



REGULAR CITY COUNCIL MEETING

November 13, 2023 at 6:00 PM

City Council Chambers
1600 Avenue M, Hondo, TX

AGENDA

Notice is hereby given that a Regular City Council Meeting of the governing body of the City of Hondo will be held November 13, 2023 at 6:00 p.m. in the City Council Chambers, City Hall at 1600 Avenue M, Hondo, Texas, for the purpose of discussing matters incident and related to the City of Hondo. The following items will be discussed, to-wit:

The public may also access the meeting remotely through video/conference from your computer, tablet or smart phone at: <https://boxcast.tv/channel/aetaajdf64jalxx20o9a>

Persons may submit questions or comments for items on the agenda by email to: svelasquez@hondo-tx.org. Questions or comments submitted by email must be received by the city at least 1 hour prior to the scheduled start of the meeting in order to be presented to the City Council during the meeting

1. Call to order.
2. Quorum check.
3. Invocation by Steve Peyton-New Fountain Methodist Church
4. Pledge of Allegiance.
5. Citizens'/Public Comments: *Persons who desire to address the City of Hondo City Council will be received at this time. Those persons wishing to speak should complete a Public Comment Form and submit it to the City Secretary prior to the meeting. If the speaker wishes to comment on a particular agenda item, then the speaker should indicate such item(s) to on the form. Public comment is limited to 3 minutes per speaker. Speakers must conduct themselves in a civil manner. In accordance with the Texas Open Meetings Act, the City of Hondo City Council cannot deliberate or take action on items not listed on the meeting agenda.*

PRESENTATIONS

6. City Manager's Report. (John Naron)
7. Public Works Report. (Rene Saenz)

CONSENT

8. Discuss and consider approving the minutes from October 23, 2023. (Stephanie Velasquez)
9. Discuss and consider approving the minutes from October 30, 2023. (Stephanie Velasquez)
10. Discuss and Consider an ordinance regarding the City of Hondo's Texas Municipal Retirement System Benefits Authorizing Actuarially determined city contribution rate payments. (Chris Hill)

OTHER BUSINESS

11. Discuss and consider cancelling City Council Meeting for December 25, 2023. (Mayor McAnelly)
12. Discuss and Consider approving a Resolution of votes cast to elect directors for the Appraisal District of Medina County for the years 2024-2025. (Mayor McAnelly)
13. Discuss the Economic Development Commission's newly created Director of Marketing, Business Retention and Expansion, and recruitment position duties and purpose. (Doug Dowler)
14. Discuss and consider Resolution 417-23 by the City of Hondo, Texas authorizing and approving membership in the cities served by CenterPoint gas for the purpose of protecting the interest of the city and its citizens with respect to CenterPoint matters; further suspending the December 4, 2023 effective date of the statement of intent of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Ebntex and CenterPoint energy Texas gas to change rates in the Texas Division; to permit the city time to study the request and establish reasonable rates; finding that the city's reasonable rate case expenses shall be reimbursed by the company; authorizing participation with the cities served by CenterPoint gas; hiring legal and consulting services to negotiate with the company and direct any necessary litigation and appeals; finding that the meeting at which resolution is passed is open to the public as required by law; requiring notice of this resolution to the company and legal counsel. (John Naron)
15. Discuss and consider legal options for creation of a scholarship fund and scholarship advisory board. (City Attorney and City Manager, John Naron)
16. Discuss and consider making various appointments to boards and commissions (Mayor McAnelly)

EXECUTIVE SESSION

17. None.
18. Adjourn.

I hereby certify that the above Notice of Regular City Council Meeting of the governing body of the City of Hondo was posted on the City Website and on the bulletin board in City Hall, 1600 Avenue M, Hondo, Texas, at a place convenient and readily accessible to the general public at all times on November 9, 2023 at 1:35 p.m.

ATTEST:

Stephanie Velasquez
Admin Assistant to City Manager

The City Council of the City of Hondo reserves the right to convene in Executive Session in accordance with the Texas Open Meetings Act, Texas Government Code: Section 551.071 (Consultations with Attorney), Section 551.072 (Deliberations about Real Property), Section 551.074 (Personnel Matters), Section 551.076 (Deliberations about Security Devices), or Section 551.087 (Deliberations Regarding Economic Development Negotiations) on any of the above items.

NOTICE OF ASSISTANCE AT PUBLIC MEETINGS

The City of Hondo City Council Meetings is available to all persons regardless of disability. If you require special assistance, contact the City Secretary forty-eight (48) hours prior to the meeting time at 830-426-3378.



City Council Communication

Title: City Manager's Report. (John Naron)

Date: November 13, 2023 **From:**

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:

Public Works Department

City Council Update

November 13, 2023

- I. Chip Seal Project Update
- II. WWTP CDBG Clarifier repair grant update
 - **Bid process update:**
 - Received bids November 2: Two bidders turned in bids package. TRC engineering is conducting its due diligence and once that is completed, will have a recommendation letter for council to approve and award bid.
 - Construction to begin by 2nd week of December 2023.
 - Completion date: June 2024
- III. Spatz Water Well and Ground Storage Tank update

**MINUTES
CITY OF HONDO
REGULAR CITY COUNCIL MEETING
OCTOBER 23, 2023 at 6:00 p.m.**

1. Called meeting to order.
Mayor McAnelly called the meeting to order at 6:01 p.m.
2. Quorum check.
Mayor John McAnelly, Mayor Pro Tem Jose "Porky" Ytuarte, Council Member Brett Williams, Council Member Bobby Vela, Council Member Rachel Ramirez, Council Member John E. Villa.

Absent: None.

Staff Present: City Manager John Naron, City Attorney Molly Solis, Admin Assistant to City Manager Stephanie Velasquez, IT Manager Josh Rodriguez, Police Chief Justin Soza (Remote), Lieutenant AJ Garza, Director of Public Works Rene Saenz, Water Superintendent Jeremiah Socarras, Director of Public Information and Recreation Jamie Kindred, Human Resources Manager Michele Thacker, Director of Aviation Ryan Elder, HEDC Executive Director Doug Dowler.

3. Invocation by Steve Peyton, New Fountain Methodist Church
4. Pledge of Allegiance.
5. Citizens'/Public Comments: Persons who desire to address the City of Hondo City Council will be received at this time. Those persons wishing to speak should complete a Public Comment Form and submit it to the City Secretary prior to the meeting. If the speaker wishes to comment on a particular agenda item, then the speaker should indicate such item(s) to on the form. Public comment is limited to 3 minutes per speaker. Speakers must conduct themselves in a civil manner. In accordance with the Texas Open Meetings Act, the City of Hondo City Council cannot deliberate or take action on items not listed on the meeting agenda.

Mr. Chavel Lopez expressed his concerns on the payscale. He stated he urges the Council to look into a particular step system regarding the pay wages.

PRESENTATIONS

6. City Manager's Report (John Naron)

City manager John Naron gave a brief recap over the events from the past two weeks. He looks forward to expanding these events and attracting more people from surrounding cities. Also discussed about the water tower, Rene Saenz is helping the school with this project. He stated in about 6 months or less the water tower would have lights celebrating school wins in Hondo Blue.

7. Public Works Report (Rene Saenz)

Public Works Director stated he had only one item to report and would allow his superintendent of water Jeremiah Socarras to present and explain to the council of water forecast.

Jeremiah Socarras reported 2645 acre feet of water that the City of Hondo can use between January and September 30. The first nine months, the San Antonio pools experienced stage two restriction's for 44 days stage three restrictions for 157 days and stage four for 88 days. The City has pumped 1534 acre feet of water, it is about 9% decrease, which Mr. Socarras stated was actually good. He does think that they will need to tap into airport and lease the water rights to meet their numbers. They normally average about 2000 to 2100 acre feet a year. Councilman Ytuarte asked about 16 work orders that belong to water department. Jeremiah stated they are behind on work orders but they are getting to them.

CONSENT

Council Member Vela motioned to table item number 12 and 13 to discuss and consider approving the 2023 Pay scale updating the pay schedule for pay rate and job titles. Second by Council Member Williams. The motion carried by the following vote: AYE: Vela, Williams, Ramirez. NAY: Villa. ABSENT: NONE

Item Number 12 and 13 pulled from the consent agenda.

PUBLIC HEARINGS

Mayor McAnelly opened the public hearing at 6:22 p.m.

Chavel Lopez expressed his concerns on the payscale. He stated he urges the Council to look into a particular step system regarding the pay wages.

Mayor McAnelly closed the public hearing at 6:26 p.m.

OTHER BUSINESS

8. Director of Aviation Ryan Elder presented the FY-23-24 RAMP grant. Grant was changed from a 50/50 match grant to a 90/10.

Council Member Villa motioned to approve RAMP grant. Seconded by Council Member Vela. The motion carried by the following vote: AYE: Villa, Vela, Ramirez, Ytuarte, Williams,. NAY: None. ABSTAIN: NONE. ABSENT: None.

9. Discuss and reconsider previously adopted Economic Development Commission budget previously approved by the City of Hondo on September 11, 2023. Council Member Ytuarte and Council Member Vela request to amend the Economic Development Commission budget regarding the newly created Director of Marketing Business Retention and Expansion recruitment position.

City Attorney Molly Soliz stated motion would be to reconsider it. Direction given to the city manager to not fill the position for a certain duration of time until it can be evaluated and work with the EDC to restructure the title and job duties.

The City Council of the City of Hondo convened into executive session at 6:33 p.m.

EXECUTIVE SESSION

10. Executive Session: The City Council of the City of Hondo may convene in Executive Session in accordance with the Texas Open Meetings Act, Texas Government Code: Section 551.071(1) (A) and (2) (Consultations with Attorney) and Section 551.072 (Deliberations about Real Property), Section 551.074 (Personnel Matters), Section 551.076 (Deliberations about Security Devices), or Section 551.087 (Deliberations Regarding Economic Development Negotiations); Section 551.086 (Meeting concerning municipally owned utility-competitive matters);
- a. Discussion on the reassignment of a Hondo PD employee to the San Antonio Task Force. (Chief Soza)
 - b. Discussion with Hondo Railway regarding Gladiator project (John Naron)
 - c. Discussion with the City Attorney (Molly Soliz) regarding SRO contract update (John Naron)

The City Council of the City of Hondo reconvened into regular session at 7:57 p.m.

11. Discuss and consider appropriate action on items resulting from Executive Session.

Council Member Vela motion to allow the chief of police to enter into a state and local task force agreement with the United States Department of Justice, drug force administration, Drug Enforcement Administration: seconded by Council Member Villa. The motion carried by the following vote: 5-0 AYE: All Council Members Present. NAY: None. ABSTAIN: None. ABSENT: None

Council Member Villa motion to authorize the City Manager a letter of intent to support brand application for Hondo Railway expansion project. Seconded by Council Member Ramirez. The motion carried by the following vote: 5-0 AYE: All Council Members Present. NAY: None. ABSTAIN: None. ABSENT: None

12. Adjourn

Council Member Vela made motion to adjourn; seconded by Council Member Williams. The motion carried by the following vote: 5-0 AYE: All Council Members Present. NAY: None. ABSTAIN: None. Absent: None.

PASSED AND APPROVED THIS 13TH DAY OF NOVEMBER 2023

JOHN McANELLY JR., MAYOR

ATTEST:

City Secretary/Admin

MINUTES
CITY OF HONDO
SPECIAL CITY COUNCIL MEETING
OCTOBER 30, 2023 at 6:00 p.m.

1. Called meeting to order.

Mayor McAnelly called the meeting to order at 6:01 p.m.

2. Quorum check.

Mayor John McAnelly, Mayor Pro Tem Jose "Porky" Ytuarte, Council Member Bobby Vela, Council Member Rachel Ramirez, Council Member John E. Villa.

Absent: Council Member Brett Williams,

Staff Present: City Manager John Naron, Chief Finance Officer Chris Hill, City Attorney Molly Solis, IT Manager Josh Rodriguez, Police Chief Justin Soza, Director of Public Relations and Recreation Jamie Kindred.

3. Pledge of Allegiance.

4. Citizens'/Public Comments: Persons who desire to address the City of Hondo City Council will be received at this time. Those persons wishing to speak should complete a Public Comment Form and submit it to the City Secretary prior to the meeting. If the speaker wishes to comment on a particular agenda item, then the speaker should indicate such item(s) to on the form. Public comment is limited to 3 minutes per speaker. Speakers must conduct themselves in a civil manner. In accordance with the Texas Open Meetings Act, the City of Hondo City Council cannot deliberate or take action on items not listed on the meeting agenda.

None

PRESENTATIONS

None

The City Council of the City of Hondo convened into executive session at 6:01 p.m.

EXECUTIVE SESSION

5. Executive Session: The City Council of the City of Hondo may convene in Executive Session in accordance with the Texas Open Meetings Act, Texas Government Code: Section 551.071(1) (A) and (2) (Consultations with Attorney) and Section 551.072 (Deliberations about Real Property), Section 551.074 (Personnel Matters), Section 551.076 (Deliberations about Security Devices), or Section 551.087 (Deliberations Regarding Economic Development Negotiations); Section 551.086 (Meeting concerning municipally owned utility-competitive matters);

- a. Discuss and consider approving 2023 Pay Scale updating the Pay Schedule for Pay Grades and Job Titles.
- b. Discuss and consider ordinance Number 1278-10-23 of the City Council of the City of Hondo, Texas, authorizing amendments to the adopted annual budget of the City of Hondo.

The City Council of the City of Hondo reconvened into regular session at 7:50 p.m.

Discuss and consider appropriate action on items resulting from Executive Session.

Council Member Villa motion to consider approving 2023 Pay Scale updating the Pay Schedule for Pay Grades and Job Titles. Seconded by Council Member Ramirez. The motion carried by the following vote: 4-0 AYE: All Council Members present. NAY: None. ABSTAIN: None. ABSENT: Council Member Williams.

Council Member Ytuarte motion to approve ordinance amending ordinance number 1278-10-23 authorizing amendments to adopt annual budget of the City of Hondo, Texas for the 2023-2024 fiscal year. Seconded by Council Member Vela. The motion carried by the following vote: 4-0 AYE: All Council Members present. NAY: None. ABSTAIN: None. ABSENT: Council Member Williams.

6. Adjourn

Council Member Vela made motion to adjourn; seconded by Council Member Villa. The motion carried by the following vote: 4-0 AYE: All Council Members Present. NAY: None. ABSTAIN: None. ABSENT: Council Member Williams.

PASSED AND APPROVED THIS 13th DAY OF NOVEMBER 2023

JOHN McANELLY JR., MAYOR

ATTEST:

City Secretary/Admin



City Council Communication

Title: Discuss and Consider an ordinance regarding the City of Hondo's Texas Municipal Retirement System Benefits Authorizing Actuarially determined city contribution rate payments. (Chris Hill)

Date: November 13, 2023 **From:** Chris Hill, Chief Finance Officer

INFORMATION:

The City has received a letter from Texas Municipal Retirement System (TMRS) requesting an update to the city's ordinance to determine the City's contribution rate based on the TMRS Actuary valuation of the City's plan benefits each year and remove the statutory maximum contribution rate limit.

In the previous year's Fiscal Budget for FY2022/2023, the City selected an improved TMRS plan for employees which increases the City's contribution above the original maximum contribution rate of 13.5%. Based on the current TMRS plan, 7% Employee Contribution and City Match 2 to 1, the City will need to remove the maximum contribution rate clause adopted almost 50 years ago. Some cities that were one of the original participants of TMRS, adopted a maximum rate clause that no longer corresponds with the City's current TMRS plan. The adoption of the Ordinance to remove the maximum rate deduction is necessary not to interrupt the City's contributions starting in January, 2024. The current budget will not be affected by this change.

FINANCIAL IMPACT:

N/A

STAFF RECOMMENDATION:

Staff recommends approval of the ordinance removing the statutory maximum contribution rate limit as provided in the TMRS Act.

MOTION:

Motion to approve Ordinance NO. 1279-11-23.

ATTACHMENTS:

1. 2023-11-13 TMRS ORD
2. TMRS Letter

STAFF CONTACTS:

Chris Hill
Chief Finance Officer
chill@hondo-tx.org

ORDINANCE NO. 1279-11-23

AN ORDINANCE REGARDING THE CITY OF HONDO'S TEXAS MUNICIPAL RETIREMENT SYSTEM BENEFITS AUTHORIZING ACTUARIALLY DETERMINED CITY CONTRIBUTION RATE PAYMENTS.

Whereas, the City of Hondo, Texas (the "City"), elected to participate in the Texas Municipal Retirement System (the "System" or "TMRS") pursuant to Subtitle G of Title 8, Texas Government Code, as amended (which subtitle is referred to as the "TMRS Act"); and

Whereas, the City Council finds that it is in the public interest to authorize actuarially determined City contribution rate payments and remove the maximum contribution rate as provided in TMRS Act §855.407; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HONDO, TEXAS:

(a) Pursuant to TMRS Act §855.407, the City elects to make normal service and prior service contributions to the City's benefit accumulation fund of the System (the "City's BAF") at the combined rate of the total compensation paid to its employees who are System members as the System's actuary annually determines is necessary to fund all obligations chargeable to the City's BAF, within the amortization period determined as applicable to the City under the TMRS Act and regardless of other TMRS Act provisions limiting the combined rate of City contributions.

(b) The removal of the maximum contribution rate limit under this Ordinance shall be effective on the first day of the month of January, 2024.

Passed and approved November 13, 2023.

ATTEST:

APPROVED:

John McAnelly, Mayor



November 6, 2023

Christopher Hill
Chief Finance Officer
City of Hondo
1600 Avenue M
Hondo, TX 78861-1756

Via Email

Dear Ms. Hill:

We are pleased to enclose a model ordinance for your city to adopt:

**Remove the Statutory Maximum Contribution Rate Limit
Effective January 1, 2024**

By adopting this ordinance, your city is agreeing to fully fund the costs of the pension benefits included in the city's plan.

This ordinance will allow your city to impose its own "limit" on the contribution rate by using its discretion in determining which potential plan improvements to adopt, or not to adopt, based on the calculated contribution rate. The TMRS actuary will perform a valuation of the city's plan of benefits each year and forward this rate to your city.

With the removal of the statutory rate limit your city's full contribution rate for 2024 will be **14.43%**.

Please make sure the ordinance is adopted and signed before the effective date. When the ordinance is adopted, please send a copy to City Services at cityservices@tmrs.com.

If you have any questions about the ordinance or anything else, please contact me at 512-225-3742.

Sincerely,

Colin Davidson
Director of City Services



City Council Communication

Title: Discuss and consider cancelling City Council Meeting for December 25, 2023. (Mayor McAnelly)

Date: November 13, 2023 **From:**

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



City Council Communication

Title: Discuss and Consider approving a Resolution of votes cast to elect directors for the Appraisal District of Medina County for the years 2024-2025. (Mayor McAnelly)

Date: November 13, 2023 **From:**

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. Medina County Appraisal Ballot

STAFF CONTACTS:

MEDINA COUNTY APPRAISAL DISTRICT
1410 AVE K
HONDO, TX 78861

OFFICIAL BALLOT

OCTOBER 27, 2023

ISSUED TO CITY OF HONDO

TO ELECT

BOARD OF DIRECTORS FOR MEDINA COUNTY APPRAISAL DISTRICT 2024-2025

DIRECTIONS: PLEASE ENTER THE NUMBER OF VOTES CAST ON THE
BLANK SPACE OPPOSITE THE NAME OF THE CANDIDATE.
YOU MAY CAST ALL OF YOUR VOTES FOR ONE CANDIDATE
OR YOU MAY DIVIDE YOUR VOTES AMONG ANY NUMBER
OF THE CANDIDATES THAT YOU DESIRE. YOU HAVE
121 TOTAL VOTES THAT YOU MAY CAST.

NAMES OF CANDIDATES:

1. BECK, JERRY _____
2. BELL, CLAY _____
3. BURELL, KYLA SCHUEHLE _____
4. GALM, HAROLD "BUTCH" _____
5. JACOBS, JODY _____
6. MALONE, CYNTHIA _____
7. NAVARRO, MAMIE _____
8. SEGOVIA, CINDY _____

Johnette Dixon, RTA, RPA, CTA, CCA
Chief Appraiser
Medina CAD

RESOLUTION OF VOTES CAST TO ELECT DIRECTORS FOR THE APPRAISAL DISTRICT OF MEDINA
COUNTY FOR THE YEARS 2024-2025

Whereas, SB 469 Section 6.03 (g) requires that each taxing unit entitled to vote should cast their
vote by resolution and submit to the Chief Appraiser of Medina County by December 15, 2023.

Therefore, the _____ submits the
(Taxing Unit)
above Official Ballot, as issued by the Chief Appraiser, stating our vote for candidates
for the election of the Board of Directors for the Medina County Appraisal District.



City Council Communication

Title: Discuss the Economic Development Commission's newly created Director of Marketing, Business Retention and Expansion, and recruitment position duties and purpose. (Doug Dowler)

Date: November 13, 2023 **From:** Doug Dowler, EDC Executive Director

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



THIS IS GOD'S COUNTRY

City Council Communication

Title: Discuss and consider Resolution 417-23 by the City of Hondo, Texas authorizing and approving membership in the cities served by CenterPoint gas for the purpose of protecting the interest of the city and its citizens with respect to CenterPoint matters; further suspending the December 4, 2023 effective date of the statement of intent of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Ebntex and CenterPoint energy Texas gas to change rates in the Texas Division; to permit the city time to study the request and establish reasonable rates; finding that the city's reasonable rate case expenses shall be reimbursed by the company; authorizing participation with the cities served by CenterPoint gas; hiring legal and consulting services to negotiate with the company and direct any necessary litigation and appeals; finding that the meeting at which resolution is passed is open to the public as required by law; requiring notice of this resolution to the company and legal counsel. (John Naron)

Date: November 13, 2023 **From:** John Naron, City Manager

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

1. RESOLUTION 417-23

STAFF CONTACTS:

RESOLUTION NO. 417-23

A RESOLUTION BY THE CITY OF HONDO, TEXAS AUTHORIZING AND APPROVING MEMBERSHIP IN THE CITIES SERVED BY CENTERPOINT GAS (CITIES) FOR THE PURPOSE OF PROTECTING THE INTEREST OF THE CITY AND ITS CITIZENS WITH RESPECT TO CENTERPOINT MATTERS; FURTHER SUSPENDING THE DECEMBER 4, 2023 EFFECTIVE DATE OF THE STATEMENT OF INTENT OF CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS TO CHANGE RATES IN THE TEXAS DIVISION; TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; AUTHORIZING PARTICIPATION WITH THE CITIES SERVED BY CENTERPOINT GAS; HIRING LEGAL AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, on or about October 30, 2023, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas (CenterPoint or Company) filed with the City of Hondo (City) and the other affected Texas municipalities a Statement of Intent seeking to change rates within the Texas division to be effective December 4, 2023; and

WHEREAS, the City is a regulatory authority with an interest in the rates and charges of CenterPoint; and

WHEREAS, the Cities Served by CenterPoint Gas (Cities) is a coalition of similarly situated cities served by CenterPoint that have joined together to efficiently and cost effectively review and respond to gas issues affecting rates charged in CenterPoint's service area; and

WHEREAS, the Cities Served by CenterPoint Gas (Cities) has hired outside consultants to review the Company's filing, negotiate with the Company, make recommendations regarding reasonable rates and to direct any necessary administrative proceedings or court litigation associated with an appeal of city action; and

WHEREAS, the Gas Utility Regulatory Act § 104.107 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days; and

WHEREAS, the City retains its rights as a city with original jurisdiction including the right to suspend the application; and

WHEREAS, the City's consultants and attorneys recommend that the City suspend the application for further review.

WHEREAS, CenterPoint has filed an application with the Railroad Commission that could become the docket into which appeals of city action on the CenterPoint filing are consolidated;

WHEREAS, the Gas Utility Regulatory Act § 103.022 provides that costs incurred by Cities in ratemaking activities are to be reimbursed by the regulated utility.

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

SECTION 1. That the findings and recitations set out in the preamble of this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. That the December 4, 2023, effective date of the request to increase rates submitted by CenterPoint on or about October 30, 2023, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

SECTION 3. That the City is a member of the Cities Served by CenterPoint Gas (Cities) municipalities in this proceeding and, subject to the right to terminate employment at any time, hereby authorizes the hiring of Jamie L. Mauldin of the law firm of Lloyd Gosselink Rochelle and Townsend, P.C., Karl J. Nalepa of the consulting firm of ReSolved Energy Consulting, L.L.C., and Lane Kollen of J. Kennedy & Associates, Inc., as well as any additional consultants deemed necessary, to review the Company's filing, negotiate with the Company, make recommendations regarding reasonable rates and to direct any necessary administrative proceedings or court litigation associated with an appeal of city action.

SECTION 4. That the City shall work with Cities in the review and evaluation of whether the proposed rates are appropriate, fair, just, and reasonable; and intervene as a necessary party in the Railroad Commission of Texas' consideration of the CenterPoint rate filing as it affects the customers in the unincorporated areas of CenterPoint's Texas Division.

SECTION 5. That the City's reasonable rate case expenses shall be reimbursed in full by CenterPoint.

SECTION 6. That it is hereby officially found and determined that the meeting at which this Resolution 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 7. That a copy of this Resolution shall be sent to Keith L. Wall, CenterPoint Energy, at P.O. Box 2628, Houston, Texas 77252-2628, and to Jamie L. Mauldin at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

SECTION 8. That this Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM:

CITY ATTORNEY

I, John Naron, City Manager of the City of Hondo, Texas, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Hondo, Texas, at its regular meeting held of the 13th day of November, 2023, as the same appears in the records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Hondo this 14th day of November, 2023.

John Naron, City Manager
of the City of Hondo, Texas

MODEL STAFF REPORT REGARDING CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS'S STATEMENT OF INTENT TO CHANGE RATES IN THE TEXAS DIVISION

ACTION MUST BE TAKEN TO SUSPEND THE EFFECTIVE DATE ON OR BEFORE DECEMBER 4, 2023

On October 30, 2023, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas (CenterPoint or Company), filed a Statement of Intent seeking to change rates in the Texas Division. In the filing, the Company asserts it is entitled to a \$37.4 million increase in annual non-gas revenue or a 5.8% increase over current adjusted revenues, excluding gas costs. In addition to requesting a change in rates, the Company is proposing to consolidate the Houston, Texas Coast, South Texas and Beaumont/East Texas Divisions into a new single division, the Texas Division.

The law provides that a rate request made by a gas utility cannot become effective until at least 35 days following the filing of the application to change rates. CenterPoint has proposed an effective date of December 4, 2023. The law permits the City to suspend the rate change for 90 days after the date the rate change would otherwise be effective. **If the City fails to take some action regarding the filing before the effective date, CenterPoint's rate request is deemed administratively approved.**

Purpose of Resolution:

The purpose of the Resolution is to authorize membership of the City into the Cities Served by CenterPoint Gas coalition, to extend the effective date of the Company's proposed rate increase, and to give the City time to review the rate-filing package. The resolution suspends the December 4, 2023 effective date of the Company's request for the maximum period permitted by law to allow the City to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy to pursue, including settlement and ultimately to approve reasonable rates. The Resolution must be passed before December 4, 2023.

Explanation of "Be It Ordained" Paragraphs:

Section 1. This section incorporates the "whereas" provisions in preamble into the Resolution.

Section 2. The City is authorized to suspend the rate change for 90 days after the date that the rate change would otherwise be effective so long as the City has a legitimate purpose. Time to study and investigate the application is always a legitimate purpose. Please note that the resolution refers to the suspension period as the "maximum period allowed by law" rather than ending by a specific date. This is because the Company controls the effective date and can

Ms. Mauldin's Direct Line: (512) 322-5890
Email: jmauldin@lglawfirm.com

MEMORANDUM

TO: Cities Served by CenterPoint Gas (Cities)
FROM: Jamie Mauldin
Samantha Miller
DATE: October 31, 2023
RE: CenterPoint – Intent to Change Gas Utility Rates

CONFIDENTIAL/ATTORNEY-CLIENT COMMUNICATION
CITY ACTION REQUIRED NO LATER THAN DECEMBER 4

On October 30, 2023, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas (CenterPoint or Company) filed a Statement of Intent to Change Rates in. In the filing, CenterPoint is seeking a \$37.4 million increase in annual non-gas revenue or a 5.8% increase over current adjusted revenues, excluding gas costs. In addition to requesting a change in rates, the Company is proposing to consolidate the Houston, Texas Coast, South Texas and Beaumont/East Texas Divisions into a new single division, the Texas Division.

In order to represent all cities in the new Texas Division who retain their original jurisdiction, we have created the coalition Cities Served by CenterPoint Gas (Cities). Cities have engaged the services of consultants to review CenterPoint's filing. The consultants will review the filing and identify adjustments that should be made to CenterPoint's request. We are recommending that Cities adopt the resolution authorizing membership of the City into the Cities Served by CenterPoint Gas coalition and suspending the effective date of CenterPoint's proposed rate increase.

The Gas Utility Regulatory Act permits cities to suspend the rate change for 90 days after the date the rate change would otherwise be effective. The resolution allowing suspension of the rate change must be passed before the December 4, 2023, effective date. **Accordingly, we request that each city schedule the draft suspension resolution included with this memorandum for consideration at their next council meeting.**

If you have any concerns or questions, please do not hesitate to contact us. We appreciate your continued support.

1720/51/8708341

Lloyd Gosselink Rochelle & Townsend, P.C.



City Council Communication

Title: Discuss and consider legal options for creation of a scholarship fund and scholarship advisory board. (City Attorney and City Manager, John Naron)

Date: November 13, 2023 **From:**

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



City Council Communication

Title: Discuss and consider making various appointments to boards and commissions (Mayor McAnelly)

Date: November 13, 2023 **From:**

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS:



City Council Communication

Title: None.

Date: November 13, 2023 **From:**

INFORMATION:

FINANCIAL IMPACT:

STAFF RECOMMENDATION:

MOTION:

ATTACHMENTS:

None

STAFF CONTACTS: