1. 5:30 P.M. Town Council Agenda

   Documents:

   TOWN COUNCIL AGENDA 6-10-21.PDF

   1.I. 5:30 PM Town Council Packet

   Documents:

   COUNCIL PACKET 6-10-21.PDF

   1.II. June 10, 2021 - MEETING SLIDE DECK

   JUNE 10, 2021 - MEETING SLIDE DECK

DAVID A. RETTIG, MAYOR

RENA HARDEMAN, COUNCIL PLACE 1
MICHAEL C. GANZ, COUNCIL PLACE 2
BRIAN MONTINI, MAYOR PRO TEM

ROGER SESSIONS, COUNCIL PLACE 4
BILL MOORE, COUNCIL PLACE 5
WES BOYER, PLACE 6

NORTHLAKE TOWN COUNCIL
REGULAR MEETING AGENDA
JUNE 10, 2021 @ 5:30 PM
1500 COMMONS CIRCLE - SUITE 300 - NORTHLAKE, TEXAS 76226

Notice is hereby given as required by Title 5, Chapter 551.041 of the Government Code that the Northlake Town Council will meet in a regular meeting on Thursday, June 10, 2021, at 5:30 pm at the Northlake Town Hall in the Chamber Room, 1500 Commons Circle, Suite 300, Northlake, Texas 76226. The items listed below are placed on the agenda for discussion and/or action.

1. Call to Order
   Roll Call
   Invocation
   Pledges of Allegiance to US and Texas Flags

2. Announcements, Proclamations and Presentations
   A. Recognition – Introductions of New Police Officers
   B. FY 2022 Capital Improvement Project
   C. FY 2022 Tax Increment Reinvestment Zone No. 1 Budget
   D. Trash Billing Transition Issues and Updates

3. Public Input
   This item is available for citizens to address the Town Council on any matter. The presiding officer may ask the citizen to hold his or her comment on an agenda item until that agenda item is reached. By law, no deliberation or action may be taken on the topic if the topic is not posted on the agenda. The presiding officer reserves the right to impose a time limit on this portion of the agenda.

4. Consent Items
   Any Council member may request an item on the Consent Agenda to be taken up for individual consideration
   E. Resolution No. 21-17 appointment of one member to the Board of Managers of the Denco Area 9-1-1 District
   F. Resolution No. 21-18 declaring certain personal property owned by the Town to be surplus inventory and authorizing the Town Manager to dispose of such property
   G. Resolution No. 21-19 approving the Town of Northlake 2021 Investment Policy
   H. Ordinance No. 21-0610A finding that the settlement agreement between the Town and CoServ Gas LTD is reasonable; ordering CoServ Gas LTD. to implement the rates agreed to in the settlement agreement; requiring reimbursement of town's rate case expenses
   I. Town Council Meeting Minutes 5-27-21

5. Action Items

J. Unified Development Code (UDC) amendments to Section 8.2 Accessory Uses and Structures of Article 8 Special Uses and General Regulations to revise standards related to setbacks and provisions of variances for certain accessory uses and structures. Case #UDC-21-002

i. Public Hearing

II. Ordinance No. 21-0610B

K. Approval of modifying, continuing and/or suspending the First Amended Declaration of Local and Public Health Emergency as modified by the Town Council on April 23, 2020

L. Continue with Declaration of Local Disaster in response to severe weather in Town of Northlake, Texas, ordered by Mayor Rettig on February 22, 2021

6. Tax Increment Reinvestment Zone 1 (Canyon Falls) Board of Directors Meeting

7. Executive Session

Pursuant to Texas Government Code, Chapter 551 the Town Council may convene in executive session to deliberate regarding the following matters:

a. Section 551.071 Consultation with Attorney. The Town Council may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the Town Council seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items:

i. Development of the Hatfield, Brasher, Green tract of approximately 97.9 acres of land west of Faught Road; and

ii. Development and annexation of the Scrivner Tract totaling 44.8 acres of land generally located east of Florance Road approximately 2,533 feet north of FM 407 in the extraterritorial jurisdiction of the Town; and

iii. Development of the IMA and AMI Development Groups tracts on approximately 6.4 acres of land north of FM 407; and

iv. Development of the US Continental Corp. tract on approximately 60.5 acres of land located east of Boss Range Road; and

v. Development of the Westview Trails LLC tracts on approximately 136.0 acres of land located west of Boss Range Road; and

vi. Development of the Oneta Lee Cope Trust tract on approximately 69.0 acres acres of land located west of FM 156; and

vii. Development of the Petrus Investments LP tracts on approximately 559.7 acres of land located east of FM 156; and

viii. Town of Northlake vs. City of Justin, Denton County District Court Cause No. 15-08170-367; and

ix. City of Justin v. Toby Baker, Cause No. D-1-GN-20-002084.

b. Section 551.087 Economic Development Negotiations.

i. Potential amendment to Development Agreement approved October 10, 2020, between Town, EDC and CDC, Foster, Lewis, Gierisch and Weis for a commercial development to be located on approx. 122 acres of land located south of Harmonson Road and north of Dale Earnhardt Way

ii. Potential development agreement between Town, EDC and CDC, and 6McFarm LLC for a commercial development to be located on approx. 252 acres of land located east of Harmonson Road

8. Reconvene into Open Session

In accordance with Texas Government Code, Section 551, the Town Council will reconvene into Open Session and consider action, if any, on matters discussed in Executive Session

9. Adjourn

CERTIFICATION

I hereby certify that the above agenda was posted on the bulletin board at Town Hall 1500 Commons Circle, Suite 300, Northlake, Texas 76226, on the 4th day of June 2021 by 5:00 pm in accordance with Chapter 551, Texas Government Code.

Shirley Rogers

Shirley Rogers, Town Secretary

NOTE: The Town Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by Texas Government Code Section 551.071(Consultation with Attorney); Section 551.072 (Deliberations about Real Property); 551.073 (Deliberations about Gifts and Donations); 551.074 (Personnel Matters); 551.076 (Deliberations about Security Devices); 551.087 (Economic Development Negotiations).

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TOWN OF NORTHLAKE COUNCIL ITEM NO. 1

DATE: JUNE 10, 2021

ITEM: CALL TO ORDER

TOWN OF NORTHLAKE COUNCIL ITEM NO. 2

DATE: JUNE 10, 2021

ITEM: ANNOUNCEMENTS-PROCLAMATIONS-PRESENTATIONS

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: JUNE 10, 2021

REF. DOC.:

SUBJECT: RECOGNITION OF NEW POLICE OFFICERS

Officer Emily Mayberry – graduated from TCC Police Law Enforcement Academy March 12, 2021

Officer Scott Trzebiatowski – graduated from TCC Law Enforcement Academy March 30, 2021

Officer Zachary Rogers - graduated from TCC Law Enforcement Academy June 2, 2021

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: JUNE 10, 2021

REF. DOC.: LOCAL GOVERNMENT CODE, SECTION 102, MUNICIPAL BUDGET

SUBJECT: FISCAL YEAR 2021-2022 CAPITAL IMPROVEMENT PROGRAM BUDGET

GOALS/OBJECTIVES:

- Effectively Manage Public Resources (Council Goal)
- Diversify the Tax Base (Council Goal)
- Operate Efficiently and Effectively (Council Goal)
- Responsibly Manage Growth (Council Goal)

BACKGROUND INFORMATION:

- State Law requires adoption of balanced budget
- Per Northlake Charter, the Manager serves as Budget Officer
- Proposed budget to be presented to Council 60 days before the beginning of Fiscal Year 2021-22
- Capital Improvement Program Summary
    - Capital Funding:
        - $24,065,000 from current sources
        - $400,000 from prior year Development Revenues
        - $7,200,000 from proposed 2021 Certificates of Obligation
        - $2,000,000 in additional funding from the Cost Recovery Fee (Harvest)
        - $22 Million GO Bond Program (over 5 years)
    - Capital Improvement Program:
        - $6,105,000 in current road projects
        - $17,960,000 in current utility projects
        - $400,000 for Development Services Offices
        - $2,000,000 for 0.6 MG Ground Storage Tank
        - $7,200,000 for Catherine Branch Phase 2 Sewer Line
        - $44 Million in Road projects split 50/50 with Denton County
- Future Key Budget Dates:
    - June 24, 2021 – FY 2021 Departmental and Programmatic Budgets
    - July 22, 2021 – FY 2021 Property Tax Rate and Debt Issuance Discussion
    - August 12, 2021 – FY 2021 Proposed Budget Presentation
    - September 9, 2020 – FY 2021 Budget and Tax Rate Adoption

COUNCIL DIRECTION:

- Provide direction and input regarding the Capital Improvement Program


TOWN OF NORTHLAKE
CAPITAL IMPROVEMENT PROGRAM
JUNE 10, 2021
NORTHLAKE
TEXAS

1


TOWN OF NORTHLAKE
CURRENT PROJECTS
JUNE 10, 2021
NORTHLAKE
TEXAS

2

CIP SUMMARY – FUND TYPE

Fund Type	Amount
2016 & 2018 Certificates of Obligation	$12,205,000
2020 Tax Notes	$7,000,000
Cost Recovery Fees	$1,060,000
Roadway Impact Fees	$1,800,000
Sewer Impact Fees	$800,000
Water Impact Fees	$1,200,000
Total	**$24,065,000**

3

PART I: ROADWAY PROJECTS

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4

CIP ROADWAY PROJECTS SUMMARY

PROJECT NAME	PHASE	COMPLETION YEAR	LIFE OF ASSET	FUNDING SOURCE	PROJECT COST	COST-TO-DATE
OLD JUSTIN RD (FAUGHT TO 1,800 FT. EAST)	Construction	2021	20 Years	2016 COs	$503,000	$408,780
ROAD FAILURES (CANYON FALLS AND DALE EARNHARDT WAY)	Construction	2021	20 Years	2016 COs	$602,000	$14,324
FLORANCE ROAD (STRADER TO YARBOUGH)	Design	2022	20 Years	2020 Tax Notes	$2,600,000	$111,904
FAUGHT ROAD (OLD JUSTIN TO ROBSON RANCH)	Design	2022	20 Years	2020 Tax Notes; NW & NE Roadway Impact Fees	$2,400,000	$122,005
TOTAL COST OF CIP PROJECTS					**$6,105,000**	**$657,013**

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5

OLD JUSTIN RD (FAUGHT TO 1,800 ft. EAST)

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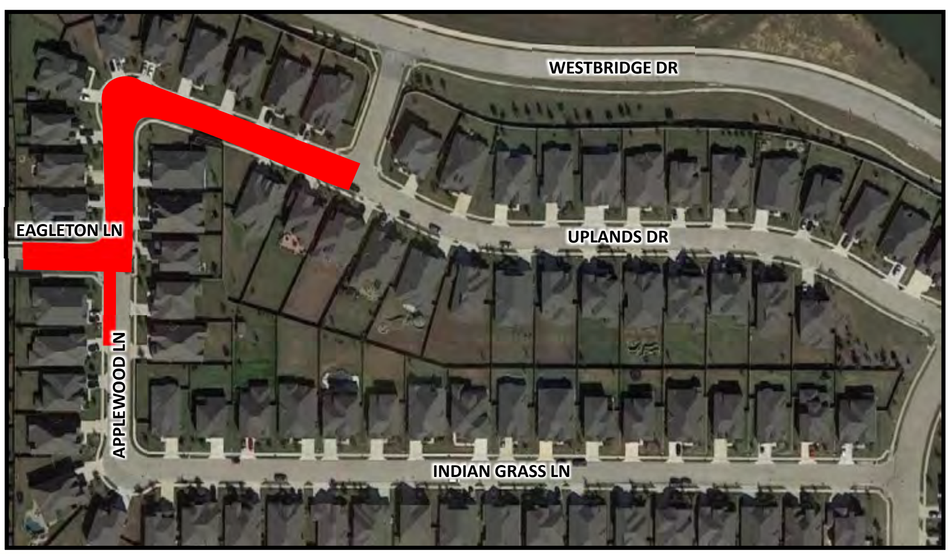
6

OLD JUSTIN RD (FAUGHT TO 1,800 ft. EAST)

Project Scope & Update			
• Reconstruct Old Justin Road from Faught Road to 1,800 ft. east • Improve mobility and mitigate flood risk • Remove and replace existing culvert with a properly sized and aligned culvert			
Project Cost	**Cost-to-Date**	**Status**	**Completion**
$503,000	$408,780	Construction	Sept-2021

7

CANYON FALLS ROAD FAILURES



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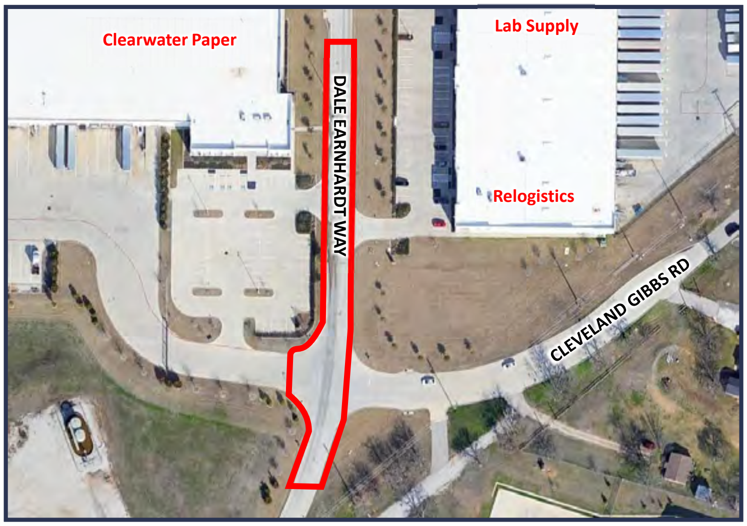
DALE EARNHARDT WAY ROAD FAILURES



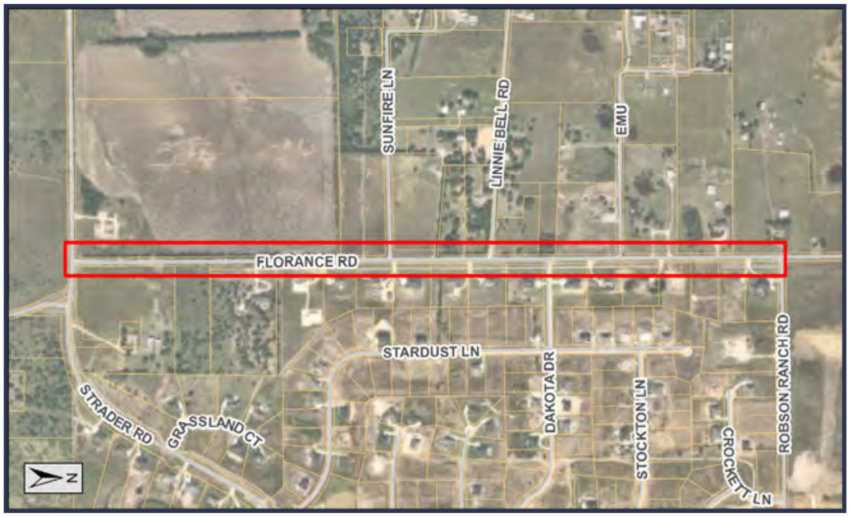
9

ROAD FAILURES

Project Scope & Update			
• Roads within Canyon Falls and on DEW have failed from foundational problems; Town improving these assets to extend long term use; Pursing reimbursement through legal avenues • Repairs will ensure streets remain safe and property values are maintained as the area rapidly develops and approaches buildout • Awaiting schedule from contractor before starting repairs			
Project Cost	**Cost-to-Date**	**Status**	**Completion**
$602,000	$14,324	Construction	Aug-2021

10

FLORANCE ROAD (STRADER TO YARBROUGH)



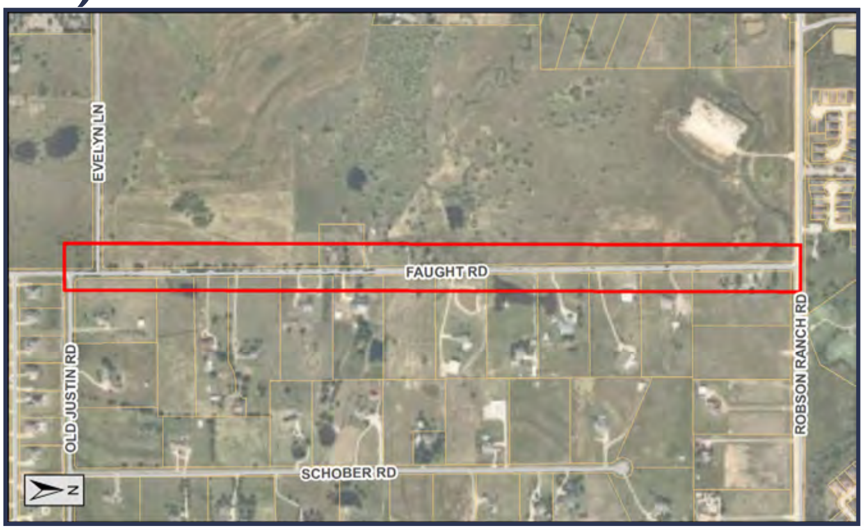
FLORANCE ROAD (STRADER TO YARBROUGH)

Project Scope & Update

- Asphalt and subgrade failures as a result of heavy truck usage make repairs necessary
- Repairs will address problems and strengthen road for heavy use
- Need to acquire right-of-way

Project Cost	Cost-to-Date	Status	Completion
$2,600,000	$111,904	Design	2022

FAUGHT ROAD (OLD JUSTIN TO ROBSON RANCH)



13

FAUGHT ROAD (OLD JUSTIN TO ROBSON RANCH)

Project Scope & Update

- Asphalt and subgrade failures as a result of heavy truck usage make repairs necessary
- Repairs will address problems, strengthen road for heavy use, improve mobility, and mitigate flood risk
- Need to acquire right-of-way

Project Cost	Cost-to-Date	Status	Completion
$2,400,000	$122,005	Design	2022

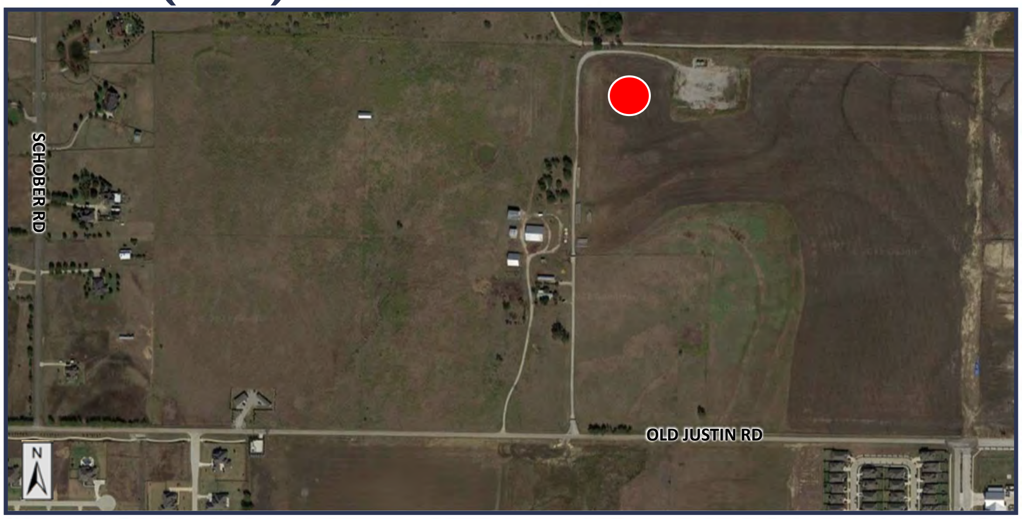
14

PART II: UTILITY PROJECTS

CIP UTILITY PROJECTS SUMMARY

PROJECT NAME	PHASE	COMPLETION YEAR	LIFE OF ASSET	FUNDING SOURCE	PROJECT COST	COST-TO-DATE
1.25 MG NORTH ELEVATED STORAGE TANK & LINE	Construction	2021	30 Years	2018 COs; Cost Recovery Fee	$3,600,000	$2,922,350
0.75 MG SOUTH ELEVATED STORAGE TANK	Construction	2021	30 Years	2018 COs	$2,750,000	$2,345,299
SOUTH PUMP STATION & GROUND STORAGE TANK	Bid Awarded	2022	30 Years	2018 COs	$4,200,000	$0
SOUTH TRANSMISSION LINE	Bid Awarded	2023	30 Years	2018 COs	$1,500,000	$0
SCHOBER AND BINGHAM FIRE PROTECTION LINES	Construction	2021	30 Years	2020 Tax Notes	$300,000	$220,773
NORTH AREA PUMP STATION & SCADA	Construction	2021	30 Years	Cost Recovery Fee	$110,000	$0
CATHERINE BRANCH WATER IMPROVEMENTS	Design	2022	30 Years	2020 Tax Notes; South Water Impact Fees	$1,900,000	$0
CATHERINE BRANCH SEWER IMPROVEMENTs	Design	2022	30 Years	2020 Tax Notes; Sewer Impact Fee	$3,600,000	$102,902
TOTAL COST OF CIP PROJECTS					**$17,960,000**	**$5,591,324**

1.25 MG NORTH ELEVATED STORAGE TANK (EST) & LINE



17

1.25 MG NORTH EST & LINE

Project Scope & Update			
• 1.25-million-gallon elevated water storage tank in the North Pressure Plain • Provide safe and reliable water by expanding water capacity, storage ability, and improve water distribution to resident's homes and commercial businesses			
Project Cost	**Cost-to-Date**	**Status**	**Completion**
$3,600,000	$2,922,350	Construction	Aug-2021

18

0.75 MG SOUTH ELEVATED STORAGE TANK

19

0.75 MG SOUTH ELEVATED STORAGE TANK

Project Scope & Update

- 0.75-million-gallon elevated water storage tank in the Southern Pressure Plain
- Includes Town logo, SCADA design, and geotechnical surveying
- Provide safe and reliable water by expanding water capacity, storage ability, and improve water distribution to resident's homes and to commercial businesses

Project Cost	Cost-to-Date	Status	Completion
$2,750,000	$2,345,299	Construction	Dec-2021

20

SOUTH PUMP STATION & GROUND STORAGE TANK

21

SOUTH PUMP STATION & GROUND STORAGE TANK

Project Scope & Update

- 1.0-million-gallon ground water storage tank and pump for the South Pressure Plain and will have a pumping capacity of 3.1 million-gallons per day
- Allow Town to deliver water to the elevated site and residents
- Expected project start date is March 1, 2021

Project Cost	Cost-to-Date	Status	Completion
$4,200,000	$0	Construction	2022

22

SOUTH TRANSMISSION LINES

23

SOUTH TRANSMISSION LINES

Project Scope & Update

- Extend 16” pipeline from Fort Worth to Town’s south pump station
- Second half of line is a 24” pipeline extending from the discharge station and connecting the Town to the North side of SH114
- Lines will service multiple apartment complexes and communities
- Expected project start date is March 1, 2021

Project Cost	Cost-to-Date	Status	Completion
$1,500,000	$0	Construction	2022

24

SCHOBER & BINGHAM FIRE PROTECTION LINES

25

SCHOBER & BINGHAM FIRE PROTECTION LINES

Project Scope & Update

- Expand fire lines to provide access to fire safety personnel, mitigate risk, and lower insurance rates for residents
- Will help to reduce response times and prevent property damage
- Bingham is about 100% complete and Schober started April 1st

Project Cost	Cost-to-Date	Status	Completion
$300,000	$220,773	Construction	Aug-2021

26

NORTH AREA PUMP STATION & SCADA

27

NORTH AREA PUMP STATION & SCADA

Project Scope & Update

- Will allow the Town to monitor and control system from a central location
- Will help to inform decision making by collecting field information and data from the Town's water storage tanks
- Pump and motor installed; project started April 2021

Project Cost	Cost-to-Date	Status	Completion
$110,000	$0	Construction	July-2021

28

CATHERINE BRANCH WATER IMPROVEMENTS

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NORTHLAKE

29

CATHERINE BRANCH WATER IMPROVEMENTS

Project Scope & Update

- Will incentivize and serve future commercial growth that will help diversify the Town's tax base
- Developers expected to contribute $1.95 million towards water improvements; total cost of water improvements estimated to be $3.8 million

Project Cost	Cost-to-Date	Status	Completion
$1,900,000	$0	Design Review	2023

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30

CATHERINE BRANCH SEWER IMPROVEMENTS

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31

CATHERINE BRANCH SEWER IMPROVEMENTS

Project Scope & Update

- Will incentivize and serve future commercial growth that will help diversify the Town's tax base
- Developers expected to contribute $1.31 million towards sewer improvements; total cost of sewer improvements estimated to be $4.89 million

Project Cost	Cost-to-Date	Status	Completion
$3,600,000	$102,902	Design Review	2023

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32

33

PROPOSED PROJECTS

Project	Funding	Completion	Total
Development Services Office	Development Revenues	2022	400,000
0.6 MG Ground Storage Tank	Cost Recovery Fee	2022	2,000,000
Catherine Branch Phase 2	2021 Certificates of Obligation	2023	7,200,000
Total			9,600,000

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34

DEVELOPMENT SERVICES OFFICE

35

DEVELOPMENT SERVICES OFFICE

Project Scope & Update			
• Will serve as offices for the Development Services department, which will free up additional space at Town Hall • Paid for from development revenues from the past two years			
Project Cost	**Cost-to-Date**	**Funding**	**Completion**
$400,000	$0	Development Revenue	2022

36

NORTH GROUND STORAGE TANK 600 KG

37

NORTH GROUND STORAGE TANK

Project Scope & Update			
• 0.6 MG ground water storage tank (GST), and pump for Phase III improvements of the North Pressure Plain • The location is at the intersection of FM 407 and Thompson Road • Will maintain water pressure and provide water to the residents in the North Pressure Plain including Harvest, The Highlands, Pecan Square, and Prairie View Farms communities			
Project Cost	**Cost-to-Date**	**Funding**	**Completion**
$2,000,000	$0	Cost Recovery	2022

38

CATHERINE BRANCH PHASE 2

39

CATHERINE BRANCH PHASE 2

Project Scope & Update

- Will incentivize and serve future commercial growth that will help diversify the Town's tax base
- Extends the Town's CCN to meet the needs of properties in the ETJ

Project Cost	Cost-to-Date	Funding	Completion
$7,200,000	$0	2021 CO	2023

40

41

PROJECTS WITH DENTON COUNTY

- 50/50 funding from Denton County
- Funded from County Bond Election (November)
- Potential Northlake bond election in May 2022
- Bond program funded over 5 years
- Debt issued as projects scheduled with County

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42

PROJECTS WITH DENTON COUNTY

Project	Northlake	Denton County	Total
Faught Road	3,057,500	3,057,500	6,115,000
Northwest Crossing	825,000	825,000	1,650,000
Strader Road	9,236,500	9,236,500	18,473,000
Whyte Way	5,351,500	5,351,500	10,703,000
Harmonson Road	4,199,000	4,199,000	8,398,000
Total	22,669,500	22,669,500	45,339,000

43

FAUGHT ROAD (OLD JUSTIN TO FM 407)

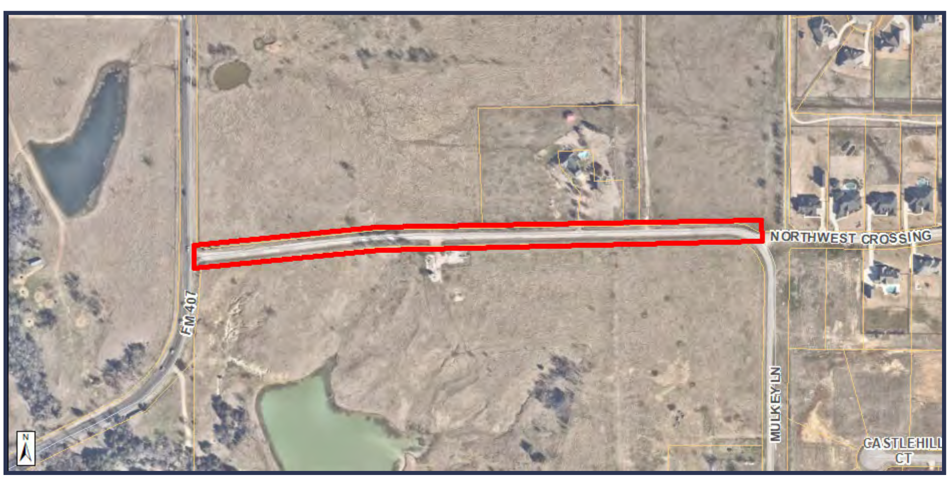
44

FAUGHT ROAD (OLD JUSTIN TO FM 407)

Project Scope & Update	
• Faught Road from Old Justin Road to FM 407 • Previously County maintenance responsibility • Recently annexed by Northlake • Many adjoining properties in ETJ	
Project Cost	**Funding**
$6,115,000	Denton County & GO Bond Program

45

NORTHWEST CROSSING (MULKEY TO FM 407)



46

NORTHWEST CROSSING (MULKEY TO FM 407)

Project Scope & Update	
• Northwest Crossing from Mulkey Road to FM 407 • As Highlands builds out road will see higher usage • Main access point for Outdoor Learning Center • Adjacent properties in ETJ	
Project Cost	**Funding**
$1,650,000	Denton County & GO Bond Program

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47

STRADER ROAD (ROBSON TO FM 156)

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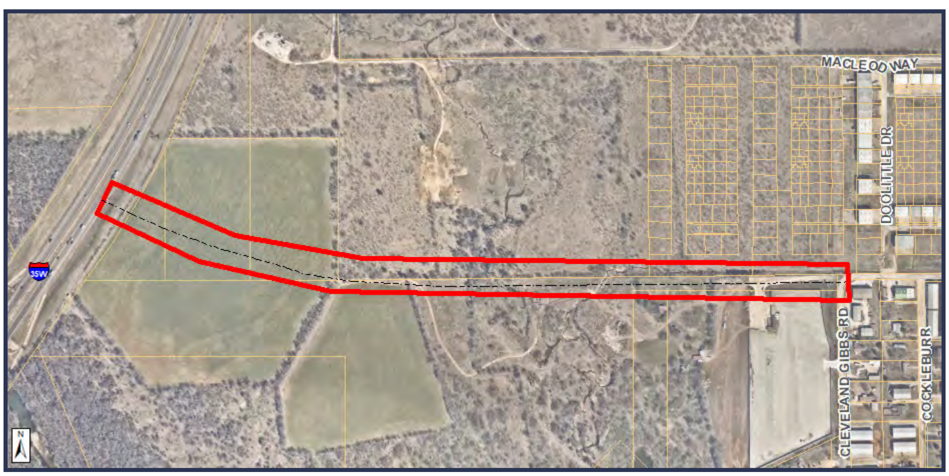
48

STRADER ROAD (ROBSON TO FM 156)

Project Scope & Update	
• Strader Road from Robson Ranch Road to FM 156 • Denton County chipped-seal road in 2018 • Town unable to chip-seal road with current funding • Address intersection issues FM 156 and drainage issues • Many adjoining properties in ETJ	
Project Cost	**Funding**
$18,473,000	Denton County & GO Bond Program

WHYTE WAY(CLEVELAND-GIBBS TO FM 407)



WHYTE WAY(CLEVELAND-GIBBS TO FM 407)

Project Scope & Update	
• Whyte Way new road from Cleveland-Gibbs Road to 35W • Additional access to commercial district • Future connection to I-35W frontage road • Many adjoining properties in ETJ	
Project Cost	**Funding**
$10,703,000	Denton County & GO Bond Program

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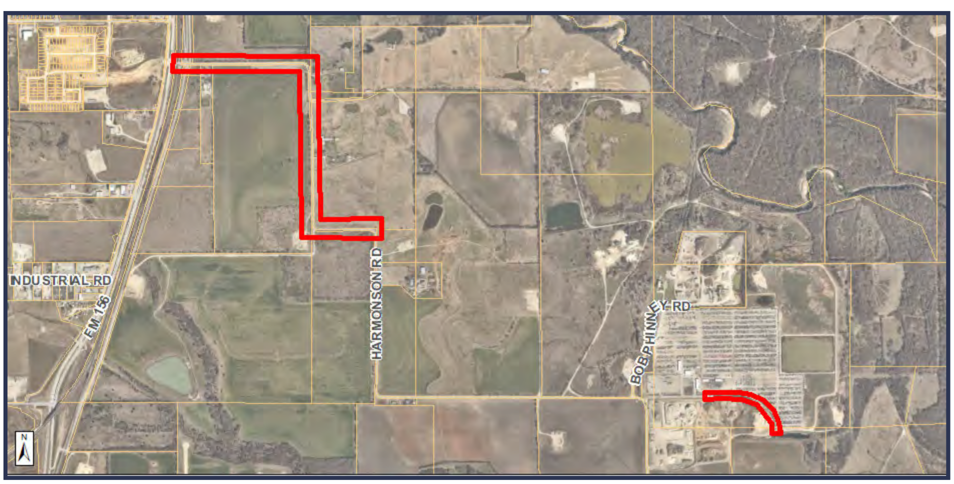
51

HARMONSON ROAD
(DALE EARNHEARDT WAY TO FM 156)



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52

HARMONSON ROAD
(DALE EARNHEARDT WAY TO FM 156)

Project Scope & Update

- Harmonson Road from Dale Earnhardt Way to FM 156
- Excepting developer built sections
- Currently gravel road with multiple drainage issues
- Many adjoining properties in ETJ

Project Cost	Funding
$8,398,000	Denton County & GO Bond Program

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53

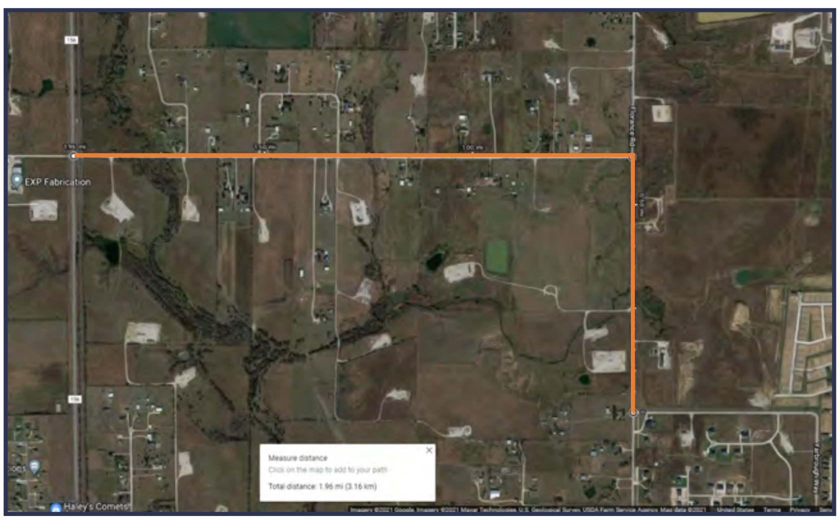
54

FUTURE PROJECTS

Project	Funding	Completion	Total
Northeast Waterline	Utility Fund	2024	3,000,000
Hotel Conference Center	Hotel Fund	2024	4,500,000
Public Works Building	Utility & General Funds	2026	5,000,000
Sewer Trunk Line Phase 1	Utility Fund	2026	15,000,000
Total			27,500,000

55

NORTH AREA WATER LINE (STRADER TO BLAIR)



56

NORTH AREA WATER LINE (STRADER TO BLAIR)

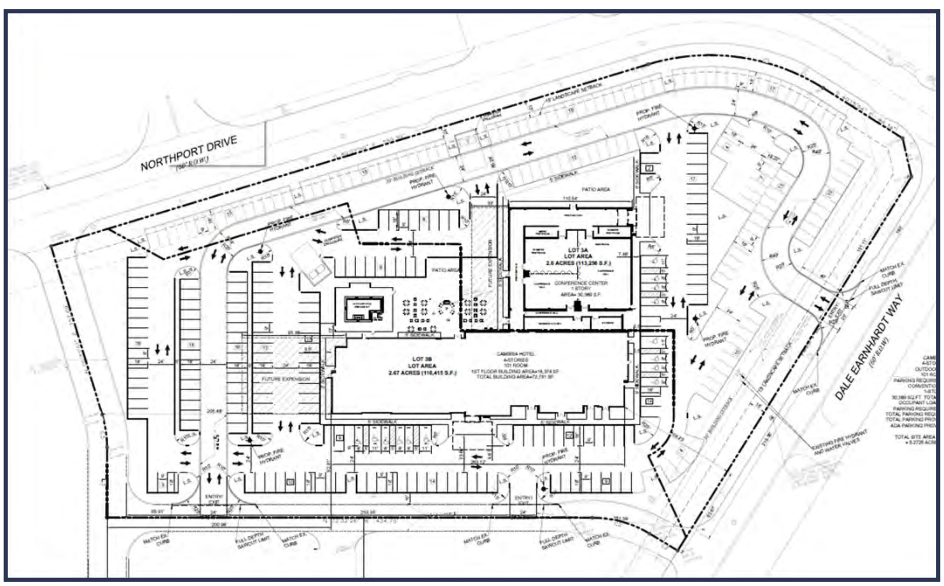
Project Scope & Update

- 16” diameter pipeline connect to north elevated storage tank
- Extend coverage to areas along Strader and Blair Roads
- Potential Upper Trinity partnership for oversizing form 12”

Project Cost	Cost-to-Date	Funding	Completion
$3,000,000	$0	Utility Fund	2024

57

HOTEL CONFERENCE CENTER



58

HOTEL CONFERENCE CENTER

Project Scope & Update			
• Conference center host events, public gatherings • $4.5 Million for design, construction, and finish out • Town ownership upon completion and payment • Hotel management to operate conference center			
Project Cost	**Cost-to-Date**	**Status**	**Completion**
$4,500,000	$0	Hotel Fund	2024

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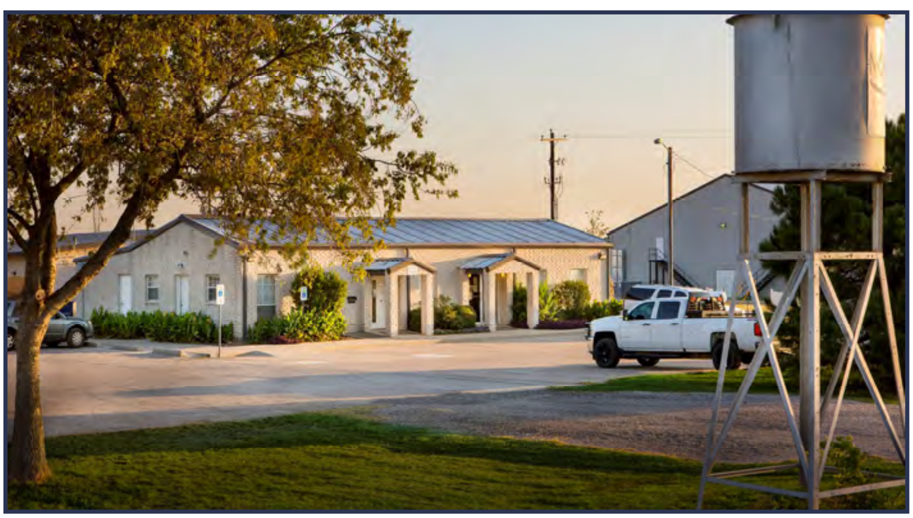
59

PUBLIC WORKS BUILDING



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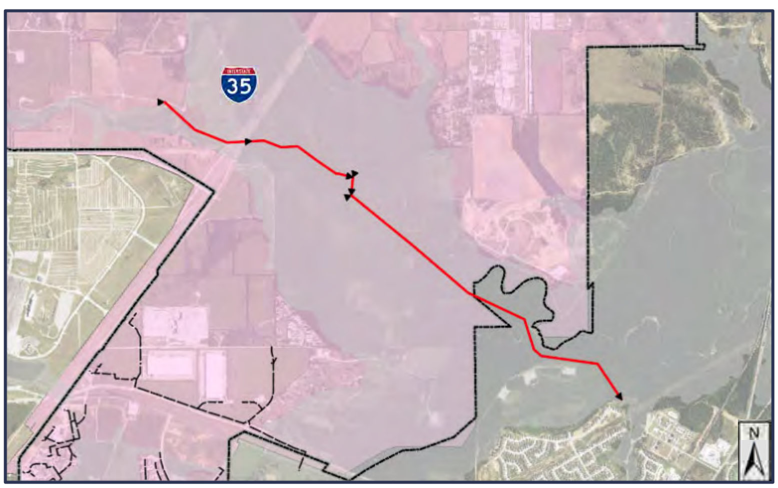
60

PUBLIC WORKS BUILDING

Project Scope & Update			
• Current building site needed for future ground storage tank • New building and equipment barn located at FM 407			
Project Cost	**Cost-to-Date**	**Status**	**Completion**
$5,000,000	$0	Utility & General Funds	2026

SEWER TRUNK LINE PHASE I



SEWER TRUNK LINE PHASE I

Project Scope & Update			
• Accommodate growth and increased sewer flows • Connect Town system to TRA treatment plant in Roanoke • Allow for retirement of wastewater treatment plants: o Pecan Square WWTP o Catherine Branch WWTP (future)			
Project Cost	**Cost-to-Date**	**Funding**	**Completion**
$15,000,000	$0	Utility Fund	2026

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63

KEY BUDGET DATES

Date	FY 2021 Budget
May 13, 2021	Budget Focus and Planning
May 27, 2021	Preliminary Budget with revenue overview and budget requests
June 10, 2021	Capital Improvement Projects and Tax Increment Zone budgets
June 24, 2021	Departmental and Programmatic budgets
July 22, 2021	Property Tax Rate and Financing Discussions
August 12, 2021	Proposed Budget Presentation
September 9, 2021	Budget and Tax Rate Adoption

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64

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: JUNE 10, 2021

REF. DOC.: BYLAWS OF TAX INCREMENT REINVESTMENT ZONE #1, ARTICLE II, SECTION 10

SUBJECT: FISCAL YEAR 2022 TIRZ BUDGET

GOALS/OBJECTIVES:

- Effectively Manage Public Resources (Council Goal)

BACKGROUND INFORMATION:

- December 10, 2015, Council created Tax Increment Reinvestment Zone #1 (TIRZ) in Canyon Falls
- Funded from a portion of the Town's ad valorem tax rate ($0.0909 of the Town's $0.295)
- Utilized to reimburse the developer for an enhanced trail system.
  - Total project costs estimated at $4,790,000:
    - $4,040,000 for trail system
    - $750,000 for maintenance and administration
  - Term of 25 years
- Fiscal Year 2021-2022, only administrative and maintenance costs budgeted
- Town administrative costs include:
  - Budgeting, planning, and auditing of finances
  - Legal posting and meeting requirement compliance.
- Town administrative expenses charged first.
- Remaining maintenance expenses funded by the developer until TIRZ funding available

COUNCIL DIRECTION:

- Recommend approve the Fiscal Year 2022 Proposed TIRZ#1 Budget to Town Council

TOWN OF NORTHLAKE

TAX INCREMENT REINVESTMENT ZONE #1

Fund: 451	FY 2019 Actual	FY 2020 Actual	FY 2021 Budget	FY 2021 Actual 5/31/2021	FY 2021 Projected 9/30/2021	FY 2021 Proposed Budget
BEGINNING FUND BALANCE:	**46,896**	**169,182**	**30,812**	**46,892**	**46,892**	**-**
REVENUES:						
Ad Valorem Taxes	127,027	173,105	235,826	237,204	237,204	281,866
TOTAL REVENUE:	127,027	173,105	235,826	237,204	237,204	281,866
EXPENSES:						
Maintenance	-	130,984	197,215	125,184	125,184	251,866
Services	4,741	12,385	30,000	11,350	30,000	30,000
Capital Outlay	-	152,026	-	128,912	128,912	-
TOTAL EXPENSES:	4,741	295,394	227,215	265,446	284,096	281,866
REV OVER/(UNDER) EXP	122,286	(122,290)	8,611	(28,243)	(46,893)	-
ENDING FUND BALANCE	**169,182**	**46,892**	**39,423**	**18,650**	**-**	**-**

TOWN OF NORTHLAKE

FISCAL YEAR 2022 TIRZ BUDGET

JUNE 10, 2021

1

BACKGROUND

- **Official Name:** Tax Increment Reinvestment Zone #1 (TIRZ)
- **Creation Date:** December 10, 2015
- **Location:** Canyon Falls
- **Funding:** Portion of Town's ad valorem tax rate ($.0909 of $0.295)
- **Purpose:** Reimburse developer for enhanced trail system
- **Term:** 25 Years

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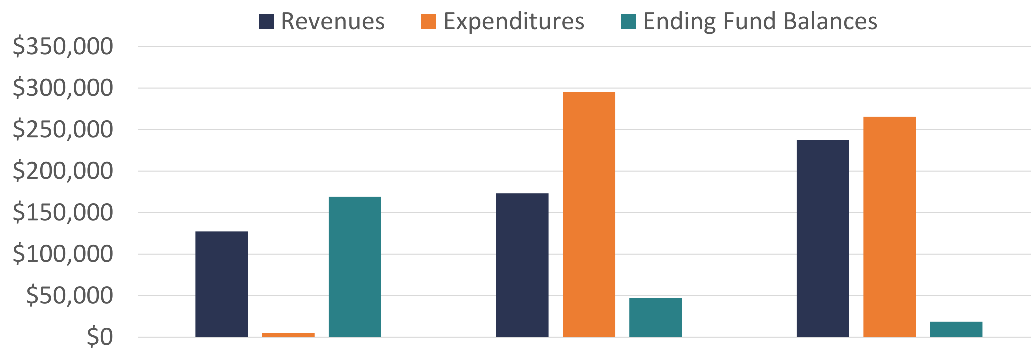
2

REVENUES AND EXPENDITURES



	FY 2019	FY 2020	FY 2021 (5/31)
Revenues	$127,027	$173,105	$237,204
Expenditures	$4,741	$295,394	$265,446
Ending Fund Balance	$169,182	$46,892	$18,650

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3

TRAIL SYSTEM PROJECT COSTS

- **Total Project Costs:** estimated at $4,790,000
  - $4,040,000 for trail system
  - $750,000 for maintenance and administration
- **Fiscal Year 2021-2022**
  - Only administrative and maintenance costs budgeted
  - Town administrative costs include budgeting, financial auditing, legal posting, and meeting compliance
  - Town administrative expenses charged first
  - Remaining maintenance expenses funded by developer until TIRZ funding available

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4

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: JUNE 10, 2021

REF. DOC.: TEXAS HEALTH AND SAFETY CODE, CHAPTERS 363 AND 364; TOWN CODE OF ORDINANCES, ARTICLE 7

SUBJECT: WASTE AND RECYCLING BILLING SERVICES UPDATE

GOALS/OBJECTIVES:

- Operate Efficiently and Effectively; Effectively Manage Public Resources (Council Goals)

BACKGROUND INFORMATION:

- May 2021, Town assumed billing for waste and recycling services from Waste Connections
- Transition resulted in following bill processing changes:
    - Discontinuing quarterly payments and requiring monthly payments
    - Making recycling mandatory and billing trash and recycling as a bundled service
    - Not applying the online service charge
- Transition also revealed 12-15 residents receiving no waste and recycling services
    - Waste Connections did not enforce residents to use their services
- Code of Ordinances, Article 7 and State Health and Safety Codes and environmental regulations:
    - Allow Town to mandate and require waste services, regulations, and service charges
    - Requires residents to have Town-approved garbage container
    - Remove refuse from their property through Town-approved service provider
    - Enforce exclusive use of waste service provider
    - Allows the Town to prohibit burning inside Town limits consistent with Texas Clean Air Act
- Proposal allowing residents to request to opt out of service:
    - File proof of a non-competing service that meets Town and State regulations
    - Including no burning, no storing, and no burying of household waste

COUNCIL DIRECTION:

- Amend article 7.05.008 of the Town's Code of Ordinances to allow method of opting out
- Update article 7.05.007 to follow Council policy making recycling mandatory

TOWN OF NORTHLAKE

TRASH & RECYCLING BILLING SERVICES UPDATE

JUNE 10, 2021

NORTHLAKE TEXAS

1

KEY DATES

February 11 — **Service Provider Selected:** Waste Connections chosen by council to provide waste and recycling

April 1 — **Contract Approved:** The Town and Waste Connections approve contract and Waste Connections begins providing service

Billing Transition Begins: Town staff begin the process of taking on the responsibility of billing for waste and recycling

May 28 — **First Billing:** Residents expected to receive their first waste and recycling bill from the Town with their water bill

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2

BILLING UPDATE

QUARTERLY PAYMENTS DISCONTINUED
Payments for services will be required on a monthly basis;

RECYCLING MANDATORY
Trash and recycling will be billed as a bundled service

SERVICE CHARGE WILL NOT BE APPLIED
Town Council waived the service charge, but the online payment software does not allow the option to remove the charge notification

3

COMPLIANCE - STATE

- **Health and Safety Codes (HSC) & Environmental Rules:**
  - Requires Town to provide waste services for residents (HSC 363.113)
  - Town can adopt regulations for waste collection, handling, transportation, storage, processing, and disposal (HSC 363.111)
  - Town can mandate the use of waste services (HSC 364.034)
  - Town may enact ordinances that permit the burning of waste inside Town limits, consistent with the Texas Clean Air Act, (Tex. Admin. Code 111.219), if the Town does not provide or authorize waste collection service

4

COMPLIANCE - TOWN

- **Code of Ordinances, Section 7.05 Requires:**
  - Town approved garbage container on residential property
  - Removal of garbage and refuse from any premises within Town
  - Services to be provided and enforced by Town contractor

5

COMPLIANCE - PROVIDER

- **Current Compliance**
  - Waste Connections has not enforced requiring residents to use their services and containers to collect and remove waste
  - About 12-15 residents do not use any service

6

PROPOSAL

- **Proposal**: residents requesting to opt out can file proof of non-competing service that meets Town and State regulations, including no burning, no storing, and no burying of household waste
- **Implementation:**
  - Amend article 7.05.008 of the Town's Code of Ordinances to allow for this method of opting out
  - Update article 7.05.007 to follow Council policy making recycling mandatory

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7

TOWN OF NORTHLAKE COUNCIL ITEM NO. 3

DATE: JUNE 10, 2021

ITEM: PUBLIC INPUT

TOWN OF NORTHLAKE COUNCIL ITEM NO. 4

DATE: JUNE 10, 2021

ITEM: CONSENT ITEMS

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: JUNE 10, 2021

REF. DOC.: HEALTH & SAFETY CODE, SECTION 772.106 - BOARD OF MANAGERS

SUBJECT: DENCO AREA 9-1-1 DISTRICT BOARD APPOINTMENTS

STRATEGIC GOALS/OBJECTIVES:

- Operate Efficiently and Effectually, provide needed technology and equipment (Council Goals)

BACKGROUND INFORMATION:

- Two members appointed jointly by all participating municipalities in whole or part of the district
- Term of one of two members appointed by participating municipalities expires on September 30th
- Nominees for expiring two-year term with nominating municipalities:
  - Sue Tejml - Aubrey, Highland Village, Justin, Krugerville, Lewisville, Oak Point, Pilot Point, Bartonville, Dish, Double Oak, Hickory Creek, Lakewood Village, Northlake, Providence Village, Trophy Club
  - Brandon Barth – Flower Mound
  - Mark Klingele – Corinth
  - David Terre – The Colony
- All four candidate's resumes are attached for review

COUNCIL ACTION:

- Appoint Sue Tejml to Board of Managers

TOWN OF NORTHLAKE, TEXAS
OFFICIAL RESOLUTION

No. 21-17

A RESOLUTION FOR THE APPOINTMENT OF ONE MEMBER TO THE BOARD OF MANAGERS OF THE DENCO AREA 9-1-1 DISTRICT.

WHEREAS, Section 772, Health & Safety Code, provides that two voting members of the Board of Managers of an Emergency Communications District shall be appointed jointly by all cities and towns lying wholly or partly within the District;

NOW THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

Section 1
The Town of Northlake hereby **VOTES TO APPOINT** Sue Tejml as a member of the Board of Managers of the Denco Area 9-1-1 District for the two-year term beginning October 1, 2021.

Section 2.
That this resolution shall become effective immediately upon its passage and approval.

PASSED AND APPROVED ON THIS THE 10TH DAY OF JUNE 2021

Town of Northlake, Texas

____
David Rettig, Mayor

Attest:

____
Shirley Rogers, Town Secretary

1500 COMMONS CIRCLE, SUITE 300 • NORTHLAKE, TEXAS 76226

Denco Area 9-1-1 District
1075 Princeton Street • Lewisville, TX 75067
Phone: 972-221-0911 • Fax: 972-420-0709 • DENCO.ORG

RECEIVED
JUN 0 1 2021
BY: S.Rogers

TO: Denco Area 9-1-1 District Participating Municipal Jurisdictions

FROM: Greg Ballentine, Executive Director

DATE: June 1, 2021

RE: Appointment to the Denco Area 9-1-1 District Board of Managers

On March 31, 2021, the Denco Area 9-1-1 District requested municipalities to nominate a representative to the district board of managers for the two-year term beginning October 1, 2021. Denco received the following nominations by the May 31, 2021 deadline:

Nominee	City/Town Making Nomination
Brandon Barth	Town of Flower Mound
Mark Klingele	City of Corinth
Sue Tejml	City of Aubrey City of Highland Village City of Justin City of Krugerville City of Lewisville City of Oak Point City of Pilot Point Town of Argyle Town of Bartonville Town of DISH Town of Double Oak Town of Hickory Creek Town of Lakewood Village Town of Northlake Town of Providence Village Town of Trophy Club
David Terre	City of The Colony

The Denco Area 9-1-1 District requests that each municipality vote for one of the candidates and advise the district of its selection by **5 p.m. on July 30, 2021**. No votes will be accepted after that time. <u>If a nominating municipality does not formally vote, it's nomination will automatically count as a vote for its nominee</u>. Please send a copy of the resolution recording council action. I have attached a sample resolution you may wish to use and resumes for the candidates. Also attached is a list of current board members.

Please send a copy of your council's office action to the Denco Area 9-1-1 District, 1075 Princeton Street, Lewisville, TX 75067 or to Melinda Camp at melinda.camp@denco.org. We will acknowledge receipt of all votes.

Thank you for your assistance in this matter.

Denco Area 9-1-1 District Board of Managers
FY2021

Bill Lawrence, Chairman
- Appointed by Denton County Commissioners Court
- Member since October 2006
- Term expires September 2021
- Former Mayor of Highland Village
- Businessman, Highland Village

Sue Tejml, Vice Chair
- Appointed by member cities in Denton County
- Member since 2013
- Term expires September 2021
- Attorney at Law

Chief Terry McGrath, Secretary
- Appointed by Denton County Fire Chief's Association
- Member since October 2011
- Term expires September 2021
- Assistant Fire Chief, City of Lewisville

Jim Carter
- Appointed by member cities in Denton County
- Member since October 2014
- Term expires September 2022
- President of Emergency Services District #1
- Former Mayor of Trophy Club and Denton County Commissioner

Jason Cole
- Appointed by Denton County Commissioners Court
- Member since October 2020
- Term expires September 2022
- Businessman, Denton

George Karatzis
- Non-voting member appointed by largest telephone company (Verizon)
- Member since 2021
- Serves until replaced by telephone company
- Director, Network Field Engineering, Verizon

All voting members serve two-year terms and are eligible for re-appointment.

Attachment 2

Brandon Barth, CEM®

[redacted]

PROFILE SUMMARY

Results-oriented, dependable professional with 15 years of emergency response and fire rescue experience. Certified and skilled in emergency management, media, and public relations. Possesses superior communication and multi-tasking skills with an acute attention to detail in a fast-paced, high-stress environment.

PROFESSIONAL EXPERIENCE

Flower Mound Fire Department, Flower Mound, TX

Emergency Management Officer — **March 2014-Present**

- Leads, manages, directs, and supervises the functions and programs of the Emergency Management Division.
- Assists in the development, planning, and implementation of Departmental goals and objectives.
- Participates in the development and administration of the Emergency Management Division budget, including the financial planning for staffing, equipment, and supplies for the Emergency Management Division.
- Responds to incidents and provides Emergency Management Support
- Assists the Suppression Division during times of emergency as an officer of the Flower Mound Fire Department
- Manages the Town's Mobile Incident Command Vehicle and supervises the trained driver/operators of the vehicle.
- Serves as the Public Information Officer for the Fire Department, providing news releases/statements, coordinates projects with the Town's Communications Department, and oversees the FMFD website and social media accounts.
- Oversees administrative compliance and scheduling of the AMBUS with the North Central Texas Trauma Regional Advisory Council and the State of Texas Emergency Medical Task Force.
- Serves as the North Central Texas Trauma Regional Advisory Council's Finance Committee Chair Elect.
- Serves as a Medical Incident Support Team member as part of the Texas Emergency Medical Task Force.
- Maintains information and Tier II reports on hazardous materials that are stored in the Town of Flower Mound and project manages hazardous materials spills within the Town.
- Performs various special research projects and responsible for administering special programs.
- Secures technical and financial assistance through grants and Public/Private partnerships.
- Wrote the FY 2018 Staffing for Adequate Fire & Emergency Response (SAFER) Grant and was awarded $2,768,534.25
- Led the Flower Mound Fire Department's COVID-19 vaccination efforts; vaccinating 1,200 people
- Prepares and presents public awareness programs to civic groups, medical facilities, schools, and other organizations.
- Reviews Special Event Permits and works with other Town departments to plan for special events and to prepare Special Event Emergency Operations Plans.
- Examines potential disaster events and evaluates the effect on the Town.
- Produces the Town's Debris Management Plan and master Emergency Operations Plan and 22 supporting Annexes. Plans the Town's response to disasters and ensures that all entities can respond as outlined in the Emergency Operations Plan.
- Serves in the Town's Emergency Operation Center (EOC) as the EOC Manager, if activated.
- Responsible for designing, training, and evaluation of periodic exercises to test elements of emergency plan.
- Provides expert knowledge and advice to operating departments on special conditions and operating requirements that would be imposed by disasters.
- Responsible for ensuring operability of 27 outdoor warning sirens and securing interlocal agreements and easements for the installation of sirens (installed 16 new sirens since 2014).
- Manage the Town's Everbridge emergency notification system.

Brandon Barth, CEM®

[redacted]

- Serves as liaison with community, state and federal authorities concerned with disaster planning, response, and recovery.
- Responsible for seeking FEMA reimbursement post-disaster or reimbursement from the State of Texas post-deployment of Town resources to other disaster or emergency events; over $1.3 million in the last 3.5 years
- Secured Homeland Security grant funding for a debris response trailer for the Town's Public Works Department as part of the region's Public Works Emergency Response Team
- Serve as the co-chair for the North Central Texas EOC Support Team

Allied International Emergency, LLC – Fort Worth, TX **May 2011- March 2014**

Operations Manager **September 2013-March 2014**

•Managed the daily operations and supervised a staff of 8 employees for the Allied International Emergency's corporate branch.
•Oversaw 500+ annual hazardous materials and environmental remediation projects daily in a rapid paced environment with multiple deadlines.
•Prepared bids and proposals to current and future customers.
•Ensured that all supplies and equipment at the facility are in a constant state of operational readiness.
•Provided response and laboratory reports to customers as well as state regulatory agencies regarding hazardous material/environmental incidents.
•Executed service agreements with new customers during numerous emergency responses.
•Maintained an up-to-date survey that tracks employees' training, certifications, fit tests, and physical exams to ensure conformance with OSHA regulations.
•Conducted training classes for employees and customers on subjects such as hazardous materials, confined space entry, and fall protection.

Project Manager **May 2011-September 2013**

•Managed personnel at various types of hazardous materials and environmental incidents ranging from tractor-trailer accidents to chemical plant fires per OSHA 1910.120 and requiring travel to various cities and states on a moment's notice.
•Supervised projects through the emergency response, mitigation, remediation, and closure phases.
•Oversaw the decontamination of Naturally Occurring Radioactive Materials (NORM) as a Radiation Safety Officer.
•Performed confined space entry and confined space rescue standby as outlined by OSHA 1910.146.
•Interacted with customers as well as state regulatory agencies such as the Texas Railroad Commission and the Texas Commission on Environmental Quality during hazardous materials incidents as well as environmental emergencies.
•Responsible for the profiling and disposal of hazardous, non-hazardous, and RCRA E&P exempt waste streams.
•Conducted sampling of water, air, and soil to determine potential contamination.
•Wrote policies for new hires to the company.

Attachment 2

Brandon Barth, CEM®

[redacted]

Baldwin County Fire Rescue – Milledgeville, GA **January 2005- March 2011**

Full-time Firefighter/Public Information Officer **January 2007-March 2011**

•Presented a marketing/communications plan to the department's executive staff, thus creating the position of a PIO as well as creating the department's social media accounts.
•Conducted interviews with local media outlets: newspaper, radio, and TV.
•Wrote news releases and operated the department's social media site.
•Redesigned the department's report writing system and making a quick reference guide to assist those.
•Worked in conjunction with the Executive Staff of the fire department in projecting their message to the public.
•Assisted with grant and compliance research on behalf of the executive staff.

•Worked 24-hour shifts; responding to various types of emergency incidents including emergency medical calls, vehicle accidents, and fires.
•Served as the acting-officer in charge; certified through the National Professional Qualifications Pro Board as a Fire Officer 1; overseeing the day-to-day tasks and emergency operations of the on-duty personnel when the shift officer was absent.
•Served as part of the regional Hazardous Materials Team; certified through the National Professional Qualifications Pro Board as a Hazardous Materials Technician
•Assisted in the training of firefighters; certified through the National Professional Qualifications Pro Board as a Fire Instructor 1.
•Provided fire safety demonstrations and classes to children in the local school system.
• Conducted pre-incident/safety inspections of commercial properties to assess dangers and to determine proper mitigation procedures based on building layout, hazards, and building construction.
• Drove and operated fire apparatus to include engines, tankers, aerials, and rescue trucks.
• Awarded Firefighter of the Year – Baldwin County Fire Rescue 2008-2009.

Part-time/Volunteer Firefighter **January 2005-January 2007**

While pursuing bachelor's degree, worked part-time covering shifts for full-time personnel who were on leave. Was entrusted to work alone at stations in rural parts of the county that only had one person on-duty during a shift. Maintained attendance in more than 80% of emergency calls and training drills and responded to emergencies via notification by pager.

EDUCATION

Bachelor of Business Administration, International Business
Georgia College & State University - Milledgeville, GA May 2007

PROFESSIONAL CERTIFICATIONS

Certified Emergency Manager, International Association of Emergency Managers
Fire Service Chief Executive Officer, Texas A&M Engineering Extension Service
Advanced Professional Series, Federal Emergency Management Agency
Professional Development Series, Federal Emergency Management Agency
Amateur Radio License, Federal Communications Commission
Advanced Structural Firefighter, Texas Commission on Fire Protection
Advanced Fire Investigator, Texas Commission on Fire Protection

Attachment 2

Brandon Barth, CEM®

[redacted]

Fire Officer IV, IFSAC/Texas Commission on Fire Protection
Fire Instructor II, IFSAC/Texas Commission on Fire Protection
Incident Safety Officer, IFSAC/Texas Commission on Fire Protection
Hazardous Materials Operations, IFSAC/Texas Commission on Fire Protection
Firefighter II, IFSAC/Texas Commission on Fire Protection
Emergency Medical Technician-Basic, National Registry and Texas Department of State Health Services
Wildland Firefighter, Texas Commission on Fire Protection and Texas A&M Forest Service
ICS 100, 200, 300, 400, 700, and 800, Federal Emergency Management Agency

AWARDS AND COMMENDATIONS

North Central Texas Council of Governments Regional Service Excellence Award
International Association of Fire Chiefs Ready, Set, Go! Excellence Award
Van Zandt County, TX Tornado Deployment Ribbon
Hurricane Harvey Deployment Ribbon
Flower Mound Fire Department "All In" Award
Hurricanes Marco & Laura Deployment Ribbon
El Paso, TX COVID-19 Deployment Ribbon

Mark C. Klingele

2711 Vistaview Dr.   Corinth, TX 76210   Tel. 940.395.0846   mcklingele3@gmail.com

Objective

To be a valuable team member with an organization that is respected worldwide.

Experience

University of North Texas   1/2012 - 12/2019

- Adjunct Professor
- Design, develop and teach courses in within the Alternative Dispute Resolution Program.

Denton Fire Department   4/1983 – 7/2014

- Deputy Fire Chief, Captain, Driver/Operator, and Fire Fighter.

United States Air Force Active and Reserves 8/1977 - 5/1988

- Crash/Fire Rescue Fire Fighter, Driver/Operator, Station Captain, and Communications.

Education

University of North Texas   2002 - 2011

▪ 2011 Alternative Dispute Resolution	University of North Texas
▪ 2007 Master of Business Administration	University of North Texas
▪ 2002 Bachelor of Business Administration	University of North Texas
▪ 2002 Staff and Command	Maryland Fire & Rescue Inst.

National Fire Academy   3/2008

▪ 2008 Executive Fire Officer	National Fire Academy

TCFP Certifications

- Master Firefighter, Fire Service Instructor II, Driver/Operator, and ARFF

Skills

During my more than 31 years of municipal government experience I spent more than 5½ years managing a large organization including supervising more than 142 employees in communications, emergency medical intervention, emergency scene mitigation, financial management, budgeting, strategic planning, and emergency management. My certifications from Texas Commission on Fire Protection are currently inactive due to my retirement and should be able to renew based on affiliation. Since I obtained my Dispute Resolution Certificate from UNT I have had the opportunity to hone my negotiation, mediation, and problem solving skills through and in conjunction with the University of North Texas. As an Adjunct Professor I have become very comfortable in front of people and am able to handle any public speaking request.

Sue Rosson Tejml

stejml@aol.com **Cell: 940-368-1085**
835 Orchid Hill Lane, Argyle-Copper Canyon, TX 76226-4526
Photo: March 2019 – photograph by Bill Castleman

PERSONAL: Native Texan; Copper Canyon resident last 31 years
Three adult children, seven grandchildren (ages 8-33)
Married 60+ years to Emil Tejml (engineer & attorney)
(In case you wondered, his Czech name rhymes - A mull TAY mull.)
With corporate moves - we have lived in 4 states, 6 Texas cities, and worked abroad
Stay-at-home mother, until I became an attorney at age 40.

EDUCATION: University of Texas at Austin (B.A. History)
Texas A&M University at Kingsville (M.A. History)
Rice University (full scholarship for Ph.D. History, lack dissertation for Ph.D. degree)
New York University Law School: 2 years, Top 10 United States Law School
University of Houston Law School (LL.B. Degree.)

MAYOR: Town of Copper Canyon for 14 years; re-elected unopposed 7th term 2017-2019

2004 Master Plan: Maintained Rural Feeling of Town north of FM 407 Town Center!
MINIMUM ONE ACRE home lots for 15 years! 2019: 42% Town is Ag Exempt with fields, trees!

"What's Happening in Copper Canyon" For 14 years I have personally written this Monthly Mayor's Column in the *Cross Timbers Gazette*, a local newspaper with 47,000 circulation. (Second in circulation in Denton County only to the *Dallas Morning News.)* My attempt to keep residents informed of events in our Town and subjects of general interest in our area – roads, water, gas well drilling, etc. Government **transparency** is my primary goal!

Argyle Volunteer Fire District Board (Served 14 years, 2005 to 2019)

Denton County Emergency Services District #1 Our small town's dilemma was inability to adequately fund emergency services. ESD's Founding Committee's task was to educate residents on the benefits of an ESD. The ESD would collectively provide emergency fire and ambulance medical services to the towns of Argyle, Bartonville, Copper Canyon, Corral City, Northlake, and FWSD #6 and #7 in Lantana. But a specific property tax would be needed to fund it. ESD#1 was created in 2006 by a **62% positive vote in a district-wide special election over 65 square miles. Citizens voted themselves a tax increase for the specific benefit of Emergency Fire & Medicine.**

Neighborhood Watch and Crime Prevention
Copper Canyon does not have a police department. Resident Block Captains were recruited for all 40 streets in town. Our Town Council contracted with the Denton County Sheriff for Deputies dedicated to Copper Canyon. Every shift a Deputy drives each street in Copper Canyon at least once and provides Rush Hour Traffic Patrol. **Result is a virtually crime free community for past decade!**

***Dallas Morning News:* Copper Canyon named one of 10 Best Communities in DFW Metroplex!**
Spring 2016. Town rated #6 for safety – a prime concern for all individuals and families!

Maintained Same Low Tax Rate for 6 Years (2014-2019): .297505 includes road bond. Under spend budget each fiscal year. Roll budget surplus into Road Fund or Crime Prevention Fund.

2009 Road Taskforce: Composed of one person from almost all 40 roads in Town. **Town Wide Election** approves $2.5 million bond to rebuild 90% of 25-35 year old asphalt interior residential roads. **Standard & Poors rating AA- (now AA+.) Denton County funds $14 million to rebuild perimeter commuter roads through Town in concrete:** Copper Canyon Rd, Orchid Hill Ln, Chinn Chapel Rd.

Drafting Committee: 2010 "Best Practices for Municipalities and Gas Pipelines"
A collaborative effort of Denton County Mayors, Commissioners Court, and the Texas Pipeline Association. Goal was to **expedite safe pipeline construction**, but with a **minimal impact** on landowners, local businesses, and future development plans of each city. All affected parties signed!

Copper Canyon sponsors Annual Denton County Mayors Crime Luncheon: 7 years (2012-2019)
Goal was to coordinate information on area crime between the Denton County Mayors, their Police Chiefs, Denton County Sheriff's Office, Commissioners Court, Legislative representatives, and our Congressman Michael Burgess. **CoServ** Co-Sponsors this annual event with food & financial funds!

DENCO 911: Vice Chair, Board of Managers. 8 years (2013-2021.) Elected to 4 terms by 32 Denton County city members. 2019 re-elected by unanimous vote of 24 of 28 City Councils voting. Personally update 8 city councils each year on our **outstanding Denco 911 District! Recognized nationally!**
NENA - National Emergency Number Association: Attended 5 Texas & 5 National Conferences.

LEGAL: **Solo Attorney 15 years:** General Civil Practice - family law, oil & gas, wills, probate, contracts
Matagorda County Bar Association - President,
Texas State Bar - CLE Committee, District 5 Admissions, Texas Bar Foundation Life Member

FAMILY LAW: **State Bar Board Certified in Family Law** 10 years – Divorce and Child Custody
Texas Supreme Court: Committees on Child Support Guidelines and on Child Visitation Guidelines

MUNICIPAL: **Bay City, Texas: City Attorney** - 6 years. Estimated 18-20,000 population.
Municipal Prosecutor & Legal Advisor to Police Department
Home Rule Charter: City wide elected Public Office, Co-Chairman

VOLUNTEER: **Denton County CASA - Court Appointed Special Advocate for Abused Children**
Denton County Children's Advocacy Center - Gave $10,000 for new Office
HUG Romania – Volunteer in a Romanian orphanage for 3 weeks.

INTERESTS: **Home Design**: Designed 5 of our family homes, including last one in Copper Canyon
Misc.: Computer, cooking, dollhouse miniatures, hunting, organic gardening, new science
Read: Biography, history, current political and global events, 1800's British romance novels

TRAVEL: **Selected "Eisenhower People to People Ambassador"** – Texas Representative to China's Department of Justice. One-month tour of China for 50 United States women attorneys & judges.

Visited for a week to a month each: Alaska, Australia, Bermuda, Beirut, Canada, China, Czech Republic, England, France, Germany, Greece, Hawaii, Ireland, Italy, Japan, Mexico, Norway, Romania, Russia, Saudi Arabia, Scotland, Singapore, South Korea, Switzerland, Tahiti, Turkey, Venezuela, Wales.

Hope to visit: Africa, Argentina, Brazil, Egypt, India, Israel, New Zealand, Peru, Tasmania, Yangtze River. Love travel in our beautiful United States! Especially Texas Hill Country-Padre Island! Wish to see Big Bend!

David Terre

3941 Teal Cove
The Colony, Texas 75056
972-740-4526
terre.david@yahoo.com

OBJECTIVE

If elected to a fourth term, I will continue to work hard, be organized, use common sense, and always apply the golden rule. This approach has enabled me to make significant contributions during my previous three terms.

EDUCATION

Drake University/ Moberly Community College

BS-Business Administration and a Minor in economics

EMPLOYMENT HISTORY

Vice President of Sales | Wilson Sporting Goods

Retired

46 Year Career

Successfully retired after a wonderful 46 year career where I rose through the ranks to become Vice President of Sales responsible for all domestic sales.

- Directed European Sales Operations while living in Germany
- Experience in Marketing
- Achieved successful coordination of new product introductions
- Managed West Coast Distribution Operations

LEADERSHIP

The Colony City Council

2011-Present

- 2011 - Received the honor of being elected Mayor Pro Tem during my first term on City Council
- 2012 - Appointed to the Local Development Corporation Board of Directors to oversee new Grandscape (Nebraska Furniture Mart) Development
- 2013 - First Council Member from The Colony, Texas to be elected and serve on the Denton County Tax Appraisal District Board of Directors
- 2020 - Reelected to a 4th term on City Council receiving 86% of the total vote

The Colony Planning & Zoning Commission

2008-2011

- Served as Vice Chair

See reverse

HONORS

- 1982 – Drake University Basketball Hall of Fame
- 1994 – Moberly Community College Basketball Hall of Fame
- 1995-2003 – Three-time Senior Olympics Gold Medal Winner for USA Basketball Team
- 1999 – Wilson Wall of Fame Honor
- 2007- Moberly Community College Outstanding Alumni of the year
- 2013 –Washington High School Hall of Fame
- 2018 –Roaring Lambs Hall of Fame

DCAD ACCOMPLISHMENTS

I have worked with my fellow Board Members to achieve the following meaningful results:

- Ensure a Quorum is established by being present at each meeting while achieving perfect attendance record.
- Make informed decisions doing the necessary preparation prior to each meeting
- Assisted in developing an Annual Operating Budget to ensure spending stays within budgeted funds while always looking for opportunities to reduce expenses
- Participate in the development and evaluation of the Chief Appraisal Officer each year
- To better serve Denton County Property owners, opened a convenient offsite location in the Lewisville Career Center to handle property tax protests
- Launched an online service permitting property owners to file property tax protests electronically
- Implemented a successful, structured flex work schedule as a benefit and morale Booster for ALL employees

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: JUNE 10, 2021

REF. DOC.: TEXAS LOCAL GOVERNMENT CODE CHAPTER 253

SUBJECT: SURPLUS INVENTORY DISPOSAL

STRATEGIC GOALS/OBJECTIVES:

- Effectively Manage Public Resources

BACKGROUND INFORMATION:

State law allows municipalities to dispose of surplus property and allows the governing body to designate who is responsible for disposition of the surplus property by auction, destruction, or donation.

Surplus property includes:

- Outdated computer equipment

COUNCIL ACTION:

- Approve resolution and authorize the Town Manager to dispose of the property

TOWN OF NORTHLAKE, TEXAS
OFFICIAL RESOLUTION

No. 21-18

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, DECLARING CERTAIN PERSONAL PROPERTY OWNED BY THE TOWN TO BE SURPLUS PROPERTY AND AUTHORIZING THE TOWN MANAGER TO DISPOSE OF SUCH PROPERTY

WHEREAS, The Town Council of the Town of Northlake, Texas, has determined that certain personal property owned by the Town in the form of certain equipment is no longer needed; has been replaced by other equipment; and is no longer necessary for the Town's current or foreseeable needs; and

WHEREAS, such surplus property, while no longer being of value or benefit to the Town, may be of benefit or value to some other person or entity; and

WHEREAS, the Texas Government Code authorizes the Town to dispose of surplus proper.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

SECTION 1. The Town Council hereby finds and determines that the property identified on the attached Exhibit "A", which is hereby incorporated and made part of this Resolution as if set forth fully at length is no longer necessary for the operations of the Town of Northlake and is hereby declared to be surplus property in accordance with the Texas Government Code.

SECTION 2. The Town Manager is hereby directed to take all reasonable steps to dispose of such items of surplus property and the proceeds there from shall be deposited to the General Fund or appropriate fund.

PASSED AND APPROVED ON THIS THE 10th DAY OF JUNE 2021

Town of Northlake, Texas

____
David Rettig, Mayor

Attest:

____
Shirley Rogers, Town Secretary

1500 COMMONS CIRCLE, SUITE 300 • NORTHLAKE, TEXAS 76226

TOWN OF NORTHLAKE, TEXAS
OFFICIAL RESOLUTION

EXHIBIT "A"

Type	Brand	Model	Serial Number
Laptop	Dell	Latitude E5510	42088N1
Router	SonicWall	NSA 250M APL25-090 D-12247	C0EAE42FD6E0
Hard Drive	Dell	Cheetah 15K.7	6SLA7JPW
Ethernet Switch	Trendnet	TE100-S5	RA130S503123
LCD Monitor	Dell	E2209Wc	CN-0F180G-64180-942-0L2L
Desktop Tower	Dell	OptiPlex 550	J67BM2
Desktop Tower	Dell	OptiPlex 3020	H9JB32
Desktop Tower	Dell	OptiPlex 3020	BX1PD42
LCD Monitor	Dell	E2210c	MX-0P587R-70715-09F-0DQS
Switchboard	Dell	PowerEdge R200	2686823857
Desktop Tower	Dell	OptiPlex 3020	BX2PD42
Desktop Tower	Dell	PowerEdge 840	DV8CH1
Laptop	Dell	Latitude E6540	9XBF12
Laptop	Dell	Latitude E6540	BDRBF12
Laptop	Dell	Latitude E6540	FDNTM72
Desktop Tower	Dell	OptiPlex 3040	CJ91D82
Laptop	Dell	Latitude E6530	HK4YRY1
Docking Station	Panasonic	CF-VEB311	AB34567898BTSB27448
LCD Monitor	Dell	E22HVf	CN-0X89J3-78272-478-CP4B
LCD Monitor	Dell	E2214Hb	CN-0F4WW6-74261-4A3-6JUU
LCD Monitor	Dell	HDXVSK2	CN-0KH0NG-QDC00-7AG-4VHI-A02
LCD Monitor	Dell	P2210Hc	FFQ-00000004A37G01202-099Y01080-A
Sound Bar	Zylux	AX510	CN-0C730C-71623-9AN-491

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: JUNE 10, 2021

REF. DOC.: TEXAS REVISED CIVIL STATUES ANNOTATED, ARTICLE 4413 (34C) AND 2256

SUBJECT: NORTHLAKE INVESTMENT POLICY

GOALS/OBJECTIVES:

- Effectively Manage Public Resources (Council Goal)

BACKGROUND INFORMATION:

- State requirement to adopt an investment policy each year
- Policy updated to meet all current state and federal regulations
    - No changes to state regulations since last year
- Policy also updated to include any changes made to Town's financial structure
    - Town's fund structure update to include all funds in pooled cash

COUNCIL DIRECTION:

- Approve Investment Policy

TOWN OF NORTHLAKE, TEXAS
OFFICIAL RESOLUTION

NO. 21-19

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, APPROVING THE TOWN OF NORTHLAKE INVESTMENT POLICY

WHEREAS, the Town of Northlake, Texas, acknowledges the high priority of providing the necessary guardianship of public funds in the municipal sector; and

WHEREAS, the Town Council expressly intends to set high fiscal standards, delegate treasury and investment duties to appropriate officials, and to review the actual performance at regular intervals; and

WHEREAS, the Town Council hereby intends to implement investment requirements set forth in Texas Revised Civil Statues Annotated, Article 4413 (34c) and 2256.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

SECTION 1. The Town Council has reviewed and hereby adopts the Town of Northlake Investment Policy June 10, 2021, including all revisions and changes required under State law or recommended by Town staff. This investment policy replaces the investment policy dated June 2020.

PASSED AND APPROVED ON THIS THE 10TH DAY OF JUNE 2021

TOWN OF NORTHLAKE, TEXAS

____
David A. Rettig

ATTEST:

____
Shirley Rogers, Town Secretary

1500 COMMONS CIRCLE, SUITE 300 • NORTHLAKE, TEXAS 76226

INVESTMENT POLICY
TOWN OF NORTHLAKE, TEXAS

I. POLICY STATEMENT

It is the policy of the Town that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the Town and conforming to all applicable state statutes governing the investment of public funds.

The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. It is the intent of the Town to be in complete compliance with local law and the Texas Public Funds Investment Act (the “Act”). The earnings from investment will be used in a manner that best serves the interests of the Town.

II. SCOPE

This investment policy applies to all the financial assets and funds of the Town. The Town commingles its funds into pooled investment accounts for investment purposes for efficiency and maximum investment opportunity. These funds are defined in the Town's Comprehensive Annual Financial Report (CAFR) and include:

General Fund
Debt Service Fund
Utility Funds
Hotel Occupancy Tax Fund
Economic Development Corporation Fund
Community Development Corporation Fund
Special Court Revenue Funds
Donations Fund
Seizure Fund
Internal Service Funds
Water, Sewer, and Roadway Impact Fee Funds
Capital Improvement Projects Funds
Public Improvement District Fund

Any new funds created by the Town unless specifically exempted by the Town Council and this policy.

III. OBJECTIVES AND STRATEGY

It is the policy of the Town that all funds shall be managed and invested with six primary objectives, listed in order of their priority: safety, suitability, liquidity, diversification, yield and marketability. Investments are to be chosen in a manner which promotes diversity by market sector, credit and maturity. The choice of high-grade government investments and high-grade money market instruments are designed to assure the marketability of those investments should liquidity needs arise. To match anticipated cash flow requirements the maximum weighted average maturity of the overall portfolio may not exceed six months. However, under certain market conditions the Investment Officer or authorized delegates may need to shorten or lengthen the average life or duration of the portfolio to protect the Town’s investment portfolio.

Safety of Principal
Safety of principal is the foremost objective of the Town. Investments of the Town shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Suitability
All investments authorized in the Town's Investment Policy are suitable for the Fund types listed in Section II of the policy.

Liquidity
The Town's investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated.

Diversification
Diversification of the portfolio will include diversification by maturity and market sector and will include the use of a number of broker/dealers for diversification and market coverage. Competitive bidding will be used on each sale and purchase.

Yield
The Town's investment portfolio shall be designed with the objective of attaining a market rate of return, taking into account the Town's risk constraints and the cash flow needs of the portfolio. "Market rate of return" may be defined as the average yield of the current six-month U.S. Treasury Bill.

Marketability
Securities with active and efficient secondary markets are needed in the event of an unanticipated cash requirement.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The Town shall maintain a comprehensive cash management program which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services.

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the "Act"). The Act is attached as Exhibit A. The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public fund deposits. All investments will be made in accordance with these statutes.

V. DELEGATION OF INVESTMENT AUTHORITY

The Town Administrator or his/her designee, acting on behalf of the Town, is designated as the Investment Officer of the Town and is responsible for ensuring that the investment management decisions and activities are conducted in accordance with the Town's Investment Policy. The Administrator is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall ensure that periodic training in investments for all involved in the investment process is provided through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the Town's investment personnel making investment decisions in compliance with the Act.

The Investment Officer shall ensure that all involved in the investment process, to include investment committee members, comply with the ethics guidelines in the Act and disclose any conflicts of interest or personal business relationships that may exist.

The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy. Procedures will include reference to safekeeping, require and include the "Bond Market Master Repurchase Agreements" (as applicable), wire transfer agreements, banking services contracts, and other investment related activities.

The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. The Investment Officer shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer is not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and the procedures established.

Authorization Resolution

A Trading Resolution is established with this investment policy and attached hereto, authorizing the Investment Officer to engage in investment transactions on behalf of the Town. The persons authorized by the Trading Resolution to transact business for the Town are also authorized to approve wire transfers used in the process of investing.

VI. PRUDENCE

The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. This standard states:

> "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived."

Monitoring of Investment Portfolio

The Investment Officer shall monitor the investment portfolio and shall keep the Council informed of significant declines in the market value of the Town's investment portfolio. Information sources may include financial/investment publications, depository banks, commercial or investment banks, financial advisors, and representatives/advisors of investment pools or money market funds. Monitoring shall be done monthly, or as often as economic conditions warrant by using appropriate reports, indices or benchmarks for the type of investment. Upon awareness by investment staff of a downgrade in an investment in the Town's portfolio, prudent measures shall be taken to liquidate a investment that is downgraded to less than the required minimum rating.

Limitation of Personal Liability

The Investment Officer and those delegated investment authority under this Policy, when acting in accordance with the written procedures and this Policy and in accord with the Prudent Person Rule, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

VII. INTERNAL CONTROLS

The Investment Officer shall establish a system of written internal controls which will be reviewed annually with the independent auditor of the Town. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the Town.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of the Town. Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

VIII. AUTHORIZED INVESTMENTS

Acceptable investments under this policy shall be limited to the instruments listed below and as further described by the Public Funds Investment Act.

A. Obligations of the United States Government, its agencies and instrumentalities, and government sponsoring enterprises, not to exceed two years to stated maturity, excluding collateralized mortgage obligations (CMOs);

B. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas and under the terms of a written depository agreement with that bank, not to exceed one year to stated maturity;

C. Repurchase agreement and reverse repurchase agreements as defined by the Act, not to exceed 90 days to stated maturity, provided an executed Bond Market Master Repurchase Agreement is on file with the Town and the counterparty bank or primary dealer. Flex repurchase agreements used specifically for capital projects may extend beyond two years but only to match the expenditure plan of the projects;

D. No-load, SEC registered money market funds, not to exceed a weighted average maturity of 90 day, each approved specifically before use by the Town;

E. Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act. A pool must be continuously rated no lower than AAA or AAAm or at an equivalent rating by at least one nationally recognized rating agency

F. Fully insured or collateralized deposits that are invested through a bank doing business in the State of Texas and under the terms stated in Section 2256.009(7-8) of the Texas Local Government Code.

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the Town until this policy has been amended and the amended version approved by the Town Council.

Competitive Bidding Requirement

All securities, including certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that the Town is receiving fair market value/price for the investment.

Delivery versus Payment

All security transactions, including collateral for repurchase agreements, entered into by the Town, shall be conducted on a delivery versus payment (DVP) basis.

Ratings Downgrade

An Investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating. The City shall take all prudent measures that are consistent with its Investment Policy to liquidate an investment that does not have the minimum rating.

IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

All investments made by the Town will be made through either the Town's banking services bank or a primary dealer. The Investment Committee will review the list of authorized broker/dealers annually. A list of at least three broker/dealers will be maintained in order to assure competitive bidding.

Securities broker/dealers must meet certain criteria as determined by the Investment Officer. The following criteria must be met by those firms on the list:

- Provision of an audited financial statement each year,
- Proof of certification by the National Association of Securities Dealers (NASD) and provision of CRD number,
- Proof of current registration with the State Securities Commission, and
- Completion of a Town questionnaire.

Every broker/dealer and bank with which the Town transacts business will be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment program. A representative of the firm will be required to return a signed certification stating that the Policy has been received and reviewed and that controls are in place to assure that only authorized securities are sold to the Town.

X. DIVERSIFICATION AND MATURITY LIMITATIONS

It is the policy of the Town to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

Security Type	Max % of Portfolio
U.S. Treasury obligations	100%
U.S. Government agencies and instrumentalities	not to exceed 50%
Fully insured or collateralized CDs	not to exceed 30%
Repurchase agreements	100%
Money Market funds	100%
For Bond funds	80%
Local Government Investment Pools	
Liquidity Pools	100%
Maximum percent ownership of pool	not to exceed 10%
For Bond Funds	100%

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investment with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to specific requirements, the Investment Officer may not invest more than 20% of the portfolio for a period greater than one (1) year. Unless matched to specific requirements, the Investment Officer may not invest any portion of the portfolio for a period greater than two (2) years. The portfolio's weighted-average maturity shall be limited to 365 days.

XI. SAFEKEEPING AND COLLATERALIZATION

The laws of the State and prudent treasury management require that all purchased securities be bought on a delivery versus payment basis and be held in safekeeping by either the Town, an independent third-party financial institution, or the Town's designated banking services depository.

All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing. The third-party custodian shall be required to issue safekeeping receipts to the Town listing each specific security, rate, description, maturity, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the Town or pledged to the Town.

All securities pledged to the Town for certificates of deposit or demand deposits shall be held by an independent third-party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank with which the securities are pledged.

Collateralization will be required for all time and demand deposits over the applicable FDIC insurance coverage limits and for all repurchase agreements in accordance with the collateralization requirements set forth in the Investment Policy.

In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102% of the market value of the principal and accrued interest. Collateral will be held by an independent third-party safekeeping agent.

XII. PERFORMANCE EVALUATION AND REPORTING

The Investment Officer shall submit monthly reports to the Town Administrator and quarterly reports to the Town Council containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program and consistent with statutory requirements. All reports shall be in compliance with the Act. Market prices for market evaluations will be obtained from an independent source.

XIII. DEPOSITORIES

The Town will designate one banking institution through a competitive process as its central banking services provider at least every three years. This institution will be used for normal banking services including disbursements, collections, and safekeeping of securities. Other banking institutions from which the Town may purchase certificates of deposit will also be designated as a depository after they provide their latest audited financial statements to the Town.

XIV. INVESTMENT POLICY ADOPTION BY COUNCIL

The Town's Investment Policy shall be adopted annually by the Council. The policy and strategies shall be reviewed on an annual basis by the Council or a designated Committee of the Council. A written resolution approving the review and any changes to the policy from the review will be passed by the Council and recorded by the Town Secretary.

XV. COMPLIANCE AUDIT

A compliance audit of management controls on investments and adherence to this investment policy shall be completed in conjunction with the annual financial audit.

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: JUNE 10, 2021

REF. DOC.: STEERING COMMITTEE OF CITIES SERVED BY COSERV GAS, LTD.

SUBJECT: COSERV GAS LTD. AGREED SETTLEMENT AND RATES

STRATEGIC GOALS/OBJECTIVES:

- Effectively Manage Public Resources; Ensure disciplined financial management (Council Goal)

BACKGROUND INFORMATION:

- November 13, 2020, CoServ Gas Ltd. filed to increase rates (11.8%) within its service area
- CoServ and Town suspended effective date for 90 days to evaluate before taking final action
- Town joined CoServ Gas Cities (CGC) coalition to conduct review of application
- Hired legal counsel and consultants to prepare response and negotiate with CoServ Gas
- May 14, 2021, Settlement Agreement reached between CGC and CoServ Gas
    - Reduces requested rate increase of $11.5 million down to $6.15 million, 45.6% reduction
    - Provides 9.5% return on equity rather than 11.5% of original request
    - Provides for customer charge of $15, compared original $18.50 request
    - Commercial and public authority customer charge $35 versus original $43.50 request
    - 100% recovery of Town's rate case expenses

COUNCIL ACTION:

- Adoption of ordinance approving the Settlement Agreement, setting rates at the level indicated in the Agreement and directing CoServ Gas to reimburse the Town's reasonable rate case expenses

TOWN OF NORTHLAKE, TEXAS
OFFICIAL ORDINANCE

No. 21-0610A

ORDINANCE OF THE TOWN OF NORTHLAKE FINDING THAT THE SETTLEMENT AGREEMENT BETWEEN THE TOWN AND COSERV GAS, LTD. IS REASONABLE; ORDERING COSERV GAS, LTD. TO IMPLEMENT THE RATES AGREED TO IN THE SETTLEMENT AGREEMENT; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; FINDING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS ORDINANCE TO THE COMPANY AND LEGAL COUNSEL

WHEREAS, on or about November 13, 2020, CoServ Gas, Ltd. ("CoServ" or "Company"), pursuant to Gas Utility Regulatory Act ("GURA") § 104.102 filed a Statement of Intent to Increase Rates with the Railroad Commission of Texas (the "Commission") within the unincorporated areas it serves in the State of Texas and filed with the Town of Northlake a Statement of Intent to change gas rates in all municipalities exercising original jurisdiction within the Company's service area, effective January 23, 2021; and

WHEREAS, the Company agreed to extend the proposed effective date to March 14, 2021; and

WHEREAS, the Town of Northlake has exclusive original jurisdiction over the rates, operations, and services of a gas utility within the municipality, pursuant to GURA § 103.001; and

WHEREAS, GURA § 103.021 grants a municipality authority to require a utility to submit information as necessary to make a reasonable determination of rate base, expenses, investment, and rate of return in the municipality; and

WHEREAS, the Town of Northlake suspended the effective date of the proposed rate change for ninety (90) days pursuant to GURA § 104.107; and

WHEREAS, the Town of Northlake joined with other similarly situated cities/towns, the Steering Committee of Cities Served by CoServ Gas, Ltd. ("CoServ Gas Cities"), to conduct a review of the Company's application by hiring and directing legal counsel and consultants to prepare a common response and to negotiate with the Company and direct any necessary litigation; and

WHEREAS, on or about May 14, 2021, the CoServ Gas Cities reached a Settlement Agreement resolving all issues relating to the Company's Statement of Intent to Increase Rates; and

WHEREAS, the CoServ Gas Cities members and attorneys recommend that the Town of Northlake approve this settlement agreement setting rates; and

WHEREAS, GURA § 103.022 provides that reasonable costs incurred by cities/towns in ratemaking activities are to be reimbursed by the regulated utility.

THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

Section 1. That the Town approves the Settlement Agreement reached between the CoServ Gas Cities and the Company and directs the Company to implement the rates indicated in the Settlement Agreement.

Section 2. That the Town's reasonable rate case expenses shall be reimbursed by the Company.

Section 3. That it is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

Section 4. A copy of this Ordinance shall be sent to CoServ, care of Charles Harrell, CoServ Gas, Ltd. 7701 South Stemmons Freeway, Corinth, Texas 76210 (CHarrell@coserv.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PASSED AND APPROVED this the 10th day of June 2021.

Town of Northlake, Texas

____

David Rettig, Mayor

Attest:

____

Shirley Rogers, Town Secretary

Approved as to form:

____

Ashley Dierker, Town Attorney

RAILROAD COMMISSION OF TEXAS

STATEMENT OF INTENT OF COSERV GAS, LTD. TO INCREASE RATES IN UNINCORPORATED AREAS OF COLLIN, DENTON, AND KAUFMAN COUNTIES, TEXAS	**§ § § § §**	**OS-20-00005136**

UNANIMOUS SETTLEMENT AGREEMENT

This Settlement Agreement is entered into by and between CoServ Gas, Ltd. ("CoServ" or the "Company"), Staff of the Railroad Commission of Texas ("Staff"), and the Steering Committee of Cities Served by CoServ Gas, Ltd. ("CoServ Gas Cities")[1] (collectively, the "Signatories").

WHEREAS, on November 13, 2020, CoServ filed a Statement of Intent to Increase Rates with the Railroad Commission of Texas (the "Commission") within the unincorporated areas it serves in the State of Texas[2] and filed a Statement of Intent with the Cities of Allen, Aubrey, Carrollton, Celina, Corinth, Denton, Forney, Fort Worth, Frisco, Highland Village, Lewisville, Lucas, McKinney, Murphy, Parker, Plano, Providence Village, The Colony, and Wylie and Towns of Argyle, Bartonville, Copper Canyon, Crossroads, Double Oak, Fairview, Flower Mound, Little Elm, Northlake, Ponder, Prosper, Shady Shores, and St. Paul (collectively, "Statement of Intent"); and

WHEREAS, the Commission docketed the rate request as OS-20-00005136; and

WHEREAS, Staff and CoServ Gas Cities sought intervention and were granted party status in OS-20-00005136; and

WHEREAS, on December 9, 2020, the Commission suspended the implementation of the Company's rate request until June 22, 2021, and CoServ later agreed to extend the jurisdictional deadline further to August 10, 2021; and

WHEREAS, CoServ filed direct testimony and erratum to its Statement of Intent; and

WHEREAS, CoServ provided public notice by publishing notice of the proposed increase in a newspaper having general circulation on January 9-10, 2021, January 16-17, 2021, January 23-24, 2021, and January 30-31, 2021, to all affected customers in the form approved by the ALJ; and

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[1] The CoServ Gas Cities includes the Cities of Allen, Aubrey, Carrollton, Celina, Corinth, Denton, Forney, Fort Worth, Frisco, Highland Village, Lewisville, Lucas, McKinney, Murphy, Parker, Plano, Providence Village, The Colony, Wylie and Towns of Argyle, Bartonville, Copper Canyon, Crossroads, Double Oak, Fairview, Flower Mound, Little Elm, Northlake, Ponder, Prosper, Shady Shores, St. Paul.

[2] CoServ serves unincorporated areas within Collin, Denton and Kaufman Counties.

WHEREAS, the CoServ Gas Cities, suspended the implementation of the Company's rate request until April 23, 2021; and

WHEREAS, direct testimony of CoServ Gas Cities was due on April 8, 2021, and Staff direct testimony was due on April 15, 2021, but CoServ Gas Cities and Staff did not file direct testimony in reliance on this Settlement Agreement; and

WHEREAS, the parties engaged in significant discovery regarding the issues in dispute; and

WHEREAS, the Signatories agree that resolution of this docket by unanimous settlement agreement will significantly reduce the amount of rate case expenses associated with this docket; and

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to and recommend approval by the Commission and the CoServ Gas Cities the following Settlement Terms:

Settlement Terms

1. The Signatories agree to the rates, terms and conditions reflected in the rate schedules attached to this Settlement Agreement as Exhibit A. The rate schedules attached as Exhibit A replace and supersede the CoServ rate schedules currently in effect for customers within unincorporated areas and incorporated municipal boundaries. These rate schedules represent an increase of $6,250,000 in annual revenues from the Company's proposed revenue requirement (as updated 6/30/2020). The total revenues are subject to an agreed credit of $10,325,015 for Excess Accumulated Deferred Income Taxes ("EDIT"), to be refunded over thirty-eight (38) years (the "EDIT credit"). The rate schedules are premised on a base rate revenue requirement of $39,162,395, a total revenue requirement of $40,291,395 before application of the EDIT credit, and a total revenue requirement of $40,026,602 after applying the EDIT credit, as illustrated in the proof of revenues attached as Exhibit B to this Settlement Agreement. Except as specifically provided herein, the Signatories agree that the revenue increase amount is not tied to any specific expense or methodology in CoServ's underlying cost of service. The Signatories further agree that the rates, terms and conditions reflected in Exhibit A to this Settlement Agreement comply with the rate-setting requirements of Chapter 104 of the Texas Utilities Code. The gas rates, terms and conditions established by this Settlement Agreement shall, subject to approval of the Commission and the CoServ Gas Cities, be effective for meters read on or after the effective date of the Final Order.

2. The Signatories agree to the following customer and consumption charges, which are reflected in the rate schedules attached as Exhibit A. The consumption charges have been decreased by the amount of the EDIT credit reflected in Item 10b.

	Customer Charge	Consumption Charge (per Ccf)
Residential	$15.00	$0.12097
Commercial & Public Authority	$35.00	$0.06479

3. The Signatories agree that the depreciation rates as shown on Exhibit C are reasonable and necessary.

4. The Signatories agree that the Company's capital investment booked to plant through June 30, 2020, in the net amount of $180,368,138 as shown on Exhibit C is reasonable and prudent.

   a. Any capital investment items not in service by June 30, 2020, are not included in the above-referenced net plant amount and are preserved for future prudence review and potential rate recovery once CoServ files a rate-setting mechanism after those items have been placed into service and have become used and useful.

5. The Signatories agree to the following capital structure and weighted cost of capital, including the pre-tax return, as shown below:

	Capital Structure	Debt/Equity Cost	Weighted Cost of Capital	Pre-Tax Return
Long-Term Debt	45.91%	4.18%	1.92%	1.92%
Common Equity	54.09%	9.50%	5.14%	6.51%
Rate of Return	100%		**7.06%**	**8.43%**

6. The Signatories agree that any Interim Rate Adjustment ("IRA") filing CoServ makes pursuant to Texas Utilities Code § 104.301 shall use the following factors until changed by a subsequent general rate proceeding:

   a. The capital structure and related components shall be as shown above in Item 5.

   b. For the initial IRA filing and for all subsequent IRA filings, the depreciation rate for each account shall be as shown in Exhibit C.

   c. For the initial IRA filing, the beginning balance of net plant in service amount shall be $180,368,138.

   d. For the initial IRA filing, the customer and consumption charges as noted in Item 2 above will be the starting rates to which any IRA adjustment is applied. IRA increases will be recovered through the customer charge.

   e. Federal income taxes will be calculated using a 21% rate, unless the federal income tax rate is changed, in which case the new rate will be applied.

f. Ad valorem taxes at a 0.71% rate.

g. Texas Franchise Tax at a 0.50% rate

h. The base rate revenue allocation factors to spread any change in IRA increase/decrease to the appropriate customer classes are as follows:

	Allocation
Residential	94.2%
Commercial and Public Authority	5.8%
Total Allocation	100.0%

7. The Signatories agree that the following customer class allocation, customer counts and volumes for base rates are reasonable and should be approved.

	Allocation	Customer Count	Volumes (Ccf)
Residential	94.2%	1,617,096	101,003,816
Commercial and Public Authority	5.8%	35,820	15,313,408
Total Allocation	100.0%	1,652,916	116,317,224

8. On February 27, 2018, the Commission issued an Accounting Order in GUD No. 10695 that reflects the Commission's directives regarding changes to utility rates to account for the change in the federal corporate income tax rate due to the Federal Tax Cut and Jobs Act of 2017 ("Act"). The Signatories agree that CoServ has complied with the requirements in the Accounting Order and that its related filings were reasonable and accurate, subject to Items 9 and 10.

9. The Signatories agree that the cost of service reflected in Item 1 includes amortization of CoServ's Excess Accumulated Deferred Income Tax ("EDIT") and that CoServ will continue to amortize its EDIT, including any associated gross-up in taxes, in compliance with the Accounting Order in GUD No. 10695 and guidance from the Internal Revenue Service.

10. The Signatories agree that Rate Schedules EDIT is reasonable and should reflect an EDIT refund of $10,325,015 to customers within unincorporated areas and incorporated municipal boundaries for past amortization amounts, which includes the income tax gross-up component, with the refund to be made as a credit to base rates amortized over 38 years. The Signatories further agree to and propose the inclusion of the following Findings of Fact and Ordering Paragraphs in the Final Order in this case:

a. Finding of Fact: It is reasonable that CoServ has an Excess Accumulated Deferred Income Tax ("EDIT") liability, including associated gross-up for income taxes, attributable to the Tax Cut and Jobs Act of 2017, which it will continue to amortize over 38 years in compliance with the Accounting Order in GUD No. 10695 and guidance from the Internal Revenue Service.

b. Finding of Fact: It is reasonable that the EDIT refund be applied to bills to customers within unincorporated and incorporated areas in the following amounts as a credit to the consumption charge on a volumetric basis per customer: Residential, \$0.00247/Ccf for a total consumption charge of \$0.12097/Ccf; Commercial, \$0.001/Ccf for a total consumption charge of \$0.06479/Ccf; and Public Authority, \$0.001/Ccf for total consumption charge of \$0.06479/Ccf. It is reasonable that this refund shall be made on a volumetric basis beginning with bills rendered on or after the effective date of the Final Order.

c. Finding of Fact: It is reasonable that CoServ file an annual EDIT Compliance Filing with Staff in compliance with Rate Schedules EDIT.

d. Ordering Paragraph: IT IS FURTHER ORDERED that the refund for an EDIT credit in Finding of Fact No. __ shall be made to customers beginning in TBD 2021.

e. Ordering Paragraph: IT IS FURTHER ORDERED that CoServ file an EDIT Compliance Filing with Staff detailing refund of amounts in compliance with Rate Schedules EDITand as described in Finding of Fact No. __.

f. Ordering Paragraph: IT IS FURTHER ORDERED that CoServ will continue to amortize the EDIT liability, including associated gross-up for income taxes, described in Finding of Fact No. __ in compliance with the Accounting Order in GUD No. 10695 and guidance from the Internal Revenue Service.

11. The Signatories agree it is reasonable for CoServ to maintain its books and records for ratemaking purposes to thoroughly provide documentation of meal and hotel expenditures, both capitalized and expenses, in excess of \$25 per person per meal and \$175 per person per night, as well as any alcoholic beverage expenditures, both capitalized and expensed. The Signatories further agree to and propose the inclusion of the following Finding of Fact and Ordering Paragraph in the Final Order in this case:

a. Finding of Fact: It is reasonable that CoServ maintain its books and records for ratemaking purposes to thoroughly provide documentation of meal and hotel expenditures, both capitalized and expenses, in excess of \$25 per person per meal and \$175 per person per night, as well as any alcoholic beverage expenditures, both capitalized and expensed.

b. Ordering Paragraph: IT IS FURTHER ORDERED that CoServ, shall maintain its books and records for ratemaking purposes to thoroughly provide documentation of meal and hotel expenditures, both capitalized and expenses in excess, of \$25 per person per meal and \$175 per person per night, as well as any alcoholic beverage expenditures, both capitalized and expensed.

12. CoServ and CoServ Gas Cities represent that their reasonable rate case expenses incurred through April 30, 2021, and estimated rate case expenses incurred through completion of this case, are as follows:

	Regulatory Expenses	Litigation Expenses	Invoices Due and Est. to Completion	Total Recoverable Expenses
Total Recoverable Expenses	$373,271.13	$214,116.77	$617,387.90	$617,387.90
CoServ Gas Cities	$27,649.28	$109,646.75	$157,296.03	$157,296.03
			Total	**$774,683.93**

13. CoServ and CoServ Gas Cities attach, as Exhibit D, affidavits and invoices in support of the rate case expense amounts and will supplement with additional invoices as they are processed. Signatories agree that the amounts represented above are reasonable and recoverable pursuant to Texas Utilities Code § 103.022. Signatories agree that the recovery period for the applicable surcharge to recover rate case expenses shall be a period of approximately 24 months and that the surcharge shall be volume based in an amount of $0.00333/Ccf. CoServ agrees to reimburse CoServ Gas Cities the amount of rate case expenses set forth above within 30 days of the issuance of an order authorizing recovery of those expenses. CoServ and CoServ Gas Cities shall recover estimated rate case expenses only to the extent they are actually incurred. The Signatories intend and advocate that the Commission and cities authorize recovery of the rate case expenses recited above in the same proceeding and at the same time as they approve this Settlement Agreement.

14. The Signatories agree that equal recovery of rate case expenses on a system-wide basis from customers within unincorporated areas and incorporated municipalities boundaries is appropriate and reasonable and that good cause exists to support equal recovery of rate case expenses from all customers on a system-wide basis for the following reasons:

   a. CoServ Litigation and Estimated expenses: Good cause exists to recover CoServ Litigation and Estimated expenses equally from all customers within unincorporated areas and incorporated municipal boundaries. The intent of Commission Rule 7.5530(e) is to allocate rate case expenses to the participating parties according to which party caused the expenses to be incurred, therefore it is reasonable to seek recovery of rate case expenses from all customers who benefit from the settlement agreement in this case, which includes all CoServ customers within the unincorporated areas and incorporated municipal boundaries CoServ serves in Texas. Recovery of these expenses is also necessary in the interest of justice.

   b. CoServ Gas Cities Litigation and Estimated expenses: Good cause exists to recover CoServ Gas Cities Litigation and Estimated expenses equally from all customers, including customers within the unincorporated areas and incorporated municipal boundaries CoServ serves in Texas because CoServ Gas Cities' participation in OS-20-0005136 resulted in this Settlement Agreement, which benefits all such customers, and doing so is necessary in the interest of justice.

15. CoServ shall file annually, due on or before April 1, a Rate Case Expense Compliance Filing with the Railroad Commission of Texas, Oversight and Safety Division, Market Oversight Section, referencing OS-20-0005136. The compliance filing shall include the volumes used by month by customer class during the applicable period, the amount of rate case expense recovered by month, and the outstanding balance by month as set out in the approved Rate Schedule RCE. The Signatories agree to and propose the inclusion of the following Findings of Fact and Ordering Paragraph in the Final Order in this case:

    a. Finding of Fact: It is reasonable that CoServ and CoServ Gas Cities submit to Staff invoices reflecting actual rate case expenses with sufficient detail so that Staff can accurately audit such invoices for the purposes of reconciling estimated rate case expenses to actual rate case expenses. In no case shall the total expenses recovered exceed the actual expenses submitted to the Commission, plus the approved estimated expenses.

    b. Finding of Fact: It is reasonable that CoServ file an annual Rate Case Expense Compliance Filing with Staff detailing the balance of actual plus estimated rate case expenses at the beginning of the annual period, the amount collected by customer class, and the ending or remaining balance as of December 31 of each year by April 1 of the following year until and including the calendar year end in which the rate case expenses are fully recovered.

    c. Ordering Paragraph: IT IS THEREFORE ORDERED that CoServ file an annual Rate Case Expense Compliance Filing with Staff detailing recovery of rate case expenses as described in Finding of Fact No. ___ as of December 31 of each year by April 1 of the following year until and including the calendar year end in which the rate case expenses are fully recovered.

16. The Signatories agree to and propose the inclusion of the following Ordering Paragraphs in the Final Order in this case:

    a. Ordering Paragraph: IT IS FURTHER ORDERED that within thirty (30) days of this Final Order, in accordance with 16 Tex. Admin. Code § 7.315, CoServ SHALL electronically file its rate schedules in proper form that accurately reflect the rates in Exhibit A approved in this Final Order.

    b. Ordering Paragraph: IT IS FURTHER ORDERED that any incremental change in rates approved by this Final Order and implemented by CoServ shall be subject to refund unless and until CoServ's tariffs are electronically filed and accepted by the Gas Services Department in accordance with 16 Tex. Admin. Code § 7.315.

17. The Signatories agree that CoServ collect the Pipeline Safety and Regulatory Program Fee surcharge pursuant to 16 Tex. Admin. Code § 8.201 as an annual fee. The Signatories further agree to and propose the inclusion of the following Findings of Fact and Ordering Paragraph in the Final Order in this case:

a. Finding of Fact: It is reasonable that CoServ collect the Pipeline Safety and Regulatory Program Fee surcharge pursuant to 16 Tex. Admin. Code § 8.201 as an annual fee.

b. Finding of Fact: It is reasonable that CoServ file an annual Pipeline Safety and Regulatory Program Compliance Filing with Staff no later than ninety (90) days after the last billing cycle in which the Pipeline Safety and Regulatory Program Fee is billed to customers.

c. Ordering Paragraph: IT IS FURTHER ORDERED that CoServ file an annual Pipeline Safety and Regulatory Program Compliance Filing with Staff no later than ninety (90) days after the last billing cycle in which the Pipeline Safety and Regulatory Program Fee is billed to customers.

18. The Signatories agree that the Companies provided proper public notice of the Statement of Intent filing by publishing notice of the proposed increase in a newspaper having general circulation to all affected customers consistent with the applicable provisions of the Texas Utilities Code, the Commission's rules, and the orders issued in this case.

19. The Signatories agree that CoServ must file a lead-lag study in its next Statement of Intent filed with the Commission under its original jurisdiction, and the Commission should include an Ordering Paragraph to that effect.

20. Relative to CoServ's Operation Roundup, the Signatories agree that CoServ must provide all new natural gas only customers the option to sign-up to be a part of the Operation Roundup Program instead of being automatically enrolled into the program. This is to be implemented within 60 days of the effective date of rates under the Final Order issued in this case.

21. The Signatories agree to support and seek approval by the Commission and CoServ Gas Cities of this Settlement Agreement. CoServ agrees to make every effort to present its cities with this Settlement Agreement at city council meetings that will allow for implementation of new rates for meters read on or after the effective date of the Final Order.

22. The Signatories agree that all negotiations, discussions, and conferences related to the Settlement Agreement are privileged, inadmissible, and not relevant to prove any issues associated with the Statement of Intent filed on November 13, 2020.

23. The Signatories agree that neither this Settlement Agreement nor any oral or written statements made or documents exchanged or provided during the course of settlement

negotiations may be used for any purpose other than as necessary to support the entry by the Commission of an order approving this Settlement Agreement.

24. The Signatories agree that the terms of the Settlement Agreement are interdependent and indivisible, and that if the Commission intends to enter an order that is inconsistent with this Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Settlement Agreement or its subsequent withdrawal.

25. The Signatories agree that this Settlement Agreement is binding on each Signatory only for the purposes of settling the issues set forth herein and for no other purposes, and except to the extent the Settlement Agreement governs a Signatory's rights and obligations for future periods, this Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding.

26. No Signatory is under any obligation to take the same positions as set out in this Settlement Agreement in other cases, dockets or jurisdictions, regardless of whether other cases or dockets present the same or a different set of circumstances, except as otherwise may be explicitly provided by this Settlement Agreement. Agreement by the Signatories to any provision in this Settlement Agreement will not be used against any Signatory in any future proceeding with respect to different positions that may be taken by that Signatory.

27. The Signatories agree that this Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

[*Remainder of page intentionally left blank; signature pages follow*]

Agreed to this 14th day of May, 2021.

CoServ Gas, Ltd.

By: /s/ John R. Hays, Jr.
John R. Hays, Jr.
Attorney for CoServ Gas, Ltd.

Agreed to this 14th day of May, 2021.

Staff of the Railroad Commission of Texas

By: /s/ Natalie Dubiel (with permission)
Natalie Dubiel
Attorney for Staff of the Railroad Commission of Texas

Agreed to this 14th day of May, 2021.

Steering Committee of Cities Served by CoServ Gas, Ltd.

By: /s/ Thomas Brocato (with permission)

Attorney for Steering Committee of Cities Served by CoServ Gas, Ltd.
Agreed in principle, subject to approval of the CoServ Gas Cities' City Councils

Exhibit A to Settlement Agreement

Rate Schedules

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule TOC

TABLE OF CONTENTS

Applicable to:	Entire System	Page 1 of 2
Effective Date:	___________	

Rate Schedule	Description
TOC	TABLE OF CONTENTS
UO	UTILITY OPERATIONS
SA	INCORPORATED AND UNINCORPORATED SERVICE AREAS AND COUNTIES
DEF	DEFINITIONS

Schedules specific to Incorporated Areas

RI	RESIDENTIAL INCORPORATED AREAS SALES
CI	COMMERCIAL INCORPORATED AREAS SALES
PI	PUBLIC AUTHORITY INCORPORATED AREAS SALES
ITF	INCORPORATED AREAS TAX FACTORS
LEI	LINE EXTENSION POLICY – INCORPORATED AREAS

Schedules specific to Unincorporated Areas

RU	RESIDENTIAL UNINCORPORATED AREAS SALES
CU	COMMERCIAL UNINCORPORATED AREAS SALES
PU	PUBLIC AUTHORITY UNINCORPORATED AREAS SALES
UTF	UNINCORPORATED AREAS TAX FACTORS
LEU	LINE EXTENSION POLICY – UNINCORPORATED AREAS

Schedules applicable to all areas

PGF	PURCHASED GAS FACTOR

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule TOC

TABLE OF CONTENTS

Applicable to:	Entire System	Page 2 of 2
Effective Date:	__________	

Rate Schedule UO

UTILITY OPERATIONS

Applicable to:	Entire System	Page 1 of 1
Effective Date:	__________	

CoServ Gas, Ltd. owns and operates a natural gas distribution system that provides natural gas service in Texas.

The following will respond to inquiries regarding provisions of this Tariff for Gas Service:

Tariff Coordinator
CoServ Gas, Ltd.
7701 South Stemmons
Corinth, Texas 76210
Telephone: (940) 321-7800
Email Address: tariff@coserv.com

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule SA

INCORPORATED AND UNINCORPORATED SERVICE AREAS AND COUNTIES

Applicable to: Entire System
Effective Date: __________

INCORPORATED SERVICE AREAS	UNINCORPORATED SERVICE AREAS
Allen	Allen environs
Argyle	Argyle environs
Aubrey	Aubrey environs
Bartonville	Bartonville environs
Carrollton	
Celina	Celina environs
Copper Canyon	
Corinth	
Crossroads	Crossroads environs
Denton	Denton environs
Double Oak	
Fairview	
Flower Mound	
Forney	Forney environs
Fort Worth	Fort Worth environs
Frisco	Frisco environs
Highland Village	
Little Elm	Little Elm environs
Lewisville	Lewisville environs
Lucas	Lucas environs
McKinney	McKinney environs
Murphy	
Northlake	
Parker	Parker environs
Plano	
Ponder	
Prosper	Prosper environs
Providence Village	
St. Paul	St. Paul environs
Shady Shores	
The Colony	
Wylie	Wylie environs

COUNTIES	UNINCORPORATED MASTER PLAN COMMUNITIES
Denton	Denton County Fresh Water District 1A (Castle Hills)
Denton	Denton County Fresh Water District 7 (Lantana)
Kaufman	Kaufman County Development District (Windmill Farms)

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule DEF

DEFINITIONS

Applicable to:	Entire System	Page 1 of 1
Effective Date:	___________	

COMMERCIAL CUSTOMER – A customer, other than a residential customer, and not otherwise covered by a contract under the contract rate provisions of Section 104.003 of the Texas Utilities Code.

COMMISSION - The Railroad Commission of Texas.

COMPANY - CoServ Gas, Ltd., its successors, and its assigns.

CUSTOMER - An individual, family, partnership, association, joint venture, corporation, etc., or governmental agency who is receiving or who is receiving the benefit of gas service at a specified point of delivery.

ENVIRONS – The unincorporated areas outside the city limits in the Company's service area.

RATE SCHEDULE - A statement of the method of determining charges for gas service, including the conditions under which such method applies.

RESIDENTIAL CUSTOMER - Unless otherwise specified in the rate schedule, a customer whose service is separately and individually metered in an individual private dwelling unit or in an individually metered apartment, condominium, or similar dwelling and who uses natural gas primarily for Residential End Uses and occupies the building.

RESIDENTIAL END USES - Heating, space heating, cooking, water heating, and other similar type uses in a dwelling.

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule RI

RESIDENTIAL INCORPORATED AREAS SALES

Applicable to:	Residential customers in unincorporated areas	Page 1 of 1
Effective Date:	__________	

Application of Schedule

Schedule applies to all Residential Customers in incorporated areas.

Monthly Base Rate

Customer's base monthly bill will be calculated using the following Customer and Ccf charges:

Charge	Amount
Customer Charge	$15.00 per month, plus
Volumetric Charge	$0.12097 per Ccf

Other Fees and Credits

Purchased Gas Factor: The basic rates for cost of service set forth above shall be increased by the amount of the Purchased Gas Factor for the billing month computed in accordance with the provisions of Rate Schedule PGF – Purchased Gas Factor.

Rate Case Expenses: Plus applicable charge in accordance with provisions of Rate Schedule RCE – Rate Case Expenses.

Taxes: Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule ITF – Incorporated Areas Tax Factors.

Pipeline Safety Fee: Plus applicable charge in accordance with the provisions of Rate Schedule PSF – Pipeline Safety Fee.

Excess Deferred Income Tax Credit: Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT – Excess Deferred Income Tax Credit.

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule CI

COMMERCIAL INCORPORATED AREAS SALES

Applicable to:	Commercial customers in incorporated areas	Page 1 of 1
Effective Date:	___________	

Application of Schedule

Schedule applies to commercial customers in incorporated areas.

Monthly Base Rate

Customer's base monthly bill will be calculated using the following customer and Ccf charges:

Charge	Amount
Customer Charge	$35.00 per month, plus
Volumetric Charge	$0.06479 per Ccf

Other Fees and Credits

Purchased Gas Factor: The basic rates for cost of service set forth above shall be increased by the amount of the Purchased Gas Factor for the billing month computed in accordance with the provisions of Rate Schedule PGF – Purchased Gas Factor.

Rate Case Expenses: Plus applicable charge in accordance with provisions of Rate Schedule RCE – Rate Case Expenses.

Taxes: Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule ITF – Incorporated Areas Tax Factors.

Pipeline Safety Fee: Plus applicable charge in accordance with the provisions of Rate Schedule PSF – Pipeline Safety Fee.

Excess Deferred Income Tax Credit: Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT – Excess Deferred Income Tax Credit.

Rate Schedule PI

PUBLIC AUTHORITY INCORPORATED AREAS SALES

Applicable to:	Public authority customers in unincorporated areas	Page 1 of 1
Effective Date:		

Application of Schedule

Schedule applies to public authority customers in unincorporated areas.

Monthly Base Rate

Customer's base monthly bill will be calculated using the following customer and Ccf charges:

Charge	Amount
Customer Charge	$35.00 per month, plus
Volumetric Charge	$0.06479 per Ccf

Other Fees and Credits

Purchased Gas Factor: The basic rates for cost of service set forth above shall be increased by the amount of the Purchased Gas Factor for the billing month computed in accordance with the provisions of Rate Schedule PGF – Purchased Gas Factor.

Rate Case Expenses: Plus applicable charge in accordance with provisions of Rate Schedule RCE – Rate Case Expenses.

Taxes: Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule ITF – Incorporated Areas Tax Factors.

Pipeline Safety Fee: Plus applicable charge in accordance with the provisions of Rate Schedule PSF – Pipeline Safety Fee.

Excess Deferred Income Tax Credit: Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT – Excess Deferred Income Tax Credit.

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule ITF

INCORPORATED AREAS TAX FACTORS

Applicable to:	Entire System	Page 1 of 1
Effective Date:	___________	

Taxes

In addition to the monthly charges, each customer's bill will include a charge for an amount equivalent to the customer's proportional part of the city franchise fees, state gross receipts taxes, or other governmental levies payable by the Company, exclusive of federal income taxes. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees. From time to time, the tax factor may be adjusted, if required, to account for any over- or under-recovery of municipal franchise fees by the Company and to include an amount equivalent to the proportionate part of any new tax or increased franchise fee or tax, or any other governmental imposition, rental fee, or charge levied, assessed or imposed subsequent to the effective date of this tariff by any governmental authority, including districts, created under the laws of the State of Texas. The Company will also collect sales taxes where applicable. Gross receipts taxes and municipal franchise fees will only be charged to customers within the incorporated areas.

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.
Rate Schedule LEI

LINE EXTENSION POLICY – INCORPORATED AREAS

Applicable to: Entire System — Page 1 of 1
Effective Date: ___________

<u>Line Extension Policy</u>

The Company has the right to contract with individual customers for the installation of gas facilities as provided for by the city franchise. Upon the request of a prospective new residential or commercial customer for service in an area served by CoServ Gas, CoServ Gas will extend its main lines up to 100 feet from an existing CoServ Gas main in the Public Rights of Way, without charge. The 100-foot allowance applies to a single customer or to a group of customers requesting service from the same extension. Customers requesting mainline extensions in excess of 100 feet shall bear the cost of any additional main, and shall bear the cost of all yard lines, service lines, customer meters and regulators, and appurtenant equipment, in accordance with the charges listed in item 11, Line Extension and Installation, of Rate Schedule M, Miscellaneous Service Charges. CoServ Gas is not required to extend its mains or facilities if the customer will not use gas for space heating and water heating, or the equivalent load, at a minimum.

Rate Schedule RU

RESIDENTIAL UNINCORPORATED AREAS SALES

Applicable to:	Residential customers in unincorporated areas	Page 1 of 1
Effective Date:	__________	

Application of Schedule

Schedule applies to all Residential Customers in unincorporated areas.

Monthly Base Rate

Customer's base monthly bill will be calculated using the following Customer and Ccf charges:

Charge	Amount
Customer Charge	$15.00 per month, plus
Volumetric Charge	$0.12097 per Ccf

Other Fees and Credits

Purchased Gas Factor: The basic rates for cost of service set forth above shall be increased by the amount of the Purchased Gas Factor for the billing month computed in accordance with the provisions of Rate Schedule PGF – Purchased Gas Factor.

Rate Case Expenses: Plus applicable charge in accordance with provisions of Rate Schedule RCE – Rate Case Expenses.

Taxes: Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule UTF – Unincorporated Areas Tax Factors.

Pipeline Safety Fee: Plus applicable charge in accordance with the provisions of Rate Schedule PSF – Pipeline Safety Fee.

Excess Deferred Income Tax Credit: Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT – Excess Deferred Income Tax Credit.

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule CU

COMMERCIAL UNINCORPORATED AREAS SALES

Applicable to:	Commercial customers in unincorporated areas	
Effective Date:		

Application of Schedule

Schedule applies to commercial customers in unincorporated areas.

Monthly Base Rate

Customer's base monthly bill will be calculated using the following customer and Ccf charges:

Charge	Amount
Customer Charge	$35.00 per month, plus
Volumetric Charge	$0.06479 per Ccf

Other Fees and Credits

Purchased Gas Factor: The basic rates for cost of service set forth above shall be increased by the amount of the Purchased Gas Factor for the billing month computed in accordance with the provisions of Rate Schedule PGF – Purchased Gas Factor.

Rate Case Expenses: Plus applicable charge in accordance with provisions of Rate Schedule RCE – Rate Case Expenses.

Taxes: Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule UTF – Unincorporated Areas Tax Factors.

Pipeline Safety Fee: Plus applicable charge in accordance with the provisions of Rate Schedule PSF – Pipeline Safety Fee.

Excess Deferred Income Tax Credit: Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT – Excess Deferred Income Tax Credit.

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule PU

PUBLIC AUTHORITY UNINCORPORATED AREAS SALES

Applicable to:	Public authority customers in unincorporated areas	Page 1 of 1
Effective Date:	____________	

Application of Schedule

Schedule applies to public authority customers in unincorporated areas.

Monthly Base Rate

Customer's base monthly bill will be calculated using the following customer and Ccf charges:

Charge	Amount
Customer Charge	$35.00 per month, plus
Volumetric Charge	$0.06479 per Ccf

Other Fees and Credits

Purchased Gas Factor: The basic rates for cost of service set forth above shall be increased by the amount of the Purchased Gas Factor for the billing month computed in accordance with the provisions of Rate Schedule PGF – Purchased Gas Factor.

Rate Case Expenses: Plus applicable charge in accordance with provisions of the Rate Schedule RCE – Rate Case Expenses.

Taxes: Plus applicable taxes and fees related to above in accordance with the provisions of Rate Schedule. UTF – Unincorporated Areas Tax Factors.

Pipeline Safety Fee: Plus applicable charge in accordance with the provisions of Rate Schedule PSF – Pipeline Safety Fee.

Excess Deferred Income Tax Credit: Credit to Volumetric Charge has been applied in accordance with provisions of Rate Schedule EDIT – Excess Deferred Income Tax Credit.

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule UTF

UNINCORPORATED AREAS TAX FACTORS

Applicable to:	Unincorporated areas	Page 1 of 1
Effective Date:	________	

Taxes

Environs Area	Fee	Entity Collecting Fee
Frisco, Denton Co.	4% of gross receipts	Denton Co. Fresh Water Supply Dist. No. 8A, 8B, 9, 10, 11A, and 11B
Lantana Subdiv., Denton Co.	3% of gross receipts	Denton Co. Fresh Water Supply Dists. No. 6 and 7
Windmill Farms Subdiv., Kaufman Co.	4% of gross receipts	Kaufman Co. Dev. Dist. No. 1

In addition to the monthly charges above, each customer's bill in the above referenced areas will include a charge for an amount equivalent to the customer's proportional part of any taxes, fees, or similar levies payable by the Company to governmental or quasi-governmental entities with authority over the area in which the customer resides. Any such charge will be computed by multiplying the Monthly Base Rate charges and Purchased Gas Factor charges by a factor calculated to recover the actual amount of such taxes, fees, or similar levies.

Currently applicable taxes, fees, or similar levies for each unincorporated area are detailed on the CoServ Rate Schedule UTF – Unincorporated Areas Tax Factors.

CoServ does not charge municipal franchise fees to unincorporated area customers.

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule LEU

LINE EXTENSION POLICY – UNINCORPORATED AREAS

Applicable to: Entire System | Page 1 of 1
Effective Date: ____________

Line Extension Policy

The Company has the right to contract with individual customers for the installation of gas facilities as provided for by the city franchise. Upon the request of a prospective new residential or commercial customer for service in an area served by CoServ Gas, CoServ Gas will extend its main lines up to 100 feet from an existing CoServ Gas main in the Public Rights of Way, without charge. The 100-foot allowance applies to a single customer or to a group of customers requesting service from the same extension. Customers requesting mainline extensions in excess of 100 feet shall bear the cost of any additional main, and shall bear the cost of all yard lines, service lines, customer meters and regulators, and appurtenant equipment, in accordance with the charges listed in item 11, Line Extension and Installation, of Rate Schedule M, Miscellaneous Service Charges. CoServ Gas is not required to extend its mains or facilities if the customer will not use gas for space heating and water heating, or the equivalent load, at a minimum.

Rate Schedule PGF

PURCHASED GAS FACTOR

Applicable to:	Entire System	
Effective Date:		

Purpose and Intent

This provision is intended to allow collection of the gas purchase costs of CoServ Gas, Ltd. (hereinafter "CoServ Gas" or the "Company") in a manner that will lessen monthly fluctuations in the Purchased Gas Factor and ensure that actual costs billed to customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised, and a revised tariff filed to reflect such revisions. The Company will make appropriate regulatory filings and obtain regulatory approvals, as required, before making changes to its rates. The Company will notify the Railroad Commission within 10 days of the date its policies and procedures for recovering the uncollectable portion of its gas cost charges.

Applicability

This clause shall apply to all CoServ Gas tariffs that incorporate this Purchased Gas Factor provision and which have been properly filed and implemented with the appropriate jurisdictional authority.

Definitions

Standard Cubic Foot of Gas – the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit.

Ccf – one hundred standard cubic feet of gas.

Mcf – one thousand standard cubic feet of gas.

Purchased Gas Volumes – The volumes of gas, expressed in Mcf's, purchased by the Company and received into the Company's distribution systems from all sources, including withdrawals from storage, and excluding gas injected into storage.

Purchased Gas Cost(s) –The total cost of Purchased Gas Volumes, as received into the Company's distribution systems, all as more specifically described herein.

Weighted Average Cost of Gas – The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf. Weighting us by the volume of each gas component.

Billed Gas Volumes – The volumes of gas billed to customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcf's

Billed Gas Revenues – The total amount of revenues attributable to billings by CoServ for Purchased Gas Costs during a given period, exclusive of any billings for any Reconciliation Factor during the same period.

Lost and Unaccounted for Gas (LUG) – Purchased Gas Volumes minus the sum of Billed Gas Volumes and metered Company used gas.

Purchased Gas Factor (PGF) – A factor on each customer's monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Factor, all as more specifically described herein.

Fixed Transportation Costs (FTC) – The fixed monthly or demand amount of transportation costs determined by a Maximum Daily Quantity (MDQ) or such other similarly named fixed costs for transportation.

Estimated Fixed Transportation Costs (EFTC) – The anticipated FTC to be incurred during the Annual Review period.

Annual Fixed Transportation Costs (AFTC) – The actual FTC incurred during the Annual Review Period.

Annual Review Period – The 12-month period ending June 30 of each year.

Annual Review – An annual review of the Company's records covering the 12-month period ending June 30 to determine LUG volumes and any imbalances between the Purchased Gas Costs and Billed Gas Revenues existing at the end of the Annual Review Period.

Annual Imbalance Total – The total amount determined through the Annual Review to be credited or surcharged to customers' bills, plus interest, in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Factor – A credit or surcharge included in the Purchased Gas Factor to reflect the pro-rated adjustment in billings for any over or under collections on an annual basis, inclusive of interest.

Record Keeping

The Company shall keep accurate records of all gas metered in and out of its system, gas purchases, and Company-owned gas injected into and withdrawn from storage, and any adjustments, including interest, relative to any imbalances. The records shall include date, quantity, and cost details for all gas handled.

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by CoServ, pipeline transportation volumetric charges, gas storage charges (both volumetric and demand), and an adjustment for any gas imbalances due to or from the shipper.

Fixed Transportation Costs will be estimated for the year (EFTC). The EFTC will be divided by the estimated annual volume of gas to be delivered to determine the FTC rate per Mcf. This rate will be applied monthly to the anticipated gas volume for a particular month and will be included in the PGF. The EFTC will be updated for the remainder of the Annual Review Period and a new rate will be determined and used for calculating the PGF during the remaining months of the Annual Review Period. A running over or under collected balance will be maintained and an interest will be added to or subtracted from the over/under balance as appropriate. Any remaining balance in the over/under account will be added to or subtracted from the EFTC for the subsequent Annual Review Period.

The Company shall account separately for gas injected into storage on a specific identification basis and withdrawn from storage on a weighted average cost basis.

Purchased Gas Factor Calculation

Each customer bill shall include a Purchased Gas Factor reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro-rata amount to adjust for previous over- or under-estimates of the Weighted Average Cost of Gas; plus the total amount of gas cost determined to have been uncollectible, written off, and remaining unpaid; plus a Reconciliation Factor to account for any Annual Imbalance Total.

Annual Review

For each Annual Review Period, the Company shall determine (i) the amount of any imbalance between the Purchased Gas Costs and Billed Gas Revenues, and (ii) the LUG volume for the Annual Review Period. As limited by the LUG volume limitation set forth below, the Annual Imbalance Total shall then be credited or surcharged, together with interest, to the customers' bills over a twelve-month period commencing each September 1 following the Annual Review Period.

Annual Imbalance Total -- LUG Volume less than five percent of Purchased Gas Volumes or LUG Volume is negative

If the Annual Review shows the LUG volume for the Annual Review Period to be less than five percent of the Purchased Gas Volumes, or if the LUG volume is negative (indicating a line gain), the Annual Imbalance Total shall be the difference between the total Purchased Gas Cost and the total Billed Gas Revenues for the Annual Review Period.

Annual Imbalance Total – LUG Volume is positive and is greater than five percent of Purchased Gas Volumes

If the Annual Review shows the LUG volume for the Annual Review Period to be positive and to be greater than five percent of the Purchased Gas Volumes, the Annual Imbalance Total shall be determined as follows:

- The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined;

- Minus, the Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's Weighted Average Cost of Purchased Gas for the Review Period.

Reconciliation Factor Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month, together with interest on the declining unrecovered or uncredited balance. The recovery shall be through a Reconciliation Factor included in the Purchased Gas Factor. The Reconciliation Factor for each month shall be determined as follows:

- The total interest to be collected or paid shall be computed by using a monthly interest factor equal to the annual interest rate divided by 12. The annual interest rate shall be the interest rate established pursuant to Section 183.003 of the Texas Utilities Code, as applicable to customer deposits, if any, of customers covered by this tariff, as such rate is in effect during the last month of the Annual Review Period.

- The total interest to be collected or paid over the 12-month period shall be added to the Annual Imbalance Total.

- The resulting total shall then be divided by 12 to determine the total amount to be credited or surcharged each month.

- Each month of the twelve-month reconciliation period, the Reconciliation Factor, expressed in Ccfs, shall be calculated by dividing the sum of amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over- or under-estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.

- At the end of each 12-month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12-month period.

Annual Reconciliation Report

The Company shall file an Annual Reconciliation Report with the Regulatory Authority that shall include but not necessarily be limited to:

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30;

2. A tabulation of the uncollectible gas cost by month for the twelve months ending June 30;

3. A description of all other costs and refunds made during the year and their effect on Rate Schedule PGF – Purchased Gas Factor to date;

4. A tabulation of gas units sold to general service customers and related Rate Schedule PGF - Purchased Gas Factor revenues; and,

5. A description of the imbalance payments made to and received from the Company's transportation customers within the service area, including monthly imbalances

incurred, the monthly imbalances resolved, and the amount of cumulative imbalances. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period.

6. The Annual Reconciliation Report prepared for the Railroad Commission shall be sent to the Audit Section of the Gas Services Division and shall also include uncollected expenses, uncollected margin, uncollected gas costs, uncollected taxes, subsequent collected gas costs and subsequent collected margin.

The Company shall maintain detailed information that will allow the Regulatory Authority to audit the operation of the uncollectible gas cost recovery process.

Rate Schedule PSF

PIPELINE SAFETY FEE

Applicable to: Entire System		Page 1 of 1
Effective Date: ________		

Application of Schedule

Applicable to all customer classes.

Monthly Calculation

Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 TAC § 8.201. The surcharge will be charged not more often than once a year and will be billed following payment by the Company to the Commission, in accordance with the Commission's rules.

Compliance Report

The Company shall file an annual pipeline safety fee (PSF) report no later than 90 days after the last billing cycle in which the pipeline safety fee surcharge is billed to customers. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department, referencing OS-20-00005136, and titling the report "Pipeline Safety Fee Recovery Report". The report shall include the following:

a) the pipeline safety fee-amount paid to the Commission;

b) the unit rate for each customer;

c) the date or dates the surcharge was billed to customers; and

d) the total amount billed to customers for the surcharge.

Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Compliance Filing
Director of Oversight and Safety Division
Gas Services Dept.
Railroad Commission of Texas
P.O. Box 12967
Austin, TX 78711-2967

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule RCE

RATE CASE EXPENSES

Applicable to:	Entire System	Page 1 of 1
Effective Date:	____________	

Application of Schedule

Applicable to residential, commercial, and public authority customer classes.

Monthly Surcharge

Pursuant to the Final Order in OS-20-00005136, CoServ is authorized to recover a total of $774,683.93 in rate case expenses from OS-20-00005136 customers identified above by a surcharge of $0.00333 per Ccf for a period of approximately 24 months commencing TBD 2021.

Compliance Report

The Company shall file an annual rate case expense reconciliation report within 90 days after each calendar year end until and including the calendar year end in which the rate case expenses are fully recovered. The Company shall file the report with the Railroad Commission of Texas addressed to the Director of Oversight and Safety Division, Gas Services Department and referencing OS-20-00005136 Rate Case Expense Recovery Report.

The report shall detail the monthly collections for RCE surcharge by customer class and show the outstanding balance. Reports to the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

Compliance Filing
Director of Oversight and Safety Division
Gas Services Dept.
Railroad Commission of Texas
P.O. Box 12967
Austin, TX 78711-2967

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule WNA

WEATHER NORMALIZATION ADJUSTMENT

Applicable to:	Entire System	Page 1 of 3
Effective Date:	________	

Application of Schedule

Applicable to residential, commercial and public authority customers.

Purpose and Intent

This provision is intended to account for the effects of abnormal temperatures on both customers and the Company. Under this provision customers will receive a credit when the temperature is colder than normal or will be surcharged when the temperature is warmer than normal. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent the billing methods fail to achieve these goals, the methodology shall be revised so that the goals are achieved, subject to review by the Gas Services Division of the Railroad Commission of Texas.

Applicability

This tariff shall be applicable for the months of November through April of each year. The WNA charge shall be reflected on the monthly bills rendered to customers in the months of December through May to account for the variation in gas consumption due to the variation in temperatures from normal during the November through April period. The WNA charge billed for a month will be based on Heating Degree Day parameters for the previous month, actual number of customers for the previous month, and estimated rate class Ccf consumption for the current month.

Definitions

Ccf – One hundred standard cubic feet of gas

HDD – Heating Degree Days

HDDn – Normal heating degree days for the previous month based on normal determined by NOAA for the Dallas Fort Worth International Airport (KDFW weather station)

HDDa – Actual heating degree days for the previous month

HL– Is a factor for heat load per HDD for the test year. The factor is 0.10012 for residential customers, 0.457193 for commercial customers and 1.385462 for public authority customers

C –Number of customers in the customer class at the end of the previous month.

WNV – Weather Normalization Volume calculated by customer class using the following formula:

$$WNV = C * (HL*(HDDn - HDDa))$$

BMVe – The estimate of the volume of natural gas for the current month to be consumed by each customer class.

WNAf – Weather Normalization Adjustment factor

VC – The Volumetric Charge in effect for the appropriate customer class.

RF – The Reconciliation Factor is an adjustment to be applied to the current monthly billing to account for differences in WNA revenues calculated using actual, final billing and HDD parameters for previous periods and the WNA revenues actually recovered in previous periods. Any remaining RF balance after the May billing will be included in the next December billing.

WNA Calculation

The amount to be billed or credited to each customer in a customer class will be determined as follows:

$WNAf = ((WNV * VC) \pm RF) / BMVe$

The customer will be charged or credited as follows:

WNA = Customer's Actual Ccf Consumption X WNAf

Monthly Report

By the 25th day of the month following the month in which a given WNA is billed or credited, the Company will file with the Regulatory Authority a report showing the volume adjustments and WNA revenues for each applicable customer class. Supporting documentation will be made available for review upon request.

Annual Report

An annual report shall be filed with the regulatory authority for each five-month period beginning with November and ending the subsequent April by customer class. The report shall provide: (a) the total amount of volumetric revenues collected from customers including WNA revenues, (b) the Base Load revenues collected from customers using the Base Load per customer during the period, (c) the difference between the volumetric revenues collected from customers and the Base Load, which represents the weather sensitive revenues billed, and (d) the calculated WNA revenues determined by the operation of the provisions of this weather normalization adjustment clause.

Compliance Report

The Company shall file with the Commission an annual report verifying the past year's WNA collections or refunds. The report shall show the amount collected or refunded by WNA month, total monthly volume, average WNA rate, average bill impact, percent bill impact and itemized by service area.

The Company shall file the report with the Commission electronically at GUD_Compliance@rrc.texas.gov or at the following address:

WNA Tariff Filing
Director of Oversight and Safety Division
Gas Services Department
Railroad Commission of Texas
P.O. Box 12967
Austin, TX 78711-2967

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule EDIT

EXCESS DEFERRED INCOME TAX CREDIT

Applicable to:	Entire System	Page 1 of 2
Effective Date:	_________	

Application of Schedule

This Excess Deferred Income Tax Credit applies to all general service rate schedules of CoServ Gas, Ltd. ("Company") currently in force within the incorporated and unincorporated areas of Collin, Denton, and Kaufman Counties.

Calculation of Credit

The annual amortization of the regulatory liability for excess deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 and in compliance with GUD No. 10695, will be credited to customers monthly on avolumetric basis until fully amortized. The initial credit will occur in ________, 2021.

EDIT CREDIT – The total amount, if any, of the credit in a given year will be determined by:

- The average rate assumption method ("ARAM") as required by the Tax Cuts and Jobs Act of 2017 Section 13001(d) for the protected portion of the regulatory liability for excess deferred income taxes, which results in an amortization over approximately 38 years.

TRUE-UP ADJUSTMENT – The Excess Deferred Income Tax credit shall be trued-up in CoServ's next rate case. The True-Up Adjustment will be the difference between the amount of the EDIT Credit and the amount actually credited to customers.

EDIT Credit per Ccf

Residential:	$0.00247
Commercial:	$0.00100
Public Authority:	$0.00100

Other Adjustments

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

Compliance Filing

The Company shall make a filing with the Commission no later than March 31 of each year, including the following information for the previous calendar year:

a. the total dollar amount of that year's EDIT Credit;

b. the total dollar amount actually credited to customers;
c. the amount of the upcoming year's EDIT Credit; and
d. the amounts of the upcoming year's EDIT Credit per Customer.

Conditions

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Rate Schedule M

MISCELLANEOUS SERVICE CHARGES

Applicable to:	Entire System	Page 1 of 4
Effective Date:	___________	

Application of Schedule

The service charges listed below are in addition to any other charges under the Company's Tariff for Gas Service and will be applied for the condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company's actual cost plus appropriate surcharges.

Applicable Charges

Service Charge No.	Name and Description	Amount of Charge
1	**Connection Charge During Business Hours** During standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder's or customer's premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt.	$ 65.00
2	**Connection Charge After Business Hours** After standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions: (a) For a builder who uses gas temporarily during construction or for display purposes. (b) Whenever gas service has been temporarily interrupted	$ 97.00

Service Charge No.	Name and Description	Amount of Charge
2	because of System outage or service work done by Company; or (c) For any reason deemed necessary for Company operations. The charge will also apply in the event that the connection or reconnection cannot be made because there is an issue on the builder's or customer's premises, including the inability for CoServ to gain access to the premises, failure of the appliances to meet required specifications, a leak in the piping, or the like. This will be identified as a Failed Connect Attempt.	
3	**Field Read of Meter** A read for change charge when it is necessary for the Company to read the meter at a currently served location because of a change in the billable party.	$ 19.00
4	**Returned Check Charges** Returned check handling charge for each check returned to Company for any reason.	$ 20.00
5	**Charge for Temporary Discontinuance of Service - Residential** Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.	$ 65.00
6	**Charge for Temporary Discontinuance of Service– Non-Residential** Whenever service has been temporarily disconnected at the request of the customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that customer at the same address.	$ 107.00

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule M

MISCELLANEOUS SERVICE CHARGES

Applicable to: Entire System
Effective Date: __________

Service Charge No.	Name and Description	Amount of Charge
7	**Charge for Meter Testing** The Company shall, upon request of a customer, make a test of the accuracy of the meter serving that customer. The Company shall inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four (4) years for the same customer at the same location, the test shall be performed without charge. If such test has been performed for the same customer at the same location within the previous four (4) years, the Company will charge the Meter Test Fee. The customer must be properly informed of the result of any test on a meter that services the customer.	$ 15.00
8	**Charge for Service Calls During Business Hours** A Service Call Charge is made for responding to a service call during standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem.	$ 26.00
9	**Charge for Service Calls After Business Hours** A Service Call Charge is made for responding to a service call after standard business hours that is determined to be a customer related problem rather than a Company or Company facilities problem.	$ 40.00
10	**Tampering Charge** No Company meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with Company metering facilities or a theft of gas service by a person on the customer's premises or evidence by whomsoever at customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost plus appropriate charges as may be detailed in the Company's Service Rules and Regulations	$ 125.00

Rate Schedule M

MISCELLANEOUS SERVICE CHARGES

Applicable to: Entire System
Effective Date: ____________

Service Charge No.	Name and Description	Amount of Charge
11	**Line Extension and Installation Charges** Customers in incorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to main extension policy in municipal franchise and in Rate Schedule LEI – Line Extension Policy – Incorporated Areas. Credit for main pursuant to municipal franchise. The customer is responsible for the installation of yard line and yard line risers. Customers in unincorporated areas: Extension and installation of new mains, service lines, risers, fittings and other appurtenant equipment pursuant to line extension policy contained in Rate Schedule LEU – Line Extension Policy – Unincorporated Areas. The customer is responsible for the installation of yard line and yard line risers. *Actual cost of the portion of any extensions exceeding the free extension allowance provided within the line extension.	Actual Cost *
12	**Construction Crew Charges** All labor charges if a construction crew is required.	Actual Cost
13	**Construction Costs Charges** All other construction charges.	Actual Cost

CoServ Gas follows the quality of service requirements as set forth in the Commission rules at 16 TAC Sections 7.45 (Quality of Service) and Section 7.460 (Suspension of Gas Utility Service Disconnection During an Extreme Weather Emergency). These rules follow.

Sections 7.45 (Quality of Service)

For gas utility service to residential and small commercial customers, the following minimum service standards shall be applicable in unincorporated areas. In addition, each gas distribution utility is ordered to amend its service rules to include said minimum service standards within the utility service rules applicable to residential and small commercial customers within incorporated areas, but only to the extent that said minimum service standards do not conflict with standards lawfully established within a particular municipality for a gas distribution utility. Said gas distribution utility shall file service rules incorporating said minimum service standards with the Railroad Commission and with the municipalities in the manner prescribed by law.

(1) Continuity of service.

(A) Service interruptions.

(i) Every gas utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.

(ii) Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of an emergency in order to prevent or mitigate interruption or impairment of service.

(iii) In the event of national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

(B) Record of interruption. Except for momentary interruptions which do not cause a major disruption of service, each utility shall keep a complete record of all interruptions, both emergency and scheduled. This record shall show the cause of interruptions, date, time duration, location, approximate number of customers affected, and, in cases of emergency interruptions, the remedy and steps taken to prevent recurrence.

(C) Report to commission. The commission shall be notified in writing within 48 hours of interruptions in service affecting the entire system or any major division thereof lasting more than four hours. The notice shall also state the cause of such interruptions. If any service interruption is reported to the commission otherwise (for example, as a curtailment report or safety report), such other report is sufficient to comply with the terms of this paragraph.

(2) Customer relations.

(A) Information to customers. Each utility shall:

(i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;

(ii) assist the customer or applicant in selecting the most economical rate schedule;

(iii) in compliance with applicable law or regulations, notify customers affected by a change in rates or schedule or classification;

(iv) post a notice in a conspicuous place in each business office of the utility where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the commission are available for inspection;

(v) upon request inform its customers as to the method of reading meters;

(vi) provide to new customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

(I) the customer's right to information concerning rates and services and the customer's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

(II) the customer's right to have his or her meter checked without charge under paragraph (7) of this section, if applicable;

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

(V) the steps the utility must take before terminating service;

(VI) how the customer can resolve billing disputes with the utility and how disputes and health emergencies may affect termination of service;

(VII) information on alternative payment plans offered by the utility;

(VIII) the steps necessary to have service reconnected after involuntary termination;

(IX) the appropriate regulatory authority with whom to register a complaint and how to contact such authority;

(X) the hours, addresses, and telephone numbers of utility offices where bills may be paid and information may be obtained; and

(XI) the customer's right to be instructed by the utility how to read his or her meter;

(vii) at least once each calendar year, notify customers that information is available upon request, at no charge to the customer, concerning the items listed in clause (vi)(I) - (XI) of this subparagraph. This notice may be accomplished by use of a billing insert or a printed statement upon the bill itself.

(B) Customer complaints. Upon complaint to the utility by residential or small commercial customers either at its office, by letter, or by telephone, the utility shall promptly make a suitable investigation and advise the complainant of the results thereof. If shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of one year subsequent to the final disposition of the complaint.

(C) Utility response. Upon receipt of a complaint, either by letter or by telephone, from the regulatory authority on behalf of a customer, the utility shall make a suitable investigation and advise the regulatory authority and complainant of the results thereof. An initial response must be made by the next working day. The utility must make a final and complete response within 15 days from the date of the complaint, unless additional time is granted within the 15-day period. The commission encourages all customer complaints to be made in writing to assist the regulatory authority in maintaining records of the quality of service of each utility; however, telephone communications will be acceptable.

(D) Deferred payment plan. The utility is encouraged to offer a deferred payment plan for delinquent residential accounts. If such a plan is offered, it shall conform to the following guidelines:

(i) Every deferred payment plan entered into due to the customer's inability to pay the outstanding bill in full must provide that service will not be discontinued if the customer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid.

(ii) For purposes of determining reasonableness under these rules, the following shall be considered: size of delinquent account; customer's ability to pay; customer's payment history; time that the debt has been outstanding; reasons why debt has been outstanding; and other relevant factors concerning the circumstances of the customer.

(iii) A deferred payment plan, if reduced to writing, offered by a utility shall state, immediately preceding the space provided for the customer's signature and in bold-face print at least two sizes larger than any other used, that: "If you are not satisfied with this agreement, do not sign. If you are satisfied with this agreement, you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement."

(iv) A deferred payment plan may include a one-time 5.0% penalty for late payment on the original amount of the outstanding bill with no prompt payment discount allowed except in cases where the outstanding bill is unusually high as a result of the utility's error (such as an inaccurately estimated bill or an incorrectly read meter). A deferred payment plan shall not include a finance charge.

(v) If a customer for utility service has not fulfilled terms of a deferred payment agreement or refuses to sign the same if it is reduced to writing, the utility shall have the right to disconnect pursuant to disconnection rules herein and, under such circumstances, it shall not be required to offer a subsequent negotiation of a deferred payment agreement prior to disconnection.

(vi) Any utility which institutes a deferred payment plan shall not refuse a customer participation in such a program on the basis of race, color, creed, sex, marital status, age, or any other form of discrimination prohibited by law.

(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to:

(I) a utility that assesses late payment charges on residential customers and that suspends service before the 26th day after the date of the bill for which collection action is taken;

(II) utility bills issued on or after August 30, 1993; and

(III) an elderly person, as defined in clause (ii) of this subparagraph, who is a residential customer and who occupies the entire premises for which a delay is requested.

(ii) Definitions.

(I) Elderly person--A person who is 60 years of age or older.

(II) Utility--A gas utility or municipally owned utility, as defined in Texas Utilities Code, §§101.003(7), 101.003(8), and 121.001 - 121.006.

(iii) An elderly person may request that the utility implement the delay for either the most recent utility bill or for the most recent utility bill and each subsequent utility bill.

(iv) On request of an elderly person, a utility shall delay without penalty the payment date of a bill for providing utility services to that person until the 25th day after the date on which the bill is issued.

(v) The utility may require the requesting person to present reasonable proof that the person is 60 years of age or older.

(vi) Every utility shall notify its customers of this delayed payment option no less often than yearly. A utility may include this notice with other information provided pursuant to subparagraph (A) of this paragraph.

(3) Refusal of service.

(A) Compliance by applicant. Any utility may decline to serve an applicant for whom service is available from previously installed facilities until such applicant has complied with the state and municipal regulations and approved rules and regulations of the utility on file with the commission governing the service applied for or for the following reasons.

(i) Applicant's facilities inadequate. If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given.

(ii) For indebtedness. If the applicant is indebted to any utility for the same kind of service as that applied for; provided, however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the applicable deposit requirement.

(iii) Refusal to make deposit. For refusal to make a deposit if applicant is required to make a deposit under these rules.

(B) Applicant's recourse. In the event that the utility shall refuse to serve an applicant under the provisions of these rules, the utility must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the municipal regulatory authority or commission, whichever is appropriate.

(C) Insufficient grounds for refusal to serve. The following shall not constitute sufficient cause for refusal of service to a present customer or applicant:

(i) delinquency in payment for service by a previous occupant of the premises to be served;

(ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;

(iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;

(iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the customer has first been notified and been afforded reasonable opportunity to comply with these rules;

(v) failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and

(vi) failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

(A) The due date of the bill for utility service shall not be less than 15 days after issuance, or such other period of time as may be provided by order of the regulatory authority. A bill for utility service is delinquent if unpaid by the due date.

(B) A utility may offer an inducement for prompt payment of bills by allowing a discount in the amount of 5.0% for payment of bills within 10 days after their issuance. This provision shall not apply where it conflicts with existing orders or ordinances of the appropriate regulatory authority.

(C) A customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the customer at least five working days prior to the stated date of disconnection, with the words "Termination Notice" or similar language prominently displayed on the notice. The notice shall be provided in English and Spanish as necessary to adequately inform the customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

(D) Utility service may be disconnected for any of the following reasons:

(i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;

(ii) violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation;

(iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;

(iv) without notice where a known dangerous condition exists for as long as the condition exists;

(v) tampering with the utility company's meter or equipment or bypassing the same.

(E) Utility service may not be disconnected for any of the following reasons:

(i) delinquency in payment for service by a previous occupant of the premises;

(ii) failure to pay for merchandise or charges for nonutility service by the utility;

(iii) failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;

(iv) failure to pay the account of another customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;

(v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;

(vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;

(vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

(F) Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the utility are not available to the public for the purpose of making collections and reconnecting service.

(G) No utility may abandon a customer without written approval from the regulatory authority.

(H) No utility may discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if the service is discontinued. Any customer seeking to avoid termination of service under this section must make a written request supported by a written statement from a licensed physician. Both the request and the statement must be received by the utility not more than five working days after the date of delinquency of the bill. The prohibition against service termination provided by this section shall last 20 days from the date of receipt by the utility of the request and statement or such lesser period as may be agreed upon by the utility and the customer. The customer who makes such request shall sign an installment agreement which provides for payment of such service along with timely payments for subsequent monthly billings.

(5) Applicant deposit.

(A) Establishment of credit for residential applicants. Each utility may require a residential applicant for service to satisfactorily establish credit but such establishment of credit shall not relieve the customer from complying with rules for prompt payment of bills. Subject to these rules, a residential applicant shall not be required to pay a deposit:

(i) if the residential applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;

(ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or

(iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

(B) Reestablishment of credit. Every applicant who has previously been a customer of the utility and whose service has been discontinued for nonpayment of bills shall be required before service is rendered to pay all his amounts due the utility or execute a written deferred payment agreement, if offered, and reestablish credit as provided in subparagraph (A) of this paragraph.

(C) Amount of deposit and interest for residential service, and exemption from deposit.

(i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, §71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.

(ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.

(iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.

(iv) Each utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

(I) Payment of interest to the customer shall be annually or at the time the deposit is returned or credited to the customer's account.

(II) The deposit shall cease to draw interest on the date it is returned or credited to the customer's account.

(D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

(E) Records of deposits.

(i) The utility shall keep records to show:

(I) the name and address of each depositor;

(II) the amount and date of the deposit; and

(III) each transaction concerning the deposit.

(ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

(iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.

(F) Refund of deposit.

(i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.

(ii) When the customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the customer in the form of cash or credit to a customer's account.

(G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the commission under oath, in addition to other information, a list showing the names and addresses of all customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.

(H) Complaint by applicant or customer. Each utility shall direct its personnel engaged in initial contact with an applicant or customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the customer, if dissatisfaction is expressed with the utility's decision, of the customer's right to file a complaint with the regulatory authority thereon.

(6) Billing.

(A) Bills for gas service shall be rendered monthly, unless otherwise authorized or unless service is rendered for a period less than a month. Bills shall be rendered as promptly as possible following the reading of meters.

(B) The customer's bill must show all the following information. The information must be arranged and displayed in such a manner as to allow the customer to compute his bill with the applicable rate schedule. The applicable rate schedule must be mailed to the customer on request of the customer. A utility may exhaust its present stock of nonconforming bill forms before compliance is required by this section:

(i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;

(ii) the number and kind of units billed;
(iii) the applicable rate schedule title or code;
(iv) the total base bill;
(v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;
(vi) the date by which the customer must pay the bill to get prompt payment discount;
(vii) the total amount due before and after any discount for prompt payment within a designated period;
(viii) a distinct marking to identify an estimated bill.

(C) Where there is good reason for doing so, estimated bills may be submitted, provided that an actual meter reading is taken at least every six months. For the second consecutive month in which the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read otherwise, the utility must provide the customer with a postcard and request that the customer read the meter and return the card to the utility if the meter is of a type that can be read by the customer without significant inconvenience or special tools or equipment. If such a postcard is not received by the utility in time for billing, the utility may estimate the meter reading and render the bill accordingly.

(D) Disputed bills.

(i) In the event of a dispute between the customer and the utility regarding the bill, the utility must forthwith make such investigation as is required by the particular case and report the results thereof to the customer. If the customer wishes to obtain the benefits of clause (ii) of this subparagraph, notification of the dispute must be given to the utility prior to the date the bill becomes delinquent. In the event the dispute is not resolved, the utility shall inform the customer of the complaint procedures of the appropriate regulatory authority.

(ii) Notwithstanding any other subsection of this section, the customer shall not be required to pay the disputed portion of the bill which exceeds the amount of that customer's average usage for the billing period at current rates until the earlier of the following: resolution of the dispute or the expiration of the 60-day period beginning on the day the disputed bill is issued. For purposes of this section only, the customer's average usage for the billing period shall be the average of the customer's usage for the same billing period during the preceding two years. Where no previous usage history exists, the average usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

(7) Meters.

(A) Meter requirements.

(i) Use of meter. All gas sold by a utility must be charged for by meter measurements, except where otherwise provided for by applicable law, regulation of the regulatory authority, or tariff.

(ii) Installation by utility. Unless otherwise authorized by the regulatory authority, each utility must provide and install and will continue to own and maintain all meters necessary for measurement of gas delivered to its customers.

(iii) Standard type. No utility may furnish, set up, or put in use any meter which is not reliable and of a standard type which meets generally accepted industry standards; provided, however, special meters not necessarily conforming to such standard types may be used for investigation, testing, or experimental purposes.

(B) Meter records. Each utility must keep the following records:

(i) Meter equipment records. Each utility must keep a record of all its meters, showing the customer's address and date of the last test.

(ii) Records of meter tests. All meter tests must be properly referenced to the meter record provided for therein. The record of each test made on request of a customer must show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

(iii) Meter readings--meter unit location. In general, each meter must indicate clearly the units of service for which charge is made to the customer.

(iv) Meter tests on request of customer.

(I) Each utility must, upon request of a customer, make a test of the accuracy of the meter serving that customer. The utility must inform the customer of the time and place of the test and permit the customer or his authorized representative to be present if the customer so desires. If no such test has been performed within the previous four years for the same customer at the same location, the test is to be performed without charge. If such a test has been performed for the same customer at the same location within the previous four years, the utility is entitled to charge a fee for the test not to exceed $15 or such other fee for the testing of meters as may be set forth in the utility's tariff properly on file with the regulatory authority. The customer must be properly informed of the result of any test on a meter that serves him.

(II) Notwithstanding subclause (I) of this clause, if the meter is found to be more than nominally defective, to either the customer's or the utility's disadvantage, any fee charged for a meter test must be refunded to the customer. More than nominally defective means a deviation of more than 2.0% from accurate registration.

(v) Bill adjustments due to meter error.

(I) If any meter test reveals a meter to be more than nominally defective, the utility must correct previous readings consistent with the inaccuracy found in the meter for the period of either:

(-a-) the last six months; or

(-b-) the last test of the meter, whichever is shorter. Any resulting underbillings or overbillings are to be corrected in subsequent bills, unless service is terminated, in which event a monetary adjustment is to be made. This requirement for a correction may be foregone by the utility if the error is to the utility's disadvantage.

(II) If a meter is found not to register for any period of time, the utility may make a charge for units used but not metered for a period not to exceed three months previous to the time the meter is found not to be registering. The determination of amounts used but not metered is to be based on consumption during other like periods by the same customer at the same location, when available, and on consumption under similar conditions at the same location or of other similarly situated customers, when not available.

(8) New construction.

(A) Standards of construction. Each utility is to construct, install, operate, and maintain its plant, structures, equipment, and lines in accordance with the provisions of such codes and standards as are generally accepted by the industry, as modified by rule or regulation of the regulatory authority or otherwise by law, and in such manner to best accommodate the public and to prevent interference with service furnished by other public utilities insofar as practical.

(B) Line extension and construction charges. Every utility must file its extension policy. The policy must be consistent, nondiscriminatory, and is subject to the approval of the regulatory authority. No contribution in aid of construction may be required of any customer except as provided for in extension policy.

(C) Response to request for service. Every gas utility must serve each qualified applicant for service within its service area as rapidly as practical. As a general policy, those applications not involving line extensions or new facilities should be filled within seven working days. Those applications for individual residential service requiring line extensions should be filled within 90 days unless unavailability of materials or other causes beyond the control of the utility result in unavoidable delays. In the event that residential service is delayed in excess of 90 days after an applicant has met credit requirements and made satisfactory arrangements for payment of any required construction charges, a report must be made to the regulatory authority listing the name of the applicant, location, and cause for delay. Unless such delays are due to causes which are reasonably beyond the control of the utility, a delay in excess of 90 days may be found to constitute a refusal to serve.

Section 7.460 (Suspension of Gas Utility Service Disconnection During an Extreme Weather Emergency)

(a) Applicability and scope. This rule applies to gas utilities, as defined in Texas Utilities Code, §101.003(7) and §121.001, and to owners, operators, and managers of mobile home parks or apartment houses who purchase natural gas through a master meter for delivery to a dwelling unit in a mobile home park or apartment house, pursuant to Texas Utilities Code, §§124.001-124.002, within the jurisdiction of the Railroad Commission pursuant to Texas Utilities Code, §102.001. For purposes of this section, all such gas utilities and owners, operators and managers of master meter systems shall be referred to as "providers." Providers shall comply with the following service standards. A gas distribution utility shall file amended service rules incorporating these standards with the Railroad Commission in the manner prescribed by law.

(b) Disconnection prohibited. Except where there is a known dangerous condition or a use of natural gas service in a manner that is dangerous or unreasonably interferes with service to others, a provider shall not disconnect natural gas service to:

(1) a delinquent residential customer during an extreme weather emergency. An extreme weather emergency means a day when the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Station for the county where the customer takes service.

(2) a delinquent residential customer for a billing period in which the provider receives a written pledge, letter of intent, purchase order, or other written notification from an energy assistance provider that it is forwarding sufficient payment to continue service; or

(3) a delinquent residential customer on a weekend day, unless personnel or agents of the provider are available for the purpose of receiving payment or making collections and reconnecting service.

(c) Payment plans. Providers shall defer collection of the full payment of bills that are due during an extreme weather emergency until after the emergency is over, and shall work with customers to establish a payment schedule for deferred bills as set forth in §7.45 of this title (relating to Quality of Service).

(d) Notice. Beginning in the September or October billing periods utilities and owners, operators, or managers of master metered systems shall give notice as follows:

(1) Each utility shall provide a copy of this rule to the social services agencies that distribute funds from the Low Income Home Energy Assistance Program within the utility's service area.

(2) Each utility shall provide a copy of this rule to any other social service agency of which the provider is aware that provides financial assistance to low income customers in the utility's service area.

(3) Each utility shall provide a copy of this rule to all residential customers of the utility and customers who are owners, operators, or managers of master metered systems.

(4) Owners, operators, or managers of master metered systems shall provide a copy of this rule to all of their customers.

(e) In addition to the minimum standards specified in this section, providers may adopt additional or alternative requirements if the provider files a tariff with the Commission pursuant to §7.315 of this title (relating to Filing of Tariffs). The Commission shall review the tariff to ensure that at least the minimum standards of this section are met.

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule CP

CURTAILMENT POLICY

Applicable to: Entire System — Page 1 of 1
Effective Date: ____________

CoServ Gas follows the requirements of the order in the Railroad Commission of Texas, Gas Utilities Docket No. 489.

TARIFF FOR GAS SERVICE
CoServ Gas, Ltd.

Rate Schedule DEP

CUSTOMER DEPOSITS

Applicable to: Entire System	Page 1 of 1
Effective Date: ____________	

Customer deposits are not required with acceptable credit bureau or other report of good credit by a utility. Deposits may be required of CoServ Gas customers who have been disconnected for nonpayment and later request to be reconnected. Deposits will be determined by estimating one-sixth of the average annual bill, and may include allowable additional charges, as specified by Texas Railroad Commission regulation. See applicable Commission regulation at 16 TAC Section 7.45 (Quality of Service Rule) for other provisions governing deposits.

Exhibit B to Settlement Agreement

Proof of Revenues

CoServ Gas, Ltd. Statement of Intent
OS-20-00005136
Exhibit B - Proof of Revenues Exclusive of Purchased Gas Factor Revenues

Settlement Terms:

Dollar Increase	$6,250,000
Base Rate Supported Revenue Requirement	$39,162,651

Line No.	Description	Total	Residential	Commercial & Public Auth.	Contract	Other
	(a)	(b)	(c)	(d)	(e)	(f)
1	Customer Charge Billing Determinants		1,617,096	35,820		
2	Current Customer Charge		$ 6.53	$ 12.60		
3	Revenues Collected in Customer Charge	$ 11,010,969	$ 10,559,637	$ 451,332		
4	Volumetric Charge Billing Determinants (Ccf)		101,003,816	15,313,408		
5	Current Volumetric Rate per Ccf		$ 0.18450	$ 0.21500		
6	Revenues Collected in Customer Charge	$ 21,927,587	$ 18,635,204	$ 3,292,383		
7	**Current Base Rate Revenues**	**$ 33,115,431**	**$ 29,194,841**	**$ 3,743,715**	**$ 176,875**	
8	Settlement Dollar Increase	6,250,000				
9	**Calculated Base Rate Revenues After Increase**	**$ 39,365,431**				
10	**Base Rate Revenues from Settlement Term Sheet**	**$ 39,162,651**				
11	**Residential, PA and Commercial Class Revenue Requirement**	**$ 38,985,776**				
12	Revenue Split per Update Filing	100.00%	94.20%	5.80%		
	Class Base Rate Revenue Requirement	$ 38,985,776	$ 36,724,601	$ 2,261,175		
10	Customer Charge Billing Determinants		1,617,096	35,820		
13	Settlement Customer Charge		$ 15.00	$ 35.00		
14	Revenues Collected in Customer Charge	$ 25,510,140	$ 24,256,440	$ 1,253,700		
15	Volumetric Charge Billing Determinants (Ccf)		101,003,816	15,313,408		
16	Settlement Volumetric Rate per Ccf		$ 0.12344	$ 0.06579		
17	Revenues Collected in Customer Charge	$ 13,475,380	$ 12,467,911	$ 1,007,469		
18	**Total Revenues from Tariffed Customers**	**$ 39,162,395**	**$ 36,724,351**	**$ 2,261,169**	**$ 176,875**	
19	**Total Settlement Revenues**	**$ 40,291,395**	**$ 36,724,351**	**$ 2,261,169**	**$ 176,875**	**$ 1,129,000**
20	**Adjustment for EDIT Credit**					
21	Volumetric Charge Billing Determinants (Ccf)		101,003,816	15,313,408		
22	Volumetric Rate per Ccf		$ (0.00247)	$ (0.00100)		
23	**EDIT Credit (See Note)**	**$ (264,793)**	**$ (249,479)**	**$ (15,313)**		
24	**Volumetric Charges with EDIT Credit**					
25	Volumetric Charge Billing Determinants (Ccf)		101,003,816	15,313,408		
26	Volumetric Rate per Ccf		$ 0.12097	$ 0.06479		
27	**EDIT Credit (See Note)**	**$ 13,210,587**	**$ 12,218,432**	**$ 992,156**		
28	**Total Settlement Revenues after EDIT Credit**	**$ 40,026,602**	**$ 36,474,872**	**$ 2,245,856**	**$ 176,875**	**$ 1,129,000**

NOTE:

EDIT Credit base is $271,711 per year ($10,325,015/38). Above total of $264,793 (249,479+15,313) is less because of factoring in growth to determine Ccf credit.

Exhibit C to Settlement Agreement

Plant in Service as of 6/30/20 and Depreciation Rates

CoServ Gas, Ltd. Statement of Intent
OS-20-00005136
Exhibit C - Plant in Service as of 6/30/20 and Depreciation Rates

Line No.	FERC Account	Description		Plant in Service	Depreciation Rate
	(a)	(b)		(c)	(d)
1	302	Franchises and Consents	$	54,996	0.00%
2	374	Land and Land Rights		3,571,351	1.33%
3	376	Mains		123,576,416	2.64%
4	378	Meas. & Reg. Station - General		3,375,158	3.41%
5	379	Meas. & Reg. Station - City Gates		4,632,680	3.07%
6	380	Services		37,243,444	3.33%
7	381	Meters		17,675,012	4.83%
8	382	Meter Installations		21,529,545	5.42%
9	383	House Regulators		4,577,247	4.95%
10	387	Other Equipment		16,302	4.35%
11	390	Structures and Improvements		42,282	3.67%
12	391	Office Furniture and Equipment		4,257,586	10.00%
13	391	Computer Equipment		255,078	33.30%
14	392	Transportation Equipment		4,282,179	13.84%
15	394	Tools, Shop and Garage		675,192	5.88%
16	396	Power Operated Equipment		1,050,208	10.13%
17	397	Communication Equipment		281,574	6.25%
18		**Total Plant in Service**	**$**	**227,096,251**	
19		Accumulated Depreciation		(46,728,113)	
20		**Net Plant in Service**	**$**	**180,368,138**	

Exhibit D to Settlement Agreement

Rate Case Expenses

RAILROAD COMMISSION OF TEXAS
HEARING DIVISION

STATEMENT OF INTENT OF COSERV GAS, LTD. TO INCREASE RATES IN UNINCORPORATED AREAS OF COLLIN, DENTON, AND KAUFMAN COUNTIES, TEXAS	§ § § § §	**DOCKET NO. OS-20-00005136**

AFFIDAVIT OF JOHN R. HAYS, JR.

Before me, the undersigned authority, on this date personally appeared John R. Hays, Jr., known to me to be the person whose name is subscribed below, and being by me first duly sworn, stated upon oath as follows:

1. My name is John R. Hays, Jr. I am over 18 years of age, of sound mind and fully competent to make this affidavit. Each statement of fact herein is true and of my own personal knowledge.

2. I am the principal with the Hays Law Firm based in Austin, Texas. I have practiced law since 1974 and teach Energy Law and Policy as an adjunct professor at the University of Texas School of Law. I have extensive experience representing and defending clients before the Railroad Commission of Texas ("Commission"), other agencies, the courts, and in arbitration.

3. I am counsel of record for CoServ Gas, Ltd. ("CoServ" or the "Company") in Docket No. OS-20-00005136. My firm was engaged to assist in the preparation and presentation of the Company's rate filing involving the incorporated and unincorporated areas it serves in Texas, which was filed with the cities it serves and the Commission on November 13, 2020.

4. Invoices support the $587,387.90 in rate case expenses incurred by CoServ in this proceeding through April 30, 2021. This amount includes legal expenses incurred in preparing the filing, expenses incurred by professional consultants retained to provide analysis and testimony, public notice costs, and incidental expenses. The invoices are detailed and itemized. The total amount of Company rate case expenses of $617,387.90 also includes $30,000.00 in estimated costs to complete the case.

5. I am familiar with the Commission Rule on Rate Case Expenses, 16 Tex. Admin. Code §7.5530, as well as past decisions rendered by the Commission regarding the types of expenses that are eligible for rate case expense recovery.

6. Of CoServ's total actual amount of rate case expenses for this proceeding, $373,271.13 are required regulatory expenses and $214,116.77 are litigation expenses as defined by 16 Tex. Admin. Code §7.5530(d).

7. I have reviewed the billings of the Hays Law Firm and Jackson Walker submitted to CoServ for legal services performed in this proceeding, and I affirm that those billings accurately reflect the time spent and expenditures incurred by these firms on CoServ's behalf. The charges and rates of my firm are reasonable and consistent with those billed by others for similar work, and the rates are comparable to rates charged by other professionals with the same level of expertise and experience. The hours spent to perform the tasks assigned to these firms were necessary to complete those tasks in a professional manner on a timely basis and the nature of the work performed is typical of a rate proceeding such as this case. The nature of this work included the preparation of testimony and other aspects of the Company's rate filing package, answering discovery questions, and addressing settlement issues. There was no duplication of services, and the Company's request for a rate change was warranted. Further, the work was relevant and reasonably necessary to the proceeding, and the complexity and expense of the work was commensurate with both the complexity of the issues in the proceeding and the amount of the rate increase sought and granted.

8. In addition to the amounts incurred through April 30, 2021, CoServ has and will continue to incur additional expenses for additional legal work performed through the issuance and implementation of a Final Order in this docket. The nature of this work includes finalizing settlement documents, presentation of the settlement to the Administrative Law Judge and Examiners, potential discovery and briefing before the Examiners, and attending Commission conferences. Based on my experience in administrative proceedings, including proceedings in which the parties seek approval of a Settlement Agreement as in this case, I estimate those expenses to complete the case will be approximately $30,000.00.

9. In addition to legal expenses, CoServ incurred other rate case expenses, which included expenses for professional consultants retained to provide testimony, preparation of the filing, public notice, responding to discovery, and analyzing settlement positions. Actual detailed and itemized invoices supporting these other expenses are attached. The total amount of rate case expenses for consultants is $335,211.83 and for Company expenses is $23,226.00, which includes costs for issuing notice.

10. No portion of the fees or expenses that CoServ seeks to recover is or will be for luxury items, such as limousine service, sporting events, alcoholic beverages, hotel movies, or other entertainment. The charges for copies, printing, overnight courier service, transcripts, and other expenses and costs were necessary for the prosecution of the case and are reasonable.

11. CoServ's total amount of rate case expenses is $617,387.90, which includes $30,000.00 in estimated expenses. As reflected in the Settlement Agreement, CoServ seeks approval to recover the rate case expenses uniformly from all customers because good cause exists for doing so, in accordance with 16 Tex. Admin. Code §7.5530. CoServ will supplement this filing with additional invoices as they are processed.

12. CoServ seeks recovery only of those expenses that are actually incurred, and any rate case expense surcharge and will collect from ratepayers only the amount actually incurred and authorized for recovery. I note, however, that the estimated expenses presume approval of the Settlement Agreement. CoServ reserves the right to revise this estimate to the extent that additional litigation becomes necessary.

John R. Hays, Jr.

SUBSCRIBED AND SWORN TO before me on this 14th day of May 2021.

DEANN SMITH CAYLOR
Notary Public, State of Texas
Comm. Expires 01-25-2025
Notary ID 6372141

Notary Public, State of Texas

CoServ Gas, Ltd.
OS-20-00005136
Rate Case Expenses Summary

Vendor	Invoice No.	Date	Amount	Regulatory Expenses	Litigation Expenses	Total Recoverable Expenses
Alliance Consulting Group	18-0107	1/31/2018	2,764.13	2,764.13		2,764.13
	18-0207	2/28/2018	4,278.35	4,278.35		4,278.35
	18-0308	3/31/2018	1,023.75	1,023.75		1,023.75
	18-0907	9/30/2018	485.63	485.63		485.63
	18-1006	10/31/2018	2,233.88	2,233.88		2,233.88
	18-1106	11/30/2018	4,759.13	4,759.13		4,759.13
	18-1205	12/31/2018	4,323.38	4,323.38		4,323.38
	19-0106	1/31/2019	233.63	233.63		233.63
	19-0208	2/28/2019	291.38	291.38		291.38
	19-0307	3/31/2019	816.38	816.38		816.38
	19-0710	7/31/2019	194.25	194.25		194.25
	19-1108	11/30/2019	194.25	194.25		194.25
	19-1207	12/31/2019	4,856.25	4,856.25		4,856.25
	20-0108	1/31/2020	13,967.63	13,967.63		13,967.63
	20-0207	2/29/2020	4,121.25	4,121.25		4,121.25
	20-0707	7/31/2020	1,400.44	1,400.44		1,400.44
	20-1208	12/31/2020	2,685.38		2,685.38	2,685.38
	21-0107	1/31/2021	556.50		556.50	556.50
Total			**$ 49,185.59**	**$ 45,943.71**	**$ 3,241.88**	**$ 49,185.59**
Denton Record-Chronicle	32164	1/5/2021	$ 1,229.00	$ 1,229.00		$ 1,229.00
DMN Media	1782331	12/3/2020	21,997.00	21,997.00		21,997.00
Total			**$ 23,226.00**	**$ 23,226.00**	**$ -**	**$ 23,226.00**
Financial Concepts and Applications	1668	3/31/2019	$ 6,075.00	$ 6,075.00		$ 6,075.00
	1668	7/31/2019	6,525.00	6,525.00		6,525.00
	1668	8/31/2019	4,500.00	4,500.00		4,500.00
	1668	10/31/2019	4,950.00	4,950.00		4,950.00
	6302020	6/30/2020	8,550.00	8,550.00		8,550.00
	01668C	10/31/2020	4,050.00	4,050.00		4,050.00
	1668	4/30/2021	900.00		900.00	900.00
Total			**$ 35,550.00**	**$ 34,650.00**	**$ 900.00**	**$ 35,550.00**
GDS Associates, Inc.	171185	4/10/2019	$ 16,245.75	$ 16,245.75		$ 16,245.75
	172061	5/8/2019	19,581.75	19,581.75		19,581.75
	172820	6/10/2019	5,519.00	5,519.00		5,519.00
	172821	6/10/2019	19,556.74	19,556.74		19,556.74
	173766	7/9/2019	20,456.81	20,456.81		20,456.81
	174658	8/7/2019	14,039.77	14,039.77		14,039.77
	175476	9/10/2019	20,764.09	20,764.09		20,764.09
	176392	10/8/2019	1,555.56	1,555.56		1,555.56
	177285	11/6/2019	1,784.43	1,784.43		1,784.43
	178280	12/10/2019	4,205.99	4,205.99		4,205.99
GDS Associates, Inc.	179065	1/9/2020	1,918.50	1,918.50		1,918.50
	180095	2/20/2020	940.61	940.61		940.61

Vendor	Invoice No.	Date	Amount	Regulatory Expenses	Litigation Expenses	Total Recoverable Expenses
	180948	3/13/2020	2,550.49	2,550.49		2,550.49
	182170	4/24/2020	5,065.64	5,065.64		5,065.64
	182999	5/20/2020	2,302.67	2,302.67		2,302.67
	184258	6/15/2020	3,119.05	3,119.05		3,119.05
	185129	7/8/2020	4,092.50	4,092.50		4,092.50
	186135	8/11/2020	11,810.00	11,810.00		11,810.00
	187344	9/11/2020	6,040.00	6,040.00		6,040.00
	188251	10/8/2020	7,490.00	7,490.00		7,490.00
	189113	11/10/2020	10,282.50	10,282.50		10,282.50
	190037	12/9/2020	6,453.14	3,932.50	2,520.64	6,453.14
	190943	1/11/2021	12,682.50		12,682.50	12,682.50
	191726	2/10/2021	26,206.25		26,206.25	26,206.25
	192583	3/8/2021	9,460.00		9,460.00	9,460.00
	193457	4/5/2021	8,172.50		8,172.50	8,172.50
	194434	5/11/2021	8,180.00		8,180.00	8,180.00
Total			**$ 250,476.24**	**$ 183,254.35**	**$ 67,221.89**	**$ 250,476.24**
Hays Law Firm	1	10/9/2020	$ 11,935.00	$ 11,935.00		$ 11,935.00
	2	11/18/2020	26,180.00	26,180.00		26,180.00
	3	12/10/2020	37,855.00	35,802.00	2,053.00	37,855.00
	4	1/22/2021	55,185.00		55,185.00	55,185.00
	5	2/26/2021	21,210.00		21,210.00	21,210.00
	6	3/24/2021	16,530.00		16,530.00	16,530.00
	7	4/15/2021	17,560.00		17,560.00	17,560.00
	8	5/11/2021	30,215.00		30,215.00	30,215.00
Total			**$ 216,670.00**	**$ 73,917.00**	**$ 142,753.00**	**$ 216,670.00**
Jackson Walker LLP	1632232	12/14/2018	1,100.00	1,100.00		1,100.00
	1635355	1/16/2019	155.00	155.00		155.00
	1645218	3/19/2019	977.50	977.50		977.50
	1649774	4/16/2019	5,442.50	5,442.50		5,442.50
	1654717	5/16/2019	2,680.07	2,680.07		2,680.07
	1675102	9/19/2019	880.00	880.00		880.00
	1679340	10/14/2019	55.00	55.00		55.00
	1695547	1/17/2020	220.00	220.00		220.00
	1710183	4/20/2020	495.00	495.00		495.00
	1728239	8/10/2020	275.00	275.00		275.00
Total			**$ 12,280.07**	**$ 12,280.07**	**$ -**	**$ 12,280.07**
		Total	**$ 587,387.90**	**$ 373,271.13**	**$ 214,116.77**	**$ 587,387.90**
	Invoice Estimate to Completion					**$ 30,000.00**
		Grand Total				**$ 617,387.90**

DAVID A. RETTIG, MAYOR

RENA HARDEMAN, COUNCIL PLACE 1
MICHAEL C. GANZ, COUNCIL PLACE 2
BRIAN MONTINI, MAYOR PRO TEM

ROGER SESSIONS, COUNCIL PLACE 4
BILL MOORE, COUNCIL PLACE 5
WES BOYER, PLACE 6

NORTHLAKE TOWN COUNCIL
REGULAR MEETING MINUTES
MAY 27, 2021
1500 COMMONS CIRCLE SUITE 300
NORTHLAKE, TEXAS 76226

1. Mayor David Rettig called the meeting to order at 5:31 pm, quorum present
   Roll Call:

David Rettig, Mayor	present	Rena Hardeman, Place 1	present
Michael Ganz, Place 2	present	Brian Montini, Place 3	present
Roger Sessions, Place 4	absent	Bill Moore, Place 5	present
Wes Boyer, Place 6	present		

   Staff Members present:
   Drew Corn, Town Manager
   Robert Crawford, Police Chief
   Eric Tamayo, Public Works Director
   Shirley Rogers, Town Secretary
   Nathan Reddin, Development Director
   John Zagurski, Finance Director
   John Thomson, Management Analyst

   Consultants present:
   Ashley Dierker, Town Attorney
   Ben McGahey, PE, Town Engineer

   Invocation given by Pastor Ben Scheck, The Grove Church
   Mayor Rettig led the Pledge of Allegiance to the US and Texas Flags

2. Announcements, Proclamations and Presentations
   A. Mayor Rettig stated the recognitions of former Municipal Court Judge Thomas Hobbs and Council Member Danny Simpson would not take place since neither one could be present at the meeting

Mayor Rettig announced he would move Item 5. H & I before Item B.

   H. Approval of a Service Plan and Ordinance for annexation of approximately 9.790 acres of land situated in the Lewis Medlin Survey, Abstract No. 830, generally located on the east and west sides of Chadwick Parkway approximately 400 feet northwest of Cleveland-Gibbs Road. Chadwick Farms, LTD is the owner/applicant. Case # ANX-21-002

i. Mayor Pro Tem Montini made the motion to approve the Service Plan. 2nd by Council Member Ganz

Vote	motion passed
For:	Montini, Ganz, Rettig, Moore, Boyer
Against:	Hardeman
Absent:	Sessions

ii. Mayor Rettig opened the public hearing at 5:50 pm to hear comments for or against the annexation- no comments received. Mayor Rettig closed the public hearing at 5:51 pm

iii. Mayor pro Tem Montini made the motion to approve Ordinance No. 21-0527A. 2nd by Council Member Boyer

Vote:	motion passed unanimous
For:	Montini, Boyer, Moore, Rettig, Ganz, Hardeman
Against:	none
Absent:	Sessions

I. Approval of an Ordinance amending the Chadwick Farms Mixed-Use Planned Development (MPD), for the approximately 143.209-acre tract of land currently in the MPD plus the 9.790-acre tract of land to be annexed and being situated in the Lewis Medlin Survey, Abstract No. 830, generally located on the south side of SH 114 from approximately 1,000 feet east of IH 35W and continuing along the frontage of SH 114 to the eastern limits of the Town of Northlake at Cleveland-Gibbs Road. Chadwick Farms, LTD is the owner/applicant/developer. Case # PD-21-002

i. Mayor Rettig opened the public hearing at 6:08 pm to hear comments for or against the proposed zoning

Northlake resident Joel McGregor stated he was not for or against the proposed zoning change but wanted to comment that a double cab pick-up truck was longer than the length of the driveway proposed with the townhomes

Mayor Rettig closed the public hearing at 6:08 pm

ii. Council Member Ganz made the motion to approve Ordinance No. 21-0527B. 2nd by Council Member Moore

Vote:	motion passed unanimous
For:	Ganz, Moore, Boyer, Rettig, Montini, Hardeman
Against:	none
Absent:	Sessions

2. Announcements, Proclamations and Presentations (Continued)
   B. FY 2022 Budget Outlook presented by Drew Corn, Town Manager
      - Overview of Revenues
      - Budget Requests
      - Capital Project Requests

   C. Police Step Plan and Civilian Salary Range Adjustments presented by Drew Corn, Town Manager
      - Mid-Year Employee Salary Adjustments
      - Improve employee recruitment – Police & Public Works
      - Maintain retention rate

3. Public Input – none received

4. Consent Items

Mayor Rettig pulled Item D on behalf of Council Member Hardeman for further discussion

D. Mayor Pro Tem Montini made the motion to approve the meeting minutes of 5/13/21. 2nd by Mayor Rettig

Vote:	motion passed unanimous
For:	Montini, Rettig, Hardeman, Ganz, Moore, Boyer
Against:	none
Absent:	Sessions

E. FY 2021-22 Interlocal Cooperation Agreement for Shared Governance Communications & Dispatch Services System between Denton County, Texas and Town of Northlake, Texas

F. Resolution No. 21-14 nominating Sue Tejml to a slate of nominees for the Board of Managers of the Denco Area 9-1-1 District

G. Resolution No. 21-15 finding that Oncor Electric Company LLC's Application for approval to amend its Distribution Cost Recovery Factor to increase distribution rates within the town should be denied; authorizing participation with OCSC; authorizing the hiring of legal counsel and consulting services; finding the town's reasonable rate case expenses shall be reimbursed by the Company

Mayor Pro Tem Montini moved to approve Items E-F-G. 2nd by Council Member Hardeman

Vote:	motion passed unanimous
For:	Montini, Hardeman, Ganz, Rettig, Moore, Boyer
Against:	none
Absent:	Sessions

5. Action Items (Continued)

By general consent, Mayor Rettig convened the council into closed session at 7:10 pm to discuss under Section 551.071 Consultation with Legal Counsel on the item listed below.

By general consent, Mayor Rettig reconvened the council into open session at 7:41 pm

J. Council Member Moore made the motion to approve the Reimbursement and Cooperation Agreement between HP Gibbs, LP and Town of Northlake, Texas. 2nd by Mayor Rettig

Vote: motion passed
For: Moore, Rettig, Boyer, Ganz, Montini
Against: Hardeman
Absent: Sessions

K. Mayor Pro Tem Montini made the motion to approve Resolution No. 21-16 supporting the construction of FM 1171 from I-35W to FM 156. 2nd by Council Member Ganz

Vote: motion passed unanimous
For: Montini, Ganz, Hardeman, Rettig, Moore, Boyer
Against: none
Absent: Sessions

Council Member Hardeman stated she would support this if the town asked on behalf of our resident/landowner that TxDOT will not make some of their land unusable for the cattle and farming operations and would ask for some sort of commitment from TxDOT that they would honor a mutually agreed route by landowner

L. Tabled - Approval of modifying, continuing and/or suspending the First Amended Declaration of Local and Public Health Emergency as modified by the Town Council on April 23, 2020

M. Tabled - Continue with Declaration of Local Disaster in response to severe weather in Town of Northlake, Texas, ordered by Mayor Rettig on February 22, 2021

6. By general consent, Mayor Rettig convened the council into a second Executive Session at 7:47 pm pursuant to Texas Government Code, annotated, Chapter 551 Subchapter D to discuss the items listed below:

a. Section 551.071 authorizes a governmental body to consult with its attorney in an executive session to seek his or her advice on a legal matter. It provides as follows: A governmental body may not conduct a private consultation with its attorney except: (1) When the governmental body seeks the advice of its attorney about: (a) pending or contemplated litigation; or (b) a settlement offer; or (2) on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter. The Town Council may adjourn into executive session for consultation with the Town Attorney regarding:

i. Legal advice on any matter related to any posted agenda item; and
ii. Legal advice related to the development and annexation of the Hatfield, Brasher, Green Tract on approximately 97.9 acre tract of land generally located south of Evelyn Lane, west of Faught Road and north of Faith Lane in the extraterritorial jurisdiction of the Town; and the development of the Charles Faught tracts totaling approximately 152.3 acres of land generally located north of Evelyn Lane, west of Faught Road, and south of Robson Ranch Road; and

iii. Legal advice related to the development and annexation of the Scrivner Tract totaling 44.8 acres of land generally located east of Florance Road approximately 2,533 feet north of FM 407 in the extraterritorial jurisdiction of the Town; and
iv. Legal advice related to the development and annexation of the IMA Development Group and AMI Development Group tracts, 3.4-acre, 1.7-acre and 1.3-acre tracts of land generally located at the northwest corner of FM 407 and Thompson Road in the extraterritorial jurisdiction of the Town; and
v. Pending or contemplated litigation; and
vi. Town of Northlake vs. City of Justin, Denton County District Court Cause No. 15-08170-367; and
vii. City of Justin v. Toby Baker, Cause No. D-1-GN-20-002084

b. Section 551.087 Economic Development Negotiations
i. Potential amendment to Development Agreement between Town, EDC and CDC, Foster, Lewis, Gierisch and Weis for a commercial development to be located on approx. 122 acres of land in the Anderson Survey, Abstract No. 25 and Gawltney Survey Abstract No. 500 in Denton County approved October 10, 2020
ii. Potential development agreement between Town, EDC and CDC, and 6McFarm LLC for a commercial development to be located on approx. 252 acres of land in the Anderson Survey, Abstract No. 25, S.A. Venters Survey, Abstract No. 1313 and MEP & PRR Survey, Abstract No. 910 in Denton County

7. Mayor Rettig reconvened the council into Open Session at 8:25 pm
No action was taken as a result of the closed session

8. By general consent, Mayor Rettig adjourned the meeting at 8:25 pm

Passed and approved by the town council on this the 10th day of June 2021.

Town of Northlake, Texas

____
David Rettig, Mayor

Attest:

____
Shirley Rogers, Town Secretary

TOWN OF NORTHLAKE COUNCIL ITEM NO. 5

DATE: JUNE 10, 2021

ITEM: ACTION ITEMS

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: JUNE 10, 2021

REF DOC.: UNIFIED DEVELOPMENT CODE (UDC): SECTION 8.2 ACCESSORY USES AND STRUCTURES

SUBJECT: UDC AMENDMENT - ACCESSORY USES AND STRUCTURES

GOALS/OBJECTIVES:

- Responsibly Manage Growth (Council Goal)

BACKGROUND INFORMATION:

- June 1, 2021, Planning and Zoning Commission discussed common issues and complaints from residents and property owners regarding accessory uses and structures
- Current standards do not allow for accessory structure to be built without a home unless the property is greater than 10 acres:
  - Two property owners recently applied for permits to construct accessory buildings to store equipment and provide for maintenance of 9-acre properties in agricultural use
  - Permits cannot be approved without home being constructed first on the property
  - No variance process is provided
- Current standards require most accessory structures to meet the setback requirements of the zoning district applicable to principal structures, including the rear setback:
  - Several residents applied for or inquired about permits for open-air accessory structures without walls such as patio covers, arbors, pergolas, and similar shade structures that would encroach the rear setback
  - Permits cannot be approved due to being over the rear setback
  - Similar structures allowed in Flower Mound due to exemption for open-air shade structures to be built up to a 5-foot setback
- Current standards require pool set back minimums of 5 feet from buildings but does not allow for engineering approval of lesser setback, a common practice:
  - Current setback for pools only applies to pool structure as measured from back of beam
  - No mention of setbacks for decking
  - Few pool permits propose decking up to the side or rear property line a drainage concern
  - Staff able to work with applicants to provide decking setback although none required
- Several standards for accessory structures allow for consideration of variances or exceptions through the Specific Use Permit (SUP) process:
  - Some accessory structure standards do not provide for variance or exception process
  - Board of Adjustment (BOA) may approve Special Exception when authorized in the UDC
  - UDC does not provide for consideration of Special Exceptions in many circumstances

UDC AMENDMENT FOR COUNCIL CONSIDERATION

- Amends Sec. 8.2 Accessory Uses and Structures as follows:
  - Adds opportunities for Special Exceptions to be considered by BOA
    - Consideration of agricultural buildings/structures without a primary structure (home) on lots greater than 5 acres but less than 10 acres (no current provision)

        - Consideration of accessory structures in front of primary structure (currently through SUP process)
        - Consideration of additional number and size of accessory structures (currently through SUP process)
        - BOA Special Exception process requires public hearing and notice similar to SUP.
        - For BOA to grant Special Exception, they must consider all of following:
            - Use is specifically permitted
            - Locations of proposed activities and improvements clearly defined on the site plan filed by the applicant
            - Exception wholly compatible with use and permitted development of adjacent properties
    - Adds allowance for open-air accessory structures without walls such as patio covers, pergolas, and similar shade structures to be setback a minimum of 5 feet from rear property line.
    - Adds provision for pools to be closer than 5 feet to building foundation or footing with approval of engineer
    - Adds minimum setback of 5 feet from common property lines for decking.
- Text amendments to UDC require 15-day notice and public hearing
    - Public hearing notice published in Denton Record Chronicle and on Town website on May 17, 2021

<u>P&Z RECOMMENDATION:</u>

- Recommended approval of the UDC Amendment as drafted with one change:
    - Minimum setback of 5 feet (instead of 3 feet as originally drafted) from common property lines for decking (incorporated in attached redline and ordinance)

<u>COUNCIL ACTION:</u>

- Hold public hearing
- Approve UDC amendment ordinance as drafted, approve UDC amendment ordinance with conditions, or take no action

<u>ATTACHMENTS:</u>

- Redline version of Sec. 8.2 Accessory Uses and Structures showing proposed amendments
- Ordinance for consideration incorporating the changes presented in redline

TOWN OF NORTHLAKE, TEXAS
OFFICIAL ORDINANCE

ORDINANCE NO. 21-0610B

AN ORDINANCE AMENDING CODE OF ORDINANCES, TOWN OF NORTHLAKE, TEXAS BY AMENDING THE SECTION 8.2, "ACCESSORY USES AND STRUCTURES," OF THE UNIFIED DEVELOPMENT CODE IN CHAPTER 9, "PLANNING AND MISCELLANEOUS DEVELOPMENT REGULATIONS;" OF THE TOWN OF NORTHLAKE, TEXAS; PROVIDING FOR MODIFIED REGULATIONS RELATED TO SETBACKS AND PROVISIONS OF VARIANCES FOR CERTAIN ACCESSORY USES AND STRUCTURES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING THAT THIS ORDINANCE IS CUMULATIVE; PROVIDING A PENALTY FOR VIOLATION; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town previously adopted the Town's Unified Development Code ("UDC") on January 24, 2013 which includes regulations governing accessory uses and structures; and

WHEREAS, the UDC provides for text amendments in certain situations; and

WHEREAS, common issues and complaints from residents and property owners regarding standards for certain accessory uses and structures have been noted by Town staff; and

WHEREAS, Town staff drafted certain amendments to the standards for accessory uses and structures to address the issues and complaints; and

WHEREAS, upon review and consideration of the Planning and Zoning Commission following a public hearing at their meeting on June 1, 2021, the Planning and Zoning Commission recommended approval of the amendment as outlined herein; and

WHEREAS, the Town Council held a public hearing on June 10, 2021 after proper notification thereof with respect to the adoption of the proposed UDC text amendments in accordance with the UDC and the Texas Local Government Code; and

WHEREAS, the Town Council has determined that the amendment as outlined herein is in the best interest of the health, safety, and general welfare of the citizens of the Town of Northlake and the public.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS THAT:

SECTION 1. The findings set forth above are incorporated into the body of this ordinance as if fully set forth herein.

1500 COMMONS CIRCLE, SUITE 300 • NORTHLAKE, TEXAS 76226

SECTION 2. Section 8.2, "Accessory Uses and Structures," in Article 8, "Special Uses and General Regulations," of the Unified Development Code of the Town Northlake is hereby amended to read as follows:

"Sec. 8.2 Accessory Uses and Structures

A. Accessory uses or structures shall not be permitted without a primary use or structure with the exception of the following:

1. Agricultural buildings/structures shall be permitted without a primary structure only on lots or tracts with an area greater than ten (10) acres. Agricultural buildings/structures may be permitted without a primary structure on lots or tracts with an area greater than five (5) acres and less than ten (10) acres with the approval of a Special Exception. For all agricultural buildings/structures, a minimum one hundred foot (100') setback is required from all adjacent street frontages, and such setback shall be measured from the ultimate right-of-way according to the Master Thoroughfare Plan.

B. Detached accessory structures shall meet the setback requirements of the Zoning District unless otherwise permitted in this article.

1. Detached accessory structures may be located in front of a primary structure on tracts of land under the same ownership with a land area of 20 acres or larger. In such case, a minimum one hundred foot (100') setback is required from all adjacent street frontages, and such setback shall be measured from the ultimate right-of-way according to the Master Thoroughfare Plan. In all other circumstances, detached accessory structures shall be prohibited in front of a primary structure unless approved with a Special Exception.

2. Open-air accessory structures without walls, whether detached or an addition, such as patio covers, arbors, pergolas, and similar shade structures, shall be set back a minimum of five (5') feet from rear property lines, shall meet all minimum setback requirements for front yards and side yards, and may not be located within an easement.

***

Table 8.1 Number and Size of Accessory Structures Allowed	
Lot Size	**Max. Number & Size of Accessory Structures**
Less than 5 acres	2 structures with a combined area not to exceed 50% of the area of the primary structure
5 acres and greater	3 structures with a combined area not to exceed up to 100% of the area of the primary structure
Additional structures or size requires approval of a Special Exception. All structures containing less than 120 square feet without a permanent foundation and all agricultural buildings/structures are exempt from these requirements.	

***

H. Attached accessory uses or structures shall comply with the front, side and rear setbacks and height restrictions established for the primary structure and/or this section unless otherwise permitted within this article. Attached accessory structures may be served by a separate electric meter only if a fire wall with a minimum rating of one (1) hour is installed between the primary structure and the attached accessory addition.

***

L. The minimum separation between a building foundation or footing and an in-ground storm shelter, in-ground or above-ground pool, spa, hot tub, playhouse, sauna or gazebo which does not exceed one story in height shall be a minimum of five feet (5'). In-ground storm shelters and in-ground pools, spas, and hot tubs may encroach the minimum separation with a letter of approval from a Professional Engineer.

   1. In-ground or above-ground pools, spas, and hot tubs shall be set back a minimum of five (5') feet from common property lines, shall meet all minimum setback requirements for front yards and side yards adjacent to a street, and may not be located within an easement.

   2. Setback distances for in-ground or above-ground pools, spas, hot tubs and saunas shall be measured to the outside edge of the beam (structural edge) of the pool, spa, etc.

   3. Decking for in-ground or above-ground pools, spas, hot tubs and saunas shall be set back a minimum of five (5') feet from common property lines, shall meet all minimum setback requirements for front yards and side yards adjacent to a street, and may not be located within an easement.

SECTION 3. Any person violating any provision of this ordinance shall be fined for each and every day during which any violation of any provision of this ordinance is committed, continued, or permitted in the maximum amount allowed by law as provided in Section 1.01.009 of the Town Code.

SECTION 4. With the exception of those Ordinances expressly repealed herein, this Ordinance shall be cumulative of all provisions of Ordinances of the Town of Northlake, except where the provisions of this Ordinance are in direct conflict with the provisions of such Ordinances, in which event the more stringent provision shall apply and the less stringent provision, whether contained within this Ordinance or in any prior Ordinance of the Town, whether codified or un-codified, is hereby repealed to the extent of the conflict, but all other provisions of the Ordinances of the Town, whether codified or un-codified, which are not in conflict with the provisions of the Ordinance, shall remain in full force and effect.

SECTION 5. It is hereby declared to be the intention of the Town Council that the phrases, clauses, sentences, paragraph section of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court or competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this ordinance, since same would have been enacted by the Town Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 6. All rights and remedies of the Town are expressly saved as to any and all violations of the provisions of this Ordinance, or any other Ordinances affecting the matters addressed herein, which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by the Ordinance but may be prosecuted until final disposition by the courts.

SECTION 7. The Town Secretary of the Town of Northlake is hereby directed to publish the caption, penalty clause, publication clause, and effective date clause of this Ordinance.

SECTION 8. This Ordinance shall be in full force and effect from and after its passage and publication as required by law.

PASSED AND APPROVED ON THIS THE 10th DAY OF June, 2021

Town of Northlake, Texas

____
David Rettig, Mayor

ATTEST:

____
Shirley Rogers, Town Secretary

Sec. 8.2 Accessory Uses and Structures *(Amended by Ord. 13-1212B, Ord. 16-1013A & Ord. 18-0614B)*

A. Accessory uses or structures shall not be permitted without a primary use or structure with the exception of the following:

1. Agricultural buildings/structures shall be permitted without a primary structure only on lots or tracts with an area greater than ten (10) acres. Agricultural buildings/structures may be permitted without a primary structure on lots or tracts with an area greater than five (5) acres and less than ten (10) acres with the approval of a Special Exception. ~~In such case~~For all agricultural buildings/structures, a minimum one hundred foot (100') setback is required from all adjacent street frontages, and such setback shall be measured from the ultimate right-of-way according to the Master Thoroughfare Plan.

~~B.~~

B. Detached accessory structures shall meet the setback requirements of the Zoning District unless otherwise permitted in this article.

1. Detached accessory structures may be located in front of a primary structure on tracts of land under the same ownership with a land area of 20 acres or larger. In such case, a minimum one hundred foot (100') setback is required from all adjacent street frontages, and such setback shall be measured from the ultimate right-of-way according to the Master Thoroughfare Plan. In all other circumstances, detached accessory structures shall be prohibited in front of a primary structure unless approved ~~by an~~with a Special Exception~~SUP~~.

~~1.~~2. Open-air accessory structures without walls, whether detached or an addition, such as patio covers, arbors, pergolas, and similar shade structures, shall be set back a minimum of five (5') feet from rear property lines, shall meet all minimum setback requirements for front yards and side yards, and may not be located within an easement.

C. No accessory structure, or portion of any accessory structure, shall be used for dwelling purposes unless approved as an Accessory Dwelling Unit in compliance with Section 8.3.

D. No accessory building(s), as permitted herein, shall occupy more than forty (40%) percent of the required rear yard.

E. Excluding agricultural buildings/structures, the number of accessory structures that shall be permitted on a residential lot shall be:

Table 8.1 Number and Size of Accessory Structures Allowed	
Lot Size	**Max. Number & Size of Accessory Structures**
Less than 5 acres	2 structures with a combined area not to exceed 50% of the area of the primary structure
5 acres and greater	3 structures with a combined area not to exceed up to 100% of the area of the primary structure
Additional structures or size requires approval of a ~~SUP~~Special Exception. All structures containing less than 120 square feet without a permanent foundation and all agricultural buildings/structures are exempt from these requirements.	

F. In-ground storm shelters, those primarily underground with no portion of the structure extending four (4') feet above ground level, and portable accessory buildings, those not built on a permanent foundation with less than one hundred (120) square feet of floor area, shall be set back a minimum of three (3') feet from common property lines, shall meet all minimum setback requirements for front yards and side yards adjacent to a street, and may not be located within an easement. All other accessory buildings shall meet the setback requirements of the zoning district.

G. No detached accessory use or structure shall be allowed in the front yard unless otherwise permitted within this article.

H. Attached accessory uses or structures shall comply with the front, side and rear setbacks and height restrictions established for the primary structure and/or this section unless otherwise permitted within this article. Attached accessory structures may be served by a separate electric meter only if a fire wall with a minimum rating of one (1) hour is installed between the primary structure and the attached accessory addition.

I. The total building height of the accessory building cannot exceed twenty-five (25') feet or the height of the main building, whichever is less. Agricultural buildings/structures and Accessory Dwelling Units shall conform to the height requirements of the zoning district in which the structure is located.

J. Storage buildings that are accessory to a principal residential use on the same lot shall require administrative site plan approval prior to building permit issuance.

K. The minimum separation between a main structure and detached accessory structure, other than a carport, pergola, or similar open-air structure, shall be ten (10') feet.

L. The minimum separation between ~~the main~~a building foundation or footing and an in-ground storm shelter, in-ground or above-ground pool, spa, hot tub, playhouse, sauna or gazebo which does not exceed one story in height shall be a minimum of five feet (5'). In-ground storm shelters and in-ground pools, spas, and hot tubs may encroach the minimum separation with a letter of approval from a Professional Engineer.

1. In-ground or above-ground pools, spas, and hot tubs shall be set back a minimum of five (5') feet from common property lines, shall meet all minimum setback requirements for front yards and side yards adjacent to a street, and may not be located within an easement~~.; and~~.

2. Setback distances for in-ground or above-ground pools, spas, hot tubs and saunas shall be measured to the outside edge of the beam (structural edge) of the pool, spa, etc.

~~2.~~3. Decking for in-ground or above-ground pools, spas, hot tubs and saunas shall be set back a minimum of five (5') feet from common property lines, shall meet all minimum setback requirements for front yards and side yards adjacent to a street, and may not be located within an easement.

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: JUNE 10, 2021

REF. DOC.:

SUBJECT: CONTINUE WITH DECLARATION OF LOCAL AND PUBLIC HEALTH EMERGENCY APRIL 23, 2020

NORTHLAKE MAYOR AND COUNCIL COMMUNICATION

DATE: JUNE 10, 2021

REF. DOC.:

SUBJECT: DECLARATION OF LOCAL DISASTER SEVERE WEATHER APPROVED AT FEBRUARY 25, 2021 MEETING

NOTICE OF MEETING
BOARD OF DIRECTORS
TAX INCREMENT REINVESTMENT ZONE NUMBER ONE
TOWN OF NORTHLAKE, TEXAS
THURSDAY, JUNE 10, 2021
5:30 PM

NOTICE IS HEREBY GIVEN that the Board of Directors of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (the "Zone"), will hold a public meeting to commence at **5:30 pm** on **June 10, 2021** at **Northlake Town Hall, 1500 Commons Circle, Suite 300, Northlake Texas 76226.**

The matters to be considered and acted upon at the meeting will include the following:

1. Call meeting to order
2. Approval of FY 2021-2022 proposed budget
3. Adjourn the meeting

CERTIFICATE

I HEREBY CERTIFY that the above and foregoing is a true, full and correct copy of a notice that was posted on a bulletin board located at a place at Northlake Town Hall, 1500 Commons Circle, Suite 300, Northlake Texas 76226, convenient to the public at all times by 5:30 pm on June 4, 2020.

Shirley Rogers

Shirley Rogers
Town Secretary

TOWN OF NORTHLAKE COUNCIL ITEM NO. 6

DATE: JUNE 10, 2021

ITEM: EXECUTIVE SESSION

TOWN OF NORTHLAKE COUNCIL ITEM NO. 7

DATE: JUNE 10, 2021

ITEM: OPEN SESSION

TOWN OF NORTHLAKE COUNCIL ITEM NO. 8

DATE: JUNE 10, 2021

ITEM: ADJOURNMENT