The Hutto City Council met in a regular session on Thursday, May 21, 2015, in the Hutto City Council Chamber, 401 W. Front Street, Hutto, TX 78634.

CALL SESSION TO ORDER

Mayor Holland called the session to order at 7:00 p.m.

ROLL CALL

Members of the City Council that were present were Mayor Debbie Holland, Mayor Pro-tem Ronnie Quintanilla-Perez, Councilmember Anne Cano, Councilmember Michael J. Smith, and Councilmember Max V. Yeste. Also present was Councilmember-Elect Tom Hines and Councilmember-Elect Lucio Valdez. Councilmember Paul Prince and Councilmember Melanie Rios were absent.

Members of staff that were present were Karen Daly, City Manager, Micah Grau, Assistant City Manager, Charlie Crossfield, City Attorney, Melanie Hudson, Finance Director, Earl Morrison, Chief of Police, Matt Bushak, City Engineer, and Erin Klingemann, Interim President/CEO of the Hutto Economic Development Corporation.

INVOCATION

The invocation was given by Sgt. Paul Leal.

PLEDGE OF ALLEGIANCE

Mayor Holland led the Pledge of Allegiance.

SWEARING IN CEREMONY FOR THE NEWLY ELECTED CITY COUNCIL MEMBERS

Municipal Court Judge Lucas Wilson conducted the swearing-in ceremony for the newly elected City Council members. The order of the swearing in ceremony occurred as follows:

5A.  City Council Member, Place 2 – Tom Hines

5B.  City Council Member, Place 5 – Lucio Valdez

Mayor Debbie Holland called for a recess at 7:07 pm.

The Hutto City Council reconvened into regular session at 7:18 pm.
PROCLAMATIONS

6A.  Proclamation declaring May 18-31, 2015 as Click It or Ticket Mobilization in Hutto, Texas.

Mayor Debbie Holland read the following proclamation and presented it to Earl Morrison, Chief of Police.

Official Proclamation

Whereas, the safety and security of the citizens of the City of Hutto, Williamson County, Texas, and surrounding areas are vitally important and a large percentage of our citizens regularly drive or ride in motor vehicle on our roadways; and

Whereas, the use of seat belts in passenger vehicles saves an estimated 12,174 lives each year and regular seat belt use is the single most effective way to reduce fatalities in motor vehicle crashes and the use of seat belts is supported by the laws of the City of Hutto, Texas; and

Whereas, May 18 through May 31, 2015, has been selected as the national Click It or Ticket mobilization enforcement period across the country during which law enforcement officers will actively be participating in the mobilization to ensure all motor vehicle occupants are buckled up day and night to reduce the risk of injury and death caused in traffic crashes; and,

Whereas, increased enforcement of seat belt laws coupled with publicity has proven to be an effective method to increase seat belt use rates and decrease fatal crashes;

Now, Therefore, I, Debbie Holland, Mayor of the City of Hutto, Texas, do hereby proclaim May 18 to May 31, 2015, as

"CLICK IT OR TICKET MOBILIZATION"

in the City of Hutto, and urge all citizens to always wear seat belts when driving or riding on our roadways.

Proclaimed this 21st day of May, 2015.

PUBLIC COMMENT

7A. Remarks from visitors.

There were no remarks from the visitors.

PRESENTATIONS
8A. **Presentation recognizing the student and adult volunteers of the 2014-15 Youth Advisory Task Force.**

*Micah Grau, Assistant City Manager, gave the staff presentation. The purpose of this item was to highlight the efforts of the Youth Advisory Task Force and to recognize its members for the 2014-15 school year. In 2013, the City Council modified the organization of the Youth Advisory Commission to annually appoint a Youth Advisory Task Force. The 2014-15 Youth Advisory Task Force was led by Micah Grau as the City of Hutto staff liaison and Melissa Hollingsworth as the Hutto ISD staff liaison.

*Micah Grau, presented a certificate of appreciation to those who have participated on this Task Force.*

8B. **Ensuring Hutto's Safety, Part 3 - Emergency Medical Services**

*Karen Daly, City Manager, introduced Kenny Schnell, Director of Emergency Medical Services, Williamson County. In the City's continuing series on Ensuring Hutto's Safety, this will be the third presentation. Mr. Schnell, Director of Emergency Medical Services, presented on emergency medical services provided by Williamson County. The purpose of this presentation is to provide data regarding the types of calls, the response that residents receive, and the quality of care provided to Hutto residents.*

*Mr. Schnell presented the following topics:*

- History of the Williamson County EMS
- System Design & System Status Management
  - Station Locations within each precinct
  - Outlined how the calls are dispatched and listed the primary answering service points
- Statistics/Financial Overview
  - Showed county-wide maps for calls for service
  - Explained the break down of calls for service just in Hutto, as well as the response times
  - Direct costs to provide service
  - Breakdown of Billing Payor Mix – Medicaid, Medicare, Commercial, and Private Pay
- Credentialing and Education
- Future Vision of EMS System
- Improvements
  - Continue to use technology and advancements
  - Hospital Data Exchanges
  - Analytics
  - Public Awareness

*There being no further questions. Mr. Schnell concluded his presentation.*
CONSENT AGENDA ITEMS

All items listed on the consent agenda were considered to be routine by the City Council and were enacted by one motion.

9A. Consideration and possible action on a resolution concerning the acceptance of the water, wastewater, street and drainage improvements of the Emory Farms, Section 6 Subdivision.

9B. Consideration and possible action on the second and final reading of an ordinance concerning the first amendment to the Fiscal Year 2015 Budget of the Hutto Economic Development Corporation.

Mayor Debbie Holland pulled item 9A from the consent agenda.

MOTION: Councilmember Max Yeste moved to approve item 9B listed on the consent agenda as presented. Councilmember Michael Smith seconded the motion. The motion carried with 7 ayes and 0 nays.

REGULAR AGENDA ITEMS

RESOLUTIONS

9A. Consideration and possible action on a resolution concerning the acceptance of the water, wastewater, street and drainage improvements of the Emory Farms, Section 6 Subdivision.

Matt Bushak, City Engineer, gave a brief overview of the improvements, answered questions regarding the location of the pond and explained the difference in values, pointing out that erosion controls are not included as a fixed asset.

MOTION: Councilmember Max Yeste moved to approve the resolution accepting the water, wastewater, streets, and drainage improvements of the Emory Farms, Section 6 Subdivision. Councilmember Anne Cano seconded the motion. The motion carried with 7 ayes and 0 nays.

10A. Consideration and possible action on a resolution concerning a change in the rates of Atmos Energy Corporation, Mid-Tex Division as a result of a settlement between Atmos and the Atmos Texas Municipalities under the Rate Review Mechanism; finding the rates set by the attached tariffs to be just and reasonable; finding that the meeting complied with the Open Meetings Act; declaring an effective date; and requiring delivery of the resolution to the company and legal counsel.

Melanie Hudson, Director of Finance, gave the staff presentation. The City is a member of the Atmos Texas Municipalities (ATM). The ATM group was organized by a number of municipalities served by Atmos and has been represented by the law firm of Herrera & Boyle, PLLC. ATM also retained the services of a consulting firm, Utilitech, Inc. to assist in reviewing an application submitted by the Atmos Energy-Mid-Tex Division.
(Atmos) that seeks to increase its rates and change its rates. Herrera & Boyle, PLLC and Utilitech, Inc. have participated in prior rate cases involving Atmos and have extensive knowledge and experience in rate matters affecting Atmos’ rates, operations, and services.

Ms. Hudson continued by giving an overview of the history of prior rate increases.

Ms. Hudson explained that on February 27, 2015, Atmos submitted an application under the current Rate Review Mechanism (RRM) seeking a system-wide rate increase of $28.7 million ("2015 RRM"), which equates to an increase of about 5.6%. After review of Atmos’ application, and of the Railroad Commission’s proposal for decision (PFD) in Gas Utility Docket (GUD) No. 10359 ATM’s, Special Counsel and ATM’s consultant, Utilitech, Inc., concluded Atmos merited an increase of no more than about $9.1 million. ATM’s consultants completed that report without the benefit of the Commission’s PFD for the 2014 RRM. ATM’s Special Counsel and consultants had hoped to have direction from the Commission on many of the disputes that arose in the 2014 RRM resolved so as to inform their analysis of Atmos 2015 RRM. If the Commission adopts the PFD for the 2014 RRM, which is the most likely scenario, many of the recommendations supported by ATM will be eliminated or modified. Therefore, ATM Special Counsel and consultants’ preliminary findings of a $9.1 million increase, would have to be adjusted to accommodate the PFD issued in the 2014 RRM and would produce an increase closer to about $23 million.

At this juncture, the ATM cities’ options are as follows:

Option 1. To deny Atmos’ requested increase under the 2015 RRM and approve no increase;

Option 2. To deny Atmos’ requested increase and approve an increase of no more than $9.1 million for its 2015 RRM, based on ATM’s consultants’ preliminary report;

It was noted that under Option 1 and Option 2, Atmos has the right to appeal the ATM cities’ decisions to the Railroad Commission of Texas and pending such an appeal has the right to implement its proposed increase of $23.9 million effective June 1, 2015, subject to refund if the Commission’s review later finds a lower amount is appropriate.

Option 3. To take no action and allow Atmos’ proposed increase of $23.9 million in the affected cities and its related rates to go into effect; or

It was also noted that if the City elects Option 1, Option 2, or Option 3, the City would also have to continue its participation in the appeal pending at the Railroad Commission in GUD No. 10359 and incur its attendant costs.

Option 4. To approve a settlement agreement that resolves the 2014 RRM and the 2015 RRM, which combined results in an increase in rates above 2013 revenues of $65.7 million.
After a series of negotiations with Atmos, and given the significant downside of continued litigation of this matter, ATM’s Special Counsel recommended resolving both the 2014 RRM and 2015 RRM in a single settlement agreement. Continued efforts at the Commission with regard to the 2014 RRM would result in more rate case expenses and are unlikely to result in any material changes to the PFD in favor of ATM. Also, because the Commission issued the PFD regarding the 2014 RRM at such a late date, it undermined ATM’s consultants’ ability to incorporate the proposed decisions regarding the 2014 RRM, into their 2015 RRM report. If the ATM rejects Atmos’ settlement offer, Atmos would appeal the cities’ decision to the Railroad Commission. While there are a number of contested issues whose outcome are uncertain in an appeal, based on the Proposal for Decision regarding Atmos’ 2014 RRM, ATM’s Special Counsel and consultants are of the opinion that the Railroad Commission would reach the same results its hearing examiner reached in regarding the 2014 RRM. That is, the probability is high that an appeal the Railroad Commission would award Atmos all or most of its 2015 RRM request, $23.9 million, as well as $42.9 million of its 2014 RRM request. At part of the settlement of Atmos’ 2014 and 2015 RRM, Atmos would dismiss its appeal of the 2014 RRM and would not seek recovery of RRM rate case expenses.

Therefore, because of the risks of an unfavorable outcome at the Railroad Commission, ATM special counsel advised the ATM cities to accept a settlement increasing rates by about $21.87 million over the current, interim rates Atmos is charging. Because the current rates Atmos is charging have not been approved by either the cities or the Railroad Commission, the City’s action in effect would be to approve an increase for the 2014 RRM filing and the 2015 RRM filing of about $65.7 million, combined, over Atmos’ 2013 proposed revenues.

**MOTION:** Councilmember Tom Hines moved to approve a resolution concerning a change in the rates of Atmos Energy Corporation, Mid-Tex Division as a result of a settlement between Atmos and the Atmos Texas Municipalities under the Rate Review Mechanism. Mayor Pro-tem Ronnie Quintanilla-Perez seconded the motion. The motion carried with 7 ayes and 0 nays.

**OTHER BUSINESS**

11A. **Consideration and possible action on the appointment of the Mayor Pro-tem position.**

Seth Gipson, City Secretary, gave the staff presentation. The Mayor Pro-tem position is elected by the City Council, and has the following powers provided through the City Charter (Section 3.05): The Mayor Pro-tem shall be a Council Member elected by the City Council at the first regular City Council meeting following each regular City election. The Mayor Pro-tem shall act as Mayor during the disability or absence of the Mayor and in this capacity shall have the rights conferred upon the Mayor.

**MOTION:** Councilmember Max Yeste moved to appoint Ronnie Quintanilla-Perez to the position of Mayor Pro-tem. Mayor Debbie Holland seconded the motion. The motion failed with 3 ayes and 4 nays.
MOTION: Councilmember Anne Cano moved to appoint Michael Smith to the position of Mayor Pro-tem. Councilmember Lucio Valdez seconded the motion. The motion carried with 5 ayes and 2 nays.

EXECUTIVE SESSION


The City Council recessed into the Conference Room at 8:25pm to address the Executive Session item and reconvened back into regular session at 9:01 pm.

ACTION RELATIVE TO EXECUTIVE SESSION

13A. Consideration and possible action on the appointments to the Hutto Economic Development Corporation Board of Directors.

MOTION: Councilmember Ronnie Quintanilla-Perez moved to appoint Chris Carey to the unexpired term ending in December 2016, and Gerry “Kim” Engram to the unexpired term ending in December 2015, on the Hutto Economic Development Corporation Board of Directors. Councilmember Anne Cano seconded the motion. The motion carried with 7 ayes and 0 nays.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:02 pm.

CITY OF HUTTO, TEXAS

Debbie Holland, Mayor

ATTEST:

Seth Gipson, City Secretary