeals, if any;
 - C. Representation of the City by the law firm of Herrera Law & Associates, PLLC as part of ACM.

The City must take final action on CenterPoint's proposed increase by no later than December 4, 2023.

RESOLUTION NO. _____

RESOLUTION BY THE CITY OF _____, TEXAS (“CITY”) DENYING THE STATEMENT OF INTENT TO CHANGE RATES FILED ON OR ABOUT OCTOBER 30, 2023 BY CENTERPOINT ENERGY RESOURCES CORPORATION, D/B/A, CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS; AUTHORIZING CONTINUED PARTICIPATION IN THE ALLIANCE OF CENTERPOINT MUNICIPALITIES; AUTHORIZING INTERVENTION IN PROCEEDINGS RELATED TO CENTERPOINT’S STATEMENT OF INTENT; REQUIRING THE REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; AUTHORIZING REPRESENTATION OF THE CITY BY SPECIAL COUNSEL; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT

WHEREAS, CenterPoint Energy Resources Corporation, D/B/A, CenterPoint Energy Entex and CenterPoint Energy Texas Gas (“CenterPoint” or “Company”) filed a Statement of Intent with the City on or about October 30, 2023, to change its rate schedules within the corporate limits of this municipality, specifically to increase its system-wide, annual revenue requirement by approximately \$37.4 million; and

WHEREAS, the City is a regulatory authority under the Gas Utility Regulatory Act (“GURA”) and under Chapter 104, §103.001 et seq. of GURA has exclusive original jurisdiction over CenterPoint’s rates, operations, and services within the municipality; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating CenterPoint’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 CenterPoint to change rates, has in the past joined with other local regulatory authorities to form the Alliance of CenterPoint Texas Municipalities-Beaumont/East Texas Division (“ACM”), and hereby continues its participation in ACM; and

WHEREAS, CenterPoint's rate request consists of a voluminous amount of information including CenterPoint's rate-filing package, pre-filed direct testimony, exhibits, schedules, and workpapers; and

WHEREAS, CenterPoint proposes to implement its proposed increase in rates on or about December 4, 2023, and

WHEREAS, CenterPoint's application fails to establish that its overall revenue request resulted in no more than an amount that will permit CenterPoint 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 its reasonable and necessary operating expenses; and

WHEREAS, CenterPoint's application fails to establish that its proposed rates are just and reasonable; and

WHEREAS, CenterPoint may exercise its statutory right to appeal a City decision regarding CenterPoint's request to increase rates to the Railroad Commission of Texas; and

WHEREAS, CenterPoint filed its Statement of Intent to increase its revenue and change its rate with the City and with the Railroad Commission of Texas on the same date, October 30, 2023, and it is important to intervene in the proceedings before the Railroad Commission of Texas because the Railroad Commission's decisions will impact rates within the City;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF _____, TEXAS THAT:

Section 1. The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

Section 2. CenterPoint's application fails to show that its proposed rates are just and reasonable.

Section 3. The City hereby **DENIES** CenterPoint's request to increase its revenue and change its rates and in support of **DENIAL** finds that:

- A.** CenterPoint failed in its burden of proof to establish that its requested increase in revenue or the changes set forth in its tariffs attached to CenterPoint's Statement of Intent to change rates, results in just and reasonable rates;
- B.** CenterPoint failed in its burden of proof to establish that adoption of its proposed rate base, expenses, investment, return on equity, and other rate issues as presented in CenterPoint's Statement of Intent to increase rates, result in just and reasonable rates.

Section 4. The City authorizes intervention in proceedings related to CenterPoint's Statement of Intent before the Railroad Commission of Texas and any related proceedings in any courts of law.

Section 5. The City continues its participation with other cities in a coalition of cities known as the Alliance of CenterPoint Municipalities ("ACM") with the understanding that the Steering Committee of ACM is to provide direction and guidance to Special Counsel representing said cities.

Section 6. The City hereby retains Herrera Law & Associates, PLLC as Special Counsel to represent the City with regard to CenterPoint's Statement of Intent and related proceedings, including 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 CenterPoint's Statement of Intent.

Section 7. The City, in coordination with the ACM Steering Committee, shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to CenterPoint for reimbursement.

Section 8. The City hereby orders CenterPoint to reimburse the City's rate case expenses as provided in the Gas Utility Regulatory Act and that CenterPoint shall continue to do so on a monthly basis and within 30 days after submission of the City's invoices for the City's reasonable costs associated with the City's activities related to this rate review or to related proceedings involving CenterPoint before the City, the Railroad Commission of Texas, or any court of law.

Section 9. A copy of this resolution shall be sent to Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, 4400 Medical Parkway, Austin, Texas 78756, and a courtesy copy to Mr. Patrick Peters, VP – Regulatory Legal, AGC, CenterPoint Energy, Inc., 1005 Congress Ave., Suite 650, Austin Texas 78701.

Section 10. 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 11. This resolution supersedes any prior inconsistent or conflicting resolution or ordinance.

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

PASSED AND APPROVED this _____ day of _____ 2023.

MAYOR

ATTEST:

CITY SECRETARY



TO: City Council
DATE: November 9, 2023
ITEM #: 10.A
SUBJECT: An Executive Session pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code under Section 551.074 Personnel Matters.

Recommendation for Action: No action.

Executive Summary: Discussion regarding personnel matters.

Budget Cost: N/A

Staff Contact: Terrell Smith, City Manager

Attachments: None