



BAY CITY

REVISED MINUTES • FEBRUARY 11, 2016

Council Chambers

Special Meeting

6:30 PM

1901 5TH STREET
BAY CITY, TX 77414

1. CALL TO ORDER & CERTIFICATION OF QUORUM

Attendee Name	Title	Status	Arrived
Mark Bricker	Mayor	Excused	
Julie Estlinbaum	Mayor Pro-Tem	Present	
William Cornman	Councilman	Present	
Chrystal Folse	Councilwoman	Present	
Steven Johnson	Councilman	Present	
Carolyn Thames	Councilwoman	Present	

2. REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:

1. Public Hearing

TO RECEIVE COMMENTS FROM THE MEMBERS OF THE PUBLIC CONCERNING THE BAY CITY GAS COMPANY'S NOTICE OF INTENT TO INCREASE RATES EFFECTIVE FEBRUARY 22, 2016 ESTABLISHING THE RATE SCHEDULE IS SET OUT FULLY IN THE NOTICE OF INTENT ATTACHED HERETO.

Mayor Mark A. Bricker

Haas Gwin provided Council with handouts regarding the proposed increase. He stated that cost associated with personnel and weather were a part of the reason for the rate increase.

Mr. Gwin explained that the second is for the creation of a new rater, EDI Index Clause. It will be for the cost of inflation. The third rate was EDA-1 (Extraterritorial Jurisdiction). He explained that you had to be an extra special customer to receive this rate. This rate is for customers that purchase their own molecules, and they only look for the Gas Company for delivery of service. He stated that it was their Economic Development Rate.

Mayor Pro Tem Estlinbaum opened the Public Hearing at 6:44 p.m.

William Dale asked what would the rate increase cost. Mr. Gwin stated \$3 per month.

Mayor Pro Tem Estlinbaum closed the Public Hearing at 6:44 p.m.

RESULT: WITHDRAWN

3. ITEMS / COMMENTS & MAYOR AND COUNCIL MEMBERS

Council thanked the Gas Company.

4. ADJOURNMENT

AGENDA NOTICES:**Action by Council Authorized:**

The City Council may vote and/or act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, settlement offer or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified under the Open Meetings Act. The City Attorney may appear in person, or appear in executive session by conference call in accordance with applicable state law.

Attendance By Other Elected or Appointed Officials:

It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be Agenda City Council August 8, 2013 in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

Executive Sessions Authorized:

This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

This is to certify that the above notice of a Workshop Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on Thursday, February 4, 2016, before 5:00 p.m. Any questions concerning the above items, please contact Mayor Mark A. Bricker at (979) 245-2137.

Rhonda Clegg
City Secretary



City Council
1901 5Th Street
Bay City, TX 77414

WITHDRAWN

Meeting: 02/11/16 06:30 PM
Department: Mayor's Office
Category: Public Hearing
Prepared By: Dustin Hodges
Initiator: Dustin Hodges
Sponsors:
DOC ID: 2208

AGENDA ITEM (ID # 2208)

**TO RECEIVE COMMENTS FROM THE MEMBERS OF THE
PUBLIC CONCERNING THE BAY CITY GAS COMPANY'S
NOTICE OF INTENT TO INCREASE RATES EFFECTIVE
FEBRUARY 22, 2016 ESTABLISHING THE RATE SCHEDULE
IS SET OUT FULLY IN THE NOTICE OF INTENT ATTACHED
HERETO.**

RESULT: WITHDRAWN

BAY CITY GAS CO.

DIRECTOR:

Kevin Hecht

OFFICE:

(979) 245-2327

FAX (979) 244-1422

Website: www.baycitygas.com

**BOARD MEMBERS:**

Terrence D. Allen, Chairman

Janet Lewis Peden

Mayor Mark Bricker

BAY CITY GAS COMPANY**Notice of Intent**Rate Change Date **February 22, 2016**New Rate Schedule *changes in boldface*

Standard Gas Service Account	\$19.00/mo
Premium-Flex Gas Service Account	\$20.00/mo
C-1 Base Rate 1-50,000 Cubic Feet (50 MCF/mo)	\$ 4.05 Per MCF plus Cost of Gas

In-City Commercial & Industrial for Monthly Consumption

	<u>in MCF/mo</u>	
C-2	50 to 832	\$3.35 per MCF plus cost of gas
C-3	833 to 4,166	\$2.20 per MCF plus cost of gas
C-4	4,167 to 16,666	\$1.50 per MCF plus cost of gas
C-5	16,667 to 33,332	\$1.00 per MCF plus cost of gas
C-6	33,333 to 66,666	\$0.50 per MCF plus cost of gas
C-7	66,667 or more	\$0.25 per MCF plus cost of gas

**Outside City Limits Commercial & Industrial
(w/o Economic Development Agreement) for Monthly Consumption**

	<u>in MCF/mo</u>	
CO-2	50 to 832	\$3.85 per MCF plus cost of gas
CO-3	833 to 4,166	\$2.53 per MCF plus cost of gas
CO-4	4,167 to 16,666	\$1.73 per MCF plus cost of gas
CO-5	16,667 to 33,332	\$1.15 per MCF plus cost of gas
CO-6	33,333 to 66,666	\$0.58 per MCF plus cost of gas
CO-7	66,667 or more	\$0.29 per MCF plus cost of gas

Fees:	<u>Reg. Bus. Hrs</u>	<u>After Hours</u>
New Service	\$15.00	n/a
Transfer Service	\$15.00	n/a
Re-Connect	\$45.00	additional \$10.00
Fall Turn-On	\$45.00	additional \$10.00
Missed Appointment	\$10.00	\$10.00
E-Commerce fee	\$50.00 or 6% of transaction	
Advanced Billing Services	\$50.00 per month	

ECI Rates indexed to "ECI" shall be adjusted by the greater of i) the 12 month percent increase in the Employment Cost Index, The Bureau of Labor Statistics of the U.S. Department of Labor for:

Series Id: CIU3010000000000A (B),
 Not Seasonally Adjusted,
 compensation: Total compensation,
 sector: State and local government,
 periodicity: 12-month percent change,
 Industryocc: All workers.

for the 4th quarter of the year immediately past; or 2.0%. No reductions are made for negative ECI movements. Adjustments are applied on the customer bill next following the publication of the index.

Premium-Flex Gas Service Account allows a customer to discontinue and resume gas service as needed without terminating their deposit or paying a fee for turn-on when service is resumed. Additional services may be added to the Premium-Flex service level at a reduced or eliminated fee as they become available.

Re-Connects refer to service calls to re-connect service to customers who have been disconnected for failure to pay.

Fall Turn-Ons refer to service calls to turn gas service back on after summer disconnects. (Does not apply to Premium-Flex Customers)

E-Commerce fee As electronic commerce services become available the Gas Company will offer them to the customers at a cost not to exceed the scheduled rate.

Advanced Billing Services As Advanced Billing Services become available the Gas Company will offer them to the customers at a cost not to exceed the scheduled rate.

All charges are subject to sales tax if applicable.

For the purposes of this rate, Cost of Gas is defined as the amount paid by the Bay City Gas Company to its supplier(s) inclusive of all charges, transportation fees, and service fees; The Cost of Gas may include a factor for recoupment of: a.) fees, taxes or rates assessed upon the Gas Company by the State or Federal regulatory authorities; b.) lost and unaccounted for gas volumes; and c.) gas used by City of Bay City and Bay City Gas Company operations. The Cost of Gas does not include promotional rates for special air conditioning, electric generation, or other promotional load. The Cost of Gas for meters read during the calendar month shall be determined by the management of the Bay City Gas Company on or before the fifth working day of that month and will be available to the public from the offices of the Gas Company.

Economic Development Agreements Economic Development Agreements which are approved by City Council may include rate structures at variance with the Schedule of Maximum Rates.

EDA-1

For qualifying service commencing on or before June 1, 2016.

For years 1 through 5:

**Volumes up to 83,333.33 per month, \$0.18 per MMBtu indexed; and
Volumes above 83,333.33 per month but less than 139,416.67 MMBtu
per month, \$0.09 per MMBtu indexed; then**

For years 6 and following:

**All volumes up to 139,416.67 MMBtu per month, the indexed product
of \$0.09 per MMBtu for that year of service.**

**The index for this rate is the Employment Cost Index (ECI). The index is
applied annually from the adoption of this rate. Contact the Gas Company for a
current billed rate.**

All volume requirements are measured monthly.

Conditions on qualification for this rate:

- a. Customer must separately contract for purchase of all commodity Natural Gas;**
- b. Customer must separately contract for transportation of all gas to the delivery point designated by the Bay City Gas Company;**
- c. Customer must consume, or in lieu of consumption pay for, ("take-or-pay") a minimum volume of 83,333.33 MMBtu per month;**
 - i. Billing Adjustment – Each month Customer will be billed for an amount equal to the greater of the product of the appropriate EDA-1 Rate multiplied by: i) the total MMBtu delivered to Customer; or ii) 83,333.33 MMBtu.**
 - ii. If Customer's account is kept current, Customer shall have the right to offset undertakes of gas in one month with overtakes of gas in the immediately previous or immediately subsequent month, only.**
- d. Customer will receive an economic development incentive credit equal in value to the initial Customer Specific Infrastructure Costs, not to exceed \$400,000; and**
- e. Approval of City Council**

Customer Specific Infrastructure Costs Necessary infrastructure to serve a specific customer is to be paid or reimbursed by that customer. Terms of such reimbursement may be measured by consumption. The resultant payments are different from and do not count toward the Rate established in this Schedule.

Old Rate Schedule

Standard Gas Service Account	\$16.00/mo
Premium-Flex Gas Service Account	\$20.00/mo
C-1 Base Rate 1-50,000 Cubic Feet (50 MCF/mo)	\$ 4.05 Per MCF plus Cost of Gas

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IMPACTS:

All classes of Gas Company customers are impacted by this rate.

The average monthly bill for 3,774 base (residential) C-1 gas customers will increase a net 7.82% or \$3.00 due to this rate change.

There are 0 customers in the Premium-Flex Gas Service Account classification so no financial impact can be calculated.

The average monthly bill for 305 (commercial) C-2 gas customers will increase a net 1.58% or \$3.00 due to this rate change.

There are 0 customers outside the City limits in the CO-2 classification so no financial impact can be calculated.

The average monthly bill for 10 (small industrial) C-3 gas customers will increase a net 0.90% or \$3.00 due to this rate change.

There are 0 customers outside the City limits in the CO-3 classification so no financial impact can be calculated.

There are 0 customers in the C-4 classification so no financial impact can be calculated.

There are 0 customers outside the City limits in the CO-4 classification so no financial impact can be calculated.

There are 0 customers in the C-5 classification so no financial impact can be calculated.

There are 0 customers outside the City limits in the CO-5 classification so no financial impact can be calculated.

There are 0 customers in the C-6 classification so no financial impact can be calculated.

There are 0 customers outside the City limits in the CO-6 classification so no financial impact can be calculated.

There are 0 customers in the C-7 classification so no financial impact can be calculated.

There are 0 customers outside the City limits in the CO-7 classification so no financial impact can be calculated.

The average monthly bill for 32 Public Authority Gas Customers will increase a net 1.24% or \$3.00 due to this rate change.

A new customer class EDA-1 is created by this rate. There are zero current customers in this class.

The annual revenues of the Bay City Gas Company due to this rate change are projected to increase 5.77% or \$148,356 beginning in 2016. Additionally, the creation of the new EDA-1 customer class is projected to increase revenues by \$47,043 .

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