

August 17, 2015

On this the 17th day of August 2015 6:30 P.M., the City Commission of the City of Hereford, Texas, convened in a regular session in the Commission Chamber, in the City Hall, the meeting being open to the public and notice of said meeting having been given as prescribed by Chapter 551 of the Government Code, with the following members being present and in attendance, to-wit:

Tom Simons, Mayor
Jose A. Garza, Commissioner Place One
Angie Alonzo, Commissioner Place Two
Charlie Kerr, Commissioner Place Three
Linda Cumpton, Commissioner, Place Four
Cathy Bunch, Commissioner Place Five
Sam Metcalf, Commissioner Place Six
Rick L. Hanna, City Manager
Suzanne Finch, City Secretary

Absent: Slater C. Elza, City Attorney

John Carson was in attendance from the Hereford Brand to witness the proceedings. Also in attendance were Assistant City Manager Steve Bartels, Audie Sciumbato (Attorney Underwood Law Firm), Captain Kirsten Williams, and Seletta Gholson.

Mayor Simons voiced the invocation and then called upon Commissioner Bunch to lead the Pledge of Allegiance to the United States flag. He then called the meeting to order, welcomed those in attendance, and introduced each item on the agenda.

REGULAR HEARINGS:

ITEM 1 - Consider approval of minutes for the July 20th, 2015 Regular Meeting.

Commissioner Kerr made the motion to approve the minutes. Commissioner Garza seconded the motion and it passed with the unanimous vote of the City Commission.

ITEM 2 - Consider approval of nominations for the 2016-2017 term on the Deaf Smith County Appraisal District Board.

City Manager Hanna stated in the information is a list of the current Deaf Smith County Appraisal District Board members [Carey Black, Ted Eicke, Kyle McNett, Edward Allison, and Mike Brumley]. He noted we can nominate them or add some of our own; later on, the Commission will be asked to cast their voting block on the nominee(s) of their choice.

Commissioner Garza made the motion to nominate the existing board. Commissioner Bunch seconded the motion and it passed with the unanimous vote of the City Commission.

ITEM 3 - Consider Resolution No. 08.17.15 by the City of Hereford, Texas ("City") denying Southwestern Public Service Company's proposed increase in rates submitted in its application on December 8, 2014; requiring reimbursement of reasonable legal and consultant expenses; finding that the meeting complies with the Open Meetings Act; making other findings and provisions related to the subject; and declaring an effective date.

RESOLUTION NO. 08.17.15

A RESOLUTION BY THE CITY OF HEREFORD, TEXAS ("CITY") DENYING SOUTHWESTERN PUBLIC SERVICE COMPANY'S PROPOSED INCREASE IN RATES SUBMITTED IN ITS APPLICATION ON DECEMBER 8, 2014; REQUIRING REIMBURSEMENT OF REASONABLE LEGAL AND CONSULTANT EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, Southwestern Public Service Company ("SPS") filed a Statement of Intent with the City of Hereford, Texas ("City") to increase its base-rate revenue requirement for its Texas retail service area by approximately \$64.75 million, which is an increase in base revenue of about 12.6%; and

WHEREAS, the City is a regulatory authority under the Public Utility Regulatory Act ("PURA") and under Chapter 33, §33.001 et seq. of PURA has exclusive original jurisdiction over SPS' rates, operations, and services within the municipality; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating SPS' rate request and its changes in tariffs it is prudent to coordinate the City's efforts with a coalition of similarly situated municipalities; and

WHEREAS, the City, in matters regarding applications by SPS to change rates, has in the past joined with other local regulatory authorities to form the Alliance of Xcel Municipalities ("AXM") and in this matter continued its participation in AXM; and

WHEREAS, SPS's rate request, which was filed on about December 8, 2014, consists of a voluminous amount of information including SPS' rate-filing package, pre-filed direct testimony, exhibits, schedules, and workpapers; and

WHEREAS, the City in an earlier Resolution suspended SPS's proposed effective date of January 12, 2015 to allow the City's Special Counsel to review SPS's application; and

WHEREAS, after review of SPS's application to increase rates, AXM's Special Counsel and consultants retained on behalf of AXM concluded that SPS's had not established the need for an increase in rates under current law and applicable rules and regulations; and

WHEREAS, the City, as part of AXM, and SPS attempted to resolve SPS's proposed increase in rates by way of settlement, but were not able to reach agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION FOR THE CITY OF HEREFORD, TEXAS THAT:

Section 1. The findings set out in the preamble are in all things hereby approved.

Section 2. SPS's application to increase rates, which application was submitted to the City on about December 8, 2014, is hereby DENIED.

Section 3. SPS is directed to reimburse and to continue to reimburse AXM's expenses for participation in proceedings before the AXM cities, the Public Utility Commission of Texas, and participation in appeals to the Public Utility Commission of Texas or to the courts, if any, related to SPS's application to increase rates.

Section 4. The City Secretary or other appropriate city official shall notify SPS of this Resolution by sending a copy of the Resolution to Evan Evans, Regional Vice President, Rates and Regulatory Affairs, and Brooke

Trammell, Rate Case Manager, Southwestern Public Service Company, P.O. Box 1261 Amarillo, Texas 79105-1261 and also Stephen Fogel and Matthew Loftus, Xcel Energy Services, Inc., 816 Congress Ave., Suite 1650, Austin, Texas 78701-2471; and AXM shall be notified by sending a copy of this resolution to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Ave., Suite 1250, Austin, Texas 78701.

Section 5. The meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 6. This resolution shall become effective from and after its passage.

PASSED AND APPROVED this 17th day of August 2015.

/s/ Tom Simons
TOM SIMONS, MAYOR

ATTEST:

/s/ Suzanne Finch
SUZANNE FINCH, CITY SECRETARY

City Manager Hanna stated in December of last year, SPS requested a rate increase; cities have the right to deny. He noted even after revisions were made, the cities still felt the increase was way too high; we need to pass this resolution in order to keep the rate increase from going into effect.

Commissioner Metcalf made the motion to approve Resolution No. 08.17.15 denying Southwestern Public Service Company's proposed rate increase. Commission Cumpston seconded the motion and it passed with the unanimous vote of the Commission.

ITEM 4 - Consider cancelling regular City Commission Meeting scheduled for September 7, 2015.

Commissioner Cumpston made the motion to cancel the meeting scheduled for Labor Day. Commissioner Garza seconded and the motion passed with the unanimous vote of the Commission.

ITEM 5 - Announcements and comments from Mayor and City Commissioners.

Commissioner Kerr asked whether or not it is required that parts of the Resolution [Item 3] be read.

Attorney Sciumbato advised it is the better practice to do so - safe to read the pertinent parts, really safe to read all; but, it is not wrong if they are not read; "some cities do and some don't".

Commissioner Cumpston stated the Parks Department is doing an outstanding job of keeping all the City public places well-maintained.

Commissioner Garza thanked the Fire Department, Police Department, Mayor Simons, and City Manager Hanna for all that they do.

Commissioner Bunch stated she is impressed with the Fire Department's practice of giving old equipment to smaller cities that have little or no equipment.

Mayor Simons thanked City Manager for the budget noting it was well done and well presented.

ITEM 6 - Announcements and comments from City Staff.

City Manager Hanna thanked the commissioners for their attendance and their attention to detail noting the Commission would meet in September to formally approve the budget and related items.

Captain Williams stated he appreciated each and everyone of the Council.

ITEM 7 - Public Comments.

Mrs. Gholson commented on the brick streets and the recent discussions regarding their need for repair or replacement; stating "all old things should not be gone."

Mayor Simons stated the real issue is can we afford to re-do the brick streets in the first place; not making any decisions now; but, appreciate the input.

Mayor Simons reminded everyone, September 21st will be the next meeting of the City Commission and they would act on the budget at that time.

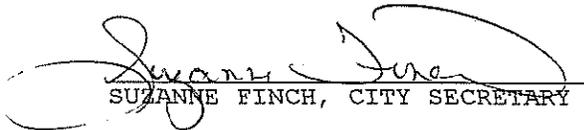
There being no further business before the Commission, the meeting was adjourned at 6:48 p.m.

APPROVED:



TOM SIMONS, MAYOR
CITY OF HEREFORD, TEXAS

ATTEST:



SUZANNE FINCH, CITY SECRETARY