

ALLEN OWEN
Mayor

JERRY WYATT
Councilmember at Large Position 1

CHRIS PRESTON
Councilmember at Large Position 2



YOLANDA FORD
Mayor Pro Tem
Councilmember District A
JEFFREY L. BONEY
Councilmember District B
ANTHONY G. MAROULIS
Councilmember District C
FLOYD EMERY
Councilmember District D

CITY COUNCIL MEETING AGENDA

Notice is hereby given of a meeting of the City Council of Missouri City to be held on **Monday, June 18, 2018, at 7:00 p.m.** at: **City Hall, Council Chamber, 2nd Floor**, 1522 Texas Parkway, Missouri City, Texas, 77489, for the purpose of considering the following agenda items. All agenda items are subject to action. The City Council reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. PRESENTATIONS AND RECOGNITIONS

- (a) Presentation on Fourth of July celebration events.

4. PUBLIC COMMENTS

An opportunity for the public to address City Council on agenda items or concerns not on the agenda—those wishing to speak must complete the orange comment card, present the comment card to the City Secretary prior to the beginning of the meeting, and observe a three-minute time limit.

5. STAFF REPORTS

- (a) City Manager announcements.

6. CONSENT AGENDA

All consent agenda items listed are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a councilmember so requests; in which event, the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning consent agenda items is available for public review.

- (a) Consider approving the minutes of the special and regular City Council meetings of June 4, 2018.
- (b) Consider an ordinance continuing Article VII of Chapter 74 of the Missouri City Code; continuing the rules and regulations pertaining to the standards of care for certain elementary-age recreation programs operated by the City of Missouri City; and consider the ordinance on the second and final reading.
- (c) Consider an ordinance approving rates incorporated in the proposed settlement agreement for the provision of natural gas service by SiEnergy, LP, within the City of Missouri City; declaring a final determination of rates; requiring acceptance by SiEnergy, LP, of the rates prescribed therein; establishing an effective date; and consider the ordinance on the second and final reading.

7. PUBLIC HEARINGS AND RELATED ACTIONS

(a) **Zoning Public Hearings and Ordinances** – *There are no Zoning Public Hearings and Ordinances on this agenda.*

(b) **Public Hearings and related actions** – *There are no Public Hearings and related actions on this agenda.*

8. APPOINTMENTS – *There are no Appointments on this agenda.*

9. AUTHORIZATIONS – *There are no Authorizations on this agenda.*

10. ORDINANCES

(a) Consider an ordinance amending the general budget for the fiscal year beginning July 1, 2017, and ending June 30, 2018; changing the ending date of the fiscal year from June 30, 2018 to September 30, 2018; transferring various appropriations among accounts; authorizing the appropriate city officials to take steps necessary to accomplish such transfers; amending the authorized staffing for Fiscal Year 2018; authorizing the appropriate city officials to take steps necessary to accomplish such amendments; making certain findings; containing certain provisions relating to the subject; and consider the ordinance on the first and final reading.

11. RESOLUTIONS

(a) Consider a resolution adopting rules governing the investment of funds of the City of Missouri City; designating the Assistant City Manager and the Finance Department Director to be responsible for the investment of City funds; and providing for repeal.

(b) Consider a resolution amending Resolution No. R-09-13, adopted on May 4, 2009; amending the bylaws of the Missouri City Recreation and Leisure Local Government Corporation; and making other provisions related to the subject.

12. CITY COUNCIL ANNOUNCEMENTS

Discussion, review, and possible action regarding a meeting or activity of one or more of the following entities (each entity refers to a City of Missouri City entity unless otherwise indicated):

Charter Review Commission, Community Development Advisory Committee, Construction Board of Adjustments, Electrical Board, Parks Board, Planning and Zoning Commission, Tax Increment Reinvestment Zone Boards, Fort Bend Chamber of Commerce, Houston-Galveston Area Council, Fort Bend Regional Council, Texas Municipal League, Fort Bend County, Harris County, Gulf Coast Building and Construction Trades Council, Mayor's Youth Commission, Finances and Services Committee, Fort Bend Leadership Forum, Fort Bend County Drainage District, Economic Development Committee, Missouri City Parks Foundation, Missouri City Police and Fire Auxiliary, Livable Community Committee, Texas Parkway Alliance, High Performance Organization Committee, Missouri City Juneteenth Celebration Foundation, Fort Bend County Mayor and Council Association, METRO, Planning, Development and Infrastructure Committee, Fort Bend Independent School District, Greater Fort Bend Economic Development Coalition, Transportation Policy Council, Community Development Advisory Committee, Veterans Memorial Committee, Missouri City Recreation and Leisure Local Government Corporation, Missouri City Development Authority, and the Greater Houston Partnership and Emergency Management updates.

13. CLOSED EXECUTIVE SESSION

The City Council may go into Executive Session regarding any item posted on the Agenda as authorized by Chapter 551 of the Texas Government Code.

14. RECONVENE

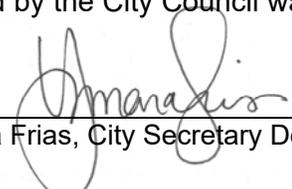
Reconvene into Regular Session and Consider Action, if any, on items discussed in Executive Session.

15. ADJOURN

In compliance with the Americans with Disabilities Act, the City of Missouri City will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Maria Jackson, City Secretary, at 281.403.8686.

CERTIFICATION

I certify that a copy of the June 18, 2018, agenda of items to be considered by the City Council was posted on the City Hall bulletin board on June 15, 2018, at 4:00 p.m.



Yomara Frias, City Secretary Department

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the City Hall bulletin board on the ____ day of _____, 2018.

Signed: _____

Title: _____



**Council Agenda Item
June 18, 2018**

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. PRESENTATIONS AND RECOGNITIONS

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5. STAFF REPORTS

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CITY COUNCIL SPECIAL MEETING MINUTES

The City Council of the City of Missouri City, Texas, met in special session on **Monday, June 4, 2018**, at the City Hall, Council Conference Room, 2nd Floor, behind the Council Chamber, 1522 Texas Parkway, Missouri City, Texas, 77489, at **5:45 p.m.** to consider the following:

1. CALL TO ORDER

Mayor Owen called the meeting to order at 5:48 p.m.

Those also present: Councilmembers Wyatt, Preston, Boney, Maroulis, and Emery; City Attorney Iyamu, City Secretary Jackson, Assistant City Manager Atkinson, Assistant City Manager Elmer, Director of Development Services Spriggs, Public Works Manager Kokes, and Media Relations Specialist III Stottlemeyer. Also present: TBG representatives Meade Mitchell and Wes Cegelski. Mayor Pro Tem Ford arrived at 5:56 p.m. Absent: City Manager Snipes.

2. DISCUSSION/POSSIBLE ACTION

- (a) Discuss the City's board, committee, commission, and foundation member appointments and reappointments.

City Secretary Jackson discussed vacancies, appointments and reappointments to the City's boards, committees, commissions, and foundation.

- (b) Presentation on reader signs.

Councilmember Maroulis provided recommendations on where reader signs should be placed.

Councilmember Maroulis moved to approve the revised concept on reader signs. Councilmember Wyatt seconded. **MOTION PASSED UNANIMOUSLY.**

3. CLOSED EXECUTIVE SESSION

After proper notice given pursuant to the Texas Open Meetings Act, the City Council went into Executive Session at 6:05 p.m.

Texas Government Code, Section 551.071 – Consultation with attorney to seek or receive legal advice regarding pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the City under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act:

- (1) Creekmont Community Association, Inc. and Rena Marshall v. Allen Owen, in his official capacity as Mayor of the City of Missouri City, Texas, and Maria Jackson, in her official capacity as City Secretary (Harris County Cause No. 2017-05988 in the 125th Judicial District Court of Harris County, Texas).

- (2) Paul A. Kubosh v. Honorable Robert Richter, Jr., Judge, Municipal Court, Missouri City, Texas (Fort Bend County Cause No. 18-DCV-250081 in the 240th Judicial District Court of Fort Bend County, Texas).
- (3) City of Missouri City, Texas v. Marilyn Pearl Weaver and 2211 Glenn Lakes Lane, Missouri City, in rem (Fort Bend County Cause Number 16-DCV-229145 in the 434th District Court of Fort Bend County).
- (4) Marie Sangria Carter v. City of Missouri City (Fort Bend County Cause No. 17-DCV-243678 in the 434th District Court of Fort Bend County).
- (5) Matos v. City of Missouri City (Fort Bend County Cause No. 17-DCV-245053 in the 240th District Court of Fort Bend County).
- (6) Nicholas Harper v. City of Missouri City, Mike Berezin, Greg T. Nelson, John Doe 1 (Cause No. 4:18-CV-01562, United States District Court--Southern District of Texas).
- (7) City of Missouri City, Texas v. Florence Bukky Olawaiye Estate and 2703 Spring Place Drive, Missouri City (Fort Bend County Cause Number 16-DCV-233728 in the 400th District Court of Fort Bend County).
- (8) Tammy Ratcliff (Equal Employment Opportunity Commission).

4. RECONVENE

At 6:30 p.m., Council reconvened into open session. No action was taken.

5. ADJOURN

The special City Council meeting adjourned at 6:30 p.m.

ATTEST:

Allen Owen, Mayor

Maria Jackson, City Secretary

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Mayor

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Councilmember at Large Position 1

CHRIS PRESTON
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CITY COUNCIL MEETING MINUTES

The City Council of the City of Missouri City, Texas, met in regular session on **Monday, June 4, 2018**, at the City Hall, Council Chamber, 2nd Floor, 1522 Texas Parkway, Missouri City, Texas, 77489, at **7:00 p.m.** to consider the following:

1. ROLL CALL

Mayor Owen called the meeting to order at 7:02 p.m.

Those also present: Mayor Pro Tem Ford, Councilmembers Wyatt, Preston, Boney, Maroulis, and Emery; City Assistant City Manager Elmer, City Attorney Iyamu, and City Secretary Jackson. Absent: City Manager Snipes.

2. The PLEDGE OF ALLEGIANCE was led by Assistant City Manager Atkinson.

3. PRESENTATIONS AND RECOGNITIONS

Mayor Owen and Chief Berezin recognized Police Sergeant Phillip Englishbee on his retirement and over 22 years of service with the City of Missouri City. Mayor Owen recognized Boy Scout Troop 99 in the audience. Mayor Owen recognized Missouri City resident Mike "The Truth" Jackson on his Ultimate Fighting Championship (UFC) 225 Welterweight Bout on June 9, 2018. Mayor Owen proclaimed the week of June 10-16, 2018, as "Juneteenth Week" in the City of Missouri City, Texas. Danny Nguyen presented updates to Texas Parkway.

There were no **PUBLIC COMMENTS**.

5. STAFF REPORTS

Assistant City Manager Elmer stated hurricane season has begun and would last until November 30. He congratulated the Financial and Services Department for receiving the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the 36th consecutive year. Elmer reminded citizens of the following events: District A would be hosting a town hall meeting on June 8; the 6th Annual Summer Day Camp session would begin on June 11 at Quail Valley Elementary School; the Missouri City Juneteenth Celebration Foundations would host several events throughout June 10-16; and the Lettuce Live team at Community Park and Buffalo Run Park invite residents to join in family time while learning how to garden every Saturday morning. Elmer thanked the Missouri City American Legion Post 294 for presenting the Veterans Memorial stone at the City's American Legion Park. He thanked the office of Senator John Cornyn for visiting staff and discussing partnership in projects. Elmer gave kudos to Public Works Director Kumar and Fire and Rescue Services Chief Campbell for graduating from the Fort Bend Chamber of Commerce Leadership Forum. He thanked the Mayors Youth Commission for being part of the 2018 program and the Parks and Recreation Department for hosting the second skate park public input meeting.

6. CONSENT AGENDA

(a) Consider approving minutes of the special and regular City Council meetings of May 21, 2018.

Councilmember Boney moved to approve the Consent Agenda pursuant to recommendations by City Staff. Councilmember Emery seconded. **MOTION PASSED UNANIMOUSLY.**

There were no **Zoning Public Hearings and Ordinances.**

7. PUBLIC HEARINGS AND RELATED ACTIONS

(b) Public Hearings and related actions

- (1) Public hearing to receive comments concerning an ordinance continuing Article VII of Chapter 74 of the Missouri City Code; continuing the rules and regulations pertaining to the standards of care for certain elementary-age recreation programs operated by the City of Missouri City; and consider the ordinance on the first of two readings.

Councilmember Wyatt moved to open the public hearing at 7:34 p.m. Mayor Pro Tem Ford seconded. **MOTION PASSED UNANIMOUSLY.**

Recreation Superintendent Mize presented an overview of elementary-age recreation programs.

Councilmember Wyatt moved to close the public hearing at 7:34 p.m. and adopt the ordinance. Mayor Pro Tem Ford seconded. **MOTION PASSED UNANIMOUSLY.**

8. APPOINTMENTS

- (a) Consider appointing members to various boards, commissions, committees, and a foundation.

Councilmember Wyatt moved to appoint Eunice Reiter to the Community Development Advisory Committee; Bill Marshall, Roger Morris, and Pamiel Johnson to the Construction Board of Adjustments & Appeals; Charles Jarvis to the Electrical Board; Thomasine Johnson, Adrian Matteucci, Sharman McGilbert, Brian Merchant, Don Johnson, Buddy Snyder, and Alan Atwater to the Parks Board; Reginald Pearson, Courtney Johnson-Rose, and Sonya Brown-Marshall to the Planning and Zoning Commission; Robin Elackatt, Adrian Matteucci, Roger Morris, Cleotha Aldridge, and Sharon Jurica to the Zoning Board of Adjustments and Appeals; and, Allen Owen, Anthony Snipes, E. Joyce Iyamu, Lisa Glenn, Krystal Toups, Adrienne Barker, Jim Browne, Patti Parish-Kaminski, Tom Wilcox, Marvin Marcell, and Bill Odle as president to the Missouri City Parks Foundation. Councilmember Maroulis seconded. **MOTION PASSED UNANIMOUSLY.**

- (b) Consider appointing directors to the Board of Directors for the Missouri City Management District No. 2.

Councilmember Emery moved to appoint Dawn Hurd, Ivy Levingston, and Bobby Merchant to the Board of Directors for the Missouri City Management District No. 2. Councilmember Boney seconded. **MOTION PASSED UNANIMOUSLY.**

9. AUTHORIZATIONS

- (a) Consider authorizing the purchase of fleet vehicles.

Councilmember Boney moved to authorize the purchase of fleet vehicles. Councilmember Emery seconded. **MOTION PASSED UNANIMOUSLY.**

- (b) Consider authorizing the City Attorney or her designee to file a motion to dismiss City of Missouri City, Texas v. Florence Bukky Olawaiye Estate and 2703 Spring Place Drive, Missouri City (Fort Bend County Case Number 16-DCV-233728 in the 400th District Court of Fort Bend County).

Councilmember Wyatt moved to authorize the City Attorney or her designee to file a motion to dismiss the City of Missouri City, Texas v. Florence Bukky Olawaiye Estate and 2703 Spring Place Drive, Missouri City (Fort Bend County Case Number 16-DCV-233728 in the 400th District Court of Fort Bend County). Councilmember Boney seconded. **MOTION PASSED UNANIMOUSLY.**

There were no **ORDINANCES** or **RESOLUTIONS**.

12. CITY COUNCIL ANNOUNCEMENTS

Councilmember Preston congratulated all the high school graduates. Councilmember Wyatt stated he was asked to attend the Hunters Glen 1 & 2 HOA meeting and shared comments made by Mayor Pro Tem Ford. He also addressed Facebook concerns on the budget. Councilmember Emery thanked the organizers of the Crawfish Point event whom raised funds for the Santa Fe High School victims. Mayor Pro Tem Ford addressed the article she wrote. Councilmember Maroulis congratulated the Missouri City Toastmasters group and noted he had the opportunity to attend a successful two-day soccer tournament. Councilmember Boney thanked Jarrence Small and crew at Legends Do Live for inviting him to speak at the Hightower High School graduation event. Boney encouraged everyone to participate in the upcoming Juneteenth events. Mayor Owen stated he attended the American Legion event and he met with Senator Cornyn's staff last week.

13. ADJOURN

The regular City Council meeting adjourned at 7:52 p.m.

ATTEST:

Allen Owen, Mayor

Maria Jackson, City Secretary



CITY COUNCIL AGENDA ITEM COVER MEMO

June 18, 2018

To: Mayor and City Council
Agenda Item: 6(b) Ordinance continuing the standards of care for certain City-operated recreation programs
Submitted by: Jason S. Mangum, Parks & Recreation Director

SYNOPSIS

This proposed ordinance continues the standards of care previously adopted for elementary-age recreation programs operated by the City of Missouri City (the "City").

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Create a great place to live

BACKGROUND

State law requires programs that operate at least two hours a day and three or more days a week for children aged 5 to 13 to be licensed by the State. However, state law provides an exemption for programs operated by a municipality, provided the municipality annually adopts standards of care for such programs after a public hearing on the subject. The City has adopted an ordinance continuing or amending the City's standards of care for such programs since 2010. The standards were amended as recently as 2013 to specifically require program staff to be trained by the Director of Parks & Recreation and to specifically state that an annual inspection of each program site will be performed by the City's Department of Fire and Rescue Services.

Staff has asked that the existing ordinance be continued as written. Accordingly, these existing standards are presented to City Council and the public for hearing and consideration.

BUDGET ANALYSIS

Not applicable.

SUPPORTING MATERIALS

1. Ordinance
2. Background: Article VII, Chapter 74, Parks & Recreation, of the Missouri City Code

STAFF'S RECOMMENDATION

Staff recommends approval of the ordinance.

Director Approval: Jason S. Mangum, Parks & Recreation Director

**Assistant City Manager/
City Manager Approval:** Scott R. Elmer, P.E., Assistant City Manager

ORDINANCE NO. O-18-__

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS, CONTINUING ARTICLE VII OF CHAPTER 74 OF THE MISSOURI CITY CODE; CONTINUING THE RULES AND REGULATIONS PERTAINING TO THE STANDARDS OF CARE FOR CERTAIN ELEMENTARY-AGE RECREATION PROGRAMS OPERATED BY THE CITY OF MISSOURI CITY; PROVIDING FOR REPEAL; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, Section 42.041 of the Texas Human Resources Code exempts an elementary-age recreation program operated by a municipality from licensing by the Texas Department of Family and Protective Services, provided that such municipality annually adopts standards of care for such programs by ordinance after a public hearing; and

WHEREAS, Article VII of Chapter 74 of the Missouri City Code (“Article VII”) establishes rules and regulations pertaining to the standards of care for certain elementary-age recreation programs operated by the City of Missouri City (the “City”); and

WHEREAS, the standards of care set forth in Article VII are intended to be the minimum standards by which the City Department of Parks and Recreation will operate certain elementary-age recreation programs; and

WHEREAS, the City affirms its commitment to providing quality programs and activities to the residents of the City and determines that enacting this Ordinance is necessary for the protection of public health, public safety, public property and public peace; and

WHEREAS, a public hearing was conducted where all persons interested in speaking about continuing said ordinance were afforded the opportunity to do so; and

WHEREAS, based upon the comments made during such public hearings and based upon the review conducted by City staff, the City Council now determines it to be in the best interest of the general public to continue the rules and regulations providing standards of care for certain elementary-age recreation programs operated by the City; now therefore,

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

Section 1. That the facts and recitations set forth in the preamble of this Ordinance are hereby declared true and correct.

Section 2. The City Council of the City of Missouri City conducted a public hearing on continuing the rules and regulations providing standards of care for elementary-age recreation programs and closed the public hearing prior to the final adoption of this Ordinance.

Section 3. That the City Council of the City of Missouri City herein determines that Article VII of Chapter 74 of the Missouri City Code is continued and shall remain in full force and effect for one year. Nothing herein shall affect the rights and duties that may mature or proceedings that may begin before the readoption of such ordinance.

Section 4. Repeal. All ordinances or parts of ordinances in conflict herewith, if any, shall be and are hereby repealed only to the extent of such conflict.

Section 5. Severability. In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof, other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED and APPROVED on first reading this 4th day of June, 2018.

PASSED, APPROVED and ADOPTED on second and final reading this 18th day of June, 2018.

Allen Owen, Mayor

ATTEST:

APPROVED AS TO FORM:

Maria Jackson, City Secretary

E. Joyce Iyamu, City Attorney

ARTICLE VII. - ELEMENTARY-AGE RECREATION PROGRAMS

DIVISION 1. - GENERALLY

Sec. 74-197. - Definitions.

For the purposes of this article, the following words and phrases shall have the meanings ascribed to them:

Elementary-age recreation program means a recreation program, including, but not limited to, a summer camp or an after-school activity that is offered by the city at least two hours a day and three or more days a week for a person five years of age to 13 years of age.

Parent means a parent or guardian who has legal custody and authority to enroll a person five years of age to 13 years of age in an elementary-age recreation program.

Participant means a person who is eligible to participate in an elementary-age recreation program and who has completed all required registration procedures to participate in such program.

Program coordinator means a city employee, contract worker, or volunteer of the department who has been assigned the responsibility of administering an elementary-age recreation program.

Program leader means a city employee, contract worker, or volunteer of the department who has been assigned the responsibility of implementing an elementary-age recreation program under this article.

Program manual means a document consisting of policies, procedures, required forms, and organizational and programming information relevant to city recreation programs.

Program site means an area or facility at which an elementary-age recreation program is operated.

Program staff means a person, including the program coordinator and the program leader, who has been hired or contracted, or a person who has volunteered, to work for the city who has been assigned responsibility for managing, administering, or implementing some or all portions of an elementary-age recreation program.

Standards of care means the standards of care for elementary-age participants set forth in division 4 of this article.

(Code 1999, § 74-211; Ord. No. O-10-25, § 1, 6-21-2010; Ord. No. O-11-16, § 3, 6-6-2011)

Secs. 74-198—74-211. - Reserved.

DIVISION 2. - ADMINISTRATION

Sec. 74-212. - Implementation.

(a) The director and program staff shall implement an elementary-age recreation program in compliance with the standards of care set forth in division 4 of this article.

- (b) A current copy of the standards of care and the program manual shall be available for the public and program staff at each program site. Program staff shall provide parents of participants a current copy of the standards of care during the elementary-age recreation program registration process.
- (c) The city shall not advertise an elementary-age recreation program under this chapter as a child-care facility. Program staff shall inform parents that an elementary-age recreation program offered by the city is not licensed by the state.

(Code 1999, § 74-212; Ord. No. O-10-25, § 1, 6-21-2010)

Sec. 74-213. - Inspection, monitoring, and enforcement of the standards of care.

The director shall establish deadlines and criteria for compliance with the standards of care. Criteria for compliance shall include the following requirements:

- (1) The program coordinator of each elementary-age recreation program shall:
 - a. Visually inspect each elementary-age recreation program site at least twice during the course of the program and provide the director with a written report detailing such inspection; and
 - b. Receive, record, and resolve complaints, and record the resolution of such complaints, regarding the enforcement of the standards of care.
- (2) The department shall retain each written report described by subsection (1) of this section for at least three years.
- (3) Program staff shall report suspected child abuse in accordance with the Texas Family Code.

(Code 1999, § 74-213; Ord. No. O-10-25, § 1, 6-21-2010)

Sec. 74-214. - Registration.

- (a) A parent of a potential elementary-age recreation program participant must register with the city by completing a registration application. The applicant shall supply the following:
 - (1) The participant's name, address, home telephone number, and date of birth;
 - (2) The name, address, telephone number during program hours of the participant's parent and a copy of photographic identification for that person;
 - (3) Emergency contact names and telephone numbers;
 - (4) The name, telephone number, and date of birth of each person to whom the participant may be released;
 - (5) A statement regarding the participant's special problems or needs;
 - (6) The participant's emergency medical authorization information, including the name and telephone number of the participant's doctor, and the participant's insurance information;
 - (7) A use of image release;
 - (8) A liability waiver;

- (9) A signed acknowledgement by the parent that the participant and the participant's parent have received and agreed to the program code of conduct; and
 - (10) A signed acknowledgment by the parent that the elementary-age recreation program is not licensed by the state as a child-care facility.
- (b) Each registration application must be accompanied by a copy of the potential participant's birth certificate.

(Code 1999, § 74-214; Ord. No. O-10-25, § 1, 6-21-2010)

Secs. 74-215—74-220. - Reserved.

DIVISION 3. - STAFF QUALIFICATIONS

Sec. 74-221. - Criminal background checks.

The city shall conduct a criminal background check on all elementary-age recreation program staff and on all prospective program staff members. Additionally, the city shall conduct a check of the state department of public safety database for the state sex offender registration program to determine whether each prospective program staff member is a registered sex offender. The city shall not employ or contract with an individual who poses, or who could potentially pose, a risk to the safety or health of elementary-age recreation program participants.

(Code 1999, § 74-221; Ord. No. O-10-25, § 1, 6-21-2010)

Sec. 74-222. - Minimum staff qualifications.

- (a) *Program coordinator.* A program coordinator may serve as a program leader. A program coordinator shall:
- (1) Be at least 21 years of age; and
 - (2) Possess one of the following levels of experience and training:
 - a. Three years of community center service or recreational programming experience; or
 - b. A bachelor's degree from an accredited college or university with major course work in sports management, physical education, recreation, or a related field.
- (b) *Program leader.* A program leader may serve as a program coordinator. A program leader may be a city employee, contract worker, or volunteer of the department. The program leader is responsible for recommending, hiring, supervising and evaluating program staff. Each program site shall have at least one program leader who is 21 years of age or older present at all times.
- (c) *Program staff.* Except for volunteers, program staff shall be 18 years of age or older and trained by the director.
- (d) *Volunteers.* A volunteer shall be 16 years of age or older.

(Code 1999, § 74-222; Ord. No. O-10-25, § 1, 6-21-2010; Ord. No. O-13-17, § 3, 6-17-2013)

Sec. 74-223. - Training and orientation.

- (a) Program staff shall be familiar with the standards of care for elementary-age recreation programs as adopted by city council.
- (b) Each program leader shall train program staff with whom the program leader works in various areas, including the appropriate procedures to handle emergencies; city, department, and recreation program policies and procedures; safety procedures; elementary-age recreation program organization; and other areas as required by the director.

(Code 1999, § 74-223; Ord. No. O-10-25, § 1, 6-21-2010)

Secs. 74-224—74-230. - Reserved.

DIVISION 4. - STANDARDS OF CARE

Sec. 74-231. - Staff-participant ratio.

- (a) In an elementary-age recreation program, the ratio shall be a minimum of one staff person to 15 participants, based on average daily attendance.
- (b) At least one program leader shall be assigned to each program.

(Code 1999, § 74-231; Ord. No. O-10-25, § 1, 6-21-2010; Ord. No. O-13-17, § 4, 6-17-2013)

Sec. 74-232. - Discipline.

Program staff shall execute discipline and guidance as specified in the program manual and in a consistent manner based on the best interests of elementary-age recreation program participants.

(Code 1999, § 74-232; Ord. No. O-10-25, § 1, 6-21-2010)

Sec. 74-233. - Emergency communication.

- (a) Each program site shall have access to a telephone for use in contacting program staff or making emergency telephone calls. At each program site, the program coordinator shall post telephone numbers for the following parties near a telephone that is accessible to all program staff:
 - (1) Ambulance or emergency medical services;
 - (2) City police department;
 - (3) City fire department;
 - (4) Telephone number and address for said program site; and
 - (5) The Texas Poison Center Network.
- (b) The emergency contact names and telephone numbers for each participant shall be available to program staff.

(Code 1999, § 74-233; Ord. No. O-10-25, § 1, 6-21-2010)

Sec. 74-234. - Transportation safety standards.

All recreation program vehicles that transport participants shall be equipped with first aid supplies and a first aid and emergency guide. If such vehicles include seatbelts, participants shall wear seatbelts.

(Code 1999, § 74-234; Ord. No. O-10-25, § 1, 6-21-2010)

Sec. 74-235. - Program site facility standards.

- (a) Program staff shall inspect each program site weekly to check for sanitation and safety violations of the standards of care that might affect the health and safety of participants. If the results of such inspection indicate a violation that could impact the health or safety of a participant or program staff, program staff shall file a report detailing the violation and subsequent resolution of the violation with the program coordinator. The program coordinator shall coordinate the repair of the violation. Such report shall be kept on file with the program coordinator for at least three years.
- (b) The city shall inspect, clean, repair, and maintain the program site buildings and grounds to protect the health of participants.
- (c) The program leader shall inspect, clean, repair, and maintain the program site supplies and equipment to protect the health of participants.
- (d) Program staff shall make first aid supplies available at each program site at a designated location, while transporting participants, and for the duration of any off-site activity.

(Code 1999, § 74-235; Ord. No. O-10-25, § 1, 6-21-2010)

Sec. 74-236. - Fire safety standards.

- (a) It shall be the first priority of program staff to evacuate participants to a pre-designated safe area if a fire, the danger of fire, an explosion or some other fire emergency occurs.
- (b) The program coordinator shall:
 - (1) Coordinate an annual fire inspection performed by a city fire and rescue services department official of each program site and such official shall prepare a report detailing any safety concerns observed during such inspection and a timeline for compliance;
 - (2) Provide that each program site has at least one fire extinguisher readily available to all program staff;
 - (3) Coordinate the inspection of each fire extinguisher quarterly; and
 - (4) Initiate a fire drill at each program site at least once during each elementary-age recreation program.

(Code 1999, § 74-236; Ord. No. O-10-25, § 1, 6-21-2010; Ord. No. O-13-17, § 5, 6-17-2013)

Sec. 74-237. - Health standards.

- (a) *Illness or injury.* Program staff shall address illnesses and injuries in a manner that will protect the health of all participants and program staff members. Program staff will follow emergency procedures for injured participants or for participants with symptoms of an acute illness as specified by the program manual. Program staff will follow the recommendations of the state department of health services concerning the admission or readmission of any participant who has been diagnosed with a communicable disease. A doctor's note shall be required to allow a participant who has been diagnosed with a communicable disease to be readmitted to the program. Should program staff suspect that a participant may have a communicable disease, including, but not limited to, pink eye, lice, ring worm, strep throat, or a fever, the program staff shall ask the participant's parent to pick up the participant immediately.
- (b) *Administration of medication.* Program staff shall administer medication provided that:
 - (1) A parent has completed and signed a medication dispensing release that provides authorization for program staff to dispense medication and details the quantity and time requirements for dosages. Such release shall include a hold harmless clause.
 - (2) Prescription medications are in the original containers labeled with the participant's name, a date, directions and the prescribing physician's name. Program staff shall administer the medication only as stated on the label.
 - (3) Non-prescription medications are labeled with the participant's name and the date the medication was brought to the elementary-age recreation program. Non-prescription medication must be in the original container. The program staff will administer medication only according to label directions and with written parental permission.
 - (4) Medications dispensed will be limited to those not requiring special knowledge or skills on the part of the program staff.
 - (5) Program staff shall not administer medication after the expiration date.
 - (6) Program staff will ensure medications are inaccessible to participants. If necessary, medications will be kept in a refrigerator.
- (c) *Toilet facilities.* Toilet facilities shall be located at each program site and equipped in a manner that allows a participant to use such facilities independently.
- (d) *Sanitation.*
 - (1) An indoor program site shall have adequate light, ventilation, air conditioning and heat. Each program site shall have an adequate supply of water meeting the state department of health services' standards for drinking water. Water shall be supplied to participants in a safe and sanitary manner.
 - (2) Program staff shall remove garbage from each program site daily.
- (e) *Special needs.* The department shall make reasonable accommodations to address special needs participants. For health and safety reasons, a participant who has special problems or needs and who requires personal assistance, including personal assistance to eat, change clothes, or use the restroom, must provide an attendant for the duration of the program. Such attendant will be admitted to the program free of charge.

(Code 1999, § 74-237; Ord. No. O-10-25, § 1, 6-21-2010)



CITY COUNCIL AGENDA ITEM COVER MEMO

June 18, 2018

To: Mayor and City Council
Agenda Item: 6(c) Consider an ordinance adopting a settlement agreement with SiEnergy, LP regarding increased rates
Submitted by: E. Joyce Iyamu, City Attorney

SYNOPSIS

Consider the adoption of rates and the consideration of an ordinance that adopts a unanimous settlement agreement between a gas utility company, SiEnergy, LP (“SiEnergy”), the Gulf Coast Coalition of Cities (“GCCC”) (which includes the City of Missouri City), and the staff of the Texas Railroad Commission and approves tariffs for SiEnergy.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Create a great place to live
- Grow business investments in Missouri City
- Have quality development through buildout

BACKGROUND

On January 5, 2018, SiEnergy filed a Statement of Intent seeking to increase gas utility rates within the incorporated areas served by SiEnergy in central and south Texas. In the filing, SiEnergy asserted that it was entitled to a \$400,000 revenue increase, or a 22% increase, including gas costs, and a 35% increase over current adjusted revenues, excluding gas costs. 1,286 residential and 43 commercial customers in Missouri City would have been impacted by the increase. SiEnergy serves Missouri City customers in the Sienna Plantation, Riverstone, and Silver Ridge subdivisions.

On February 5, 2018, the City Council of the City of Missouri City adopted a resolution suspending the proposed effective date for the increase for a period of 90 days to allow the City of Missouri City (the “City”) time to study the request and to intervene in any proceeding related to the requested rate changes at the Texas Railroad Commission. Other GCCC members, particularly, the cities of Conroe, Fulshear, and Sugar Land also took action to suspend SiEnergy’s proposed rates in February. The GCCC hired an attorney and natural gas rate experts to investigate the Company’s request and conduct discovery. Based upon their analysis, they were able to negotiate a reasonable final resolution of the rate request.

SiEnergy’s rate increase request is the first of such requests in approximately ten (10) years. Pursuant to the settlement agreement, a residential customer may see an increase in the customer’s rate from \$15.00 to \$17.00, instead of \$19.50, as initially proposed, and a commercial customer may see a rate increase from \$30.00 to \$37.00, instead of \$45.00, as initially proposed.

Pursuant to state law, cities with original jurisdiction over the matter have until May 10, 2018 to take final action on the application. However, SiEnergy has agreed to allow each city’s ordinance to take effect upon its standard agenda schedule (May 21, 2018, for Missouri City).

BUDGET/FISCAL ANALYSIS

The City’s reasonable rate case expenses are reimbursable by SiEnergy.

SUPPORTING MATERIALS

1. Ordinance

STAFF'S RECOMMENDATION

Consider adopting the ordinance.

Director Approval: E. Joyce Iyamu

**Assistant City Manager/
City Manager Approval:** Anthony J. Snipes, City Manager

ORDINANCE NO. O-18-__

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS; ADOPTING A UNANIMOUS SETTLEMENT AGREEMENT SETTING RATES AND ESTABLISHING TARIFFS FOR THE PROVISION OF NATURAL GAS SERVICE BY SIENERGY, LP, WITHIN THE CITY OF MISSOURI CITY; DECLARING A FINAL DETERMINATION OF RATES; REQUIRING ACCEPTANCE BY SIENERGY, LP, OF THE RATES PRESCRIBED HEREIN; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

* * * * *

WHEREAS, on January 5, 2018, SiEnergy, LP (“SiEnergy”), filed with the Railroad Commission of Texas, the City of Missouri City (“City”), and other affected cities in central and south Texas, its Statement of Intent to increase its annual revenue by \$400,000 within the incorporated areas in its service territory, or by \$2.267 million system wide with a \$9.5 million revenue requirement; and

WHEREAS, pursuant to Texas Utilities Code § 104.107 and Resolution No. R-18-02, adopted by the City Council on February 5, 2018, the City Council suspended SiEnergy’s proposed February 9, 2018 effective date for a proposed rate increase; and

WHEREAS, in collaboration with other affected cities, the City and SiEnergy have negotiated a settlement; and

WHEREAS, the negotiated revenue requirement results in an increase of approximately \$1,773,000 in current annual revenues system-wide for SiEnergy; and

WHEREAS, pursuant to the negotiated settlement, SiEnergy will agree not to utilize the Gas Reliability Infrastructure Program to make interim rate adjustments before it files its next base rate case; and

WHEREAS, the City Council finds that the tariffs and specific rates and charges, and customer service rules appended to this ordinance are reasonable and in the public interest; and

WHEREAS, the City Council finds that the costs of the City’s rate consultants, attorneys, and technical staff to conduct investigations, present evidence, advise and represent the City in these rate-making proceedings as set out in the settlement agreement are reasonable and necessary expenses, as are the agreed-upon rate case expenses incurred by SiEnergy in this proceeding; and

WHEREAS, SiEnergy has agreed to remove \$175,000 of rate case expenses from its final reimbursable amount; and

WHEREAS, the City Council is the regulatory body with exclusive original jurisdiction over the rates, operations, and services of SiEnergy within the City; and

WHEREAS, the City Council of the City of Missouri City now deems it appropriate to adopt the proposed settlement agreement with SiEnergy; now therefore,

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

Section 1. The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. The Unanimous Settlement Agreement (“Settlement Agreement”) entered into between SiEnergy and the City and appended to this ordinance as Exhibit “A” is in the public interest and is adopted by this Ordinance.

Section 3. A revenue requirement of \$8.25 million for SiEnergy, as determined on a system-wide basis for its service territory, is hereby approved within the City.

Section 4. Except to the extent approved in this Ordinance and the Settlement Agreement appended to this Ordinance as “Attachment 1”, the City denies SiEnergy’s request for rates, tariffs, and charges as proposed in SiEnergy’s Statement of Intent and rate increase request filed with the City on or about January 5, 2018.

Section 5. The rates, tariffs, charges, schedules, and service rules appended to this Ordinance as Exhibit A to Attachment 1 for natural gas service provided by SiEnergy within the City are reasonable and are hereby approved.

Section 6. The proposed depreciation and amortization rates set forth in the tariffs are reasonable and hereby approved by this Ordinance.

Section 7. The costs of rate consultants, attorneys, and technical staff to conduct investigations, present evidence, advise and represent the City in these rate-making proceedings shall be reimbursed to the City by SiEnergy no later than 30 days after the effective date of this Ordinance.

Section 8. Nothing in this Ordinance shall be construed as limiting or modifying in any manner the right and power of the City under the law to regulate the charges, rates, operations and services of SiEnergy.

Section 9. Repeal. All ordinances or parts of ordinances in conflict herewith, if any, shall be and are hereby repealed only to the extent of such conflict.

Section 10. Severability. In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstance shall

for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof, other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

Section 11. Effective Date. This Ordinance takes effect on May 21, 2018.

PASSED and APPROVED on first reading this 7th day of May, 2018.

PASSED, APPROVED and ADOPTED on second and final reading this 18th day of June, 2018.

Allen Owen, Mayor

ATTEST:

APPROVED AS TO FORM:

Maria Jackson, City Secretary

E. Joyce Iyamu, City Attorney

GUD NO. 10679

STATEMENT OF INTENT TO	§	
INCREASE GAS UTILITY RATES	§	BEFORE THE
WITHIN THE UNINCORPORATED	§	RAILROAD COMMISSION
AREAS SERVED BY SIENERGY, LP	§	OF TEXAS
IN CENTRAL AND SOUTH TEXAS	§	

UNANIMOUS SETTLEMENT AGREEMENT

This Unanimous Settlement Agreement is entered into by and between SiEnergy, LP (“SiEnergy” or “Company”); the Gulf Coast Coalition of Cities (“GCCC”); and the Staff of the Railroad Commission of Texas (“Staff”), (collectively, the “Signatories”).

WHEREAS, on January 5, 2018, SiEnergy filed a Statement of Intent to Increase Rates (“Statement of Intent”) within all incorporated and unincorporated areas in which SiEnergy provides service in Central and South Texas; and

WHEREAS, the Commission docketed the rate request as GUD No. 10679; and

WHEREAS, GCCC and Commission Staff sought intervention and were granted party status in GUD No. 10679; and

WHEREAS, the Commission suspended the implementation of the Company’s rate request until July 9, 2018; and

WHEREAS, SiEnergy provided public notice by direct mail on February 7, 2018, to all affected customers; and

WHEREAS, on or before February 9, 2018, the cities within GCCC suspended the implementation of the Company’s rate request until May 10, 2018; and

WHEREAS, the Company will seek the consolidation of any municipal appeals with GUD No. 10679; and

WHEREAS, the rate case expense issues were severed from the original filing and were docketed as GUD No. 10694; and

WHEREAS, direct testimony of GCCC and Staff were due on April 17, 2018, but GCCC and Staff did not file direct testimony in reliance on this Unanimous Settlement Agreement; and

WHEREAS, all parties to this proceeding have engaged in significant discovery regarding the issues in dispute; and

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

WHEREAS, the Signatories represent diverse interests and the Unanimous Settlement Agreement resolves the issues in GUD No. 10679 in a manner that the Signatories agree is consistent with the public interest;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to and recommend for approval by the Commission the following Settlement Terms as a means of concluding the above-referenced docket filed by SiEnergy without the need for prolonged litigation:

Settlement Terms

1. As a product of compromise and for the purposes of settlement, the Signatories agree to the rates, terms and conditions reflected in the tariffs attached to this Unanimous Settlement Agreement as Exhibit A. The tariffs attached as Exhibit A replace and supersede those tariffs currently in effect within all incorporated and unincorporated areas served by SiEnergy in Central and South Texas. These tariffs are premised on an increase of approximately \$1,773,000 in current annual revenues as illustrated in the proof of revenues attached as Exhibit B to this Unanimous Settlement Agreement. Except as specifically provided herein, the Signatories agree that the approximately \$1,773,000 revenue increase is a “black box” figure and is not tied to any specific expense in the underlying cost of service within the areas served by SiEnergy in Central and South Texas. The Signatories further agree that the rates, terms and conditions reflected in Exhibit A to this Unanimous Settlement Agreement comply with the rate-setting requirements of Chapter 104 of the Texas Utilities Code. The gas rates, terms and conditions established by this Unanimous Settlement Agreement shall be effective upon approval by the Commission or other regulatory authority. The Signatories agree that SiEnergy will implement rates in all areas, subject to Commission approval, on bills issued on or after July 1, 2018.
2. The Signatories agree to the following customer charges and volumetric rates. These rates are reflected in the rate schedules attached as Exhibit A.

Rate Schedule*	Customer Charge	Single Block Volumetric Charge
Residential	\$17.00	\$0.4739 per CCF
General Service Small	\$37.00	\$0.5525 per CCF

* Includes customers in both incorporated and unincorporated areas.

3. The Signatories agree that the “black box” increase amount in Paragraph 1 is inclusive of a 29-year amortized expense credit of \$58,000. This amortized expense credit of \$58,000 shall be reflected in all future SiEnergy base rate filings made with the Commission through June 20, 2047. To the extent the Commission determines in any future filing that the Company is liable to flow back any amount of excess deferred federal income taxes to its customers, the total amount of the amortized expense credit that has been returned to customers as a result of this or any other future filing shall constitute an offset to any future

excess deferred federal income tax expense ordered to be flowed back to customers by the Commission or other regulatory authority.

4. The Signatories agree that a net plant amount of \$41.5 million as of September 30, 2017 is prudent and appropriate for recovery in this proceeding. In addition, the Signatories agree to the following:
 - a. SiEnergy shall use construction work in progress (“CWIP”) only to describe plant in FERC Account 107 in future statement of intent filings;
 - b. SiEnergy shall not apply a carrying charge to plant in service in Mains lot inventory or any other item in FERC Accounts 101 or 106 as of January 1, 2018; and
 - c. SiEnergy agrees to comply with the following FERC Uniform System of Accounts capitalization guideline:

The cost of individual items of equipment of small value (for example, \$500 or less) or of short life, including small portable tools and implements, shall not be charged to utility plant accounts unless the correctness of the accounting therefor is verified by current inventories. The cost shall be charged to the appropriate operating expense or clearing accounts, according to the use of such items, or, if such items are consumed directly in construction work, the cost shall be included as part of the cost of the construction.
5. The Signatories agree that in addition to the net plant amount of \$41.5 million referenced in Paragraph 4 of this Unanimous Settlement Agreement, SiEnergy is entitled to recover as part of the Company’s next rate case an additional \$3,930,325 in net plant as of September 30, 2017, for mains associated with lots in builder inventory, as such amounts are not reflected in the net plant amount referenced in Paragraph 4 of this Settlement Agreement and are prudent and appropriate for recovery in the next rate case.
6. The Signatories agree to the depreciation rates reflected in Exhibit C.
7. The Signatories agree that Interim Rate Adjustment (“IRA”) factors are not necessary to be established at this time because SiEnergy will not utilize the IRA mechanism between now and its next rate case.
8. The Signatories agree that the “black box” amount included in Paragraph 1 reflects a reduction of the corporate income tax rate from 35% to 21% to recognize changes to the Federal Tax Code due to the Tax Cuts and Jobs Act of 2017 (“Act”) and that such amount reflects all impacts associated with calculation of taxes under the Act. The Signatories further agree that SiEnergy is compliant with GUD No. 10695, Gas Utilities Accounting Order (Feb. 27, 2018) and Order Nunc Pro Tunc (Mar. 20, 2018), except that SiEnergy shall comply with Ordering Paragraph No. 3 of the GUD No. 10695 Accounting Order by making a filing within twelve (12) months of the date of the Final Order in this proceeding that refunds to customers any revenues collected between January 1, 2018 and the effective date of new rates approved in this proceeding if rates had been reduced during that time period to reflect changes to the corporate tax rate made in the Act.

9. The Signatories agree that the July 31, 2017 equity transaction by IX Si Investment Co., LLC that resulted in ORIX AM Investments, LLC purchasing a portion of SiEnergy is in the public interest pursuant to Texas Utilities Code § 102.051. The Signatories further agree that the Company is authorized to amortize over a period of thirty-one (31) years the acquisition adjustment relating to the excess over net book value on an original-cost basis of the purchase price paid by IX Si Investment Co., LLC for the portion of the Company it acquired and that no amounts associated with the acquisition adjustment or its amortization shall be reflected in future SiEnergy rate filings.
10. For purposes of settlement, SiEnergy has agreed to decrease its recoverable rate case expenses by \$175,000.
11. SiEnergy and GCCC represent that their reasonable rate case expenses incurred through April 2018, and estimated rate case expenses incurred through completion of this case, are as follows:

	Actual Invoices Received	Invoices Due and Estimated to Completion	Adjustment	TOTAL
SiEnergy	\$402,618.54	\$23,000.00	(\$175,000)	\$250,618.54
GCCC	\$31,325.55	\$20,674.45	—	\$52,000

12. SiEnergy and GCCC attach as Exhibit D affidavits and invoices in support of these amounts and will supplement with additional invoices as they are processed. The Signatories agree that the amounts represented above are reasonable and recoverable pursuant to Texas Utilities Code § 103.022. The Signatories agree that rate case expenses shall be recovered through a volumetric surcharge and that the recovery period for the applicable surcharge to recover rate case expenses shall be thirty-six (36) months. The Signatories intend and advocate that the Commission authorize recovery of the rate case expenses recited above in the same proceeding and at the same time as it approves this Unanimous Settlement Agreement.
13. The Signatories agree that equal recovery of rate case expenses arising from this proceeding from all customers within all incorporated and unincorporated areas served by SiEnergy in Central and South Texas is appropriate and reasonable and that good cause exists to support equal recovery of rate case expenses from all customers within all incorporated and unincorporated areas served by SiEnergy in Central and South Texas for the following reasons:
 - a. SiEnergy Litigation and Estimated expenses: Good cause exists to recover SiEnergy litigation and estimated expenses equally from all customers, including customers within all incorporated and unincorporated areas served by SiEnergy in Central and South Texas. The intent of Commission Rule 7.5530(e) is to allocate rate case expenses to the participating parties according to which party caused the expenses to be incurred; therefore, it is reasonable to seek recovery of rate case expenses from all customers who benefit from the settlement agreement in this case, which includes all customers within all incorporated and unincorporated areas

served by SiEnergy in Central and South Texas. Recovery of these expenses is also necessary in the interest of justice.

- b. **GCCC Litigation and Estimated expenses:** Good cause exists to recover GCCC litigation and estimated expenses equally from all customers, including customers within all incorporated and unincorporated areas served by SiEnergy in Central and South Texas, because the GCCC participation in GUD No. 10679 resulted in this Unanimous Settlement Agreement, which benefits all such customers, and doing so is necessary in the interest of justice.
14. **SiEnergy shall file annually a rate case expense compliance filing with the Railroad Commission of Texas, Oversight and Safety Division, referencing GUD No. 10679. The report shall include the amount of rate case expense recovered by month and the outstanding balance by month as set out in Rate Schedules Rate RCE-I and RCE-U. The Signatories agree to and propose the inclusion of the following Findings of Fact and Ordering Paragraph in the Final Order in this docket:**
 - a. **Finding of Fact:** It is reasonable that SiEnergy and GCCC submit to Staff invoices reflecting actual rate case expenses with sufficient detail so that Staff can accurately audit such invoices for the purposes of reconciling actual rate case expenses to estimated rate case expenses. In no case shall the total actual expenses exceed the actual expenses submitted to the Commission as of April 2018, plus the approved estimated expenses, totaling \$302,618.54.
 - b. **Finding of Fact:** It is reasonable that SiEnergy file an annual Rate Case Expense Compliance Filing with Staff detailing the balance of actual plus estimated rate case expenses at the beginning of the annual period, the amount collected by customer class, and the ending or remaining balance within ninety (90) days after each calendar year end.
 - c. **Ordering Paragraph:** IT IS THEREFORE ORDERED that SiEnergy file an annual Rate Case Expense Compliance Filing with Staff detailing recovery of rate case expenses as described in Finding of Fact No. 58 within ninety (90) days after each calendar year end until the calendar year end in which the rate case expenses are fully recovered.
15. **The Signatories agree to and propose the inclusion of the following Ordering Paragraphs in the Final Order in this docket:**
 - a. **Ordering Paragraph:** IT IS FURTHER ORDERED that within thirty (30) days of this Final Order, in accordance with 16 Tex. Admin. Code § 7.315, SiEnergy shall electronically file its rate schedules in proper form that accurately reflect the rates in Exhibit A approved in this Final Order. The tariffs shall incorporate rates, rate design, and service charges consistent with this Order, as stated in the findings of fact and conclusions of law and shown on the attached Schedules.

Settlement Agreement are privileged and inadmissible to prove the validity or invalidity of any issue raised by or presented in this proceeding.

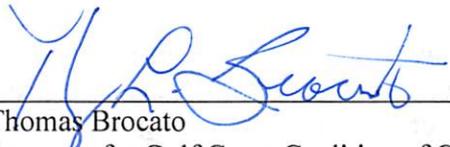
20. The Signatories agree that neither this Unanimous Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by the Commission of an order approving this Unanimous Settlement Agreement.
21. The Signatories agree that the terms of the Unanimous Settlement Agreement are interdependent and indivisible, and that if the Commission intends to enter an order that is inconsistent with this Unanimous Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Unanimous Settlement Agreement or its subsequent withdrawal and further agrees that SiEnergy's application to increase rates will be remanded for hearings.
22. The Signatories agree that this Unanimous Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes. The matters resolved herein are resolved on the basis of a compromise and settlement. Except to the extent the Unanimous Settlement Agreement governs a Signatory's rights and obligations for future periods, this Unanimous Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding. Each Signatory acknowledges that a Signatory's support of the matters contained in this Stipulation may differ from the position taken or testimony presented by it in other dockets or other jurisdictions. To the extent that there is a difference, a Signatory does not waive its position in any of those other dockets or jurisdictions. Because this is a stipulated resolution, no Signatory is under any obligation to take the same positions as set out in this Stipulation in other dockets or jurisdictions, regardless of whether other dockets present the same or a different set of circumstances, except as otherwise may be explicitly provided by this Stipulation. Agreement by the Signatories to any provision in this Stipulation will not be used against any Signatory in any future proceeding with respect to different positions that may be taken by that Signatory.
23. The provisions of this Stipulation are intended to relate to only the specific matters referred to herein. By agreeing to this Stipulation, no Signatory waives any claim it may otherwise have with respect to issues not expressly provided for herein. The Signatories further understand and agree that this Stipulation represents a negotiated settlement of all issues in this proceeding.
24. The Signatories agree that this Unanimous Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

Agreed to this 27th day of April 2018.

SIENERGY, LP

By: _____
Evan D. Johnson
Attorney for SiEnergy, LP

GULF COAST COALITION OF CITIES

By:  _____
Thomas Brocato
Attorney for Gulf Coast Coalition of Cities

STAFF OF THE RAILROAD COMMISSION OF TEXAS

By: _____
Natalie Dubiel
Attorney for Staff of the Railroad Commission of Texas

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule DEF

DEFINITIONS

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties

Effective Date: July 1, 2018

Page 1 of 3

“Applicant” means any person, organization or group of persons or organizations making a formal request either orally or in writing for gas service from the Company.

“Btu” means British thermal unit(s) and will be calculated on a temperature base of sixty degrees (60°) Fahrenheit and at the standard pressure base of the applicable service area and on a gross-real-dry basis and will not be corrected for real water vapor as obtained by means commonly acceptable to the industry, and *“MMBtu”* will mean one million (1,000,000) Btu.

“Ccf and Mcf” means for *“Ccf,”* one hundred (100) Standard Cubic Feet of Gas, where one Standard Cubic Foot of gas is the amount of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and sixty-five hundredths (14.65) pounds per square inch, absolute and a standard temperature of sixty (60) degrees Fahrenheit; and, for *“Mcf,”* one thousand (1,000) Standard Cubic Feet of Gas.

“Commission or The Commission” means the Railroad Commission of Texas.

“Commodity Cost of Gas” means the portion of the cost of gas service recovered by the Company through any Purchased Gas Adjustment Rate Schedule.

“Company” means SiEnergy, LP, its successors, and its assigns.

“Consumer” means any person or organization receiving gas service from the Company for his or her own appliances or equipment whether or not the gas is billed directly to him or her. (For example, a rental unit where the utilities are part of the rent, the landlord is a Customer and the tenant is a Consumer.)

“Customer” means any person or organization being billed for gas service whether used by him or her, or by others. Customer also means a Consumer that subscribes to natural gas services provided by SiEnergy.

“Consumption” means the volumes consumed by a Customer during a volumetric read period.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule DEF

DEFINITIONS

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties

Effective Date: July 1, 2018

Page 2 of 3

“Expedited Service” means a Customer request for same day or other acceleration of service relative to the Company’s standard scheduling process.

“Gas or Natural Gas” means the effluent vapor stream in its natural, gaseous state, including gas-well gas, casing head gas, residue gas resulting from processing both casing head gas and gas-well gas, and all other hydrocarbon and non-hydrocarbon components thereof.

“General Gas Service” means all service other than Residential Gas Service and that includes purchase of the Commodity Cost of Gas from the Company. General Gas Service Consumers include commercial Consumers engaged in the sale or furnishing of goods and services; industrial Consumers engaged primarily in processes that change raw or unfinished materials into another form of product; public authorities, including all governmental agencies and authorities; schools whether public or privately held; and, Consumers utilizing gas for any other purpose not otherwise provided for herein.

“General Service Customer” means any person, individual, family, partnership, association, joint venture, corporation, etc., or governmental agency or organization being billed for General Gas Service. A General Service Customer also includes any Consumer that subscribes to natural gas services provided by SiEnergy for purposes of General Gas Service.

“Month” means the period beginning at 9:00 a.m. Central clock time on the first Day of each calendar month and ending at 9:00 a.m. Central clock time on the first Day of the next succeeding calendar month.

“Overtime Fee” means the fee charged by the Company to perform work outside its normal business hours or on holidays and includes changes to previously scheduled work that must be performed outside Company’s normal business hours.

“Rate Schedule” means a statement of the method of determining charges for gas service, including the conditions under which such method applies.

“Regulatory Authority” means the City Council or equivalent municipal governing body of each respective city in the Company’s Service Area, or the Railroad Commission of Texas, as applicable.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule DEF

DEFINITIONS

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties

Effective Date: July 1, 2018

Page 3 of 3

“Residential Gas Service” means gas service used directly for domestic purposes including heating, air conditioning, cooking, water heating, pool water heating and other similar purposes, whether in a single dwelling, in a dwelling unit of a multiple dwelling facility, in a residential apartment unit, in a condominium unit, in a dwelling unit that is operated by a public housing agency acting as an administrator of public housing under the direction of the U.S. Department of Housing and Urban Development, or in other similar individual dwelling units.

“Residential Customer” means any person, individual, family, partnership, association, joint venture, corporation, etc., or governmental agency or organization being billed for *Residential Gas Service* that is individually metered at the point of delivery, whether such service is used by that Customer or by others. A *Residential Customer* also includes any *Consumer* that subscribes to natural gas services provided by SiEnergy for purposes of *Residential Gas Service*.

“Service Area” means the area receiving gas utility service provided by the Company under the terms of this Tariff.

“Special Rate Schedule” means a rate schedule designed for a specific Customer.

“System” means any group of interconnected pipelines and appurtenances owned or operated by the Company and independent from any other such group of facilities.

“Tariff” means every rate schedule, or provision thereof, and all terms, conditions, rules and regulations for furnishing gas service filed with the regulatory authorities or agencies having jurisdiction over the Company or the services provided hereunder.

“Temporary” means any service that will not be utilized continuously at the same location by the same Customer.

“Year” means a period of three hundred sixty-five (365) consecutive Days, or three hundred sixty-six (366) consecutive Days when such period includes a February 29.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule M

RATE M – MISCELLANEOUS FEES AND DEPOSITS

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties
Effective Date: July 1, 2018 Page 1 of 4

Application of Schedule

This Schedule is applicable to all Customers who are located in the incorporated or unincorporated areas of Travis, Harris, Fort Bend, Waller, or Montgomery counties. The fees and deposits listed shall be assessed in addition to any other charges applicable under the Company’s Tariff for Gas Service and will be applied for the conditions and services described. Other services not covered by these standard conditions will be charged on the basis of an estimate for the job or the Company’s actual cost plus appropriate surcharges.

Missed Appointments

If a Customer makes an appointment with the Company for the provision of any of the following services, but fails to appear, the applicable fee will be assessed for the missed appointment(s) as well as being assessed when the service is ultimately provided.

Number	Name and Description	Amount
M.1	<p>Connection/Reconnection Charge During Business Hours During standard business hours, 8:00 a.m.-5:00 p.m. Monday through Friday, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions:</p> <ul style="list-style-type: none"> • For a builder who uses gas temporarily during construction or for display purposes; • Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or • For any reason deemed necessary for Company operations. 	\$ 65.00
M.2	<p>Connection/Reconnection Charge After Business Hours After standard business hours, for each reconnection of gas service where service has been discontinued at the same premises for any reason, for the initial inauguration of service, and for each inauguration of service when the billable party has changed, with the following exceptions:</p> <ul style="list-style-type: none"> • For a builder who uses gas temporarily during construction or for display purposes; • Whenever gas service has been temporarily interrupted because of System outage or service work done by Company; or • For any reason deemed necessary for Company operations. 	\$ 97.00

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule M

RATE M – MISCELLANEOUS FEES AND DEPOSITS

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties
Effective Date: July 1, 2018 Page 2 of 4

Number	Name and Description	Amount
M.3	<p>Field Read of Meter Charge to an existing Customer for the Company to read the meter at a currently served location at the request of the existing Customer for any purpose other than connection or reconnection of service by that Customer. For charges to a Customer to initiate or reconnect service, refer to Service Charge 1–Connection/Reconnection and Service Charge 2–Connection /Reconnection After Business Hours.</p>	\$ 60.00
M.4	<p>Returned Check Charges Returned check handling charge for each check returned to Company for any reason.</p>	\$ 35.00
M.5	<p>Temporary Discontinuance of Service Whenever service has been temporarily disconnected at the request of the Customer, this charge plus the appropriate Connection Charge will be made to reestablish such service for that Customer at the same address.</p>	\$ 65.00
M.6	<p>Meter Testing The Company shall, upon request of a Customer, make a test of the accuracy of the meter serving that Customer. The Company shall inform the Customer of the time and place of the test and permit the Customer or his authorized representative to be present if the Customer so desires. If no such test has been performed within the previous four (4) years for the same Customer at the same location, the test shall be performed without charge. If such test has been performed for the same Customer at the same location within the previous four (4) years, the Company will charge the Meter Testing Fee. The Customer must be properly informed of the result of any test on a meter that services him.</p>	\$ 190.00
M.7	<p>Charge for Service Calls During Business Hours A Service Call Charge is made for responding to a service call during standard business hours that is determined to be a Customer related problem rather than a Company or Company facilities problem.</p>	\$ 60.00
M.8	<p>Charge for Service Calls After Business Hours A Service Call Charge is made for responding to a service call after standard business hours that is determined to be a Customer related problem rather than a Company or Company facilities problem.</p>	\$ 90.00

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule M

RATE M – MISCELLANEOUS FEES AND DEPOSITS

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties
Effective Date: July 1, 2018 Page 3 of 4

Number	Name and Description	Amount
M.9	<p>Tampering Charge No Company Meters, equipment, or other property, whether on Customer's premises or elsewhere, are to be tampered with or interfered with for any reason. A Tampering Charge is made for unauthorized reconnection or other tampering with Company metering facilities or a theft of gas service by a person on the Customer's premises or evidence by whomsoever at Customer's premises. An additional cost for the cost of repairs and/or replacement of damaged facilities and the installation of protective facilities or relocation of meter are made at cost plus appropriate charges as may be detailed in the Company's Service Rules and Regulations.</p>	\$ 125.00
M.10	<p>Credit/Debit Card Payments Charge Bill payments using credit cards, debit cards, and electronic checks (includes third-party transaction fees and administrative costs).</p>	Actual Cost
M.11	<p>Pool or Upgraded Meter Installation Charge Fee to install meter and regulators to support higher or multiple pressure requirements on a residential service line.</p>	\$ 280.00
M.12	<p>Expedited Service and Overtime Fee A Customer's request for expedited service may be scheduled at any time to fit the Company's work schedule, and an Expedited Service charge will be collected. The Company will not be obligated to provide Expedited Service when the personnel and resources to do so are not reasonably available. This Fee represents the minimum charge for Expedited Service. For Expedited Service requiring more than one hour to perform, the Fee will represent a rate per hour of time multiplied by the total time required to perform the requested Expedited Service, incremented in 15-minute intervals. This fee will be charged in addition to any other applicable fees.</p>	\$ 95.00
M.13	<p>History Research Fee A fee will be charged for services related to account history research and/or provision of Customer accounting/billing history documentation.</p>	\$ 30.00
M.14	<p>No Access Fee A fee will be charged to a Customer who, through padlocks, fencing, animals or other means, prevents access to the Company's meter or other equipment located on the Customer's premise.</p>	\$ 35.00
M.15	<p>Police Escort Fee A fee will be charged for the Company to access a meter when the Company is required to use law enforcement personnel to escort it into locked sites or sites requiring animal control. The Company will charge the stated amounts or current rate charged by the entity providing the police escort for this service.</p>	Actual Cost

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule M

RATE M – MISCELLANEOUS FEES AND DEPOSITS

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties
Effective Date: July 1, 2018 Page 4 of 4

Number	Name and Description	Amount
M.16	<p>Costs Associated with Certain Stand-By Gas Generators Customers installing stand-by gas generators to provide service in the event of an interruption in electric service in facilities where gas service is not otherwise adequate to operate the stand-by gas generators will reimburse the Company for the actual cost of acquiring and installing the additional and/or upgraded regulator, service line, and meter required to provide gas service for the stand-by generators. The subsequent gas service provided for the stand-by generators will be billed at the rate applicable for other gas service to the class of Customer making the request.</p>	Actual Cost
M.17	<p>Line Extensions The Company has the right to contract with individual Customers for the installation of gas facilities. Upon the request of a prospective new Customer for service in an area served by SiEnergy, LP, will extend its main lines up to 100 feet from an existing SiEnergy, LP main in the Public Rights of Way, without charge. The 100-foot allowance applies to a single Customer or to a group of Customers requesting service from the same extension. Customers requesting mainline extensions in excess of 100 feet shall bear the actual cost of any additional mainline, the cost of all yard and service lines, and the cost of any appurtenant equipment and other costs necessary to install the extension, including applicable overhead charges. SiEnergy, LP is not required to extend its mains or facilities if the Customer will not use gas for space heating and water heating, or the equivalent load, at a minimum.</p>	Actual Cost
M.18	<p>Customer Deposits Minimum deposit Residential Gas Service Minimum deposit General Gas Service Additional deposits may be required in accordance with Rate Schedule QSR – Quality of Service Rules</p>	<p>\$ 75.00 \$ 250.00</p>

Taxes and Franchise Fees (Rate Schedule TFF)

Other than with respect to M.18 – Customer Deposits, the amounts charged under Rate M are subject to all applicable taxes and fees in accordance with the provisions of Rate Schedule TFF – Taxes and Franchise Fees.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule RSI

RATE RSI – RESIDENTIAL SALES, INCORPORATED AREAS

Applicable to: All Residential Customers located in Incorporated Areas of Travis, Harris, Fort Bend, Waller, or Montgomery counties
Effective Date: July 1, 2018

Page 1 of 1

Application of Schedule

This Schedule is applicable to all Customers meeting the definition of “Residential Customers” under Rate Schedule DEF – Definitions and who are located in incorporated areas of Travis, Harris, Fort Bend, Waller, or Montgomery counties.

Monthly Base Rate

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

<u>Charge</u>	<u>Amount</u>
Customer Charge	\$17.00 per month, plus
All Ccf @	\$0.4739 per Ccf

In addition to the base monthly bill calculated using the Monthly Base Rates above, each Customer’s monthly bill shall be increased by amounts pursuant to the following:

Purchased Gas Adjustment (Rate Schedule PGA)

Amounts billed for the commodity cost of gas in accordance with the provisions of Rate Schedule PGA - Purchased Gas Adjustment.

Weather Normalization Adjustment (Rate Schedule WNA)

Amounts billed to eliminate the effect of non-normal weather in accordance with the provisions of Rate Schedule WNA – Weather Normalization Adjustment.

Rate Case Expense Recovery (Rate Schedule RCE-I)

Amounts billed for the recovery of rate case expenses in accordance with the provisions of Rate Schedule RCE-I – Rate Case Expense.

Taxes and Franchise Fees (Rate Schedule TFF)

All applicable taxes and fees in accordance with the provisions of Rate Schedule TFF – Taxes and Franchise Fees, including fees pertaining to the Monthly Base Rate bill, PGA charges, WNA charges, RCE-I charges, and any other charge that is subject to taxes and fees described therein.

Other Conditions and Surcharges

Subject in all respects to applicable laws, rules and regulations from time to time in effect. In addition to the monthly charges above, each Customer’s bill will include amounts required to be billed in accordance with any additional applicable rates, riders, surcharges or fees.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule RSU

RATE RSU - RESIDENTIAL SALES, UNINCORPORATED AREAS

Applicable to: All Residential Customers located in Unincorporated Areas of Travis, Harris, Fort Bend, Waller, or Montgomery counties.

Effective Date: July 1, 2018

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Application of Schedule

This Schedule is applicable to all Customers meeting the definition of "Residential Customers" under Rate Schedule DEF – Definitions and who are located in unincorporated areas of Travis, Harris, Fort Bend, Waller, or Montgomery counties

Monthly Base Rate

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

<u>Charge</u>	<u>Amount</u>
Customer Charge	\$17.00 per month, plus
All Ccf @	\$0.4739 per Ccf

In addition to the base monthly bill calculated using the Monthly Base Rates above, each Customer's monthly bill shall be increased by amounts pursuant to the following:

Purchased Gas Adjustment (Rate Schedule PGA)

Amounts billed for the commodity cost of gas in accordance with the provisions of Rate Schedule PGA - Purchased Gas Adjustment.

Weather Normalization Adjustment (Rate Schedule WNA)

Amounts billed to eliminate the effect of non-normal weather in accordance with the provisions of Rate Schedule WNA – Weather Normalization Adjustment.

Rate Case Expense Recovery (Rate Schedule RCE-U)

Amounts billed for the recovery of rate case expenses in accordance with the provisions of Rate Schedule RCE-U – Rate Case Expense.

Taxes and Franchise Fees (Rate Schedule TFF)

All applicable taxes and fees in accordance with the provisions of Rate Schedule TFF – Taxes and Franchise Fees, including fees pertaining to the Monthly Base Rate bill, PGA charges, WNA charges, RCE-U charges, and any other charge that is subject to taxes and fees described therein.

Other Conditions and Surcharges

Subject in all respects to applicable laws, rules and regulations from time to time in effect. In addition to the monthly charges above, each Customer's bill will include amounts required to be billed in accordance with any additional applicable rates, riders, surcharges or fees.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Schedule GSSI

RATE GSSI - GENERAL SERVICE SMALL, INCORPORATED AREAS

Applicable to: All General Service Customers whose Annual Usage is 30,000 Ccf or less and who are located in Incorporated Areas of Travis, Harris, Fort Bend, Waller, or Montgomery counties.

Effective Date: July 1, 2018

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Application of Schedule

This Schedule is applicable to all Customers meeting the definition of "General Service Customers" under Rate Schedule DEF – Definitions (i.e., non-Residential Customers) whose annual usage is 30,000 Ccf or less and who are located in incorporated areas of Travis, Harris, Fort Bend, Waller, or Montgomery counties.

Monthly Base Rate

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

<u>Charge</u>	<u>Amount</u>
Customer Charge	\$37.00 per month, plus
All Ccf @	\$0.5525 per Ccf

In addition to the base monthly bill calculated using the Monthly Base Rates above, each Customer's monthly bill shall be increased by amounts pursuant to the following:

Purchased Gas Adjustment (Rate Schedule PGA)

Amounts billed for the commodity cost of gas in accordance with the provisions of Rate Schedule PGA - Purchased Gas Adjustment.

Rate Case Expense Recovery (Rate Schedule RCE-I)

Amounts billed for the recovery of rate case expenses in accordance with the provisions of Rate Schedule RCE-I – Rate Case Expense.

Taxes and Franchise Fees (Rate Schedule TFF)

All applicable taxes and fees in accordance with the provisions of Rate Schedule TFF – Taxes and Franchise Fees, including fees pertaining to the Monthly Base Rate bill, PGA charges, WNA charges, RCE-I charges, and any other charge that is subject to taxes and fees described therein.

Other Conditions and Surcharges

Subject in all respects to applicable laws, rules and regulations from time to time in effect. In addition to the monthly charges above, each Customer's bill will include amounts required to be billed in accordance with any additional applicable rates, riders, surcharges or fees.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Schedule GSSU

RATE GSSU – GENERAL SERVICE SMALL, UNINCORPORATED AREAS

Applicable to: All General Service Customers whose Annual Usage is 30,000 Ccf or less and who are located in Unincorporated Areas of Travis, Harris, Fort Bend, Waller, or Montgomery counties.
Effective Date: July 1, 2018

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Application of Schedule

This Schedule is applicable to all Customers meeting the definition of “General Service Customers” under Rate Schedule DEF – Definitions (i.e., non-Residential Customers), whose annual usage is 30,000 Ccf or less and who are located in unincorporated areas of Travis, Harris, Fort Bend, Waller, or Montgomery counties.

Monthly Base Rate

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

<u>Charge</u>	<u>Amount</u>
Customer Charge	\$37.00 per month, plus
All Ccf @	\$0.5525 per Ccf

In addition to the base monthly bill calculated using the Monthly Base Rates above, each Customer’s monthly bill shall be increased by amounts pursuant to the following:

Purchased Gas Adjustment (Rate Schedule PGA)

Amounts billed for the commodity cost of gas in accordance with the provisions of Rate Schedule PGA - Purchased Gas Adjustment.

Rate Case Expense Recovery (Rate Schedule RCE-U)

Amounts billed for the recovery of rate case expenses in accordance with the provisions of Rate Schedule RCE-U – Rate Case Expense.

Taxes and Franchise Fees (Rate Schedule TFF)

All applicable taxes and fees in accordance with the provisions of Rate Schedule TFF – Taxes and Franchise Fees, including fees pertaining to the Monthly Base Rate bill, PGA charges, WNA charges, RCE-U charges, and any other charge that is subject to taxes and fees described therein.

Other Conditions and Surcharges

Subject in all respects to applicable laws, rules and regulations from time to time in effect. In addition to the monthly charges above, each Customer’s bill will include amounts required to be billed in accordance with any additional applicable rates, riders, surcharges or fees.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule PGA

RATE PGA – PURCHASED GAS ADJUSTMENT

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery
counties

Effective Date: July 1, 2018

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Application of Schedule

This Rate Schedule shall apply to all SiEnergy Rate Schedules that incorporate this Rate PGA - Purchased Gas Adjustment provision.

Purpose and Intent

This provision is intended to allow collection of the gas purchase costs of SiEnergy, LP, (hereinafter “SiEnergy” or the “Company”) in a manner that will lessen monthly fluctuations in the Purchased Gas Adjustment and ensure that actual costs billed to Customers are fully reconciled with actual costs incurred, subject to limitations for excessive lost and unaccounted-for gas. The billing methods set forth herein are intended to be followed to the extent the goals are realized. To the extent billing methods fail to achieve these goals, the methodology shall be revised and a revised tariff filed to reflect such revisions. SiEnergy will make appropriate regulatory filings and obtain regulatory approvals, as required, before making changes to its rates.

Definitions

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

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

Weighted Average Cost of Gas - The Purchased Gas Costs divided by the Purchased Gas Volumes, calculated on a monthly basis, and expressed as dollars per Mcf.

Billed Gas Volumes - The volumes of gas billed to Customers, plus volumes of gas billed to third parties following losses or damages, expressed in Mcfs.

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

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule PGA

RATE PGA – PURCHASED GAS ADJUSTMENT

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties

Effective Date: July 1, 2018

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

Purchased Gas Adjustment (PGA) - An Adjustment on each Customer's monthly bill, expressed in dollars per Ccf, to reflect the Purchase Gas Costs and the Reconciliation Adjustment, all as more specifically described herein.

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

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

Annual Imbalance Total - The total amount determined through the Annual Review to be credited or surcharged to Customers' bills in order to balance Purchased Gas Costs with Billed Gas Revenues.

Reconciliation Adjustment - A credit or surcharge included in the Purchased Gas Adjustment to reflect the pro-rated adjustment in billings for any over or under collections on an annual basis.

Record Keeping

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

Purchased Gas Cost Calculation

The Purchased Gas Cost shall be determined for each month to fairly and accurately reflect the cost to the Company at the points of delivery into the Company's distribution systems. The determination shall include, but not be limited to, volumetric and demand charges for Purchased Gas Volumes, fees paid to others where such fees are integrally tied to the purchase or transportation of gas purchased by SiEnergy, pipeline transportation charges (both volumetric and demand), and gas storage charges (both volumetric and demand). The Company shall account for gas injected into and withdrawn from storage on a weighted average cost basis.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule PGA

RATE PGA – PURCHASED GAS ADJUSTMENT

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties

Effective Date: July 1, 2018

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Purchased Gas Adjustment Calculation (continued)

Each Customer bill shall include a Purchased Gas Adjustment reflecting the estimated Weighted Average Cost of Gas for the period covered by the bill, which estimate shall include, as applicable, a pro-rata amount to adjust for previous over or under estimates of the Weighted Average Cost of Gas, plus a Reconciliation Adjustment to account for any Annual Imbalance Total.

Annual Review

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

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

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

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

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

- The difference between the total Purchased Gas Costs and the total Billed Gas Revenues for the Annual Review Period shall be determined;
- Minus, the Purchased Gas Costs attributable to LUG volumes in excess of 5% of the Purchase Gas Volumes, using the Company's Weighted Average Cost of Purchased Gas for the Review Period.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule PGA

RATE PGA – PURCHASED GAS ADJUSTMENT

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties

Effective Date: July 1, 2018

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Reconciliation Adjustment Calculation

The Annual Imbalance Total (whether positive or negative) shall be credited or surcharged over twelve months in equal total amounts per month. The recovery shall be through a Reconciliation Adjustment included in the Purchased Gas Adjustment. The Reconciliation Adjustment for each month shall be determined as follows:

- Each month of the twelve-month reconciliation period, the Reconciliation Adjustment, expressed in Ccfs, shall be calculated by dividing the amount to be credited or surcharged during that month (which amount shall include, as necessary, an amount to correct for any previous over or under estimates of Billed Gas Volumes during the previous month or months in the same reconciliation period), by the estimated Billed Gas Volumes for the month.
- At the end of each 12-month period, any remaining balance in the Annual Imbalance Total shall be included in any Annual Imbalance Total to be credited or surcharged during the successor 12 -month period.

Annual Reconciliation Report

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

1. A tabulation of volumes of gas purchased and costs incurred listed by account or type of gas, supplier and source by month for the twelve months ending June 30.
2. A tabulation of gas units sold to general service Customers and related Cost of Gas Clause revenues.
3. A description of all other costs and refunds made during the year and their effect on the Cost of Gas Clause to date.
4. A description of the imbalance payments made to and received from the Company's transportation Customers within the service area, including monthly imbalances incurred, the monthly imbalances resolved, and the amount of the cumulative imbalance. The description should reflect the system imbalance and imbalance amount for each supplier using the Company's distribution system during the reconciliation period.

The Company shall file the Annual Reconciliation Report with the Commission addressed to the Director of Oversight and Safety Division and reference Gas Utilities Docket No. 10679. The Report shall detail the monthly collections for PGA surcharge by customer class and show the accumulative balance.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule PGA

RATE PGA – PURCHASED GAS ADJUSTMENT

Applicable to:	All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties
Effective Date:	July 1, 2018

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

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

Taxes and Franchise Fees (Rate Schedule TFF)

Subject to all applicable taxes and fees in accordance with the provisions of Rate Schedule TFF – Taxes and Franchise Fees.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule WNA

RATE WNA – WEATHER NORMALIZATION ADJUSTMENT

Applicable to: All Residential Customers located in Travis, Harris, Fort Bend, Waller, or
Montgomery counties

Effective Date: July 1, 2018

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Application of Schedule

This Rate Schedule shall apply to all residential customers located in incorporated and unincorporated areas of Travis, Harris, Fort Bend, Waller, or Montgomery counties.

Purpose and Intent

This provision provides for the refund or surcharge to residential Customers of over- or under-collections of revenue due to colder or warmer than normal weather as established in the Company's most recent rate case that established the Rate Schedules applicable to the Customers.

Monthly calculation

In order to reflect weather variances in a timely and accurate manner, the Weather Normalization Adjustment ("WNA") shall be calculated separately for each billing cycle and rate schedule. The weather factors, determined in the most recent rate case, identify the value per Ccf of one heating degree day for Residential Customers. During each billing cycle, the applicable Weather Factor is multiplied by the difference between normal and actual heating degree days for the billing period, and by the number of Customers billed to yield the total WNA Ccf Adjustment. The resulting WNA Ccf Adjustment is then multiplied by the current applicable Base Rate per Ccf to determine the total WNA revenue adjustment. The WNA revenue adjustment is then spread to the Customers in the billing cycle on a prorated basis.

The Weather Normalization Adjustment rate for each Cycle shall be based on the following formula:

$$\text{WNA Rate} = (\text{WND} + \text{RC}) / \text{CMV}$$

$$\text{WND} = [(\text{HDD}_n - \text{HDD}_a) * \text{WF}_a] * \text{VR}$$

Definitions

WND - Weather Normalized Dollars to be collected each month as calculated by billing cycle route.

CMV - Current Month Volumes billed for each billing cycle route.

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule WNA

RATE WNA – WEATHER NORMALIZATION ADJUSTMENT

Applicable to: All Residential Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties

Effective Date: July 1, 2018

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HDD_n - Monthly Normal heating degree days for each billing cycle route. Monthly Normal heating degree days are defined as the sum of the daily normal heating degree days applicable to each billing cycle route each month. Normal daily HDD are defined as the normal daily HDD used in GUD 10679 to calculate normalized revenue.

HDD_a - Actual heating degree days for each billing cycle route. Monthly actual heating degree days are defined as the sum of the actual daily heating degree days applicable to each billing cycle route each month, as measured at the same weather stations used to calculate comparable HDD_n

VR - Volumetric cost of service rate for the applicable customer class.

RC – The monthly WNA Reconciliation Component, by billing cycle route, calculated pursuant to the annual compliance filing.

WF_a – Weather Factors by Area - as calculated in GUD 10679 and reflected in the table below:

Weather Factors by Area

Customer Rate Schedule	WNA Period	Weather Factor CCF per HDD
South Texas - Harris, Fort bend, Waller, Montgomery Counties		
5-RSI Residential Incorporated	November – May	.236675
5-RSU Residential Unincorporated	November – May	.236675
Central Texas – Travis County		
5-RSI Residential Incorporated	November – May	.175357
5-RSU Residential Unincorporated	November – May	.175357

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule WNA

RATE WNA – WEATHER NORMALIZATION ADJUSTMENT

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery
counties

Effective Date: July 1, 2018

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Monthly Report

By the 25th day of the following month, the Company will file with the applicable Regulatory Authority a monthly report showing the current rate adjustments applicable to each rate schedule. Supporting documentation will be made available for review upon request.

Taxes and Franchise Fees (Rate Schedule TFF)

Subject to all applicable taxes and fees in accordance with the provisions of Rate Schedule TFF – Taxes and Franchise Fees.

Compliance

The Company shall file a reconciliation report on or before October 1st of each year. The Company shall file the report with the Commission addressed to the Director of Oversight and Safety Division and referencing Gas Utilities Docket No. 10679. The report shall be in Excel and shall show how the company calculated the WNA factor during the preceding winter season. If the report reflects either an over recovery or under recovery of revenues in any rate class, such amount if any, shall be prorated to each billing cycle route based on the volumes of each billing cycle route during the preceding winter season and divided by 7 (the number of months in the WNA season). Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule RCE-I

RATE RCE-I – RATE CASE EXPENSES

Applicable to: All Customers located in Incorporated Areas of Travis, Harris, Fort Bend,
Waller, or Montgomery counties.
Effective Date: July 1, 2018 Page 1 of 1

Application of Schedule

This Rate Schedule shall apply to all Customers located incorporated areas in Travis, Harris, Fort Bend, Waller, or Montgomery counties.

Monthly RCE-I Rate

All Ccf during each billing period \$0.0119 per Ccf

This schedule is for the recovery of rate case expenses and shall be in effect beginning on July 1, 2018, for an approximate thirty-six (36) month period or until all approved expenses are collected. SiEnergy will recover \$258,944.09 in actual expenses and up to 43,674.45 in estimated expenses, not to exceed the total of final actual rate case expenses incurred.

The RCE-I will be billed as a separate line item on the Customer's bill.

Taxes and Franchise Fees (Rate Schedule TFF)

Subject to all applicable taxes and fees in accordance with the provisions of Rate Schedule TFF – Taxes and Franchise Fees.

Compliance

SiEnergy shall file a reconciliation report on or before July 1st of each year, commencing in 2019. The Company shall file the report with the Commission addressed to the Director of Oversight and Safety Division and reference Gas Utilities Docket No. 10679. The report shall detail the monthly collections for RCE-I surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule RCE-U

RATE RCE-U – RATE CASE EXPENSES

Applicable to: All Customers located in Unincorporated Areas of Travis, Harris, Fort Bend,
Waller, or Montgomery counties.
Effective Date: July 1, 2018 Page 1 of 1

Application of Schedule

This Rate Schedule shall apply to all Customers located in unincorporated areas of Travis, Harris, Fort Bend, Waller, or Montgomery counties.

Monthly RCE-U Rate

All Ccf during each billing period \$0.0119 per Ccf

This schedule is for the recovery of rate case expenses and shall be in effect beginning on July 1, 2018, for an approximate thirty-six (36) month period or until all approved expenses are collected. SiEnergy will recover \$258,944.09 in actual expenses and up to 43,674.45 in estimated expenses, not to exceed the total of final actual rate case expenses incurred.

The RCE-U will be billed as a separate line item on the Customer's bill.

Taxes and Franchise Fees (Rate Schedule TFF)

Subject to all applicable taxes and fees in accordance with the provisions of Rate Schedule TFF – Taxes and Franchise Fees.

Compliance

SiEnergy shall file a reconciliation report on or before July 1st of each year, commencing in 2019. The Company shall file the report with the Commission addressed to the Director of Oversight and Safety Division and reference Gas Utilities Docket No. 10679. The report shall detail the monthly collections for RCE-U surcharge by customer class and show the outstanding balance. Reports for the Commission should be filed electronically at GUD_Compliance@rrc.texas.gov or at the following address:

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

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule PSF

RATE PSF – PIPELINE SAFETY FEE

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery
counties

Effective Date: July 1, 2018

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Application of Schedule

Applicable to all Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery counties.
except state agencies, as defined in Texas Utilities Code, Section 101.003.

Monthly calculation

The Company will charge a surcharge to recover pipeline safety fees assessed by the Commission pursuant to Section 121.211 of the Texas Utilities Code and Commission Rule 16 Texas Administrative Code § 8.201.

**TARIFF FOR GAS SERVICE
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Rate Schedule TFF

RATE TFF – TAXES AND FRANCHISE FEES

Applicable to: All Customers located in Travis, Harris, Fort Bend, Waller, or Montgomery
counties

Effective Date: July 1, 2018

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Application of Schedule

This Rate Schedule shall apply to all SiEnergy Rate Schedules that incorporate this Rate TFF provision.

Taxes (Does Not Include City Franchise Fees)

In addition to the monthly charges billed to each Customer under each Rate Schedule applicable to that Customer, Customers shall reimburse the Company for their proportionate part of any tax, charge, impost, assessment or fee of whatever kind and by whatever name (except ad valorem taxes, payroll taxes, and income taxes) levied upon the Company by any governmental authority under any law, rule, regulation, ordinance, or agreement (hereinafter referred to as “the Taxes”). If the law, rule, regulation, ordinance, or agreement levying the Tax specifies a method of collection from Customers, then the method so specified shall be utilized provided such method results in the collection of the Taxes from the Customers equal to the Taxes levied on the Company. If no method of collection is specified, then the Company shall collect an amount calculated as a percentage of the Customers’ bills applicable directly to those Customers located solely within the jurisdiction imposing the Taxes and/or within the jurisdiction where the Taxes are applicable. The percentage shall be determined so that the collection from Customers within the Company’s different legal jurisdictions (municipal or otherwise defined) is equal to the Taxes levied on the Company after allowing for the Taxes applicable to those collections. The initial Tax Adjustment Rate shall be based on the Taxes that are levied upon the Company on the effective date of this Rate Schedule. The Company will initiate a new or changed Tax Adjustment Rate beginning with the billing cycle immediately following the effective date of the new or changed Tax as specified by the applicable law, rule, regulation, ordinance, or agreement, provided that the Company has the Customer billing data necessary to bill and collect the Tax. If at any time there is a significant change that will cause an unreasonable over- or under-collection of the Taxes, the Company will adjust the Tax Adjustment Rate so that such over- or under-collection will be minimized. The Tax Adjustment Rate (calculated on a per Ccf or per Mcf basis, as appropriate) shall be reported to the applicable governmental authority by the last business day of the month in which the Tax Adjustment Rate became effective.

City Franchise Fees

In addition to the monthly charges billed to each Customer under each Rate Schedule applicable to that Customer, and in addition to the Taxes billed to each Customer as defined above, the monthly bill for Customers who are located inside the corporate limits of an incorporated municipality that imposes a municipal franchise fee upon Company for the Gas Service provided to Customer shall reimburse the Company for an amount equal to the municipal franchise fees payable for the Gas Service provided to the Customer by Company. Municipal franchise fees are determined by each municipality’s franchise ordinance. Each municipality’s franchise ordinance will specify the percentage and applicability of franchise fees. Customers located in unincorporated areas will not be assessed a City Franchise Fee.

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Rate Schedule QSR

SCHEDULE QSR – QUALITY OF SERVICE RULES

Applicable to: Entire System
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Application of Schedule

Applicable to all Customer classes in all areas. At a minimum, SiEnergy shall adhere to the Quality of Service requirements in the Railroad Commission of Texas Substantive Rules, Section 7.45.

Texas Administrative Code
TITLE 16
ECONOMIC REGULATION
PART 1
RAILROAD COMMISSION OF TEXAS
CHAPTER 7
GAS SERVICES DIVISION
SUBCHAPTER B
SPECIAL PROCEDURAL RULES
RULE §7.45 Quality of Service

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

(1) Continuity of service.

(A) Service interruptions.

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

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

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

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

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

(2) Customer relations.

(A) Information to Customers. Each utility shall:

- (i) maintain a current set of maps showing the physical locations of its facilities. All distribution facilities shall be labeled to indicate the size or any pertinent information which will accurately describe the utility's facilities. These maps, or such other maps as may be required by the regulatory authority, shall be kept by the utility in a central location and will be available for inspection by the regulatory authority during normal working hours. Each business office or service center shall have available up-to-date maps, plans, or records of its immediate area, with such other information as may be necessary to enable the utility to advise applicants and others entitled to the information as to the facilities available for serving that locality;
- (ii) assist the Customer or applicant in selecting the most economical rate schedule;
- (iii) in compliance with applicable law or regulations, notify Customers affected by a change in rates or schedule or classification;
- (iv) post a notice in a conspicuous place in each business office of the utility where applications for service are received informing the public that copies of the rate schedules and rules relating to the service of the utility as filed with the commission are available for inspection;
- (v) upon request inform its Customers as to the method of reading meters;
- (vi) provide to new Customers, at the time service is initiated or as an insert in the first billing, a pamphlet or information packet containing the following information. This information shall be provided in English and Spanish as necessary to adequately inform the Customers; provided, however, the regulatory authority upon application and a showing of good cause may exempt the utility from the requirement that the information be provided in Spanish:

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

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

(III) the time allowed to pay outstanding bills;

(IV) grounds for termination of service;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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(E) Delayed payment of bills by elderly persons.

(i) Applicability. This subparagraph applies only to:

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

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

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

(ii) Definitions.

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

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

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

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

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

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

(3) Refusal of service.

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

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

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

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

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

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

- (i) delinquency in payment for service by a previous occupant of the premises to be served;
- (ii) failure to pay for merchandise or charges for nonutility service purchased from the utility;
- (iii) failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
- (iv) violation of the utility's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others unless the Customer has first been notified and been afforded reasonable opportunity to comply with these rules;
- (v) failure to pay a bill of another Customer as guarantor thereof unless the guarantee was made in writing to the utility as a condition precedent to service; and
- (vi) failure to pay the bill of another Customer at the same address except where the change of Customer identity is made to avoid or evade payment of a utility bill.

(4) Discontinuance of service.

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

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

(C) A Customer's utility service may be disconnected if the bill has not been paid or a deferred payment plan pursuant to paragraph (2)(D) of this section has not been entered into within five working days after the bill has become delinquent and proper notice has been given. Proper notice consists of a deposit in the United States mail, postage prepaid, or hand delivery to the Customer at least five working days prior to the stated date of disconnection, with the words "Termination Notice" or similar language prominently displayed on the notice.

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The notice shall be provided in English and Spanish as necessary to adequately inform the Customer, and shall include the date of termination, the hours, address, and telephone number where payment may be made, and a statement that if a health or other emergency exists, the utility may be contacted concerning the nature of the emergency and the relief available, if any, to meet such emergency.

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

- (i) failure to pay a delinquent account or failure to comply with the terms of a deferred payment plan for installment payment of a delinquent account;
- (ii) violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the Customer and the Customer is provided with a reasonable opportunity to remedy the situation;
- (iii) failure to comply with deposit or guarantee arrangements where required by paragraph (5) of this section;
- (iv) without notice where a known dangerous condition exists for as long as the condition exists;
- (v) tampering with the utility company's meter or equipment or bypassing the same.

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

- (i) delinquency in payment for service by a previous occupant of the premises;
- (ii) failure to pay for merchandise or charges for nonutility service by the utility;
- (iii) failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;
- (iv) failure to pay the account of another Customer as guarantor thereof, unless the utility has in writing the guarantee as a condition precedent to service;
- (v) failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billings;
- (vi) failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due;
- (vii) failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the utility is unable to read the meter due to circumstances beyond its control.

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

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

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

(5) Applicant deposit.

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

- (i) if the residential applicant has been a Customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment;
- (ii) if the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required; or
- (iii) if the residential applicant furnishes in writing a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the utility, or ownership of substantial equity.

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

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- (C) Amount of deposit and interest for residential service, and exemption from deposit.
- (i) Each gas utility shall waive any deposit requirement for residential service for an applicant who has been determined to be a victim of family violence as defined in Texas Family Code, §71.004, by a family violence center, by treating medical personnel, by law enforcement agency personnel, or by a designee of the Attorney General in the Crime Victim Services Division of the Office of the Attorney General. This determination shall be evidenced by the applicant's submission of a certification letter developed by the Texas Council on Family Violence and made available on its web site.
 - (ii) The required deposit shall not exceed an amount equivalent to one-sixth of the estimated annual billings. If actual use is at least twice the amount of the estimated billings, a new deposit requirement may be calculated and an additional deposit may be required within two days. If such additional deposit is not made, the utility may disconnect service under the standard disconnection procedure for failure to comply with deposit requirements.
 - (iii) All applicants for residential service who are 65 years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the utility or another utility for the same utility service which accrued within the last two years. No cash deposit shall be required of such applicant under these conditions.
 - (iv) Each utility which requires deposits to be made by its Customers shall pay a minimum interest on such deposits according to the rate as established by law. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.
 - (I) Payment of interest to the Customer shall be annually or at the time the deposit is returned or credited to the Customer's account.
 - (II) The deposit shall cease to draw interest on the date it is returned or credited to the Customer's account.
- (D) Deposits for temporary or seasonal service and for weekend or seasonal residences. The utility may require a deposit sufficient to reasonably protect it against the assumed risk, provided such a policy is applied in a uniform and nondiscriminatory manner.

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- (E) Records of deposits.
- (i) The utility shall keep records to show:
 - (I) the name and address of each depositor;
 - (II) the amount and date of the deposit; and
 - (III) each transaction concerning the deposit.
 - (ii) The utility shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.
 - (iii) A record of each unclaimed deposit must be maintained for at least four years, during which time the utility shall make a reasonable effort to return the deposit.
- (F) Refund of deposit.
- (i) If service is not connected or after disconnection of service, the utility shall promptly and automatically refund the Customer's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. The transfer of service from one premise to another within the service area of the utility shall not be deemed a disconnection within the meaning of these rules, and no additional deposit may be demanded unless permitted by these rules.
 - (ii) When the Customer has paid bills for service for 12 consecutive residential bills without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent and when the Customer is not delinquent in the payment of the current bills, the utility shall promptly and automatically refund the deposit plus accrued interest to the Customer in the form of cash or credit to a Customer's account.
- (G) Upon sale or transfer of utility or company. Upon the sale or transfer of any public utility or operating units thereof, the seller shall file with the commission under oath, in addition to other information, a list showing the names and addresses of all Customers served by such utility or unit who have to their credit a deposit, the date such deposit was made, the amount thereof, and the unpaid interest thereon.
- (H) Complaint by applicant or Customer. Each utility shall direct its personnel engaged in initial contact with an applicant or Customer for service seeking to establish or reestablish credit under the provisions of these rules to inform the Customer, if dissatisfaction is expressed with the utility's decision, of the Customer's right to file a complaint with the regulatory authority thereon.

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(6) Billing.

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

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

- (i) if the meter is read by the utility, the date and reading of the meter at the beginning and end of the period for which rendered;
- (ii) the number and kind of units billed;
- (iii) the applicable rate schedule title or code;
- (iv) the total base bill;
- (v) the total of any adjustments to the base bill and the amount of adjustments per billing unit;
- (vi) the date by which the Customer must pay the bill to get prompt payment discount;
- (vii) the total amount due before and after any discount for prompt payment within a designated period;
- (viii) a distinct marking to identify an estimated bill.

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

(D) Disputed bills.

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

**TARIFF FOR GAS SERVICE
SIENERGY, LP**

Rate Schedule QSR

SCHEDULE QSR – QUALITY OF SERVICE RULES

Applicable to: Entire System

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

(7) Meters.

(A) Meter requirements.

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

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

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

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

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

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

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

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(iv) Meter tests on request of Customer.

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

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

(v) Bill adjustments due to meter error.

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

(-a-) the last six months; or

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

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

(8) New construction.

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

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

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



**Council Agenda Item
June 18, 2018**

7. **PUBLIC HEARINGS AND RELATED ACTIONS**
 - (a) **Zoning Public Hearings and Ordinances** – *There are no Zoning Public Hearings and Ordinances on this agenda.*
 - (b) **Public Hearings and related actions** – *There are no Public Hearings and related actions on this agenda.*
 8. **APPOINTMENTS** – *There are no Appointments on this agenda.*
 9. **AUTHORIZATIONS** – *There are no Authorizations on this agenda.*
-



CITY COUNCIL AGENDA ITEM COVER MEMO

June 18, 2018

To: Mayor and City Council
Agenda Item: 10(a) Consider an ordinance amending the FY 2018 Adopted Budget
Submitted by: Bertha P. Alexander, MBA - Budget & Financial Reporting Manager

SYNOPSIS

This budget amendment revises the FY 2018 Adopted Budget to provide appropriations to departments/divisions for the extended 3 month period as a result of changing the fiscal year from July 1 – June 30 to October 1 – September 30 of each calendar year. The amendment also transfers various existing appropriations among accounts, amends the authorized staffing for Fiscal Year 2018 and authorizes the appropriate city officials to take steps necessary to accomplish such transfers.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Create a great place to live
- Grow business investments in Missouri City
- Maintain a financially sound City

BACKGROUND

In accordance with Article IX of the City of Missouri City Charter, upon request by the City Manager, the Council may by ordinance transfer part or all of any unencumbered balance from one department, office or agency to another.

The purpose of this amendment is to revise appropriations for:

Change in the Beginning and Ending of the Fiscal Year - The fiscal year will change from beginning on the first day of July and ending on the last day of June to beginning on the first day of October and ending on the last day of September. This fiscal year change adds an additional 3 months to the fiscal year 2018 Adopted Budget. In determining the City's budget needs for the 3 months (July 1 through September 30), each Department Head was asked to review his/her budget and determine if services for the additional 3 months could be provided within the existing budget. If not, submit a budget request including justification for each item requested. The City Manager held budget meetings with each department and thoroughly reviewed each line-item making adjustments as necessary. After careful review, this amendment includes the necessary budget adjustments to revenues and expenditures for all City funds for the 3 month period from July 1, 2018 through September 30, 2018. The details of the adjustments are outlined in Exhibit A – Budget Amendment Details.

Adjustments Among Various Line Items - This amendment also includes other adjustments among various line items and accounts. The details and purposes are outlined in Exhibit A-Budget Amendment Details. In addition, we are amending the authorized staffing schedule to include personnel added to the Legal Department. Please see Exhibit B-Authorized Staffing for the amended staffing schedule.

BUDGET ANALYSIS

The fiscal year 2018 general budget was adopted by the City Council in June 2017. Since the adoption of the budget, an ordinance changing the fiscal year from July 1 – June 30 to October 1 – September 30 was approved by the Council. To implement the change, fiscal year 2018 will be extended by 3 months and will end on September 30, 2018. This budget amendment provides the necessary appropriations to departments/divisions to continue operations through the 3 month extension.

The amendment also includes transfers among funds since the adoption of the FY 2018 budget and a change in staffing for the Legal Department.

See Exhibit A-Budget Amendment Details

See Exhibit B-Authorized Staffing

Purchasing Review: N/A

Financial/Budget Review: Bertha P. Alexander, MBA - Budget & Financial Reporting Manager

Note: Compliance with the conflict of interest questionnaire requirements, if applicable, and the interested party disclosure requirements (HB 1295) has been confirmed/is pending within 30-days of this Council action and prior to execution.

SUPPORTING MATERIALS

1. Budget Amendment Ordinance
2. Exhibit A – Budget Amendment Details
3. Exhibit B – Authorized Staffing Schedule

STAFF'S RECOMMENDATION

Staff recommends approval of the FY 2018 budget amendment as presented.

Director Approval: Edena J. Atmore, CPA, CPFO

**Assistant City Manager/
City Manager Approval:** Anthony J. Snipes, City Manager

ORDINANCE NO. O-18- __

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS, AMENDING THE GENERAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2017, AND ENDING JUNE 30, 2018; CHANGING THE ENDING DATE OF THE FISCAL YEAR FROM JUNE 30, 2018, TO SEPTEMBER 30, 2018; TRANSFERRING VARIOUS APPROPRIATIONS AMONG ACCOUNTS; APPROPRIATING SUPPLEMENTAL REVENUE TO VARIOUS FUND ACCOUNTS; AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO TAKE STEPS NECESSARY TO ACCOMPLISH SUCH TRANSFERS; AMENDING THE AUTHORIZED STAFFING FOR FISCAL YEAR 2018; AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO TAKE STEPS NECESSARY TO ACCOMPLISH SUCH AMENDMENTS; MAKING CERTAIN FINDINGS; AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT.

* * * * *

WHEREAS, pursuant to Ordinance No. O-17-15, passed and approved on June 19, 2017, the City Council of the City of Missouri City (the "City Council") approved and adopted the City of Missouri City, Texas, General Budget for the fiscal year beginning July 1, 2017, and ending June 30, 2018 ("fiscal year 2018"); and

WHEREAS, pursuant to Section 11.13 of the City Charter, the City's Charter Review Commission recommended that the City change its fiscal year from July 1 to June 30, to October 1 to September 30; and

WHEREAS, pursuant to Order No. O-17-10, adopted by the City Council on November 20, 2017, the City Council adopted the results of the November 7, 2017 special Charter Election, which authorized the City to change its fiscal year from July 1 to June 30, to October 1 to September 30; and

WHEREAS, Article IX, Section 9.04 of the City Charter authorizes the City Council, upon written request by the City Manager, to transfer by Ordinance all or part of any unencumbered appropriations balance from one department, office, or agency to another; and

WHEREAS, Article IX, Section 9.04 of the Charter authorizes the City Council, upon certification by the City Manager, to appropriate by Ordinance all or part of any unencumbered supplemental appropriations balance to one or more fund accounts, including capital improvement projects fund accounts; and

WHEREAS, the City Manager has certified that certain unencumbered appropriations and supplemental appropriations are available and has requested that such unencumbered appropriations be transferred to various other accounts and that

such supplemental revenues be appropriated to various fund accounts; and

WHEREAS, the City Manager hereby requests City Council authorization to amend the staffing for fiscal year 2018; and

WHEREAS, it is the desire of City Council to effectuate the will of City voters and comply with the requests of the City Manager; now therefore,

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

Section 1. The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. The ending date of the General Budget of the City of Missouri City, Texas, for the fiscal year 2018 be, and is, hereby, deleted and a new ending date shall be substituted as follows: September 30, 2018.

Section 3. The General Budget of the City of Missouri City, Texas, for the fiscal year 2018 be, and is hereby, amended as set forth in Exhibit "A," budget transfers, and Exhibit "B," staff authorization changes, which are attached hereto and incorporated herein by reference.

Section 4. The appropriate officials are hereby authorized and directed to take those steps necessary to accomplish such transfers and to cause the same to be duly reflected in the records of the City.

PASSED, APPROVED and ADOPTED on first and final reading this 18th day of June, 2018.

Allen Owen, Mayor

ATTEST:

APPROVED AS TO FORM:

Maria Jackson, City Secretary

E. Joyce Iyamu, City Attorney

EXHIBIT A - BUDGET AMENDMENT DETAILS

GENERAL FUND SUMMARY - FY2018 DEPARTMENTAL EXTENDED 3-MONTH REVENUE PROJECTIONS

Character Code	FY 2018 REVISED BUDGET	PROJECTED BUDGET NEEDS THRU 9/30/18	NEW AMENDED REVISED FY 2018 BUDGET-ENDING 9/30/2018	% CHANGE OVER FY 2018 REVISED BUDGET
40 - PROP. TAX/ASSESSMENTS	28,160,117	323,445	28,483,562	1.1%
41 - SALES & OTHER TAXES	8,416,172	1,948,984	10,365,156	23.2%
42 - FRANCHISE REVENUE	3,990,463	1,124,973	5,115,436	28.2%
43 - LICENSES AND PERMITS	2,532,389	139,432	2,671,821	5.5%
44 - FINES/FEES & FORFEIT	967,150	75,139	1,042,289	7.8%
45 - CHARGES FOR SERVICES	384,751	68,772	453,523	17.9%
46 - INTERGOVERN REVENUE	3,097,901	27,367	3,125,268	0.9%
47 - INVESTMENT EARNINGS	250,000	32,454	282,454	13.0%
48 - OTHER SOURCES/DONATN	287,072	1,048,785	1,335,857	365.3%
49 - TRANSFERS FROM & ADM	1,601,818	861,242	2,463,060	53.8%
Grand Total	49,687,833	5,650,592	55,338,425	11.4%

EXHIBIT A - BUDGET AMENDMENT DETAILS

All FUNDS SUMMARY- FY2018 DEPARTMENTAL EXTENDED 3-MONTH REVENUE PROJECTIONS

LINE #	DEPARTMENT	FUND	FY 2018 REVISED BUDGET	PROJECTED BUDGET NEEDS THRU 9/30/18	NEW AMENDED REVISED FY 2018 BUDGET-ENDING 9/30/2018	% CHANGE OVER FY 2018 REVISED BUDGET
1	GENERAL FUND	101	49,687,833	5,618,137	55,305,970	11.3%
2	POLICE SEIZURE/FORFEITURE FUND	205	57,900	-	57,900	0.0%
3	RADIO COMMUNICATION SYSTEM FUND	220	284,688	147,704	432,392	51.9%
4	COURT BUILDING SECURITY FUND	221	24,950	3,847	28,797	15.4%
5	COURT TECHNOLOGY FUND	222	28,675	36,791	65,466	128.3%
6	COURT JUVENILE CASE FUND	223	41,820	5,959	47,779	14.2%
7	PEG/MCTV FACILITY & EQUIP FUND	224	165,700	1,532	167,232	0.9%
8	DONATION FUND	231	161,598	40,217	201,815	24.9%
9	CDBG FUND	240	507,738	88,831	596,569	17.5%
10	HOTEL OCCUPANCY TAX FUND	255	210,000	2,756	212,756	1.3%
11	MISSOURI CITY DEVELOPMENT AUTHORITY FUND	260	100,200	43	100,243	0.0%
12	TAX INCREMENT REINVESTMENT ZONE #1	261	1,002,905	35,616	1,038,521	3.6%
13	TAX INCREMENT REINVESTMENT ZONE #2	262	2,239,937	114,501	2,354,438	5.1%
14	PUBLIC IMPROVEMENT DISTRICT #2	263	513,275	5,165	518,440	1.0%
15	TAX INCREMENT REINVESTMENT ZONE #3	265	1,824,539	292,640	2,117,179	16.0%
16	PUBLIC IMPROVEMENT DISTRICT #4	266	391,507	1,123	392,630	0.3%
17	PARKLAND ZONE 1-13	271-283	1,511,959	265,993	1,777,951	17.6%
18	DEBT SERVICE FUND	301	10,408,368	54,000	10,462,368	0.5%
19	METRO PROJECT FUND	401	4,425,559	1,187,540	5,613,099	26.8%
20	GENERAL GOVERNMENT PROJECT FUND	402	3,206	1,400	4,606	43.7%
21	TRANSPORTATION PROJECT FUND	403	11,978,767	5,922,023	17,900,790	49.4%
22	FACILITY/PUBLIC SAFETY PJ FUND	404	2,002,662	14,000	2,016,662	0.7%
23	PARKS PROJECT FUND	405	469,745	42,000	511,745	8.9%
24	WATER & WASTEWATER UTILITY FUND	505	2,194,301	1,475,754	3,670,055	67.3%
25	STEEP BANK/FLAT BANK OPERATIONS FUND	506	1,190,000	269,163	1,459,163	22.6%
26	WATER & WASTEWATER UTILITY CONSTRUCTION FUND	535	872,985	9,056	882,041	1.0%
27	SURFACE WATER OPERATING FUND	540	9,110,522	3,064,635	12,175,157	33.6%
28	SURFACE WATER CONSTRUCTION FUND	542	23,898,589	42,500	23,941,089	0.2%
29	MC REC & LEISURE LGC FUND	571	3,999,521	1,024,845	5,024,366	25.6%
30	SOLID WASTE UTILITY FUND	580	3,534,720	871,354	4,406,074	24.7%
31	FLEET/EQUIPMENT REPLACEMENT FUND	606	595,450	111,301	706,751	18.7%
32	INNOVATION & TECHNOLOGY REPLACEMENT FUND	611	1,387,318	3,579	1,390,897	0.3%
33	GRAND TOTAL		134,826,937	20,754,002	155,580,939	15.4%

EXHIBIT A - BUDGET AMENDMENT DETAILS

ALL FUNDS SUMMARY - FY2018 DEPARTMENTAL EXTENDED 3-MONTH EXPENDITURES PROJECTIONS

LINE #	DEPARTMENT	FUND	FY 2018 REVISED BUDGET	PROJECTED BUDGET NEEDS THRU 9/30/18	NEW AMENDED REVISED FY 2018 BUDGET-ENDING 9/30/2018	% CHANGE OVER FY 2018 REVISED BUDGET
	GENERAL FUND					
1	GENERAL GOVERNMENT	101	4,792,121	1,035,824	5,827,945	21.6%
2	FINANCIAL SERVICES	101	1,931,256	273,047	2,204,303	14.1%
3	POLICE ADMIN	101	13,749,481	2,539,697	16,289,177	18.5%
4	FIRE	101	8,194,885	2,027,647	10,222,533	24.7%
5	PUBLIC WORKS	101	7,768,531	926,886	8,695,417	11.9%
6	PARKS & RECREATION	101	3,255,121	876,184	4,131,305	26.9%
7	DEVELOPMENT SERVICES	101	1,478,908	240,494	1,719,402	16.3%
8	INNOVATION & TECHNOLOGY	101	4,690,444	1,098,141	5,788,586	23.4%
9	NON-DEPARTMENTAL	101	5,445,308	1,000	5,446,308	0.0%
10	TOTAL GENERAL FUND		51,306,055	9,018,921	60,324,976	17.6%
11						
19	POLICE SEIZURE/FORFEITURE FUND	205	220,000	50,000	270,000	22.7%
20	RADIO COMMUNICATION SYSTEM FUND	220	294,454	117,793	412,247	40.0%
21	COURT BUILDING SECURITY FUND	221	84,993	2,887	87,880	3.4%
22	COURT TECHNOLOGY FUND	222	23,519	28,773	52,292	122.3%
23	COURT JUVENILE CASE FUND	223	41,806	10,364	52,170	24.8%
24	PUBLIC SAFETY GRANTS FUND	230	-	-	-	
25	CDBG FUND	240	556,156		556,156	
26	HOTEL OCCUPANCY TAX FUND	255	253,476	43,032	296,508	17.0%
27	PARKLAND ZONE 1-13	271-283	780,882	(376,903)	403,979	-48.3%
28	DEBT SERVICE FUND	301	10,707,814		10,707,814	0.0%
29	METRO PROJECT FUND	401	5,857,450		5,857,450	0.0%
30	GENERAL GOVERNMENT PROJECT FUND	402	186,713		186,713	0.0%
31	TRANSPORTATION PROJECT FUND	403	27,719,478	3,771,330	31,490,808	13.6%
32	FACILITY/PUBLIC SAFETY PJ FUND	404	2,884,196	732,000	3,616,196	25.4%
33	PARKS PROJECT FUND	405	1,583,353	950,000	2,533,353	60.0%
34	WATER & WASTEWATER UTILITY FUND	505	1,590,221	1,342,012	2,932,233	84.4%
35	STEEP BANK/FLAT BANK OPERATIONS FUND	506	1,276,395	629,752	1,906,147	49.3%
36	WATER & WASTEWATER UTILITY CONSTRUCTION FUND	535	1,945,944	19,200	1,965,144	1.0%
37	SURFACE WATER OPERATING FUND	540	7,541,098	2,179,894	9,720,992	28.9%
38	SURFACE WATER CONSTRUCTION FUND	542	6,958,008	(1,729,180)	5,228,828	-24.9%
39	MC REC & LEISURE LGC FUND	571	3,946,505	909,704	4,856,209	23.1%
40	SOLID WASTE UTILITY FUND	580	3,676,736	901,044	4,577,780	24.5%
41	FLEET/EQUIPMENT REPLACEMENT FUND	606	2,057,898		2,057,898	0.0%
42	INNOVATION & TECHNOLOGY REPLACEMENT FUND	611	1,128,338	69,900	1,198,238	6.2%
43	TOTAL OTHER FUNDS		81,315,432	9,651,602	90,967,034	11.9%
44	TOTAL ALL FUNDS		132,621,487	18,670,523	151,292,010	14.1%

EXHIBIT B

CITY OF MISSOURI CITY, TEXAS
FY 2018 AMENDED STAFFING - 2018-06-18
 STAFFING AUTHORIZATION BY DEPARTMENT

		Full-Time Positions				
GENERAL FUND		FY 2018 ADOPTED 6/2017	FY 2018 AMENDED 10/2017	FY 2018 AMENDED 4/2018	FY 2018 AMENDED 6/2018	FY 2018 NOTES
DIV	GENERAL GOVERNMENT DEPARTMENT - 10					
101	City Management	6	6	6	6	
102	City Secretary	4	4	4	4	
103	Human Resources/Organ. Dev.	3	3	3	3	
104	Legal	3	3	3	4	Request authorization to convert Part-time Attorney to Full-time for TIRZ/PID Management
106	Municipal Court	7	7	7	7	
108	Communications	8	8	8	8	
109	Economic Development	1	1	1	1	
	Total General Government	32	32	32	33	
	FINANCIAL SERVICES DEPARTMENT - 12					
110	Finance Administration/Treasury	1	2	2	3	
112	Purchasing & Risk Management	3	3	3	3	
113	Budget and Financial Reporting	0	3	3	3	
114	Controller Services	13	9	9	8	Recording of position to assigned Division
	Total Financial Services	17	17	17	17	
	POLICE DEPARTMENT - 13					
120	Police Administration	10	10	10	10	
122	Code Enforcement	9	8	8	8	
124	Support Services	27.2	27.2	26.2	26.2	
126	Criminal Investigation	31	30	25	25	
128	Patrol	72	73	78	78	
	Total Police	149.2	148.2	147.2	147.2	
	FIRE & RESCUE SERVICES DEPARTMENT - 14					
130	Administration	3	3	3	3	
132	Fire Prevention	4	4	4	4	
134	Training/Education	1	1	1	1	
136	Operations	71	71	71	71	
	Total Fire	79	79	79	79	
	PUBLIC WORKS DEPARTMENT - 15					
140	Administration	3	3	4	4	
141	Capital Projects	3	3	2	2	
142	Streets/Drainage/Traffic Control	14	14	14	14	
143	Engineering/Utilities Planning	4	4	4	4	
144	Geographic Information Services	4	4	4	4	
145	Fleet Maintenance	5	5	5	5	
146	Facilities Maintenance	4	4	4	4	
148	Animal Services	3	3	4	4	
	Total Public Works	40	40	41	41	
	PARKS & RECREATION DEPARTMENT - 16					
150	Parks	11	11	11	11	
152	Recreation	8	8	8	8	
	Total Parks & Recreation	19	19	19	19	
	DEVELOPMENT SERVICES DEPARTMENT - 17					
160	Planning & Development	5	5	5	5	
162	Inspections & Permits	14	14	14	14	
	Total Development Services	19	19	19	19	

EXHIBIT B

		Full-Time Positions				
		FY 2018	FY 2018	FY 2018	FY 2018	
		<u>ADOPTED 6/2017</u>	<u>AMENDED 10/2017</u>	<u>AMENDED 4/2018</u>	<u>AMENDED 6/2018</u>	
GENERAL FUND						FY 2018 NOTES
INNOVATION & TECHNOLOGY DEPARTMENT - 18						
170	Innovation & Technology	10	10	10	10	
	Total Innovation & Technology	10	10	10	10	
TOTAL GENERAL FUND		365.2	364.2	364.2	365.2	
SPECIAL REVENUE FUNDS						
220	Radio Communications	0.8	0.8	0.8	0.8	
221	Court Building Security	0	0	0.5	0.5	
240	CDBG Fund	1	2	2	2	
255	Hotel Tax Fund	1	1	1	1	
	Total Special Revenue Funds	2.8	3.8	4.3	4.3	
TOTAL EMPLOYEES-ALL FUNDS		368	368.0	368.5	369.5	Total Authorization increased by 1 due to conversion of part-time City Attorney to full-time position.



CITY COUNCIL AGENDA ITEM COVER MEMO

June 18, 2018

To: Mayor and City Council
Agenda Item: 11(a) A resolution adopting rules governing the investment of funds of the City of Missouri City; providing for repeal; and designating the Assistant City Manager and the Finance Department Director to be responsible for the investment of City funds
Submitted by: LaToya Jasper, Assistant Financial Services Director

SYNOPSIS

This resolution proposes the adoption of a revised investment policy, as of May 7, 2018, for the City.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Maintain a financially sound City

BACKGROUND

Chapter 2256 of the Texas Government Code requires the governing body of an investing entity to adopt a written investment policy regarding the investment of its funds, and requires that the governing body review its investment policy and investment strategies not less than annually. City Council last reviewed and adopted the investment policy on May 1, 2017.

On May 7, 2018, the Investment Committee reviewed the current investment strategies with the Investment Advisors and the Finance and Services Committee, and recommends adopting the investment policy as revised and included in Attachment A to our resolution.

Previously, the City decided to modify its policy to encompass the Mortgage portfolio as a temporary long-term strategy. This has allowed the city to be more in line with Safety of Principal and Marketability policies, and the best practices of the Public Funds Investment Act (PFIA).

There are minor revisions to the policy this year. A few of the notable changes this year are: removal of guaranteed investments contracts as unacceptable investment instruments, updating of the language regarding eligible business organizations and minor updates to be in accordance with legislative changes.

The City continues to honor its previous commitment and will not purchase additional positions with final maturities beyond 5 years.

The Investment Advisors, Valley View Consulting, have reviewed and assisted with the update of the proposed Investment Policy.

BUDGET ANALYSIS

There is no fiscal impact for this review.

SUPPORTING MATERIALS

1. Resolution (including proposed Investment Policy)
2. Changes Marked (*forthcoming*)

STAFF'S RECOMMENDATION

Staff recommends approval of the Revised Investment Policy as of May 20, 2018.

Director Approval: **Edena J. Atmore, CPA, CPFO**

**Assistant City Manager/
City Manager Approval:** **Bill Atkinson, Assistant City Manager**

RESOLUTION NO. R-18-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS, ADOPTING RULES GOVERNING THE INVESTMENT OF FUNDS OF THE CITY OF MISSOURI CITY; DESIGNATING THE ASSISTANT CITY MANAGER AND THE FINANCIAL SERVICES DEPARTMENT DIRECTOR TO BE RESPONSIBLE FOR THE INVESTMENT OF CITY OF MISSOURI CITY FUNDS; AND PROVIDING FOR REPEAL.

* * * * *

WHEREAS, Chapter 2256 of the Texas Government Code (the “Public Funds Investment Act”) requires the governing body of an investing entity to adopt a written investment policy regarding the investment of its funds and funds under its control and to review the investment policy and investment strategies not less than annually; and

WHEREAS, on May 1, 2017, by Resolution No. R-17-13, the City Council of the City of Missouri City (the “City”) reviewed, approved, and adopted a written Investment Policy for the City regarding the investment of public funds (the “Investment Policy”); and

WHEREAS, the City Council has reviewed the Investment Policy and the City’s investment strategies; and

WHEREAS, the City Council has determined that it is in the best interest of the residents of the City to adopt rules governing the investment of the funds of the City; now therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS:

Section 1. The facts and recitals set forth in the preamble of this Resolution are hereby found to be true and correct and are in all things incorporated herein and made a part hereof.

Section 2. In accordance with the Public Funds Investment Act, the City Council has reviewed the Investment Policy and the City’s investment strategies and hereby recommends and adopts rules governing the investment of City funds and investment strategies as set forth in the Investment Policy attached hereto as Exhibit “A” and made a part hereof for all purposes.

Section 3. Resolution No. R-17-13, adopted May 1, 2017, and all other resolutions in conflict herewith, are hereby repealed.

Section 4. In accordance with the Public Funds Investment Act, the City Council hereby designates the Assistant City Manager and the Financial Services Department Director to be responsible for the investment of City funds in accordance with the rules governing investments adopted in Section 2 hereof.

PASSED, APPROVED and ADOPTED this 18th day of June, 2018.

Allen Owen, Mayor

ATTEST:

APPROVED AS TO FORM:

Maria Jackson, City Secretary

E. Joyce Iyamu, City Attorney



**LGC
AGENDA ITEM COVER MEMO**

June 18, 2018

To: Mayor and City Council
Agenda Item: 11(b) Resolution amending Resolution No. R-09-13, adopted on May 4, 2009; amending the bylaws of the Missouri City Recreation and Leisure Local Government Corporation.
Submitted by: Tyson Stittleburg, PGA

SYNOPSIS

The current LGC bylaws state that the fiscal year for the LGC is from July through June. In keeping with the changes to the dates of the City of Missouri City's fiscal year, this resolution amends the resolution that adopted the LGC's current bylaws by adopting new LGC bylaws that reflect such change.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Maintain a financially sound City
- Develop a high performing City team

BACKGROUND

Section 431.101 of the Texas Transportation Code states that in order to be effective, the bylaws of a local government corporation must be approved by ordinance, resolution, or order adopted by the governing body of each local government that the corporation is created to aid and act on behalf of. Article 9 of the current bylaws states that the bylaws may be altered, amended, or repealed and new Bylaws adopted, only by approval of at least a two-thirds (2/3) majority vote the LGC's Board of Directors. Should the Board vote to adopt the amended bylaws, this resolution effectuates such change by the process required by state statute by amending the resolution that adopted the LGC's current bylaws.

Section 6.2 and Section 6.5 of the current Bylaws state that the Fiscal Year for the LGC should be July through June. The proposed amendment would change Section 6.2 to state October through September and would remove Section 6.5.

SUPPORTING MATERIALS

1. Resolution
2. Changes marked version of the LGC Bylaws

STAFF'S RECOMMENDATION

Staff recommends approving this amendment to align the LGC fiscal year with that of the City of Missouri City.

Director Approval: Tyson Stittleburg, PGA

**Assistant City Manager/
City Manager Approval:** Anthony Snipes, City Manager

RESOLUTION NO. O-18-__

**A RESOLUTION OF THE CITY OF MISSOURI CITY, TEXAS,
AMENDING RESOLUTION NO. R-09-13, ADOPTED ON MAY 4, 2009;
AMENDING THE BYLAWS OF THE MISSOURI CITY RECREATION
AND LEISURE LOCAL GOVERNMENT CORPORATION; PROVIDING
FOR REPEAL; PROVIDING FOR SEVERABILITY; AND MAKING
OTHER PROVISIONS RELATED TO THE SUBJECT.**

* * * * *

WHEREAS, pursuant to Section 431.101 of the Texas Transportation Code, in order to be effective, the bylaws of a local government corporation must be approved by ordinance, resolution, or order adopted by the governing body of each local government that the corporation is created to aid and act on behalf of; and

WHEREAS, on November 20, 2017, the City Council of the City of Missouri City, Texas adopted Order No. O-17-10, which changed the City of Missouri City's (the "City's") fiscal year from July 1 through June 30 to October 1 through September 30 pursuant to the results of the November 7, 2017 special election; and

WHEREAS, the Board of Directors of the Missouri City Recreation and Leisure Local Government Corporation has, in accordance with the procedures established in the Missouri City Recreation and Leisure Local Government Corporation's (the "LGC's") bylaws, elected to amend the LGC's bylaws in order to change the LGC's fiscal year to reflect the amended dates of City's fiscal year; now therefore,

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

Section 1. City of Missouri City Resolution No. R-09-13, adopted on May 4, 2009, approving the creation of Missouri City Recreation and Leisure Local Government Corporation; approving the application to the City for incorporation thereof; approving the Articles of Incorporation and Bylaws thereof; confirming the appointment of the initial directors and chairperson; and containing findings and other provisions relating to the subject, is hereby amended as set forth herein.

Section 2. Exhibit C of said Resolution No. R-09-13 is hereby amended by deleting Exhibit "C" thereof, and substituting therefor, a new Exhibit "C," attached hereto and incorporated herein by reference.

Section 3. This Resolution is effective immediately upon its passage and approval.

Section 4. All resolutions or parts of resolutions in conflict herewith, if any, shall be and are hereby repealed to the extent of such conflict only.

Section 5. That if any section, subsection, sentence, clause, or phrase of this resolution, or the application of same to a particular set of persons or circumstances, should for any reason be held to be invalid or adjudged unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the remaining portions of this resolution, and to such end the various portions and provisions of this resolution are declared to be severable; and the City Council of the City of Missouri City, Texas, declares it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED, APPROVED and ADOPTED this 18th day of June, 2018.

Allen Owen, Mayor

ATTEST:

APPROVED AS TO FORM:

Maria Jackson, City Secretary

E. Joyce Iyamu, City Attorney

BYLAWS
OF
MISSOURI CITY RECREATION AND LEISURE
LOCAL GOVERNMENT CORPORATION

ARTICLE 1
Principal Office

The principal office of Missouri City Recreation and Leisure Local Government Corporation ("the Corporation") is located in the City of Missouri City, Counties of Fort Bend and Harris, State of Texas.

ARTICLE 2
Governmental Purposes

Section 2.1. General Purposes. The Corporation is created and organized as a Local Government Corporation pursuant to Subchapter O of Chapter 431 of the Texas Transportation Code, and as further regulated by Chapter 394 of the Texas Local Government Code, and Chapter 9 of Title 32 of the Texas Civil Statutes, to perform governmental functions on behalf of the City of Missouri City, Texas. The Corporation is a public, non-profit local government corporation.

Section 2.2. Specific Objectives and Purposes. The specific objectives and purposes of this Corporation are to aid and assist the City in providing a first class system of public parks and recreation facilities to promote a healthful environment within the City. These purposes and objectives are to be achieved by entering into contracts with the City for specific projects under which the Corporation will acquire, improve, maintain or operate specific parks or recreational facilities as specified in those contracts.

Section 2.3. Members. The Corporation has no members and is a nonstock Corporation.

ARTICLE 3
Directors

Section 3.1. Qualifications. Qualifications for Directors of this Corporation shall be as follows: Board members shall be the elected and duly qualified and sitting members of the City Council of the City Missouri City, Texas.

Section 3.2. Number. The Corporation shall have seven (7) Directors, and collectively they shall be known as the Board of Directors.

Section 3.3. Term of Office. The term of office for each Director shall run concurrently with the term of office such Director holds as a member of the City Council of the City of Missouri City, Texas.

Section 3.4. Powers. Subject to the provisions of the laws of this state and any limitations in the Articles of Incorporation and these Bylaws, the activities and affairs of this Corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

Section 3.5. Duties. It shall be the duty of the Directors, acting as the Board, to:

- a. Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation, or by these Bylaws;
- b. Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents, and employees, including the General Manager, of the Corporation;
- c. Supervise all officers, agents, and employees of the Corporation to assure that their duties are performed properly;
- d. Meet at such times and places as required by these Bylaws;
- e. Register their addresses with the secretary of the Corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

Section 3.6. Compensation. Directors shall serve without compensation except that expenses incurred in the course of the Corporation's business may be reimbursed.

Section 3.7. Place of Meetings. All regular and special meetings shall be held within the city limits of the City of Missouri City, Texas, at a location provided by the Board or at such other place as may be designated from time to time by resolution of the Board of Directors, if such designation is properly notified as provided under any notification provision of these Bylaws. No meeting may be held by use of remote communications technology.

Section 3.8. Regular Meetings. Regular meetings of Directors shall be held at least once every three months on a date to be determined by the Board of Directors, unless such day falls on a legal holiday, in which event the regular meeting shall be held at the same hour and place on the next business day. At the last regular meeting of Directors during each fiscal year, officers shall be elected by the Board of Directors for the following fiscal year.

Section 3.9. Special Meetings. Special meetings of the Board of Directors may be called by the Chair of the Board, by any two Directors, or by the Secretary and Treasurer.

Section 3.10. Notice of Meetings.

- a. Generally. The Secretary shall cause notice of the time and place of each meeting of the Board of Directors to be given to each Director. Such notice may be in writing, in person, or by telephone. Notice of each meeting shall be given to the public in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended.
- b. Waiver of Notice. Whenever any notice of a meeting is required to be given to any Director of this Corporation under provisions of the Articles of Incorporation, these Bylaws, or the law of this state, a waiver of notice in writing signed by the Director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice. Whenever any notice of a meeting is required to be given to the public under any provision of the Articles of Incorporation, these Bylaws, or the law of this state, such notice to the public may not be waived.

Section 3.11. Quorum for Meetings. A quorum shall consist of four (4) of the members of the Board of Directors. Except as otherwise provided under the Articles of Incorporation, these Bylaws, or provisions of law, no business shall be considered by the Board at any meeting at which the required quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

Section 3.12. Majority Action as Board Action. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the Articles of Incorporation, these Bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the Board.

Section 3.13. Conduct of Meetings. Meetings of the Board of Directors shall be presided over by the Chair of the Board, or, if no such person has been so designated, or in his or her absence, the Vice-Chair of the Board, or in the absence of each of these persons, by a Chair chosen by a majority of the Directors present at the meeting. The secretary of the Corporation shall act as secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by Roberts Rules of Order, insofar as such rules are not inconsistent with or in conflict with the Articles of Incorporation, these Bylaws, or with provisions of law.

Section 3.14. Vacancies. Vacancies on the Board of Directors shall exist upon the death, of any Director, or whenever a Director resigns from or is removed from his elected position on the City Council of the City of Missouri City.

Section 3.15. Liability of Directors. The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

Section 3.16. Indemnification by Corporation of Directors and Officers. The Directors and officers of the Corporation shall be indemnified by the Corporation to the fullest extent permissible under the laws of this state.

Section 3.17. Insurance for Corporate Agents. Except as may be otherwise provided under provisions of law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation (including a Director, officer, employee, or other agent of the Corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the Articles of Incorporation, these Bylaws, or provisions of law.

Section 3.18. Voting. No member of the Board may vote via absentee ballot nor via proxy. Any person attempting to vote as a proxy shall not be counted for purposes of determining quorum or for tabulating any vote taken by the Board.

ARTICLE 4 Officers

Section 4.1. Board Officers. The Mayor of the City shall be the Chair of the Board of Directors, and the Mayor Pro Tern shall be the Vice-Chair. Except as provided in Section 4.1.4 below, the Board shall elect from among its members a Secretary, a Treasurer, and such other Board officers, and for such terms, as it deems necessary and appropriate.

Section 4.1.1. Chair. The Chair of the Board of Directors shall be the chief executive officer of the Corporation. He or she shall preside at all meetings of the Board, and shall perform such other duties as may be prescribed by the Board. In the event the Chair is unable or unwilling to perform the duties of such office, the Vice-Chair shall act in such capacity.

Section 4.1.2. Secretary. The Secretary shall:

- a. Certify and keep at the principal office of the Corporation the original, or a copy, of these Bylaws as amended or otherwise altered to date.

- b. Keep at the principal office of the Corporation or at such other place as the Board may determine, a book of minutes of all meetings of the Directors, and, if applicable, meetings of committees of Directors, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.
- c. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.
- d. Be custodian of the records and of the seal of the Corporation and affix the seal, as authorized by law or the provisions of these Bylaws, to duly executed documents of the Corporation.
- e. Make provision for the review, at reasonable times and in accordance with the Public Information Act, of these Bylaws, the minutes of the proceedings of the Board of Directors, and such other records that are not subject to protection from disclosure by law, to members of the Board of Directors and the general public.
- f. In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

Section 4.1.3. Treasurer. The Treasurer shall:

- a. Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.
- b. Receive, and give receipt for, monies due and payable to the Corporation from any source whatsoever.
- c. Disburse, or cause to be disbursed, the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.
- d. Keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

- e. Make provision for the review, at reasonable times and in accordance with the Public Information Act, of the books of account and financial records that are not subject to protection from disclosure by law, to members of the Board of Directors and the general public.
- f. Render to the Board of Directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the Corporation.
- g. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- h. In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

Section 4.1.4. Delegation of Duties of Secretary and/or Treasurer.

Notwithstanding the provisions of Sections 4.1.2 and 4.1.3 above, the Board of Directors may dispense with the Board offices of Secretary and Treasurer, either or both, and delegate the duties of each such office to a non-member of the Board of Directors. In such event, the persons holding such offices shall be deemed Corporate Officers of the Corporation and subject to the appointment and removal provisions of Section 4.2 below.

Section 4.2. Corporate Officers. The Board of Directors may designate from time to time such Corporate Officers as it deems necessary and appropriate. The manner of appointment to such offices shall be at the discretion of the Board of Directors.

Section 4.2.1. Removal and Resignation. Any Corporate Officer appointed by the Board of Directors shall be subject to removal at any time, with or without cause, by the Board of Directors. Any officer may resign, at any time, by giving written notice to the Board of Directors. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.2.2. Vacancies. Corporate Officer vacancies may or may not be filled, as determined in the sole discretion of the Board of Directors.

ARTICLE 5 Committees

Section 5.1. Advisory Committees. The Corporation shall have such committees as it may from time to time designate by resolution of the Board of Directors. These committees may consist of persons who are not members of the Board and shall act in advisory capacities only.

Section 5.2. Prohibition of Delegation of Authority. The Board of Directors may not delegate to any committee the powers and authority of the Board in the management of the business and affairs of the Corporation.

Section 5.3. Meetings and Action of Committees. Meetings and actions of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these Bylaws governing meetings of the Board of Directors, with such changes in the context of such Bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

ARTICLE 6 Execution of Instruments, Fiscal Year, Deposits, and Funds

Section 6.1. Execution of Instruments. The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 6.2. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of ~~July-October~~ and end on the last day of ~~June-September~~ of each following year.

Section 6.3. Checks and Notes. Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money and other evidence of indebtedness of the Corporation shall be signed by the Treasurer and countersigned by the Chair of the Board of Directors.

Section 6.4. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

~~**Section 6.5. Fiscal Year.** The fiscal year of the Corporation shall begin on the first day of July and end on the last day of June of each following year.~~

Section 6.6. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the nonprofit purposes of this Corporation.

Section 6.7. Distribution of Assets. Upon the dissolution of the Corporation, all of its assets, after payment or provision for payment of all debts and liabilities, shall be distributed to the City of Missouri City, Texas. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

ARTICLE 7 Corporate Records, Reports and Seal

Section 7.1. Maintenance of Corporate Records. The Corporation shall keep at its principal office:

- a. Minutes of all meetings of the Board of Directors and committees of the Board indicating the time and place of holding such meetings, whether regular or special, how called, the notice given and the names of those present and the proceedings thereof;
- b. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses; and
- c. A copy of the Corporation's Articles of Incorporation and Bylaws.

Section 7.2. Corporate Seal. The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the Corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

Section 7.3. Directors' Inspection Rights. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Corporation and shall have such other rights to inspect the books, records and properties of this Corporation as may be required under the Articles of Incorporation, other provisions of these Bylaws and provisions of law. The rights of inspection hereunder may be made in person or by agent or attorney and shall include the right to make copies or extracts.

Section 7.4. Public Information. All records held by the Corporation shall be subject to public inspection in the same manner, and subject to the same restrictions, as information subject to disclosure under Chapter 552, Texas Government Code, as amended.

Section 7.5. Periodic Report. The Board shall cause any annual or periodic reports required under law to be prepared and delivered to an office of this state, which shall be prepared and delivered within the time limits set by law.

ARTICLE 8 Standards of Conduct by Directors and Officers

Section 8.1. Prohibition Against Private Benefit. No earnings of the Corporation shall be distributable to any Director, officer or other private person, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the Corporation.

Section 8.2. Conflicts of Interest Prohibited. No Director or officer of the Corporation shall have an interest in any contract or transaction involving the Corporation in violation of any policy adopted by the City Council of the City of Missouri City, any charter provision of the City of Missouri City applicable to City officers and employees, or any provision of Chapter 431 of the Texas Transportation Code, Chapter 394 of the Texas Local Government Code, Chapter 9 of Title 32 of the Texas Civil Statutes and any other law that establishes standards of conduct or governs interests in contracts by directors and officers of non-profit corporations.

ARTICLE 9 Amendment of Bylaws

Except as may otherwise be specified under provisions of law or the Articles of Incorporation of the Corporation, these Bylaws may be altered, amended, or repealed and new Bylaws adopted, only by approval of at least a two-thirds (2/3) majority vote the Board of Directors.

ARTICLE 10 Construction and Terms

Section 10.1. Articles of Incorporation. If there is any conflict between the provisions of these Bylaws and the Articles of Incorporation, the provisions of the Articles of Incorporation shall govern. All references in these Bylaws to the Articles of Incorporation shall be to the Articles of Incorporation of this Corporation filed with an office of this state and used to establish the legal existence of this Corporation.

Section 10.2. Severability. Should any provision or portion of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding.



**Council Agenda Item
June 18, 2018**

12. CITY COUNCIL ANNOUNCEMENTS

Discussion, review, and possible action regarding a meeting or activity of one or more of the following entities (each entity refers to a City of Missouri City entity unless otherwise indicated):

Charter Review Commission, Community Development Advisory Committee, Construction Board of Adjustments, Electrical Board, Parks Board, Planning and Zoning Commission, Tax Increment Reinvestment Zone Boards, Fort Bend Chamber of Commerce, Houston-Galveston Area Council, Fort Bend Regional Council, Texas Municipal League, Fort Bend County, Harris County, Gulf Coast Building and Construction Trades Council, Mayor's Youth Commission, Finances and Services Committee, Fort Bend Leadership Forum, Fort Bend County Drainage District, Economic Development Committee, Missouri City Parks Foundation, Missouri City Police and Fire Auxiliary, Livable Community Committee, Texas Parkway Alliance, High Performance Organization Committee, Missouri City Juneteenth Celebration Foundation, Fort Bend County Mayor and Council Association, METRO, Planning, Development and Infrastructure Committee, Fort Bend Independent School District, Greater Fort Bend Economic Development Coalition, Transportation Policy Council, Community Development Advisory Committee, Veterans Memorial Committee, Missouri City Recreation and Leisure Local Government Corporation, Missouri City Development Authority, and the Greater Houston Partnership and Emergency Management updates.

13. CLOSED EXECUTIVE SESSION

The City Council may go into Executive Session regarding any item posted on the Agenda as authorized by Chapter 551 of the Texas Government Code.

14. RECONVENE

Reconvene into Regular Session and Consider Action, if any, on items discussed in Executive Session.

15. ADJOURN
