

**MINUTES  
OF  
CITY OF WHARTON  
REGULAR CITY COUNCIL MEETING  
JULY 13, 2015**

Mayor Domingo Montalvo, Jr. declared a Regular Meeting duly open for the transaction of business at 7:00 P.M at City Hall 120 E. Caney Street Wharton, TX. Mayor Domingo Montalvo, Jr. led the opening devotion and the pledge of allegiance.

Councilmember's present were: Mayor Domingo Montalvo, Jr. and Councilmembers Tim Barker, Al Bryant, Vincent Huerta, Russell Machann and Don Mueller.

Councilmember absent was: Steven Schneider.

Staff members present were: City Manager Andres Garza, Jr, Finance Director Joan Andel, City Secretary Paula Favors, Assistant to the City Manager Brandi Jimenez, Police Captain Richard Coleman, Assistant to the Building Official Gwyn Laney and Assistant City Attorney Amy Rod.

Visitors present were: Wharton Economic Development Director David Schroeder, Carter Miska, P.E., Larry Janik, P.E., with IDC, Mr. Tim Sanders, P.E., with BEFCO Engineering, Grady Smith, Kyle Smith, Trevor Royal with Waste Corporation of America, Inc. and Terry Ramey with Waste Corporation of America, Inc.

The second item on the agenda was Roll Call and Excuses Absences. After some discussion, Councilmember Russell Machann moved to excuse Councilmember Steven Schneider. Councilmember Al Bryant seconded the motion. All voted in favor.

The third item on the agenda was Public Comments. No comments were received.

The fourth item on the agenda was the Wharton Moment. Mayor Domingo Montalvo, Jr. stated that the Vietnam Traveling Memorial Wall would be making a stop at the Wharton Courthouse Square on Wednesday, July 16<sup>th</sup>, 2015 for a brief ceremony to honor those lost in the war that were from Wharton County.

The fifth item on the agenda was to review and consider the reading of the minutes from the regular meetings held June 8, 2015 and June 22, 2015 and the special meeting held June 15, 2015. After some discussion, Councilmember Don Mueller moved to approve the minutes from the regular meetings held June 8, 2015 and June 22, 2015 and the special meeting held June 15, 2015. Councilmember Al Bryant seconded the motion. All voted in favor.

The sixth item discussed on the agenda was to review and consider a recommendation from the Planning Commission regarding a request by Mr. James Ooi for the following variances: variance from requirements of Chapter 38 – Manufactured Housing, Mobile Homes and Travel Trailers, Article III, Division 5, Sec. 38-212 – Requirements and Principles (a), (2), a.: Consist of a minimum of 3,600 square feet. City Manager Andres Garza, Jr. presented a request from the Planning Commission regarding a variance request from Mr. James Ooi for the following variances: variance from requirements of Chapter 38 – Manufactured Housing, Mobile Homes and Travel Trailers, Article III, Division 5, Sec. 38-212 – Requirements and Principles (a), (2), a.: Consist of a minimum of 3,600 square feet. Mrs. Gwyn Laney, Assistant to the Building Official, stated the Planning Commission had met and were requesting the City Council consider approving the request. Mr. Carter Miska, P.E., a representative for Mr. James Ooi, stated that a lift station would be required for the RV park, which was in the works. After some discussion, Councilmember Don Mueller moved to approve the request by Mr. James Ooi for the following variances: variance from requirements of Chapter 38 – Manufactured Housing, Mobile Homes and Travel Trailers, Article III, Division 5, Sec. 38-212 – Requirements and Principles (a), (2), a.: Consist of a minimum of 3,600 square feet. Councilmember Al Bryant seconded the motion. All voted in favor.

The seventh item discussed on the agenda was to review and consider a resolution of the Wharton City Council approving an Interlocal Agreement between the City of Wharton and the City of East Bernard for use of the Wharton Impoundment Center and authorizing the Mayor of the City of Wharton to execute said agreement. City Manager Andres Garza Jr. stated that several years ago, the City of East Bernard had approached the City of Wharton for assistance in providing space at the City Animal Shelter. City Manager Garza said that there had been no action by the City of East Bernard but the previous week he met with Mayor Holub and he indicated his City was ready to move forward with an agreement. City Manager Garza presented an Interlocal Agreement between the City of Wharton and the City of East Bernard for use of the Wharton Impoundment Center with the term of the agreement being for a one year period beginning July 1<sup>st</sup> 2015 and terminating June 30, 2016. After some discussion, Councilmember Al Bryant moved to approve City of Wharton Resolution No. 2015-47, which read as follows:

**CITY OF WHARTON  
RESOLUTION NO. 2015-47**

**A RESOLUTION OF THE WHARTON CITY COUNCIL APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF WHARTON AND THE CITY OF EAST BERNARD FOR USE OF THE WHARTON IMPOUNDMENT CENTER AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE SAID AGREEMENT.**

**WHEREAS,** Wharton owns and operates and Animal Impoundment Center located at 802 S. East Avenue; and,

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**WHEREAS,** the City of East Bernard wishes that the City of Wharton assist in the shelter, maintenance, and disposition of animals impounded by the City of East Bernard; and,

**WHEREAS,** the City of Wharton wishes to assist the City of East Bernard with shelter, maintenance and disposition of animals impounded by the City of East Bernard; and,

**WHEREAS,** the Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute an Interlocal Agreement between the City of Wharton and the City of East Bernard for animal impoundment.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS hereby:**

**Section I.** The Wharton City Council hereby authorizes the Mayor of the City of Wharton to execute the Interlocal Agreement between the City of Wharton and the City of East Bernard for animal impoundment.

**Section II.** That this resolution shall become effective immediately upon its passage.

**Passed, Approved, and Adopted** this 13th day of July 2015.

**CITY OF WHARTON, TEXAS**

**By:**

\_\_\_\_\_  
**DOMINGO MONTALVO, JR.**

Mayor

**ATTEST:**

\_\_\_\_\_  
**PAULA FAVORS**

City Secretary

Councilmember Russell Machann seconded the motion. All voted in favor.

The eighth item discussed on the agenda was to review and consider a resolution of the Wharton City Council authorizing the submittal of a Notice of Establishment and setting an effective date of October 1, 2015 for the No Train Horn Quiet Zone Project and authorizing the Mayor to submit the necessary documentation for the establishment of the zone. City Manager Andres Garza, Jr. stated that the City Council Public Works Committee had met with BEFCO Engineering on July 7, 2015 and discussed the next steps in the No Train Horn Quiet Zone Project. City Manager Garza said the City would need to coordinate with the state on the Alternative Safety Measures (ASM) for the FM 102 Crossing and purchase the required signs for the project. He said the City would submit a Notice of Establishment to BEFCO Engineering and set an effective date of October 1, 2015. Mr. Tim Sanders, P.E., with BEFCO Engineering stated that with the Alternative Safety Measures (ASM) approved

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the project was in its final stages. After some discussion, Councilmember Al Bryant moved to approve City of Wharton Resolution No. 2015-45, which read as follows:

**CITY OF WHARTON  
RESOLUTION NO. 2015-48**

**A RESOLUTION OF THE WHARTON CITY COUNCIL AUTHORIZING THE SUBMITTAL OF A NOTICE OF ESTABLISHMENT AND SETTING AN EFFECTIVE DATE OF OCTOBER 1, 2015 FOR THE NO TRAIN HORN QUIET ZONE PROJECT AND AUTHORIZING THE MAYOR TO SUBMIT THE NECESSARY DOCUMENTATION FOR THE ESTABLISHMENT OF THE ZONE.**

**WHEREAS,** the Wharton City Council wishes to authorized the Mayor of the City of Wharton to submit a Notice of Establishment and set and effective date of October 1, 2015 for the No Train Horn Quiet Zone Project in the City of Wharton; and,

**WHEREAS,** the Federal Railroad Administration (FRA) requires that the City of Wharton submit to them a Notice of Establishment and set and effective date for the No Train Horn Quiet Zone.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS that;**

**Section I.** The Wharton City Council hereby authorizes the Mayor of the City of Wharton to submit a Notice of Establishment for the No Train Horn Quiet Zone Project in the City of Wharton.

**Section II.** This resolution shall become effective immediately upon its passage.

**PASSED, APPROVED AND ADOPTED** this 13<sup>th</sup> day of July 2015.

**CITY OF WHARTON, TEXAS**

**By: \_\_\_\_\_**  
**DOMINGO MONTALVO, JR.**  
Mayor

**ATTEST:**

\_\_\_\_\_

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**PAULA FAVORS**  
City Secretary

Councilmember Vincent Huerta seconded the motion. All voted in favor. The ninth item discussed on the agenda was recognition of Grady Smith. Mayor Domingo Montalvo, Jr. stated that Mr. Grady Smith started as a Patrol Officer with Wharton Police Department in November 1994 and during his twenty years he had served as a Detective and Patrol Sergeant. Mayor Montalvo said that Mr. Smith would be leaving the City for employment with Wharton Junior College as an instructor within the police academy and thanked him for his service to the City. No action was taken.

The tenth item on the agenda was to review and consider the FM 1301 Extension and Railroad Overpass Project. City Manager Andres Garza, Jr. stated that the City had been awaiting the environmental clearance from the Federal Highway Administration to proceed with the project. City Manager Garza said that the City Staff and IDC, Inc., the engineering firm, had filed all the necessary documents the State had requested. He presented an FM 1301 Extension and Overpass Progress Report from IDC Inc. and said that the Public Works Committee met with Mr. Larry Janak P.E. of IDC Inc., and received an update on the status of the project. Mr. Janak presented the status of the project to the City Council. After some discussion, no action was taken.

The eleventh item on the agenda was to review and consider a resolution authorizing Publication of Notice of Intention to issue Certificates of Obligation. City Manager Andres Garza, Jr. presented the draft resolution and Notice of Intent to issue Certification of Obligation for the proposed 2015 bond issue to finance the projects that were discussed at the Budget Workshop held June 15, 2015. City Manager Garza stated that the City Council Public Works Committee met on July 7, 2015 and the City Council Finance Committee met on July 13, 2015 and reviewed the information and both voted to recommend to the City Council to proceed with the issuance. City Manager Garza said it was time to move forward on the identified projects. After some discussion, Councilmember Al Bryant moved to approve the Certificate for Resolution and City of Wharton Resolution No. 2015-56, which read as follows:

**CERTIFICATE FOR RESOLUTION  
THE STATE OF TEXAS §  
COUNTY OF WHARTON §  
CITY OF WHARTON §**

**We, the undersigned officers of the City Council (the “City Council”) of the City of Wharton, Texas (the “City”), hereby certify as follows:**

1. The City Council convened in a regular meeting on July 13, 2015, at the regular meeting place thereof, within the City, and the roll was called of the duly constituted officers and members of the City Council, to-wit:

Domingo Montalvo, Jr. Mayor

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Al Bryant Councilmember, District 1  
Steven Schneider Councilmember, District 2  
Tim Barker Councilmember, District 3  
Donald Mueller Councilmember, District 4  
Russell Machann At Large 1  
Vincent Huerta At Large 2

and all of such persons were present, except Councilmember Schneider, thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting: a written

**RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENTION  
TO ISSUE CERTIFICATES OF OBLIGATION**

was duly introduced for the consideration of such City Council and read in full. It was then duly moved and seconded that such Resolution be adopted; and, after due discussion, such motion, carrying with it the adoption of such Resolution, prevailed and carried by the following vote:

AYES: 6 NAYS: 0

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that such Resolution has been duly recorded in the City Council's minutes of such meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of such meeting pertaining to the adoption of such Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; that each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at such meeting, and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; that such meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of such meeting was given as required by Chapter 551, Texas Government Code, as amended.

**SIGNED AND SEALED this 13th day of July, 2015.**

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**Domingo Montalvo, Jr.**  
Mayor  
City of Wharton, Texas

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**Paula Favors**  
City Secretary  
City of Wharton, Texas

**CITY OF WHARTON  
RESOLUTION NO. 2015-56**

**RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO  
ISSUE CERTIFICATES OF OBLIGATION**

**THE STATE OF TEXAS §  
COUNTY OF WHARTON §  
CITY OF WHARTON §**

**WHEREAS**, pursuant to Subchapter C of Chapter 271, Texas Local Government Code, the City Council (the “City Council”) of the City of Wharton, Texas (the “City”), is authorized to issue certificates of obligation to pay, among other things, contractual obligations to be incurred for the construction of public works; for the purchase of materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes; and for the payment of contractual obligations for professional services; and

**WHEREAS**, the City Council has determined that it is in the best interests of the City and otherwise desirable to issue certificates of obligation in an aggregate principal amount not to exceed \$3,500,000 for the purposes set forth herein and in **Exhibit A**; and

**WHEREAS**, in connection with the issuance of the certificates of obligation, the City Council intends to publish a notice of intention to issue the certificates of obligation in a newspaper of general circulation in the City as described herein.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS:**

**Section 1.** The recitals of this Resolution are hereby approved by the City Council and incorporated into and made a part hereof.

**Section 2.** The City Secretary is hereby authorized and directed to cause to be published a notice of intention to issue certificates of obligation in the manner required by law and in substantially the form attached hereto as **Exhibit A**.

**Section 3.** The notice authorized herein shall be published once a week for two (2) consecutive weeks in a newspaper (as such term is defined by Subchapter C, Chapter 2051, Government Code) that is of general circulation in the City. The date of the first publication shall be at least thirty-one (31) days before the date

tentatively set in said notice for the passage of the ordinance authorizing the issuance of such certificates of obligation.

**Section 4.** The Mayor, City Secretary, and other officers, employees and agents of the City are hereby authorized and directed to do any and all things necessary or desirable to carry out the provisions of this Resolution.

**Section 5.** This Resolution shall take effect immediately upon its passage, and all resolutions and ordinances of the City Council, or parts thereof, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

**Section 6.** The notice and agenda for the meeting at which this Resolution was adopted and that was heretofore posted by the City Secretary, and the posting thereof, are hereby authorized, approved, and ratified. It is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public, and public notice of the time, place and purposes of the meeting were given, all as required by the Texas Open Meetings Act.

**PASSED AND APPROVED the 13th day of July, 2015.**

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**Domingo Montalvo, Jr.**  
Mayor  
City of Wharton, Texas

**ATTEST:**

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**Paula Favors**  
City Secretary  
City of Wharton, Texas

Councilmember Don Mueller seconded the motion. All voted in favor.

The twelfth item on the agenda was to review and consider a resolution of the Wharton City Council expressing intent to finance expenditures to be incurred by the City of Wharton for: (i) the construction and rehabilitation of City streets and related drainage, including, without limitation, the acquisition of real estate necessary for streets and drainage at the intersection of State Highway 59 and Farm to Market 102; (ii) the purchase of street repair and auxiliary power equipment; (iii) the construction and rehabilitation of City sidewalks; (iv) the construction and rehabilitation of City hangars at the airport; (v) the construction and rehabilitation of City water and sewer systems, including, without limitation, the costs associated with a long range, sustainable water project; (vi) the purchase of materials, supplies, equipment, machinery, buildings, land and/or rights-of-way in connection with any of the foregoing; (vii) the costs of professional services incurred in connection with any of the foregoing; and (viii) the costs and expenses of issuing the certificates of obligation. City Manager Andres Garza, Jr. stated that the City of Wharton was moving forward with the



issuance of the bonds for the various projects listed above. City Manager Garza presented a resolution expressing the City's intent to finance expenditures to be incurred (reimburse itself) for the costs associated with the projects until the bonds had been issued was required. After some discussion, Councilmember Al Bryant moved to approve City of Wharton Resolution No. 2015-49, which read as follows:

**CITY OF WHARTON  
RESOLUTION NO. 2015-49**

**A RESOLUTION OF THE WHARTON CITY COUNCIL EXPRESSING INTENT TO FINANCE EXPENDITURES TO BE INCURRED BY THE CITY OF WHARTON FOR (i) THE CONSTRUCTION AND REHABILITATION OF CITY STREETS AND RELATED DRAINAGE, INCLUDING, WITHOUT LIMITATION, THE ACQUISITION OF REAL ESTATE NECESSARY FOR STREETS AND DRAINAGE AT THE INTERSECTION OF STATE HIGHWAY 59 AND FARM TO MARKET 102; (ii) THE PURCHASE OF STREET REPAIR AND AUXILIARY POWER EQUIPMENT; (iii) THE CONSTRUCTION AND REHABILITATION OF CITY SIDEWALKS; (iv) THE CONSTRUCTION AND REHABILITATION OF CITY HANGARS AT THE AIRPORT; (v) THE CONSTRUCTION AND REHABILITATION OF CITY WATER AND SEWER SYSTEMS, INCLUDING, WITHOUT LIMITATION, THE COSTS ASSOCIATED WITH A LONG RANGE, SUSTAINABLE WATER PROJECT; (vi) THE PURCHASE OF MATERIALS, SUPPLIES, EQUIPMENT, MACHINERY, BUILDINGS, LAND AND/OR RIGHTS-OF-WAY IN CONNECTION WITH ANY OF THE FOREGOING; (vii) THE COSTS OF PROFESSIONAL SERVICES INCURRED IN CONNECTION WITH ANY OF THE FOREGOING; AND (viii) THE COSTS AND EXPENSE OF ISSUING THE CERTIFICATES OF OBLIGATIONS.**

**WHEREAS**, the City of Wharton, Texas (the "City"), is a home-rule city of the State of Texas, authorized to issue obligations to finance its activities pursuant to the Texas Government Code and other laws of the State of Texas, the interest on which is excludable from gross income for federal income tax purposes ("tax-exempt obligations") pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); and,

**WHEREAS**, the City will make, or has made not more than 60 days prior to the date hereof, payments with respect to (i) the construction and rehabilitation of City streets and related drainage, including, without limitation, the acquisition of real estate necessary for streets and drainage at the intersection of State Highway 59 and Farm to Market 102; (ii) the purchase of street repair and auxiliary power equipment; (iii) the construction and rehabilitation of City sidewalks; (iv) the construction and rehabilitation of City hangars at the airport; (v) the construction and rehabilitation of City water and sewer systems, including, without limitation, the costs associated with a long range, sustainable water project; (vi) the purchase of materials, supplies, equipment, machinery, buildings, land and/or rights-of-way in connection with any of the foregoing;

(vii) the costs of professional services incurred in connection with any of the foregoing; and (viii) the costs and expenses of issuing the certificates of obligation; and,

**WHEREAS,** the City desires to reimburse itself for the costs associated with the projects listed on Exhibit A attached hereto from the proceeds of tax-exempt obligations to be issued subsequent to the date hereof; and

**WHEREAS,** the City reasonably expects to issue tax-exempt obligations to reimburse itself for the costs associated with the projects listed on Exhibit A attached hereto.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

**Section 1.** The City reasonably expects to reimburse itself for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof and that are to be paid in connection with the projects listed on Exhibit A attached hereto from the proceeds of tax-exempt obligations to be issued subsequent to the date hereof.

**Section 2.** The City reasonably expects that the maximum reimbursement from the principal amount of tax-exempt obligations issued by the City for costs associated with the projects listed on Exhibit A attached hereto will not exceed \$3.5 million.

**Section 3.** All resolutions and parts of resolutions in conflict herewith are hereby repealed to the extent of the conflict only.

**Section 4.** If any word, phrase, clause, sentence, paragraph, section or other part of this resolution or the application thereof to any person or circumstance shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this resolution and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this resolution to any other person or circumstance shall not be affected thereby.

**Section 5.** The City Council officially finds, determines and declares that a sufficient written notice of the date, hour, place and subject of each meeting at which this resolution was discussed, considered or acted upon was given in the manner required by the Texas Open Meetings Act, as amended, and that each such meeting has been open to the public as required by law at all times during such discussion, consideration and action. The City Council ratifies, approves and confirms such notices and the contents and posting thereof.

**PASSED AND APPROVED** this 13<sup>th</sup> day of July 2015.

**CITY OF WHARTON**

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**Domingo Montalvo, Jr.**  
Mayor

**ATTEST:**

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**Paula Favors**  
City Secretary

Councilmember Tim Barker seconded the motion. All voted in favor.

The thirteenth item on the agenda was to review and consider Waste Corporation of America Contract for solid waste collection and disposal. City Manager Andres Garza, Jr. presented a copy of his July 7, 2015, letter to Mr. Matt Graham of WCA regarding the performance regarding bulky and limbs pick-up service. City Manager Garza stated that the City Staff had made several contacts with WCA employees and had been assured the service would improve and the routes would be serviced in accordance with the existing contract. He said the City had received several complaints on bulky waste pick-up and was requesting the company to maintain the contracted obligations. City Manager Garza presented Mr. Graham's response on attending the meeting in which he indicated a representative from WCA would attend the meeting to answer any questions from the City Council. He further presented the general specification of the Contract for service with WCA. Section 4.04 (a) of the agreement allows for liquidated damage for their failure to provide the service as specified. City Manager Garza stated that it was his recommendation the City Council take the action to notify the company that Section 4.04 (a) would be enforced. Mr. Trevor Royal and Mr. Terry Ramey, District Manager, with Waste Corporation of American (WCA) stated that eight trucks serviced the City of Wharton on Sunday, July 12<sup>th</sup>, 2015 after seeing the issue of the lack of bulky trash and limbs pick-up. Mr. Ramey reassured the City Council that the issue would not happen in the future. Mayor Domingo Montalvo, Jr. stated that the City would be upholding the contract in the future with charging a fee of \$50.00 per pile per day that is not picked up on the required day. After some discussion, Councilmember Russell Machann moved to approve having City Attorney Paul Webb begin the necessary paperwork to begin charging a fee of \$50.00 per pile per day that is not picked up on the required day. Councilmember Vincent Huerta seconded the motion. All voted in favor.

The fourteenth item on the agenda was to review and consider a resolution of the Wharton City Council awarding a contract for the improvement of the EMS restroom facilities and authorizing the Mayor of the City of Wharton to execute all documents relating to said contract. City Manager Andres Garza, Jr. presented a resolution and memo from EMS Director John Kowalik regarding the improvements to the EMS restroom facilities. Mr. Kowalik stated his recommendation was to award the contract to Stockwell Construction LLC., who was the only bidder that had submitted a bid on the project for the amount of \$29,214. He said he sent bid packages to five (5) contractors. After some discussion,

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Councilmember Tim Barker moved to approve City of Wharton Resolution No. 2015-50, which read as follows:

**CITY OF WHARTON  
RESOLUTION NO. 2015-50**

**A RESOLUTION OF THE WHARTON CITY COUNCIL AWARDING A CONTRACT FOR THE REVOVATION OF THE EMS RESTROOM FACILITIES AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATING TO SAID CONTRACT.**

**WHEREAS,** proposals were received for the City of Wharton EMS Restroom Renovation Project; and,

**WHEREAS,** Stockwell Construction LLC., was deemed the best lowest qualified bidder in the amount of \$29,214.00; and,

**WHEREAS,** the Wharton City Council wishes to award a contract to Stockwell Construction LLC., for the City of Wharton EMS Restroom Renovation Project in the amount of \$29,214.00; and,

**WHEREAS,** the City of Wharton and Stockwell Construction LLC., wish to be bound by the conditions as set forth in the agreement; and,

**WHEREAS,** the Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute the agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS** as follows:

**Section I.** The Wharton City Council hereby authorizes the Mayor of the City of Wharton, Texas, to execute a contract for the City of Wharton EMS Restroom Renovation Project to Stockwell Construction LLC., in the amount of \$29,214.00.

**Section II.** The City of Wharton and Stockwell Construction LLC., are hereby bound by the conditions as set forth in the agreement.

**Section III.** That this resolution shall become effective immediately upon its passage.

**Passed, Approved, and Adopted** this 13th day of July 2015.

**CITY OF WHARTON, TEXAS**

By: \_\_\_\_\_  
**DOMINGO MONTALVO, JR.**  
Mayor

**ATTEST:**

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**PAULA FAVORS**  
City Secretary

Councilmember Vincent Huerta seconded the motion. All voted in favor.

The fifteenth item on the agenda was to review and consider a resolution amending a contract with Frazer Co. /Mac Haik Dodge Chrysler Jeep for the purchase of a chassis and remount through the Houston Area Council Cooperative Purchasing Program and authorizing the Mayor of the City of Wharton to execute any and all documents related to said purchase. City Manager Andres Garza, Jr. presented a memo from EMS Director John Kowalik requesting City Council consider accepting a quote from Frazer Co. /Mac Haik Dodge Chrysler Jeep in the amount of \$10,375.00 for the installation of a MEPS power unit and authorizing the purchase and remount in the amount of \$95,125.00. Mr. Kowalik stated the purchase would add a MEPS unit to the original contract and funding for the unit was available from the EMS Fund. After some discussion, Councilmember Don Mueller moved to approve City of Wharton Resolution No. 2015-51, which read as follows:

**CITY OF WHARTON  
RESOLUTION NO. 2015 -51**

**A RESOLUTION OF THE WHARTON CITY COUNCIL AMENDING AN AGREEMENT BETWEEN THE CITY OF WHARTON AND FRAZER CO./MAC HAIK DODGE CHRYSLER JEEP FOR THE PURCHASE OF A CHASSIS AND REMOUNT THROUGH THE HOUSTON AREA COUNCIL COOPERATIVE PURCHASING PROGRAM AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ANY AND ALL DOCUMENTS RELATED TO SAID PURCHASE.**

**WHEREAS,** the Wharton City council approved Resolution 2015-21 in the amount of \$95,125.00; and,

**WHEREAS,** the Wharton City Council wishes to amend the City of Wharton Resolution No. 2015-21 by increasing the amount allocated by \$10,375.00 for the MEPS Power Unit; and,

**WHEREAS,** the Wharton City Council wishes to amend the agreement with Frazer Co./Mac Haik Dodge Chrysler Jeep for the purchase of a chassis and remount through the Houston-Galveston Area Council Cooperative Purchasing Program to the amount of \$105,500.00; and,

**WHEREAS,** the Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute any and all documents related to said purchase.

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**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS** as follows:

**Section I.** That the Wharton City Council hereby approves an agreement with Frazer Co./Mac Haik Dodge Chrysler Jeep for the purchase of an ambulance chassis and remount to the amount of \$105,500 through the Houston-Galveston Area Council Cooperative Purchasing Program.

**Section II.** That the Mayor of the City of Wharton is hereby authorized to execute any and all documents related to said purchase.

**Section III.** That this resolution shall become effective immediately upon its passage.

**PASSED, APPROVED, and ADOPTED** this 13<sup>th</sup> day of July 2015.

**CITY OF WHARTON, TEXAS**

By: \_\_\_\_\_  
**DOMINGO MONTALVO, JR.**  
Mayor

**ATTEST:**

\_\_\_\_\_  
**PAULA FAVORS**  
City Secretary

Councilmember Russell Machann seconded the motion. All voted in favor.

The sixteenth item on the agenda was to review and consider the Proposed 2015-2016 Wharton Economic Development Corporation (WEDC) Budget. City Manager Andres Garza, Jr. presented a copy of the proposed 2015-2016 Wharton Economic Development Corporation (WEDC) Budget. City Manager Garza stated that the City Council Finance Committee met and reviewed the proposed WEDC Budget on Monday, July 13, 2015 and were recommending City Council consider approving the WEDC Budget. Wharton Economic Development Corporation Executive Director David Schroeder stated the changes in the budget to the City Council. After some discussion, Councilmember Russell Machann moved to approve the Proposed 2015-2016 Wharton Economic Development Corporation (WEDC) Budget as presented. Councilmember Al Bryant seconded the motion. All voted in favor.

The seventeenth item on the agenda was to review and consider Contract Agreements with the Texas Municipal League MultiState – Intergovernmental Employee Benefits Pool (TML MultiState IEBP).

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A. **Resolution:** A resolution of the Wharton City Council ratifying the approval of an interlocal contract with the Texas Municipal League MultiState – Intergovernmental Employee Benefits Pool (TML-IEBP) for medical, long-term disability, life, accidental death and dismemberment for City employees.

City Manager Andres Garza, Jr. presented a copy of the renewal information the City of Wharton received from the Texas Municipal League (TML) MultiState – Intergovernmental Employee Benefits Pool (IEBP) for the City of Wharton employee health coverage. City Manager Garza stated that due to new regulations set forth by the Affordable Health Care Act, the City of Wharton had to sign an agreement for Plan Year 2015-2016 by June 30, 2015 of which the re-rate included an increase of 8.8% in premiums and a deductible increase from \$2,000 to \$2,500.00. He presented a copy of the memorandum dated July 7, 2015 from City Secretary Paula Favors to him indicating the cost of the proposed health coverage for City employees for fiscal year 2015-2016 as compared to the fiscal year 2014-2015 rates. Mrs. Favors stated that there was a difference of an 8.8% increase in the proposed rates from the current rates for health coverage and there were no changes in the rates for the Life, AD&D and Long Term Disability.

**B. Resolution:** A resolution of the Wharton City Council approving a Section 125 Flexible Spending Arrangement (FSA) Account – Carryover Service Agreement with the Texas Municipal League Multistate – Intergovernmental Employee Benefits Pool (TML MultiState IEBP) for the Flexible Spending benefits under Section 125 of the Internal Revenue Code of City Employees; Authorizing the Mayor of the City of Wharton to execute all documents relating to said contracts.

City Manager Andres Garza, Jr. presented a Section 125 Flexible Spending Arrangement (FSA) Account – Carryover Service Agreement from the Texas Municipal League (TML) MultiState – Intergovernmental Employee Benefits Pool (IEBP). City Manager Garza stated that in the past, if funds from the Flexible Spending account were not used on eligible healthcare expenses by mid-December a City employee would lose them but pursuant to IRS Notice 2013-71, FSA qualified health expenses could be made into the next plan year with a rollover of no more than \$500. He said that due to the increase of the deductible and out of pocket increase to the employees the City's contribution to the employee flexible spending account could be increased from \$750.00/year to \$1,000.00/year. He stated that the City Council Finance Committee had met and reviewed the employee health insurance benefits program from TML-MSIEBP and was recommending approval. After some discussion, Councilmember Tim Barker moved to approve City of Wharton Resolution No. 2015-52 and 2015-53, which read as follows:

**CITY OF WHARTON  
RESOLUTION NO. 2015-52**

**A RESOLUTION OF THE WHARTON CITY COUNCIL RATIFYING THE APPROVAL OF AN INTERLOCAL AGREEMENT WITH THE TEXAS MUNICIPAL LEAGUE MULTISTATE INTERGOVERNMENT EMPLOYEE BENEFITS POOL (TML MULTISTATE-IEBP) FOR MEDICAL, LONGTERM DISABILITY, LIFE, ACCIDENTAL DEATH & DISMEMBERMENT FOR CITY EMPLOYEES; AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATIONG TO SAID CONTRACTS.**

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**WHEREAS,** the City of Wharton received the renewal rate for medical, long-term disability, life, accidental death & dismemberment for city employees; and,

**WHEREAS,** the City of Wharton medical plan with Texas Municipal League MultiState-Intergovernmental Employee Benefits Pool would be renewed with a 8.8% increase; and,

**WHEREAS,** the City of Wharton would provide to each full time employee a \$1,000 yearly contribution to the employee flex plan administered by the TML MultiState-IEBP; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS** as follows:

**Section I.** That the Wharton City Council hereby ratifies the approval of an interlocal contract with the Texas Municipal League MultiState - Intergovernmental Employee Benefits Pool for medical, long-term disability, life and accidental death & dismemberment coverage.

**Section II.** That Wharton City Council hereby approves providing to each full time employee a \$1,000 yearly contribution to the employee flex plan administered by the TML MultiState – IEBP.

**Section III.** That the Mayor of the City of Wharton is hereby authorized to sign any documents relating to the aforementioned contracts.

**Section IV.** That this resolution shall become effective immediately upon its passage.

**Passed, Approved, and Adopted** this 13th day of July 2015.

**CITY OF WHARTON, TEXAS**

**By:** \_\_\_\_\_  
**DOMINGO MONTALVO, JR.**  
Mayor

**ATTEST:**

\_\_\_\_\_  
**PAULA FAVORS**  
City Secretary

**CITY OF WHARTON  
RESOLUTION NO. 2015-53**

**A RESOLUTION OF THE WHARTON CITY COUNCIL APPROVING A SECTION 125 FLEXIBLE SPENDING ARRANGEMENT (FSA) ACCOUNT – CARRYOVER**



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**SERVICE AGREEMENT WITH THE TEXAS MUNICIPAL LEAGUE MULTISTATE - INTERGOVERNMENTAL EMPLOYEE BENEFITS POOL (TML MULTISTATE-IEBP) FOR THE FLEXIBLE SPENDING BENEFITS UNDER SECTION 125 OF THE INTERNAL REVENUE CODE FOR CITY EMPLOYEES; AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATING TO SAID CONTRACTS.**

**WHEREAS,** the City of Wharton received the carryover service agreement for the Section 125 Flexible Spending Arrangement; and

**WHEREAS,** the City of Wharton Section 125 Flexible Spending Arrangement plan with Texas Municipal League MultiState - Intergovernmental Employee Benefits Pool would allow eligible healthcare expense reimbursements to carryover up to \$500 to the next fiscal year; and

**WHEREAS,** the City of Wharton would provide to each full time eligible employee with the Section 125 Flexible Spending Plan administered by the TML MultiState – IEBP; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS** as follows:

**Section I.** That the Wharton City Council hereby approves the Section 125 Flexible Spending Arrangement (FSA) Account with Carryover Service Agreement with the Texas Municipal League MultiState - Intergovernmental Employee Benefits Pool.

**Section II.** That Wharton City Council hereby approves providing to each full time eligible employee with the Section 125 Flexible Spending Arrangement plan with up to \$500 carryover to the next fiscal year for eligible healthcare expense reimbursements.

**Section III.** That the Mayor of the City of Wharton is hereby authorized to sign any documents relating to the aforementioned contracts.

**Section IV.** That this resolution shall become effective immediately upon its passage.

**Passed, Approved, and Adopted** this 13th day of July 2015.

**CITY OF WHARTON, TEXAS**

By: \_\_\_\_\_  
**DOMINGO MONTALVO, JR.**  
Mayor

**ATTEST:**

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**PAULA FAVORS**

City Secretary

Councilmember Vincent Huerta seconded the motion. All voted in favor.

The eighteenth item on the agenda was to review and consider Texas Municipal League-Annual Conference San Antonio, Texas-September 22-25, 2015. City Manager Andres Garza, Jr. presented information for the 2015 TML Annual Conference that would be held in San Antonio, Texas September 22-25, 2015. City Manager Garza stated that registration was set to begin on July 14, 2015 and if any Councilmember wished to attend, the earlier the City Staff knows the better chance there was of obtaining hotel rooms. After some discussion, Councilmember Al Bryant moved to approve authorizing City Councilmembers to attend the Texas Municipal League-Annual Conference San Antonio, Texas-September 22-25, 2015. Councilmember Russell Machann seconded the motion. All voted in favor.

The nineteenth item on the agenda was to review and consider the Wharton Regional Airport Hangar Re-sheeting Project and Hangar Skylight Project.

**A. Resolution:** A resolution of the Wharton City Council awarding a contract for the replacement of the Wharton Regional Airport Re-Sheeting Project and authorizing the Mayor of the City of Wharton to execute all documents relating to said contract.

**B. Resolution:** A resolution of the Wharton City Council awarding a contract for the replacement of the Wharton Regional Airport Skylight Project and authorizing the Mayor of the City of Wharton to execute all documents relating to said contract.

City Manager Andres Garza, Jr. stated that the Wharton Regional Airport Re-Sheeting Project and Skylight Project would allow the City to upgrade its hangars by re-sheeting and also improve the skylights in one of the hangars. City Manager Garza said that the City staff sought quotes for each of the projects in order to utilize the funds available for the Routine Airport Maintenance Program (RAMP) which were available until August 31, 2015. Finance Director Joan Andel stated that the expenditures were at a 50% match from the RAMP grant. Mrs. Andel said four proposals were received and the Airport Board was recommending that City Council consider approving BLS Construction which was deemed the best and lowest qualified bidder in the amount of \$40,700 for the re-sheeting and Hlavinka Construction in the amount of \$9,600 for the Airport Skylight Project. After some discussion, Councilmember Al Bryant moved to approve City of Wharton Resolution No. 2015-54 and 2015-55, which read as follows:

**CITY OF WHARTON  
RESOLUTION NO. 2015-54**

**A RESOLUTION OF THE WHARTON CITY COUNCIL AWARDING A CONTRACT FOR THE REPLACEMENT OF THE WHARTON REGIONAL AIRPORT RE-SHEETING PROJECT AND AUTHORIZING THE MAYOR OF THE**

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**CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATING TO SAID CONTRACT.**

**WHEREAS,** proposals were received for the Wharton Regional Airport Re-Sheeting Project; and,

**WHEREAS,** BLS Construction was deemed the best lowest qualified bidder in the amount of \$40,700.00; and,

**WHEREAS,** the Wharton City Council wishes to award a contract to BLS Construction for the Wharton Regional Airport Re-Sheeting Project in the amount of \$40,700.00; and

**WHEREAS,** the City of Wharton and BLS Construction wish to be bound by the conditions as set forth in the agreement; and,

**WHEREAS,** the Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute the agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS** as follows:

**Section I.** The Wharton City Council hereby authorizes the Mayor of the City of Wharton, Texas, to execute a contract for the Wharton Regional Airport Re-Sheeting Project to BLS Construction in the amount of \$40,700.00.

**Section II.** The City of Wharton and BLS Construction are hereby bound by the conditions as set forth in the agreement.

**Section III.** That this resolution shall become effective immediately upon its passage.

**Passed, Approved, and Adopted** this 13th day of July 2015.

**CITY OF WHARTON, TEXAS**

**By:** \_\_\_\_\_  
**DOMINGO MONTALVO, JR.**  
Mayor

**ATTEST:**

\_\_\_\_\_  
**PAULA FAVORS**  
City Secretary

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**CITY OF WHARTON  
RESOLUTION NO. 2015-55**

**A RESOLUTION OF THE WHARTON CITY COUNCIL AWARDED A CONTRACT FOR THE REPLACEMENT OF THE WHARTON REGIONAL AIRPORT SKYLIGHT PROJECT AND AUTHORIZING THE MAYOR OF THE CITY OF WHARTON TO EXECUTE ALL DOCUMENTS RELATING TO SAID CONTRACT.**

**WHEREAS,** proposals were received for the Wharton Regional Airport Skylight Project; and,

**WHEREAS,** Hlavinka Construction was deemed the best lowest qualified bidder in the amount of \$9,600.00; and,

**WHEREAS,** the Wharton City Council wishes to award a contract to Hlavinka Construction for the Wharton Regional Airport Skylight Project in the amount of \$9,600.00; and

**WHEREAS,** the City of Wharton and Hlavinka Construction wish to be bound by the conditions as set forth in the agreement; and,

**WHEREAS,** the Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute the agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS** as follows:

**Section I.** The Wharton City Council hereby authorizes the Mayor of the City of Wharton, Texas, to execute a contract for the Wharton Regional Airport Skylight Project to Hlavinka Construction in the amount of \$9,600.00.

**Section II.** The City of Wharton and Hlavinka Construction are hereby bound by the conditions as set forth in the agreement.

**Section III.** That this resolution shall become effective immediately upon its passage.

**Passed, Approved, and Adopted** this 13th day of July 2015.

**CITY OF WHARTON, TEXAS**

**By:** \_\_\_\_\_

**DOMINGO MONTALVO, JR.**  
Mayor

**ATTEST:**

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**PAULA FAVORS**  
City Secretary

Councilmember Vincent Huerta seconded the motion. All voted in favor.

The twentieth item on the agenda was to review and consider an ordinance of the City of Wharton approving a settlement agreement between the Texas Coast Utilities Coalition of Cities and Centerpoint Energy Resources Corp., D/B/A Centerpoint Entex and Centerpoint Energy Texas Gas regarding the Company's statement of intent to change gas utility rates in its Texas coast division; declaring existing rates to be unreasonable; denying Centerpoint's proposed increase; adopting tariffs that reflect rate adjustments consistent with the settlement agreement and finding the rates to be set by the attached tariffs to be just and reasonable; finding the City's rate case expenses reasonable; directing Centerpoint to reimburse the City its reasonable rate case expense; determining that this ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; declaring an effective date; repealing any prior resolutions or ordinances inconsistent with this ordinance and requiring delivery of this ordinance to the company and legal counsel. City Manager Andres Garza, Jr. presented a copy of the draft Ordinance for the denial of Centerpoint Energy's proposed increase in rates filed on about March 27, 2015 and approving a settlement. City Manager Garza stated since the City of Wharton has original jurisdiction the City was able to deny Centerpoint's proposed increase in utility rates and approve a settlement agreement of the rate case. After some discussion, Councilmember Don Mueller moved to approve City of Wharton Ordinance No. 2015-08, which read as follows:

**CITY OF WHARTON  
ORDINANCE NO. 2015-08**

**AN ORDINANCE OF THE CITY OF WHARTON APPROVING A SETTLEMENT AGREEMENT BETWEEN THE TEXAS COAST UTILITIES COALITION OF CITIES AND CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENTEX AND CENTERPOINT ENERGY TEXAS GAS REGARDING THE COMPANY'S STATEMENT OF INTENT TO CHANGE GAS UTILITY RATES IN ITS TEXAS COAST DIVISION; DECLARING EXISTING RATES TO BE UNREASONABLE; DENYING CENTERPOINT'S PROPOSED INCREASE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE SETTLEMENT AGREEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; FINDING THE CITY'S RATE CASE EXPENSES REASONABLE; DIRECTING CENTERPOINT TO REIMBURSE THE CITY ITS REASONABLE RATE CASE EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; REPEALING ANY PRIOR**

**RESOLUTIONS OR ORDINANCES INCONSISTENT WITH THIS ORDINANCE AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND LEGAL COUNSEL.**

**WHEREAS,** the City of Wharton Texas (“City”) has exclusive original jurisdiction as a regulatory authority over CenterPoint Energy Resources Corp., d/b/a CenterPoint Entex and CenterPoint Energy Texas Gas’ (“CenterPoint” or “Company”) rates, operations, and services within the City; and

**WHEREAS,** the City is also a gas utility customer of CenterPoint, and has an interest in CenterPoint’s rates and charges; and

**WHEREAS,** CenterPoint filed a Statement of Intent with the City on or about March 27, 2015 (“*March 27<sup>th</sup> Application*”) to increase its annual revenue requirement by approximately \$6.8 million in the Company’s Texas Coast Division, with a proposed effective date of May 1, 2015, which represents an increase in base revenue of approximately 11%; and

**WHEREAS,** CenterPoint on March 27, 2015, filed its Statement of Intent with the Railroad Commission of Texas to increase its annual revenue requirement by approximately \$6.8 million in the Company’s Texas Coast Division, with a proposed effective date of May 1, 2015, which represents an increase in base revenue of approximately 11%, and subsequently modified its request to seek an increase of about \$7.2 million, which represents an increase of about 12% in non-gas revenue; and

**WHEREAS,** the City took action to suspend the effective date and to coordinate a response to CenterPoint’s filing with other similarly situated municipalities (such participating cities are referred to herein as the Texas Coast Utilities Coalition of cities (“TCUC”)); and

**WHEREAS,** the City took action on or before May 1, 2015 to suspend CenterPoint’s proposed effective date; and

**WHEREAS,** one of TCUC’s goals is to minimize rate-case expenses to the extent reasonable, that otherwise would result from lengthy, contested rate-case proceedings before the Railroad Commission of Texas and through the appellate process in the courts for the pending rate case; and

**WHEREAS,** TCUC authorized its attorneys and experts to formulate and review reasonable settlement positions to resolve CenterPoint’s pending request to increase rates; and other rate proceedings related to Gas Utilities Docket Nos. 9791, 9910, 10007, and 10097; and

**WHEREAS,** TCUC’s attorneys met numerous times with the Company to negotiate a Settlement Agreement resolving the issues raised by the Company’s Statement of Intent filing; and

**WHEREAS,** after extensive review and analysis, TCUC’s attorneys and experts found that CenterPoint’s initially proposed increase in revenue and its initially proposed rates are unreasonable; and

**WHEREAS,** TCUC's attorneys and experts have evaluated what a likely outcome from a fully-litigated proceeding would be and are of the opinion that the increase of approximately \$4.9 million noted in the negotiated Settlement Agreement compares favorably with a likely outcome from a fully-litigated proceeding; and

**WHEREAS,** after extensive review and analysis, TCUC's attorneys and experts found that the lower increase of approximately \$4.9 million instead of the \$7.2 million increase initially proposed by CenterPoint is reasonable; and

**WHEREAS,** TCUC's attorneys and experts and TCUC, based on the advice of its attorneys and experts, recommend that TCUC members approve the negotiated Settlement Agreement and attached tariffs; and

**WHEREAS,** under the Gas Utility Regulatory Act, the City has a right to reimbursement of its reasonable rate-case expenses and CenterPoint has an obligation to reimburse the City's reasonable rate-case expenses; and

**WHEREAS,** the attached tariffs implementing new rates are consistent with the Settlement Agreement and are just, reasonable, and in the public interest; and

**WHEREAS,** the Settlement Agreements regarding CenterPoint's *March 27<sup>th</sup> Application* and Gas Utilities Docket Nos. 9791, 9910, 10007, and 10097, as a whole are in the public interest;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS HEREBY ORDAINS:**

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

**Section 2.** That the City Council finds that the Settlement Agreement regarding CenterPoint's *March 27<sup>th</sup> Application*, attached hereto as Attachment A, and including Exhibits A through Exhibits E of that Settlement Agreement, and the Agreement regarding Gas Utilities Docket Nos. 9791, 9910, 10007, and 10097, appended hereto as Attachment B, all incorporated herein, are in the public interest and are hereby endorsed in all respects.

**Section 3.** That CenterPoint's existing rates are found unreasonable and the rates set forth in the Settlement Agreement are just and reasonable.

**Section 4.** That the revenue and resulting rates set forth in the Settlement Agreement and schedule of rates and tariffs for gas-utility service provided by CenterPoint, and the reimbursement of rate case expenses, which are attached as Exhibit A to the Settlement Agreement appended to this Ordinance in Attachment A, are just and reasonable, and are hereby adopted for service rendered on and after August 21, 2015.

- Section 5.** That the rates under the Settlement Agreement shall be effective for service rendered on and after August 21, 2015.
- Section 6.** That CenterPoint shall submit to the City annually, reports by no later than September 30 of each year detailing the amount of rate case expenses CenterPoint has collected through rates as of August 30 of each year and showing the balance remaining to be collected.
- Section 7.** That CenterPoint's and TCUC's rate-case expenses incurred in CenterPoint's *March 27<sup>th</sup> Application*, and TCUC's rate-case expenses incurred in Railroad Commission of Texas Gas Utilities Docket Nos. 9791, 9910, 10007, and 10097, are reasonable; and the amounts shown in the Settlement Agreement for plant-in-service balances; the base-year level amounts for tracking changes in pension-related and other post-employment benefits; and the factors shown for capital structure; return on equity; and the factors related to Interim Rate Adjustments, are appropriate for future ratemaking proceedings submitted by CenterPoint.
- Section 8.** That CenterPoint is ordered to reimburse TCUC's total rate case expenses incurred in CenterPoint's *March 27<sup>th</sup> Application* and in incurred by TCUC related to Railroad Commission of Texas Gas Utilities Docket Nos. 9791, 9910, 10007, and 10097, within thirty (30) days from the effective date of this Ordinance.
- Section 9.** That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.
- Section 10.** That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
- Section 11.** That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provision of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.
- Section 12.** That this Ordinance shall become effective from and after its passage.
- Section 13.** The City Secretary or other appropriate city official shall notify CenterPoint of this Ordinance by sending a copy of the Ordinance to Mr. Thomas Stevens, Director of Regulatory Affairs, CenterPoint Energy, P.O. Box 2628, Houston, Texas 77252-2628, and TCUC shall be notified by sending a copy of this Ordinance to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Ave., Suite 1250, Austin, Texas 8701, by fax to 512-474-2507.



**PASSED AND APPROVED** this 13th day of July, 2015.

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**Domingo Montalvo, Jr.**  
Mayor

**ATTEST:**

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**Paula Favors**  
City Secretary

Councilmember Tim Barker seconded the motion. All voted in favor.

The twenty-first item on the agenda was to review and consider Ahldag Addition Sanitary Sewer System Improvement Project. - TXCDBG Contract No. 713510.

- A. Request Payment No. 1 from Supak Construction Inc.
- B. Change Order No. 2

City Manager Andres Garza, Jr. presented pay request No.1 from Supak Construction Inc. for the Ahldag Addition Sanitary Sewer System Improvement Project. Mr. Tim Sanders, P.E., with BEFCO Engineering, stated the request for project was in the amount of \$58,246.91 which included completed construction work through June 30, 2015, materials stored on site and a 5% retainage deduction. After some discussion, Councilmember Don Mueller moved to approve pay request No. 1 from Supak Construction Inc. for the Ahldag Addition Sanitary Sewer System Improvement Project in the amount of \$58,246.91 and Change Order No. 2 as presented by BEFCO Engineering on the project. Councilmember Al Bryant seconded the motion. All voted in favor.

The twenty-second item on the agenda was to review and consider the appointment of Ms. Patty Young to the Mayor's Committee on People with Disabilities. City Manager Andres Garza, Jr. presented a memo from Ms. Sandy Wilkins, Mayor's Committee on People with Disabilities Chairman requesting the consideration of Ms. Patty Young to be appointed to the vacant position on the Committee. After some discussion, Councilmember Tim Barker moved to appoint the following:

Mayor's Committee on People with Disabilities:	<u>Term Expiring</u>
Patty Young	June 30, 2017

Councilmember Vincent Huerta seconded the motion. All voted in favor.

The twenty-third item on the agenda was to review and consider the appointment of Ms. Lilianna Johse to the Beautification Committee. City Manager Andres Garza, Jr. presented a

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letter from Ms. Lilianna Johse requesting to serve on the Beautification Committee. After some discussion, Councilmember Tim Barker moved to appoint the following:

Beautification Committee:	<u>Term Expiring</u>
Lilianna Johse	June 30, 2017

Councilmember Vincent Huerta seconded the motion. All voted in favor.

The twenty-fourth item on the agenda was to review and consider Appointment of Mr. Jimmy Gardner to Airport Board. City Manager Andres Garza, Jr. presented an email from Airport Manager David Allen recommending Mr. Jimmy Gardner to the Airport Board. After some discussion, Councilmember Tim Barker moved to appoint the following:

Airport Board:	<u>Term Expiring</u>
Jimmy Gardner	June 30, 2017

Councilmember Russell Machann seconded the motion. All voted in favor.

The twenty-fifth item on the agenda was to review and consider Appointments to the City of Wharton Boards, Commissions and Committees:

1. Appointments:
  - A. Wharton Regional Airport Board.
  - B. Beautification Commission.
  - C. Building Standards Commission.
  - D. Holiday Light Decorating Chairman.
  - E. Mayor's Committee on People with Disabilities.

After some discussion, no action was taken.

The twenty-sixth item on the agenda was to review and consider City Council Boards, Committees and Commissions reports:

- A. Wharton Economic Development Corporation meeting held on June 17, 2015.
- B. Public Works Committee meeting held July 7, 2015.
- C. Airport Board meeting held July 7, 2015.

After some discussion, no action was taken.

The twenty-seventh item on the agenda was adjournment. There being no further discussion, Councilmember Don Mueller moved to adjourn. Councilmember Russell Machann seconded the motion. All voted in favor.

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The meeting adjourned at 8:06 p.m.

**CITY OF WHARTON, TEXAS**

**By:** \_\_\_\_\_  
**Don Mueller**  
**Mayor Pro-Tem**

**ATTEST:**

\_\_\_\_\_  
**Paula Favors**  
**City Secretary**