

THE STATE OF TEXAS  
CITY OF RIO HONDO  
COUNTY OF CAMERON

Rick Tello, Commissioner Place 1  
Margaret Perez, Commissioner Place 3  
Joseph Lopez, Commissioner Place 5

Steve Bocanegra, Commissioner Place 2  
Olga L. Gallegos, Commissioner Place 4

Gustavo Olivares  
Mayor

**Notice of a Regular Meeting of the  
City Commission of the City of Rio Hondo  
July 13, 2021**

Pursuant to Chapter 551, Tittle 5 of the Texas Government Code, the Texas Open Meetings Act, notice is hereby given that the governing body of the City of Rio Hondo, Texas will convene for a Regular Meeting at 6:30 p.m. on Tuesday July 13, 2021, at the **Civic Center** on the Second Floor of the Rio Hondo Municipal Building located at 121 N. Arroyo Blvd., Rio Hondo, Texas 78583.

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**PLEDGE OF ALLEGIANCE**

**UNITED STATES PLEDGE**

**INVOCATION:**


**Regular Agenda:**

1. Mayor's and Commissioner's Report
2. Reports – Administration
3. **Public Comment Period: *Please Note- The Public Comment Period is designated for hearing concerns regarding City of Rio Hondo Public Policy or City of Rio Hondo business for both items not on the agenda and items listed on the agenda.***
4. Presentation and Approval of the October 1, 2019, to September 30, 2021, Single Audit for the City of Rio Hondo. (Mrs. Tina Garcia, Accountant)
5. Consideration and Action on the Amended and Restated Contract for Solid Waste Collection and Disposal Services for the City of Rio Hondo, Texas between the City of Rio Hondo ad BFI Waste Services of Texas, LP, a Delaware limited partnership d/b/a Republic Services of Rio Grande Valley for an effective date of August 1, 2021, to July 31, 2025.
6. Report on the Bridge-Fest Celebration by volunteer committee.

7. Public Hearing and Action on Ordinance 2021-001 of the City Commission of the City of Rio Hondo, Texas approving negotiated resolution between the City and Texas Gas Service regarding the company's April 29, 2021 Cost of Service Adjustment filing; Declaring existing rates to be unreasonable; adopting new tariffs that reflect rate adjustments consistent with the negotiated settlement and finding the rates to be set by the attached tariffs to be just and reasonable; providing for the recovery of the City's and TGAS' reasonable and necessary rate case expense; adopting a savings clause; determining that this ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; declaring an effective date; repealing any prior ordinances inconsistent with this ordinance and requiring delivery of this ordinance to the company's and the city's legal counsel.
8. Presentation on the American Rescue Plan Funding and approval to solicit RFQ's for the administration of this program funding.
9. Adjourn.

Note: The City Commission for the City of Rio Hondo reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any matters, on the agenda as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

***Note: The Meeting is accessible to Americans with Disabilities. Persons with disabilities who plan to attend this meeting and who may need assistance, please call the City Secretary at (956) 748-2102, with at least twenty-four hours prior to the meeting.***

  
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Gustavo Olivares  
Mayor of the City of Rio Hondo

**POSTED**

I, City Secretary for the City of Rio Hondo, do hereby certify that this Notice of Meeting is a true and correct record and was posted in the bulletin board outside City Hall, and the bulletin board in the City Hall lobby, at 121 N. Arroyo Blvd, Rio Hondo, Texas 78583 and remained so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

DATE:                      TIME:

July 9 2021 4:00 pm

City Administrator/City Secretary



**Date: July 13, 2021**

Gustavo Olivares, Mayor and City Commission.

Re: Status Report

Dear Mayor and City Commissioners:

#### Status Report COVID-19

The American Rescue Plan funding is becoming available to non-entitlement cities in the month of August or September. The City will receive \$335,378.28 for two years. I will be making a presentation on this program. The city has submit the necessary forms.

#### Senior Center

The City of Rio Hondo is continuing with curb-side meals for the elderly. The staff will request of open the center for vaccinated elderly in September 2021.

#### Streets

The Mesquite Street reconstruction by Rhyner Construction is continuing pending utility poles relocation. The rain event has stopped this construction.

The Library continues to receive patrons. The library continues to offer all services to the public

- All books and materials are available
- Computers are positioned to allow adequate distancing
- Our Reading Room and larger Meeting Room is available

The Summer Reading Program has been scheduled for August 2-6

We have an intern for the summer months. He is

- Organizing materials
- Assisting patrons
- Helping with cleaning, upkeep

We are working on repairing the roof, new LED lighting and other electrical repairs for the library.

Sewer Plant.

The rain event affected the lift station. Staff had rent two additional pumps to maintain the water levels. The storm water infiltration was too much for the system. Staff worked late hours.

Noe Alaniz continues work on the pumps for two lift stations.

Water Plant is almost done with the installation of the pumps is complete. A few more items need to be installed and the project will be completed.

**Sales Tax Revenues for the month May \$33,364.87.**





## ITEM 4

**City of Rio Hondo**

**Single Audit**

**Summary**

**October 1, 2020 to September 30, 2021**

**CITY OF RIO HONDO, TEXAS**  
**COMPARISON OF STATEMENT OF NET POSITION**  
**PRIMARY GOVERNMENT**  
**FOR THE LAST 5 YEARS**

**TOTAL PRIMARY GOVERNMENT**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 342,282	\$ 395,110	\$ 488,050	\$ 1,203,453	\$ 1,263,394
Restricted cash and investments	3,777,571	3,902,611	2,568,988	3,006,390	3,006,271
Utility and trade receivables, net	217,562	290,955	228,401	207,423	202,407
Internal Balances (Due to/from)	-	-	-	-	-
Due from other governments	195,099	216,802	316,245	361,970	409,805
Long-term debt	9,774,261	9,296,246	8,590,497	7,201,519	6,825,815
<b>Total Assets</b>	<b>\$ 14,306,775</b>	<b>\$ 14,101,724</b>	<b>\$ 12,192,181</b>	<b>\$ 11,980,755</b>	<b>\$ 11,707,692</b>
<b>LIABILITIES:</b>					
Accounts payable	\$ 30,888	\$ 31,760	\$ 33,374	\$ 34,500	\$ 40,521
Other liabilities	241,843	320,481	205,365	238,466	291,938
Long-term debt	4,456,550	3,414,499	3,511,021	4,358,590	4,513,344
<b>Total Liabilities</b>	<b>\$ 4,729,281</b>	<b>\$ 3,766,740</b>	<b>\$ 3,749,760</b>	<b>\$ 4,631,556</b>	<b>\$ 4,845,803</b>

**GOVERNMENTAL ACTIVITIES**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 788,365	\$ 571,899	\$ 375,127	\$ 947,593	\$ 867,174
Restricted cash and investments	-	-	-	-	-
Receivables, net	112,205	155,192	129,634	112,225	114,231
Internal Balances (Due to/from)	(704,004)	(704,004)	(704,004)	(1,216,136)	(1,216,136)
Due from other governments	193,590	80,627	295,593	361,970	409,728
Capital assets - net	3,348,199	3,484,823	3,554,588	3,321,125	3,207,619
<b>Total Assets</b>	<b>\$ 3,738,355</b>	<b>\$ 3,588,537</b>	<b>\$ 3,650,938</b>	<b>\$ 3,526,777</b>	<b>\$ 3,382,616</b>
<b>LIABILITIES:</b>					
Accounts payable	\$ 23,805	\$ 15,920	\$ 12,835	\$ 33,269	\$ 22,311
Other liabilities	93,983	93,385	65,025	69,059	155,306
Long-term debt	109,197	129,840	81,502	160,048	220,535
<b>Total Liabilities</b>	<b>\$ 226,985</b>	<b>\$ 239,145</b>	<b>\$ 159,362</b>	<b>\$ 262,376</b>	<b>\$ 398,152</b>

**BUSINESS-TYPE ACTIVITIES**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ (446,083)	\$ (176,789)	\$ 112,923	\$ 255,860	\$ 396,220
Restricted cash and investments	3,777,571	3,902,611	2,568,988	3,006,390	3,006,271
Utility and trade receivables, net	105,357	135,763	98,767	95,198	88,176
Internal Balances (Due to/from)	704,004	704,004	704,004	1,216,136	1,216,136
Due from other governments	1,509	136,175	20,652	-	77
Long-term debt	6,426,062	5,811,423	5,035,909	3,880,394	3,618,196
<b>Total Assets</b>	<b>\$ 10,568,420</b>	<b>\$ 10,513,187</b>	<b>\$ 8,541,243</b>	<b>\$ 8,453,978</b>	<b>\$ 8,325,076</b>
<b>LIABILITIES:</b>					
Accounts payable	\$ 7,083	\$ 15,840	\$ 20,539	\$ 1,231	\$ 18,210
Other liabilities	147,860	227,096	140,340	169,407	136,632
Long-term debt	4,347,353	3,284,659	3,429,519	4,198,542	4,292,809
<b>Total Liabilities</b>	<b>\$ 4,502,296</b>	<b>\$ 3,527,595</b>	<b>\$ 3,590,398</b>	<b>\$ 4,369,180</b>	<b>\$ 4,447,651</b>

**CITY OF RIO HONDO, TEXAS**  
**COMPARISON OF STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**FOR THE LAST 5 YEARS**

	2020	2019	2018	2017	2016
<b>REVENUES:</b>					
Property Taxes-General Fund	\$ 395,932	\$ 400,152	\$ 408,315	\$ 368,953	\$ 468,260
Property Taxes-Debt Service Fund	175,964	150,952	153,374	133,790	26,405
Sales Taxes	225,230	197,527	156,067	157,767	157,029
Franchise Taxes	115,332	112,024	112,021	109,285	101,598
Licenses and Permits	65,450	64,481	7,448	12,623	57,784
Intergovernmental Revenues	261,404	154,239	364,291	205,900	1,034,518
Charges for Services	117,923	132,993	134,459	97,951	141,105
Fines and Forfeitures	29,812	33,131	31,056	29,455	34,766
Miscellaneous & Other Income	30,576	17,805	47,908	234,040	36,133
Note Proceeds	-	63,237	-	-	-
<b>Total Revenues</b>	<b>1,417,623</b>	<b>1,326,541</b>	<b>1,414,939</b>	<b>1,349,764</b>	<b>2,057,598</b>
<b>EXPENDITURES:</b>					
General Government	355,890	357,090	295,052	277,197	244,209
Public Safety	368,682	420,875	379,381	293,837	292,522
Public Works	134,526	148,267	118,615	97,136	114,001
Health and Welfare	72,157	127,077	113,222	112,318	146,611
Culture & Recreation	62,411	93,257	69,365	58,815	58,928
Capital Outlay	123,033	180,522	452,567	330,441	1,022,581
Debt Service:					
Principal	25,861	14,171	81,620	60,945	59,155
Interest	4,746	1,632	4,014	5,814	7,602
<b>Total Expenditures</b>	<b>1,147,306</b>	<b>1,342,891</b>	<b>1,513,836</b>	<b>1,236,503</b>	<b>1,945,609</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 270,317</b>	<b>\$ (16,350)</b>	<b>\$ (98,897)</b>	<b>\$ 113,261</b>	<b>\$ 111,989</b>

**GOVERNMENTAL ACTIVITIES**

	2020	2019	2018	2017	2016
<b>REVENUES:</b>					
Property Taxes	\$ 571,896	\$ 551,104	\$ 561,689	\$ 502,743	\$ 494,665
Property Taxes-Adjustments	7,642	7,394	(1,062)	(7,317)	809
Sales Taxes	225,230	197,527	156,067	157,767	157,029
Franchise Taxes	115,332	112,024	112,021	109,285	101,598
Licenses and Permits	65,450	64,481	7,448	12,623	57,784
Intergovernmental Revenues	261,404	154,239	364,291	205,900	1,034,518
Charges for Services	117,923	132,993	134,459	97,951	141,105
Fines and Forfeitures	29,812	33,131	31,056	29,455	34,766
Miscellaneous & Other Income	30,576	17,805	47,908	234,040	36,133
<b>Total Revenues</b>	<b>1,425,265</b>	<b>1,270,698</b>	<b>1,413,877</b>	<b>1,342,447</b>	<b>2,058,407</b>
<b>EXPENDITURES:</b>					
General Government	359,683	356,362	298,126	277,655	245,412
Public Safety	368,682	420,875	379,381	293,837	292,522
Public Works	134,526	148,267	118,615	97,136	114,001
Health and Welfare	72,157	127,077	113,222	112,318	146,611
Culture & Recreation	62,411	93,257	69,365	58,815	58,928
Depreciation Expense	259,657	250,287	219,104	216,935	185,634
Debt Service:					
Interest	6,171	1,632	4,014	5,814	7,602
<b>Total Expenditures</b>	<b>1,263,287</b>	<b>1,397,757</b>	<b>1,201,827</b>	<b>1,062,510</b>	<b>1,050,710</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 161,978</b>	<b>\$ (127,059)</b>	<b>\$ 212,050</b>	<b>\$ 279,937</b>	<b>\$ 1,007,697</b>

**CITY OF RIO HONDO, TEXAS**  
**COMPARISON OF REVENUES & EXPENDITURES**

**GENERAL FUND**  
**FOR THE LAST 5 YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>REVENUES:</b>					
Property Taxes-General Fund	\$ 395,932	\$ 400,152	\$ 408,315	\$ 368,953	\$ 468,260
Sales Taxes	225,230	197,527	156,067	157,767	157,029
Franchise Taxes	115,332	112,024	112,021	109,285	101,598
Licenses and Permits	65,450	64,481	7,448	12,623	57,784
Intergovernmental Revenues	199,359	152,353	364,291	205,900	1,034,518
Charges for Services	117,923	132,993	134,459	97,951	141,105
Fines and Forfeitures	28,984	31,609	29,199	27,978	33,231
Interest Earned	165	-	-	-	-
Miscellaneous & Other Income	30,411	17,805	24,285	234,040	23,941
Note Proceeds	-	63,237	-	-	-
<b>Total Revenues</b>	<u>1,178,786</u>	<u>1,172,181</u>	<u>1,236,085</u>	<u>1,214,497</u>	<u>2,017,466</u>
<b>EXPENDITURES:</b>					
General Government	352,295	342,198	290,804	273,537	241,355
Public Safety	368,682	420,875	379,381	293,837	292,522
Public Works	134,526	148,267	118,615	97,136	114,001
Health and Welfare	72,157	127,077	113,222	112,318	146,611
Culture & Recreation	62,411	93,257	69,365	58,815	58,928
Capital Outlay	90,908	180,522	452,567	330,441	1,022,581
Debt Service:					
Principal	-	-	52,535	25,020	24,222
Interest	-	-	718	2,552	3,348
<b>Total Expenditures</b>	<u>1,080,979</u>	<u>1,312,196</u>	<u>1,477,207</u>	<u>1,193,656</u>	<u>1,903,568</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>97,807</u>	<u>(140,015)</u>	<u>(241,122)</u>	<u>20,841</u>	<u>113,898</u>
Fund Balance, October 1	<u>(429,872)</u>	<u>(289,857)</u>	<u>(48,735)</u>	<u>(69,576)</u>	<u>(183,474)</u>
<b>Fund Balance, September 30,</b>	<u>\$ (332,065)</u>	<u>\$ (429,872)</u>	<u>\$ (289,857)</u>	<u>\$ (48,735)</u>	<u>\$ (69,576)</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 162,550	\$ 29,403	\$ (280,940)	\$ 153,773	\$ 194,359
Receivables, net	98,513	143,743	121,801	106,303	113,144
Due from other funds	156,308	246,279	482,665	994,797	964,797
Due from other governments	110,838	30,000	244,966	78,899	126,657
<b>Total Assets</b>	<u>\$ 528,209</u>	<u>\$ 449,425</u>	<u>\$ 568,492</u>	<u>\$ 1,333,772</u>	<u>\$ 1,398,957</u>
<b>LIABILITIES:</b>					
Accounts payable	\$ 23,805	\$ 15,920	\$ 12,835	\$ 33,269	\$ 20,950
Other liabilities	32,291	63,818	35,458	39,492	125,739
Due to other funds	746,329	746,329	746,329	1,258,461	1,258,461
<b>Total Liabilities</b>	<u>\$ 802,425</u>	<u>\$ 826,067</u>	<u>\$ 794,622</u>	<u>\$ 1,331,222</u>	<u>\$ 1,405,150</u>



**CITY OF RIO HONDO, TEXAS**  
**COMPARISON OF REVENUES & EXPENDITURES**  
**PROPRIETARY FUNDS**  
**FOR THE LAST 5 YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>REVENUES:</b>					
Water revenues	\$ 494,898	\$ 456,166	\$ 442,444	\$ 465,073	\$ 443,682
Sewer revenues	380,314	354,460	330,358	352,471	337,436
Garbage revenues	184,431	167,212	168,732	161,794	159,425
Operating grant	11,778	51,569	13,615	-	27,665
Penalties	21,533	30,274	22,138	26,061	24,564
Other Income	41,600	6,244	1,832	18,068	38,330
Interest Income	24,389	25,548	1,762	1,623	1,660
Capital grant	90,525	149,975	48,017	91,117	-
<b>Total Revenues</b>	<u>1,249,468</u>	<u>1,241,448</u>	<u>1,028,898</u>	<u>1,116,207</u>	<u>1,032,762</u>
<b>EXPENSES:</b>					
Water department	415,028	380,026	392,641	358,566	427,123
Sewer department	157,451	148,304	169,151	163,259	132,342
Garbage department	176,481	167,101	166,855	161,348	150,195
Depreciation	156,706	157,258	144,660	146,188	146,188
Interest Expense	50,596	56,570	56,993	56,384	53,011
Other Expense	-	-	150,000	-	43,851
<b>Total Expenses</b>	<u>956,262</u>	<u>909,259</u>	<u>1,080,300</u>	<u>885,745</u>	<u>952,710</u>
<b>Changes in Net Position</b>	<u>293,206</u>	<u>332,189</u>	<u>(51,402)</u>	<u>230,462</u>	<u>80,052</u>
Net Position, October 1	<u>5,772,918</u>	<u>5,440,729</u>	<u>5,492,131</u>	<u>5,261,669</u>	<u>5,181,617</u>
<b>Net Position, September 30,</b>	<u>\$ 6,066,124</u>	<u>\$ 5,772,918</u>	<u>\$ 5,440,729</u>	<u>\$ 5,492,131</u>	<u>\$ 5,261,669</u>

**CITY OF RIO HONDO, TEXAS**  
**COMPARISON OF STATEMENT OF NET POSITION**  
**PRIMARY GOVERNMENT**  
**FOR THE LAST 5 YEARS**

**TOTAL PRIMARY GOVERNMENT**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
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**GOVERNMENTAL ACTIVITIES**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
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**BUSINESS-TYPE ACTIVITIES**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
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Other liabilities	147,860	227,096	140,340	169,407	136,632
Long-term debt	4,347,353	3,284,659	3,429,519	4,198,542	4,292,809
<b>Total Liabilities</b>	<b>\$ 4,502,296</b>	<b>\$ 3,527,595</b>	<b>\$ 3,590,398</b>	<b>\$ 4,369,180</b>	<b>\$ 4,447,651</b>

**CITY OF RIO HONDO, TEXAS**  
**COMPARISON OF STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**FOR THE LAST 5 YEARS**

	2020	2019	2018	2017	2016
<b>REVENUES:</b>					
Property Taxes-General Fund	\$ 395,932	\$ 400,152	\$ 408,315	\$ 368,953	\$ 468,260
Property Taxes-Debt Service Fund	175,964	150,952	153,374	133,790	26,405
Sales Taxes	225,230	197,527	156,067	157,767	157,029
Franchise Taxes	115,332	112,024	112,021	109,285	101,598
Licenses and Permits	65,450	64,481	7,448	12,623	57,784
Intergovernmental Revenues	261,404	154,239	364,291	205,900	1,034,518
Charges for Services	117,923	132,993	134,459	97,951	141,105
Fines and Forfeitures	29,812	33,131	31,056	29,455	34,766
Miscellaneous & Other Income	30,576	17,805	47,908	234,040	36,133
Note Proceeds	-	63,237	-	-	-
<b>Total Revenues</b>	<b>1,417,623</b>	<b>1,326,541</b>	<b>1,414,939</b>	<b>1,349,764</b>	<b>2,057,598</b>
<b>EXPENDITURES:</b>					
General Government	355,890	357,090	295,052	277,197	244,209
Public Safety	368,682	420,875	379,381	293,837	292,522
Public Works	134,526	148,267	118,615	97,136	114,001
Health and Welfare	72,157	127,077	113,222	112,318	146,611
Culture & Recreation	62,411	93,257	69,365	58,815	58,928
Capital Outlay	123,033	180,522	452,567	330,441	1,022,581
Debt Service:					
Principal	25,861	14,171	81,620	60,945	59,155
Interest	4,746	1,632	4,014	5,814	7,602
<b>Total Expenditures</b>	<b>1,147,306</b>	<b>1,342,891</b>	<b>1,513,836</b>	<b>1,236,503</b>	<b>1,945,609</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 270,317</b>	<b>\$ (16,350)</b>	<b>\$ (98,897)</b>	<b>\$ 113,261</b>	<b>\$ 111,989</b>

**GOVERNMENTAL ACTIVITIES**

	2020	2019	2018	2017	2016
<b>REVENUES:</b>					
Property Taxes	\$ 571,896	\$ 551,104	\$ 561,689	\$ 502,743	\$ 494,665
Property Taxes-Adjustments	7,642	7,394	(1,062)	(7,317)	809
Sales Taxes	225,230	197,527	156,067	157,767	157,029
Franchise Taxes	115,332	112,024	112,021	109,285	101,598
Licenses and Permits	65,450	64,481	7,448	12,623	57,784
Intergovernmental Revenues	261,404	154,239	364,291	205,900	1,034,518
Charges for Services	117,923	132,993	134,459	97,951	141,105
Fines and Forfeitures	29,812	33,131	31,056	29,455	34,766
Miscellaneous & Other Income	30,576	17,805	47,908	234,040	36,133
<b>Total Revenues</b>	<b>1,425,265</b>	<b>1,270,698</b>	<b>1,413,877</b>	<b>1,342,447</b>	<b>2,058,407</b>
<b>EXPENDITURES:</b>					
General Government	359,683	356,362	298,126	277,655	245,412
Public Safety	368,682	420,875	379,381	293,837	292,522
Public Works	134,526	148,267	118,615	97,136	114,001
Health and Welfare	72,157	127,077	113,222	112,318	146,611
Culture & Recreation	62,411	93,257	69,365	58,815	58,928
Depreciation Expense	259,657	250,287	219,104	216,935	185,634
Debt Service:					
Interest	6,171	1,632	4,014	5,814	7,602
<b>Total Expenditures</b>	<b>1,263,287</b>	<b>1,397,757</b>	<b>1,201,827</b>	<b>1,062,510</b>	<b>1,050,710</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 161,978</b>	<b>\$ (127,059)</b>	<b>\$ 212,050</b>	<b>\$ 279,937</b>	<b>\$ 1,007,697</b>

**CITY OF RIO HONDO, TEXAS**  
**COMPARISON OF REVENUES & EXPENDITURES**

**GENERAL FUND**

**FOR THE LAST 5 YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>REVENUES:</b>					
Property Taxes-General Fund	\$ 395,932	\$ 400,152	\$ 408,315	\$ 368,953	\$ 468,260
Sales Taxes	225,230	197,527	156,067	157,767	157,029
Franchise Taxes	115,332	112,024	112,021	109,285	101,598
Licenses and Permits	65,450	64,481	7,448	12,623	57,784
Intergovernmental Revenues	199,359	152,353	364,291	205,900	1,034,518
Charges for Services	117,923	132,993	134,459	97,951	141,105
Fines and Forfeitures	28,984	31,609	29,199	27,978	33,231
Interest Earned	165	-	-	-	-
Miscellaneous & Other Income	30,411	17,805	24,285	234,040	23,941
Note Proceeds	-	63,237	-	-	-
<b>Total Revenues</b>	<u>1,178,786</u>	<u>1,172,181</u>	<u>1,236,085</u>	<u>1,214,497</u>	<u>2,017,466</u>
<b>EXPENDITURES:</b>					
General Government	352,295	342,198	290,804	273,537	241,355
Public Safety	368,682	420,875	379,381	293,837	292,522
Public Works	134,526	148,267	118,615	97,136	114,001
Health and Welfare	72,157	127,077	113,222	112,318	146,611
Culture & Recreation	62,411	93,257	69,365	58,815	58,928
Capital Outlay	90,908	180,522	452,567	330,441	1,022,581
Debt Service:					
Principal	-	-	52,535	25,020	24,222
Interest	-	-	718	2,552	3,348
<b>Total Expenditures</b>	<u>1,080,979</u>	<u>1,312,196</u>	<u>1,477,207</u>	<u>1,193,656</u>	<u>1,903,568</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>97,807</u>	<u>(140,015)</u>	<u>(241,122)</u>	<u>20,841</u>	<u>113,898</u>
Fund Balance, October 1	<u>(429,872)</u>	<u>(289,857)</u>	<u>(48,735)</u>	<u>(69,576)</u>	<u>(183,474)</u>
<b>Fund Balance, September 30,</b>	<u>\$ (332,065)</u>	<u>\$ (429,872)</u>	<u>\$ (289,857)</u>	<u>\$ (48,735)</u>	<u>\$ (69,576)</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 162,550	\$ 29,403	\$ (280,940)	\$ 153,773	\$ 194,359
Receivables, net	98,513	143,743	121,801	106,303	113,144
Due from other funds	156,308	246,279	482,665	994,797	964,797
Due from other governments	110,838	30,000	244,966	78,899	126,657
<b>Total Assets</b>	<u>\$ 528,209</u>	<u>\$ 449,425</u>	<u>\$ 568,492</u>	<u>\$ 1,333,772</u>	<u>\$ 1,398,957</u>
<b>LIABILITIES:</b>					
Accounts payable	\$ 23,805	\$ 15,920	\$ 12,835	\$ 33,269	\$ 20,950
Other liabilities	32,291	63,818	35,458	39,492	125,739
Due to other funds	746,329	746,329	746,329	1,258,461	1,258,461
<b>Total Liabilities</b>	<u>\$ 802,425</u>	<u>\$ 826,067</u>	<u>\$ 794,622</u>	<u>\$ 1,331,222</u>	<u>\$ 1,405,150</u>



**CITY OF RIO HONDO, TEXAS**  
**COMPARISON OF REVENUES & EXPENDITURES**

**PROPRIETARY FUNDS**  
**FOR THE LAST 5 YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>REVENUES:</b>					
Water revenues	\$ 494,898	\$ 456,166	\$ 442,444	\$ 465,073	\$ 443,682
Sewer revenues	380,314	354,460	330,358	352,471	337,436
Garbage revenues	184,431	167,212	168,732	161,794	159,425
Operating grant	11,778	51,569	13,615	-	27,665
Penalties	21,533	30,274	22,138	26,061	24,564
Other Income	41,600	6,244	1,832	18,068	38,330
Interest Income	24,389	25,548	1,762	1,623	1,660
Capital grant	90,525	149,975	48,017	91,117	-
<b>Total Revenues</b>	<u>1,249,468</u>	<u>1,241,448</u>	<u>1,028,898</u>	<u>1,116,207</u>	<u>1,032,762</u>
<b>EXPENSES:</b>					
Water department	415,028	380,026	392,641	358,566	427,123
Sewer department	157,451	148,304	169,151	163,259	132,342
Garbage department	176,481	167,101	166,855	161,348	150,195
Depreciation	156,706	157,258	144,660	146,188	146,188
Interest Expense	50,596	56,570	56,993	56,384	53,011
Other Expense	-	-	150,000	-	43,851
<b>Total Expenses</b>	<u>956,262</u>	<u>909,259</u>	<u>1,080,300</u>	<u>885,745</u>	<u>952,710</u>
<b>Changes in Net Position</b>	<u>293,206</u>	<u>332,189</u>	<u>(51,402)</u>	<u>230,462</u>	<u>80,052</u>
Net Position, October 1	<u>5,772,918</u>	<u>5,440,729</u>	<u>5,492,131</u>	<u>5,261,669</u>	<u>5,181,617</u>
<b>Net Position, September 30,</b>	<u>\$ 6,066,124</u>	<u>\$ 5,772,918</u>	<u>\$ 5,440,729</u>	<u>\$ 5,492,131</u>	<u>\$ 5,261,669</u>

## ITEM 5



**THE STATE OF TEXAS  
CITY OF RIO HONDO  
COUNTY OF CAMERON**

**AMENDED AND RESTATED CONTRACT FOR SOLID WASTE  
COLLECTION AND DISPOSAL SERVICE**

This Amended and Restated Contract for Solid Waste Collection and Disposal Service for the City of Rio Hondo, Texas (hereafter the "Contract") is made on the 13th day of July 2021 between the City of Rio Hondo, Texas (hereafter "City") P.O. Box 389, Rio Hondo, Texas 78583, and BFI Waste Services of Texas, LP, a Delaware limited partnership d/b/a Republic Services of Rio Grande Valley (hereafter "Contractor"), 9402 W. Expressway 83, Harlingen, Texas 78552. This Contract amends, restates and replaces in its entirety that certain "Contract" for solid waste collection and disposal effective August 1, 2021 and ending July 31, 2025.

**1.00 DEFINITIONS**

1.01 BIN — Metal receptacle designed to be lifted and emptied mechanically for use at commercial and industrial units.

1.02 BRUSH — Tree trimmings, grass cuttings, dead trees (of weight serviceable by contractor equipment) or branches thereof, shrubs, chips shavings resulting from general yard maintenance of occupied residential lots.

1.03 BULKY WASTE — Appliances such as washers, dryers, stoves, air conditioners and refrigerators (provided Freon has been removed by a licensed facility and is labeled as such), water tanks, furniture, and mattresses generated from occupied residential households.

1.04 CITY- City of Rio Hondo, Texas. City Hall 121 North Arroyo Blvd., Rio Hondo, TX 78583

1.05 COMMERCIAL AND INDUSTRIAL REFUSE — All bulky waste, construction/demolition debris, garbage, and rubbish and stable matter generated by a producer or contractor at a commercial and industrial unit.

1.06 COMMERCIAL AND INDUSTRIAL UNIT — All premises locations or entities, public or private requiring refuse collection within the corporation limits of City and not a residential unit.

1.07 CONSTRUCTION / DEMOLITION DEBRIS — Waste building materials resulting from Commercial, Industrial, or residential construction, remodeling, repair or demolition operations.

1.08 CONTAINERS — 96-gallon garbage carts for residential use, to be provided by Contractor, to be used in conjunction with a fully authorized pickup plan.

1.09 CONTRACT DOCUMENTS - Contractor's proposal, general specifications, this Contract and any addenda or changes to the foregoing documents agreed to by City and Contractor. Contract documents shall include the following documents, and this Contract does hereby expressly incorporate same herein as fully as is set forth verbatim in this Contract:

This Contract and all exhibits hereto; and

**a. Important Information Concerning Your Brush/Bulky Service 2020.**

**b. Exhibit A "Rio Hondo Monthly Rates"**

**c. Exhibit B Cart Specifications**

1.10 CONTRACTOR - BFI Waste Services of Texas, LP, a Delaware limited partnership d/b/a Allied Waste Services of Rio Grande Valley//Republic Services of Rio Grande Valley, which is the corporation performing refuse collection and disposal under contract with City.

1.11 DEAD ANIMALS - Animals or portions thereof equal to or greater than 10 pounds in weight that have expired from any cause, except those slaughtered or killed for human use.

1.12 DISPOSAL SITE - A refuse depository including but not limited to sanitary landfills, transfer stations, incinerators, and waste processing/separation centers licensed, permitted or approved to receive for processing or final disposal of refuse and dead animals by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits or approvals.

1.13 EXCLUDED WASTE - Hazardous, special, radioactive, volatile, corrosive, highly flammable, explosive, biomedical, infectious, biohazardous, toxic, or listed or characteristic hazardous waste as defined by applicable law or any otherwise regulated waste.

1.13 GARBAGE - Any and all dead animals of less than 10 pounds in weight, except those slaughtered for human consumption; every accumulation of waste (animal, vegetable and/or other matter) that results from the preparation, processing, consumption dealing in, handling, packing, canning, storage, transportation, decay or decomposition of meats, fish, fowl, birds, fruits, but not by way of limitation, used tin cans and other decomposable waste animal or vegetable matter which is likely to attract flies or rodents); except (in all cases) any matter included in the definition of Excluded Waste, bulky waste, construction debris, dead animals, hazardous waste, rubbish or stable matter.

1.14 HAZARDOUS WASTE - Hazardous Waste, in any amount, which is defined, characterized or designated as hazardous by the United States Environmental Protection Agency or appropriate State Agency by or pursuant to Federal or State law, or waste, in any amount, which is regulated

under Federal or State law. For purposes of this Contract, the term hazardous waste shall also include motor oil, gasoline, paint and paint cans.

1.15 LANDFILL - A lawfully permitted sanitary landfill of Contractor's selection.

1.16 PRODUCER - An occupant of a commercial, industrial, or residential unit who generates refuse.

1.17 REFUSE - Residential, commercial and industrial garbage, brush/bulky items, construction / demolition debris and stable matter generated by a producer or contractor, except (in all cases) any matter not included in the definition of bulky waste, construction debris, dead animals, rubbish, or stable matter. Refuse does not include Excluded Waste.

1.18 RESIDENTIAL REFUSE - All garbage and rubbish generated by a producer or contractor at a residential unit who generates refuse.

1.19 RESIDENTIAL UNIT - A dwelling within the corporate limits of the City with current water services and occupied by a person or group of persons comprising not more than four families. A condominium dwelling, whether of single or multi-level construction, consisting of four or less contiguous or separate single-family dwelling within any such residential unit, or a Small Commercial Unit with residential cart service, shall be treated as a residential unit, except that each single-family dwelling within any such residential unit. Except for pricing differences as set forth in Exhibit A, Small Commercial Units will be treated as Residential Unit for the purposes of this agreement.

1.20 RUBBISH See BULKY WASTE.

1.21 SMALL COMMERCIAL UNIT - a small commercial business including but not limited to, offices, stores, service stations, restaurants, amusement centers, schools, churches, etc., located within the boundaries of the City with current water services.

1.22 STABLE MATTER - All manure and other waste matter normally accumulated in or about a stable, or any animal, livestock or poultry enclosure, and resulting from the keeping of animals, poultry or livestock.

## **2.00 SCOPE OF WORK**

The work under this Contract shall consist of commercial, industrial, construction/demolition, and residential refuse collection and disposal, including all the supervision, material, equipment, labor and all other items necessary to complete said work in accordance with the Contract Documents.

## **3.00 COLLECTION OPERATIONS**

### **3.01 SERVICE PROVIDED**

(a) Contractor shall provide automated curbside collection service for the collection of Residential Refuse from Residential Units with cart service one (1) time per week. Contractor shall provide an appropriate cart to each Residential Unit. Contractor shall pick up and remove all Brush and Bulky Waste once each month from each Residential Unit with cart service under a schedule with City. City shall require, by ordinance that Containers and Brush and Bulky waste shall be placed at curbside by 7:00 a.m. on the designated collection day.

(b) Contractor shall provide new dumpster carts to all residential accounts at the start of year 1 of this Contract. The new carts to be provided are pictured in the attached Exhibit B.

(c) Contractor shall provide dumpster bin collection services for the collection of Refuse to commercial units, industrial units, and multi-family residential complexes of four (4) or more dwellings according to individual agreement.

(d) Contractor shall provide dumpster bin collection services for the collection of construction /demolition debris to commercial, industrial, residential, and multi-family residential complexes of four (4) more dwellings or according to individual agreement.

(e) During the term of this Contract, Contractor shall make available or provide for the special collection from Residential Units of Stable Matter upon terms and conditions as Contractor shall specify. Also, Contractor may from time to time provide for the special collection of Dead Animals and Hazardous Waste at Commercial and Industrial Units and Residential Units at its sole discretion and upon such terms and conditions as Contractor shall specify.

(f) Contractor shall provide the following services to City-owned or operated properties at no additional cost to the City:

- Provide one (1), thirty (30) cubic yard roll-off bin hauled and emptied one (1) time per month. During the initial six (6) months of this Contract, Contractor shall provide a total of six (6) additional roll-off bin hauls as per City's request.
  - Provide one (1), eight (8) cubic yard bin serviced one (1) time per week at City Hall.
-

- Provide one (1) eight (8) cubic yard bin serviced one (1) time per week at City/County park and one (1) eight (8) cubic yard bin serviced one time per week at the Boat Ramp Park only.
- Provide twice a year (1) 30-yard roll-off for tires.
- Provide two (2) 30-yard roll-off to the city monthly for Bulky Waste.

(g) Contractor may from time to time provide for the special collection of dead animals (exceeding 10 lbs. in weight) and tires at its sole discretion and upon such terms as Contractor shall specify. In the event that the residents may desire pick-up of excessive or unusual items, or service not contemplated by ordinance, such residents should make independent arrangements with Contractor. Contractor shall have no obligation whatsoever to collect Excluded Waste. Debris from lot clearing and construction operations including but not limited to rock, brush, tree limbs, tree stumps, and concrete resulting from a general clean-up of vacant or improved property just prior to its occupancy, or resulting from sizable amounts of trees, brush, and debris cleared from property in preparation for construction, will not be removed by Contractor as a part of regular service but may be removed for the owner of the property on payment of an extra charge as agreed to between the owner and Contractor with such payments being made directly to Contractor.

### **3.02 LOCATION OF BINS, CONTAINERS, BRUSH/BULKY WASTE FOR COLLECTION**

- a. Carts and Brush or Bulky Waste shall be placed at curbside for collection as required by City ordinance. Curbside refers to that portion of right-of-way adjacent to paved or traveled City roadways.
- b. Carts Brush, and Bulky Waste shall be placed as close to the roadway as practicable without interfering with or endangering the movement of vehicles or pedestrians. When construction work is being performed in the right-of-way, Carts, Brush, and Bulky Waste shall be placed as close as practicable to an access point for the garbage truck. Contractor may decline to collect any Residential Refuse not properly placed in a Contractor-issued Cart or that visibly contains Excluded Waste.
- c. Contractor shall provide bins for commercial and industrial units whenever Customers request their use. Each bin shall be placed in an accessible, unobstructed

location on a hard surface according to individual agreement, subject to City ordinance. Contractor may decline to collect Refuse in bins not so placed to permit a garbage truck unobstructed access.

- d. Contractor shall not bear responsibility for repair of City or privately -owned street, curbs, driveways or parking lots caused by normal wear and tear associated with providing services as described in this Contract.

### **3.03 ITEMS NOT COLLECTED**

Items not collected under the terms of this Contract include Excluded Waste, batteries, tires, liquids of any kind, asbestos, junk vehicles, dirt, rocks, asphalt, asbestos shingles, items containing Freon, corrugated metal, or any materials not included under the definitions of Garbage, Rubbish, Commercial and Industrial Refuse, Residential Refuse, Construction Debris, Brush or Bulky Waste.

## **4.00 COLLECTION OPERATIONS**

### **4.01 HOURS OF OPERATION**

- a. Collection of Residential Refuse shall not start before 7:00 a.m. or continue after 8:00 p.m. on the same day unless by the mutual agreement of City and Contractor due to unusual circumstances.
- b. Collection of Commercial and Industrial Refuse, as well as Construction Debris, shall take place according to an agreement between Contractor and its customers but such agreement shall conform to the terms of City ordinance.

### **4.02 ROUTES OF COLLECTION**

- a. Residential Unit collection routes shall be established by Contractor. Contractor shall submit a map designating the Residential Unit collection routes to City for its approval, which approval shall not be unreasonably withheld. Contractor may from time to time propose changes in routes or schedule for City approval, which approval shall not be unreasonably withheld. Upon City's approval of the collection routes or any subsequent proposed changes, City shall promptly give written or published notice to the affected Residential Units.
- b. Commercial and Industrial Unit collection routes shall be established by Contractor.
- c. All routing must comply with City and State traffic laws. Contractor is not to use alleyways for traffic passage unless bins are located in the alleyway.



#### **4.03 HOLIDAYS.**

The following shall be recognized holidays for the purpose of this Contract:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Contractor may decide to observe any or all of the above-mentioned holidays by suspension of collection services on the holiday, but such decision in no manner relieves Contractor of its obligation to provide collection services at Residential Units once per week and commercial, industrial, and construction customers as per agreement with customer. Contractor will furnish advanced notice to City of which holidays will be observed and what the alternate schedule will be. Alternate schedules will be subject to approval by City, which shall not be unreasonably withheld.

#### **4.04 COMPLAINTS**

All complaints from a producer, the public or the City shall be made directly to Contractor and shall be given prompt and courteous attention. In the case of alleged missed scheduled collections, Contractor shall investigate, and if such allegations are verified, shall arrange for the collection of refuse not collected within 24 hours after the complaint is received.

#### **4.05 COLLECTION EQUIPMENT**

Contractor shall provide an adequate number of vehicles for regular collection services. All vehicles, bins and other equipment shall be kept in good repair, appearance, and in a sanitary condition at all times. Each vehicle shall have clearly visible, on each side, the identification and website of Contractor. Contractor shall also provide reliable back up vehicles for regular collection service vehicles.

#### **4.06 OFFICE**

Contractor shall maintain an office or other facilities through which it can be contacted. It shall be equipped with sufficient telephones and a local telephone number or a toll-free number, and shall

have a responsible person in charge from 8:00 am. to 5:00 p.m. from Monday through Friday, except for holidays.

#### **4.07 HAULING**

All Refuse hauled by Contractor shall be so contained or enclosed that leaking, spilling or blowing are prevented.

#### **4.08 DISPOSAL**

All Refuse collected for disposal by Contractors shall be hauled to a State-approved disposal site. The charge for disposal shall be included in the rates set forth in the proposal for each Commercial and Industrial Unit, and each Residential Unit serviced by Contractor.

#### **4.09 NOTIFICATION**

City shall notify all producers at Commercial and Industrial Units and Residential Units about complaint procedures, rates, regulations and days for scheduled refuse collection.

#### **4.10 POINT OF CONTACT**

All dealings, contracts, etc., between Contractor and City shall be directed by Contractor in writing to the City Administrator and by City in writing to the Contractor's General Manager.

#### **5.00 COMPLIANCE WITH LAW**

Contractor shall conduct operations under this Contract in compliance with all applicable federal and state laws.

#### **6.00 EFFECTIVE DATE**

This Contract shall be effective upon the execution of the Contract and performance of such Contract shall begin on the date as jointly agreed upon by the parties involved. For the purposes of this Contract, the effective date shall be August 1, 2021.

#### **7.00 NONDISCRIMINATION**

Contractor shall not discriminate against any person because of race, sex, age, creed, color, religion or national origin.

#### **8.00 INDEMNITY**

Contractor will indemnify and save and hold harmless the City, its officers, agents, servants, and employees from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, and reasonable attorneys' fees arising out of a willful or negligent act or omission of Contractor, its officers, agents, servants, and employees with regard to performance under this

Contract; provided, however, that Contractor shall not be liable for any suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorney's fees arising out of the award of this Contract or a willful or negligent act or omission of the City, its officers, agents, servants and employees.

#### **9.00 LICENSES AND TAXES**

Contractor shall obtain all necessary licenses and permits (other than the license and permit granted by this Contract) and promptly pay all taxes required by the State.

#### **10.00 TERM**

This Contract shall be for a (4) four-year period beginning August 1, 2021 and terminating on July 31, 2025.

#### **11.00 INSURANCE**

Contractor shall at all times during the Contract maintain in full force and effect Employer's Liability (or other state-approved program), Worker's compensation (or other state approved program), Public Liability, and Property Damage insurance, including contractual liability coverage for the provision of Section 8.00.

Before commencement of work hereunder, Contractor agrees to furnish to City an Acord form certificate of insurance evidencing that such insurance has been procured and is in full force. The certificates shall contain blanket-form notice of cancellation endorsements for the general and automobile liability policies for notice in the event of cancellation, non-renewal and material change.

For the purpose of this Contract, Contractor shall carry the following types of insurance in at least the limits specified below

Coverage:

Limits of Liability:

Worker's Compensation (or other state approved program)

Statutory

Employer's Liability (or other state-approved program)

\$1,000,000.00

\$1,000,000.00 each occurrence  
\$1,500,000.00 aggregate

Bodily Injury Liability  
Except Automobile

\$1,000,000.00 each occurrence  
\$1,500,000.00 aggregate

Property Damage Liability  
Except Automobile

\$1,000,000.00 each occurrence  
\$1,500,000.00 aggregate

Automobile Bodily Injury Liability

\$1,000,000.00 each occurrence

Automobile Property Damage Liability

**12.00 RESERVED.**

**13.00 BASIS AND METHOD OF PAYMENT**

**13.01 COLLECTION**

- a. For collection service required to be performed pursuant to Section 3.01 (a)-(d), the charges shall not exceed the rates as fixed by the Contract Documents, including the attached Rate Schedule attached to this Contract as Exhibit A as adjusted in accordance with Section 13.02.
- b. For collection provided by Contractor pursuant to Section 3.01 (e) and (g), the charges are to be negotiated between Contractor and the producer prior to collection.
- c. Invoices sent to City by Contractor should reflect the rates shown on the Rate Schedule.
- d. City shall make payment to Contractor no later than the 20th day of the month following the month service was provided.

**13.02 RATES & MODIFICATION TO RATES**

- a. All current rates for the Republic contract ending July 31, 2021 will remain in place for the entire first year of this Contract. As such, there will be no price increases from the

prior Contract ending July 31, 2021, for services provided pursuant to this Contract, until the next price increase effective October 1, 2022, as discussed below. These rates for the first year of this Contract are identified in the attached Ex. A.

- b. The fees which may be charged by Contractor effective October 1, 2022 for year 2 of the Contract; and annually thereafter for years 3 and 4 of this Contract shall be adjusted to reflect changes in the cost of operations, as reflected by fluctuations in the Consumer Price Index for All Urban Consumers Water and Sewer and Trash Collection Services index as published by the U.S. Department of Labor, Bureau of Statistics; specifically, as of October 1, 2022 and every twelve month period thereafter (“Rate Modification Date”) fees shall be adjusted the ensuing twelve-month period in a percentage amount equal to one hundred percent (100%) of the net percentage change of the Water and Sewer and Trash Collection Services index. All percentage changes are to be computed as the twelve month average, year over year difference between the index values as of the month of June. Annually modified rates shall not be lower than preceding year’s rates.
- c. As soon as possible before a Rate Modification Date, Contractor shall send to City a comparative statement setting out for both the Water and Sewer and Trash Collection Services index (i) the twelve-month average index values as of the month of June from the current and previous year; (ii) the net percentage change; (iii) the composite percentage change equal to one hundred (100%) of the net percentage in the Water and Sewer and Trash Collection Services index. Increases enacted under this section shall not exceed four percent (4%) per contract year.
- d. In addition, to the adjustment described in 13.02(a) and 13.02(b), Contractor may from time-to-time petition City for unit price adjustments on the basis of increased disposal costs, change in disposal site, additional duties and responsibilities imposed upon Contractor by changes or additions to laws, ordinances, rules or regulations currently in effect or additional duties and responsibilities imposed by new laws, ordinances, rules and regulations not in effect on the effective date of this Contract.

### **13.03 CITY TO ACT AS COLLECTOR**

City shall submit statements to and collect from all producers for services provided by Contractor pursuant to Section 3.01 (a) including those accounts that are delinquent.

### **13.04 DELINQUENT AND CLOSED ACCOUNTS**

Contractor shall discontinue Refuse collection services to all Residential Unit producers as set forth in a written notice sent to it by City. Upon further notification by City, Contractor shall resume Refuse collection on the next regularly scheduled collection day. City shall indemnify and hold Contractor harmless from any claims, suits, damages, liabilities or expenses (including, but not limited to expenses of investigation and reasonable attorneys' fees) resulting from Contractor's discontinuing service at any location at the direction of City.

### **13.05 CONTRACTOR BILLINGS TO CITY**

Contractor shall bill City for services rendered to Residential Units as stated in section 13.01 (a). If City fails to pay Contractor within thirty (30) days of date due, services may be suspended by Contractor until past due amounts are paid in full. In the event services are suspended for any period of time, and in the event Contractor resumes services, City will not be allowed a credit for any period of suspension.

Subsequent to said billing, Contractor shall be entitled to payment for services rendered to all Residential Units irrespective of whether or not City collects from the producer for such services.

### **13.06 CONTRACTOR TO ACT AS COLLECTOR**

Contractor shall submit statements to and collect from all producers for services provided by Contractor pursuant to Section 3.01 (b), (c), (d), (e) and (g) including those accounts that are delinquent.

### **13.07 FRANCHISE FEES**

City shall receive five percent (5%) of all front-load bin revenues as a franchise fee that shall be paid to City on a monthly basis.

### **14.00 TRANSFERABILITY OF CONTRACT**

Other than by operation of law and assignment to affiliates of Contractor, no assignment of the Contract or any right accruing under this Contract shall be made in whole or in part by Contractor without the express written consent of City, which consent shall not be unreasonably withheld. In the event of any assignment, the assignees shall assume the liability of Contractor.

### **15.00 EXCLUSIVE CONTRACT**

Contractor shall have the sole and exclusive franchise, license, and privilege to provide Residential, Commercial, and Industrial Refuse (including construction/demolition debris) collection and disposal services within the corporate limits of City. Contractor shall at all times



have the right of first refusal to the collection of Dead Animals, tires, special waste, and Hazardous Waste from Residential Units and Commercial and Industrial units.

#### **16.00 OWNERSHIP**

Title to Refuse or any Dead Animals shall pass to Contractor when placed in Contractor's collection vehicle, removed by Contractor from a bin or Container, or removed by Contractor from the customer's premises, whichever last occurs. Title to and liability for Excluded Waste shall at no time pass to Contractor.

#### **17.00 RECORDS AVAILABLE FOR INSPECTION**

All records maintained by Contractor directly relating to Contractor's performance of this Contract, excluding personnel files and other Contractor confidential information, shall be available for inspection, audit or photocopying by City during regular business hours upon reasonable advance notice.

#### **18.00 JURISDICTION**

Any disputes arising under this Contract shall be decided pursuant to the laws of the State of Texas and venue shall rest in Cameron County, Texas.

#### **19.00 TERMINATION**

Notice of Breach — In the event of a significant material breach of any term of this Contract, the City Commission shall by official action adopted at a City Commission meeting give Contractor formal notice of the material breach of the Contract. A letter signed by the Mayor or City Administrator shall be promptly delivered to Contractor at the address provided herein. Contractor shall have no more than thirty (30) calendar days from the receipt of notice of material breach to correct or relieve the material breach of the Contract and notify the City Administrator, in writing, of the action for remediation taken by Contractor to correct or relieve the material breach of the Contract. Should the City Commission at its reasonable discretion determine that Contractor failed to correct or relieve the material breach of the Contract, the City Commission, by official action, may terminate this Contract. Such termination shall be effective at the reasonable discretion of the City Commission in the best interest of the community and to protect the health and safety of the residents.

#### **20.00 DISASTER EMERGENCY CLEAN UP**

In the event of a natural disaster for which the City is declared an emergency or disaster area by the State or Federal Government, it shall be the City's responsibility to dispose of all items,

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including brush and bulky waste, caused by such disaster; and will attempt in good faith to use Contractor's services and facilities if they can be used at a competitive cost as compared to other disposal providers made available to City by the state, county or FEMA.

**21.00 ENTIRE AGREEMENT**

This Contract together with any attachments hereto represents the entire agreement between the parties hereto and any other representatives or inducements which may have been made between the parties and which are not included herein are void.

**22.00 CONDITIONS OF CONTRACT**

This Contract is entered into subject to the following conditions:

- (a) Neither Contractor nor City shall be liable for the failure to perform their duties if such failure is caused by a catastrophe, riot, war, governmental order or regulation, strike, tire, accident, act of God, inclement weather, pandemic or epidemic, or other similar or different contingency beyond the reasonable control of Contractor or City.
- (b) In the event that any provision or portion thereof of any Contract Document shall be found to be invalid or unenforceable, then such provision or portion thereof shall be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of any Contract Document shall not affect the validity or enforceability of any other provision or portion of the Contract Documents.
- (c) The provisions of this Contract shall be strictly complied with and conformed to by the Contractor and the City, and no amendment to this Contract shall be made except upon the written consent of the City and the Contractor. No amendment to this Contract shall be construed to release either party from any obligation of this Contract except as especially provided for in such amendment.

IN WITNESS WHEREOF, WE, the contracting parties, by our duly authorized agents, hereto affix our signatures and seals at Rio Hondo, Texas, as of the

\_\_\_\_\_ day of \_\_\_\_\_, 2021.

CITY OF RIO HONDO, TEXAS  
A Municipal Corporation of  
Cameron County, Texas

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved by Legal Counsel \_\_\_\_\_

SEAL of the City of Rio Hondo, Texas

Attest: \_\_\_\_\_

City Secretary

CONTRACTOR:

BFI Waste Services of Texas, LP d/b/a Allied Waste Services of Rio Grande Valley

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit A- Rio Hondo Monthly Rates Effective August 1, 2021-September 31, 2022**

- Once per week Residential Refuse Container collection including once per month Brush and Bulky Waste service: \$19.68 per unit.
- Once per week Residential Unit extra Container collection (one per unit at this rate): \$6.15 per unit. Total for 2 carts is \$19.68 + \$6.15 for a total of \$25.83
- Once per week Residential Unit collection with 3 carts including once per month Brush and Bulky Waste service: \$40.10.
- Once per week Small Commercial Unit with Container collection including once per month Brush and Bulky Waste service: \$27.94 per unit.
- Once per week Small Commercial extra Container collection (one per unit at this rate): \$6.15 per unit. Total for 2 carts is \$27.94 + \$6.15 for a total of \$34.09

**Rio Hondo - Commercial Rates as of August 1, 2021**

**Commercial Rates 2021-2022**

Container Size	1 x wk	2 x wk	3 x wk	4 x wk	5 x wk	
2 cubic yard	\$ 102.98	\$ 178.54	\$ 253.98	\$ 326.57	\$ 402.93	
3 cubic yard	\$ 112.65	\$ 194.78	\$ 276.92	\$ 357.09	\$ 439.21	
4 cubic yard	\$ 126.04	\$ 213.88	\$ 303.66	\$ 391.49	\$ 479.31	
6 cubic yard	\$ 187.14	\$ 339.91	\$ 494.60	\$ 647.36	\$ 802.05	
8 cubic yard	\$ 210.07	\$ 385.76	\$ 554.73	\$ 723.73	\$ 943.39	
30 cubic yard	Haul Rate	\$ 282.87	Tonnage Rate	\$ 39.20	Rental Rate	\$ 6.70

- \*Rental waived if hauled at least twice per month.
- \*Extra Yardage Fees will be applied to Commercial Rates for containers that are overfilled beyond the capacity of container at a rate of \$40.00 per yard. Evidence of overfilled container will be provided to customer.

# ATTENTION RIO HONDO RESIDENTS

## IMPORTANT INFORMATION CONCERNING YOUR BRUSH/BULK SERVICE

Once per month (see schedule below), you will receive a brush/bulky item pickup for a total of 12 collections per year. Please keep brush free of debris listed below under items not collected. Keep brush in a separate pile from bulky items (see below). Note: Brush must not exceed 8 feet in length.

Acceptable Brush Items	Acceptable Bulk Items	Unacceptable Brush/Bulk Items	
Tree limbs Shrubs Grass (must be bagged) Leaves (must be bagged)	Furniture Sofas Tables Chairs Mattresses Washers/dryers Water heater	Tires Construction material Demolition material Roof shingles/sheet rock Corrugated metal Concrete/asphalt Lumber Cardboard boxes	Liquids Hazardous materials Blocks/bricks Dirt Car parts Household garbage Batteries *Items with Freon®
<i>*Items containing Freon such as refrigerators, freezers, or air conditioners must have the Freon removed by an authorized facility and be labeled with a decal from that facility indicating that it has been removed. Contact Republic Services customer service with any and all questions about special pickups or unacceptable items.</i>		<b>No Computers, TVs, or electronics.</b> <i>*Or any items not listed as acceptable under brush/bulky items.</i>	

2021 Brush/Bulk Collection Schedule		
January 4 - January 8 February 1 - February 5 March 1 - March 5 April 5 - April 9	May 3 - May 7 May 31 - June 4 July 5 - July 9 August 2 - August 6	September 6 - September 10 October 4 - October 8 November 1 - November 5 December 6 - December 10
<i>Please be sure to have your brush/bulk items at the curb and ready for pickup PRIOR to your scheduled week listed below. Truck will only make one pass and cannot return for late set outs. If we have serviced your area, please do not set out any late brush/bulk items. They will not be serviced until the following month!</i>		

### IMPORTANT SERVICE GUIDELINES

Please do not place items within 6 feet of any obstacles such as gas or water meters, telephone service boxes, overhead wires of any kind, parked cars, building overhangs, etc. In order to help achieve recycling goals, please place your brush and bulky items in separate piles. Place brush/bulky items at the curb instead of the alley whenever possible to avoid access problems. If you should require a second cart, contact City Hall.

*We greatly appreciate your cooperation in helping us keep the City of Rio Hondo as beautiful as it can be!  
 If you have any questions or service concerns, please contact Republic Services customer service at 800.423.7316.*



**We'll handle it from here.®**

**ITEM 7**

ORDINANCE NO. 2021-004

**AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF RIO HONDO, TEXAS, (“CITY”) APPROVING A NEGOTIATED RESOLUTION BETWEEN THE CITY AND TEXAS GAS SERVICE (“TGS” OR “THE COMPANY”) REGARDING THE COMPANY’S APRIL 29, 2021 COST OF SERVICE ADJUSTMENT (“COSA”) FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING NEW TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; PROVIDING FOR THE RECOVERY OF THE CITY’S AND TGS’ REASONABLE AND NECESSARY RATE CASE EXPENSES; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; REPEALING ANY PRIOR ORDINANCES INCONSISTENT WITH THIS ORDINANCE AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY’S AND THE CITY’S LEGAL COUNSEL.**

WHEREAS, the City of \_Rio Hondo, Texas (“City”) is a gas utility customer of Texas Gas Service (“TGS” or “the Company”), and a regulatory authority with an interest in the rates and charges of TGS; and

WHEREAS, pursuant to the terms of the agreement settling TGS’ 2017 Statement of Intent to increase rates, to which City was a signatory, the City and other municipalities within the Rio Grande Valley Service Area and TGS worked collaboratively to develop the Cost of Service Adjustment (“COSA”) tariff that allows for an expedited comprehensive rate review process; and

WHEREAS, on or about April 29, 2021, TGS filed with the City a COSA tariff seeking to increase natural gas rates to all customers residing in the City; and

WHEREAS, the Company requested a system-wide increase of \$4,262,987; and



WHEREAS, the City coordinated a review of TGS' COSA filing and designated attorneys and consultants to resolve issues in the Company's COSA filing; and

WHEREAS, the Company has filed evidence that existing rates are unreasonable and should be changed; and

WHEREAS, independent analysis by the City's rate expert concluded that TGS is able to justify an increase over current rates; and

WHEREAS, the City's attorney and consultant recommend that the City approve the Settlement Agreement reflecting increased revenues of \$3,842,357 on a system-wide basis; and

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated resolution reached by the City and are just, reasonable, and in the public interest; and

WHEREAS, the negotiated resolution of the Company's COSA filing and the resulting rates are, as a whole, in the public interest; and

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

Section 1. That the City Commission finds that the existing rates for natural gas service provided by TGS are unreasonable and the new tariffs implementing this Ordinance, which are attached hereto and incorporated herein as Attachment A, are just and reasonable and are hereby adopted.

Section 2. That a rate increase of \$3,842,357 on a system-wide basis is reasonable.

Section 3. That TGS shall reimburse the reasonable ratemaking expenses of the City in processing the Company's rate application.

Section 4. That to the extent any resolution or ordinance previously adopted by the Commission is inconsistent with this Ordinance, it is hereby repealed.

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

Section 6. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 7. That the tariffs attached as Attachment A to this Ordinance shall become effective for meters read on and after July 28, 2021 consistent with the COSA tariff.

Section 9. That a copy of this Ordinance shall be sent to TGS, care of Stephanie Houle, 1301 South Mopac, Suite 400, Austin, Texas 78746, and to Thomas L. Brocato, Special Counsel to the City, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED this \_\_\_13TH day of \_\_July, 2021.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

## **Model Staff Report in Support of TGS COSA Rate Increase Ordinance**

### **Background**

On April 29, 2021, Texas Gas Service Company (“TGS” or “Company”) filed for a rate increase pursuant to the Cost of Service Adjustment (“COSA”) tariff adopted by the Rio Grande Valley Service Area (“RGVSA”) Cities. TGS claimed an entitlement to rate relief under the tariff in the amount of \$4,262,987 on a system-wide basis. Attorney, Thomas Brocato, and consultant, Karl Nalepa, relied upon by the city coalition to review the TGS filing and negotiate a settlement, agreed to recommend a settlement of \$3,842,357 on a system-wide basis.

### **Purpose of the COSA**

The Texas Legislature allows gas utilities to annually adjust rates based on changes to invested capital. That statutory provision is referred to as the Gas Reliability Infrastructure Program (“GRIP”). In a GRIP proceeding, cities are not allowed to intervene at the Railroad Commission, cannot challenge the reasonableness of any investment, and may not recover rate case expenses. In 2009, RGVSA Cities negotiated a COSA tariff as a three year experimental substitute for the GRIP process. Finding the COSA process to be mutually beneficial, the COSA process was renewed at the end of the experiment. In 2012, Cities and TGS agreed to a revised COSA tariff. In 2017, Cities and TGS agreed to revise the existing COSA tariff. This is the third filing under the revised tariff.

### **Resolution of the 2021 Filing**

Cities’ consultant found that TGS’ cost of service calculations were consistent with the terms of the COSA tariff. However, he identified several adjustments that were appropriate. After meeting to discuss the adjustment, the parties were able to reach negotiated resolution of the 2021 COSA.

In summary, the parties agreed to a total revenue requirement adjustment of \$780,364 off of the Company’s original request of \$4,262,987. The agreed reductions to the revenue requirement results in a total increase of \$3,842,357.

### **EXPLANATION OF “BE IT ORDAINED” PARAGRAPHS IN THE ORDINANCE**

- Section 1. When rates change, it is critical for the regulatory authority to find existing rates to be unreasonable and for the new rates to be just and reasonable. This section finds that the new rates reflected in tariffs for each customer class attached to the Ordinance are reasonable.
- Section 2. This paragraph authorizes TGS to collect an additional \$3,842,357 in revenue.
- Section 3. This paragraph requires the Company to reimburse the City for consulting and legal costs associated with the requested increase.

- Section 4. This paragraph repeals any prior City action that might be inconsistent with the new tariffs adopted by the Council.
- Section 5. This paragraph recites compliance with the Open Meetings Act.
- Section 6. This paragraph is a typical savings clause, preserving the remaining provisions of the Ordinance should any one provision be determined to be invalid.
- Section 7. Pursuant to the COSA tariff, the new rates are to become effective on or after the first billing cycle of August each year. This paragraph allows the Company to implement the new rates on meter reads that occur on or after July 28, 2021.
- Section 8. This paragraph requires that an adopted and signed copy of the Ordinance be sent to the Company and outside counsel to the City.

### **RECOMMENDATION**

The City staff recommends adoption of the Ordinance and tariffs establishing new rates.

**COST OF SERVICE ADJUSTMENT CLAUSE**

**A. APPLICABILITY**

This Cost of Service Adjustment Clause applies to all gas sales and standard transportation rate schedules of Texas Gas Service, a division of ONE Gas, Inc. (the "Company") currently in force in the incorporated areas of the Company's Rio Grande Valley Service Area ("RGVSA"). All rate calculations under this tariff shall be made on a RGVSA system wide basis. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner set forth herein. The rate adjustments implemented under this mechanism will reflect annual changes in the Company's cost of service and rate base as computed herein. This Rate Schedule 1-1 is authorized for an initial implementation period of three years commencing with the Company's filing under this rate schedule for the calendar year 2017, effective the first billing cycle of August 2018 and shall automatically renew for successive annual periods unless either the Company or the regulatory authority having original jurisdiction gives written notice to the contrary to the other by February 1, 2021, or February 1 of each succeeding year. Both the cities and the Company retain their statutory right to initiate a rate proceeding at any time.

**B. EFFECTIVE DATE**

Rate adjustments shall be made in accordance with the procedures described below on an annual basis. The Company shall make its annual filing no later than May 1, with the rate adjustments to be effective for meters read on or after the first billing cycle of August each year. The first filing pursuant to this Rider shall be no later than May 1, 2018 and shall be based on the financial results for the calendar year ending December 31, 2017.

**C. COMPONENTS OF THE RATE ADJUSTMENT**

Calculation of the rate adjustment will be based on operating expenses, return on investment, and Federal Income Tax. The first \$0.50 of the residential rate adjustment shall be included in the residential monthly Customer Charge of the applicable rate schedules with the excess of that amount applied to the Commodity Charge. The rate adjustment shall be included in the monthly Customer Charge of all other applicable rate schedules. The actual percentage change in total calendar year operating expenses shall not exceed five percent (5%), provided that the costs for the Company to provide public notice and reimburse City and Company rate case expenses as required herein, shall not be included in calculating the five (5%) limitation. The Company shall file with each regulatory authority having original jurisdiction over the Company's rates the schedules specified below, by FERC Account, for the prior calendar year period. The schedules will be based upon the Company's audited financial data, as adjusted, and provided in a format that will allow for the same analysis as that undertaken of a Company Statement of Intent filing, and shall include the following information:

**C.1 Operating Expenses** - Operating expenses will be those reported as part of our audited financials that are reconciled to the general ledger and assigned to the RGVSA level (either directly or allocated) in a manner consistent with the most recent RGVSA rate case.

The applicable expenses are:

Depreciation and Amortization Expense (Account Nos. 403-405) \*

Taxes Other Than FIT (Account No. 408) \*\*

Operation and Maintenance Expenses (Account Nos. 850-894, excluding any cost of gas related expenses)

Customer Related Expenses (Account Nos. 901-916) \*\*\*

Administrative & General Expenses (Account Nos. 920-932)

Interest on Customer Deposits (Account No. 431)

This information will be presented with supporting calculations.

\* Based on the last approved depreciation methods and lives.

\*\* Includes Texas Franchise Tax. Excludes City Franchise Fees, Gross Receipts, and any other revenue-based tax.

Meters Read On and After  
November 28, 2018

Meters Read On and After  
TBD

**COST OF SERVICE ADJUSTMENT CLAUSE**

\*\*\* Account 9040, bad debt reserve accruals, will be replaced by Account 1440, bad debt actual write-offs, beginning with the COSA filed for calendar year ending December 31, 2021.

All shared expenses allocated to the RGVSA must be supported by workpapers containing the allocated amount, methodology and factors. The Company shall provide additional information for all operating expenses upon request by the regulatory authority during the ninety (90) day review period specified in Section D.

**C.2 Return on Investment** - The rate of return will remain constant at the Weighted Cost of Capital authorized in the most recent RGVSA rate case. The return on investment is the rate of return multiplied by the rate base balance for the applicable calendar year.

The rate base balance is composed of:

Net Utility Plant in Service at year-end \*  
RRC 8.209 Regulatory Asset Balance

Plus:

Other Rate Base Items:

Materials and Supplies Inventories -13-month average  
Prepayments (including Prepaid Pension) – 13-month average  
Cash Working Capital – shall be calculated using the lead/lag days from the most recent RGVSA rate case

Less:

Customer Deposits (Account No. 235) at year-end  
Customer Advances (Account No. 252) at year-end  
Deferred Federal Income Taxes at year-end, adjusted to reflect the federal income tax rate in C.3.

\* Net Utility Plant in Service as shown by FERC account. Gross utility plant in service and accumulated depreciation by account will be shown separately

Supporting information for all rate base items shall be provided to the regulatory authority during the ninety (90) day review period specified in Section D upon request by the regulatory authority.

**C.3 Federal Income Tax**

Applicable calendar year federal income taxes will be calculated as follows:

Net Taxable Income (applicable calendar-year end rate base multiplied by rate of return from the most recent RGVSA rate case included in Section C.2.)

Less: Interest on Long Term Debt (applicable calendar-year end rate base multiplied by debt cost component of return from the most recent RGVSA rate case)

Multiplied by: Tax Factor  $(.21 / (1-.21))$  or .265823.

The Tax Factor will be calculated using the federal income tax rate(s) in effect during the period revenues from the COSA will be collected, including newly enacted federal tax rates to the extent such new rates are known at the time of the annual filing.

**COST OF SERVICE ADJUSTMENT CLAUSE**

**C.4 Cost of Service Adjustment** - The amount to be collected through the Cost of Service Adjustment will be the sum of the amounts from Sections C.1, C.2, and C.3 that total to the revenue requirement, less the calendar year actual non-gas revenue and other revenue (i.e., transportation revenue and service charges), adjusted for the revised Texas Franchise Tax described in Chapter 171 of the Texas Tax Code.

The formula to calculate the Cost of Service Adjustment is:

$$\frac{[(C.1 \text{ Operating Expenses} + C.2 \text{ Return on Investment} + C.3 \text{ Federal Income Tax} - \text{Actual Non-Gas and Other Revenues})]}{(1 - \text{Texas Franchise Tax statutory rate})}$$

**C.5 Cost of Service Adjustment Rate and Cost of Service Adjustment Volumetric Rate**

The Cost of Service Adjustment as calculated in Section C.4 will be allocated among the customer classes in the same manner as the cost of service was allocated among classes of customers in the Company's latest effective rates for the RGVSA. The cost of service adjustment for each customer class will then be converted into a per-customer per-month amount to produce the Cost of Service Adjustment Rate. The per customer adjustment will be the Cost of Service Adjustment as allocated to that class, divided by the average number of gas sales customers in each class for the RGVSA. The Cost of Service Adjustment Rate will be this per customer adjustment amount divided by 12 to produce a monthly adjustment amount, either an increase or decrease, which will be included in the gas sales and standard transportation customer charges. For the residential class only, the Cost of Service Adjustment rate will be limited to \$0.50 in any one year, and the remaining portion of the Cost of Service Adjustment allocated to the residential class will be recovered through a Cost of Service Adjustment Volumetric Rate, which will be calculated by dividing the remaining portion to be recovered from residential customers by annual, weather-normalized residential volumes.

**C.6 Attestation**

A sworn statement shall be filed by the Company's Director of Rates, affirming that the filed schedules are in compliance with the provisions of this tariff and are true and correct to the best of his/her knowledge, information, and belief. No testimony shall be filed.

**C.7 Proof of Revenues**

The Company shall also provide a schedule demonstrating the "proof of revenues" relied upon to calculate the proposed Cost of Service Adjustment rate. The proposed rates shall conform as closely as practicable to the revenue allocation principles in effect prior to the adjustment.

**C.8 Notice**

Notice of the annual Cost of Service Adjustment shall be provided in a form similar to that required under Section 104.103, TEX. UTIL. CODE ANN not later than the 60th day after the date the utility files the COSA with the regulatory authority. The notice to customers shall include the following information:

- a) a description of the proposed revision of rates and schedules;
- b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer class;
- c) the service area or areas in which the proposed rate adjustment would apply;

**COST OF SERVICE ADJUSTMENT CLAUSE**

- d) the date the proposed rate adjustment was filed with the regulatory authority; and
- e) the Company's address, telephone number, and website where information concerning the proposed cost of service adjustment may be obtained.

**D. REGULATORY REVIEW OF ANNUAL RATE ADJUSTMENT**

The regulatory authority with original jurisdiction will have a period of not less than ninety (90) days within which to review the proposed annual rate adjustment. During the review period, Company shall provide additional information and supporting documents as requested by the regulatory authority and such information shall be provided within ten (10) working days of the original request.

The rate adjustment shall take effect for meters read on or after the first billing cycle of August each year. This Cost of Service Adjustment Rate Schedule does not limit the legal rights and duties of the regulatory authority. The Company's annual rate adjustment will be made in accordance with all applicable laws. If at the end of the ninety (90) day review period, the Company and the regulatory authority with original jurisdiction have not reached an agreement on the proposed Cost of Service Adjustment Rate, the regulatory authority may take action to deny such adjustment or approve a different adjustment. If at the end of the ninety (90) day review period, the regulatory authority takes no action, the proposed Cost of Service Adjustment Rate will be deemed approved.

The Company shall have the right to appeal any action by the regulatory authority to the Railroad Commission of Texas not later than the 30th day after the date of the final decision by the regulatory authority. Upon the filing of any appeal, the Company shall have the right to implement its Cost of Service Adjustment Rate, subject to refund.

To defray the cost, if any, of regulatory authorities conducting a review of Company's annual rate adjustment, Company shall reimburse the regulatory authorities for their reasonable expenses for such review. Any reimbursement contemplated hereunder shall be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made.

A regulatory authority seeking reimbursement under this provision shall submit its request for reimbursement to the Company following the final approval of the COSA but no later than October 1 of the year in which the adjustment is made. The Company shall reimburse the regulatory authorities in accordance with this provision no later than thirty (30) days of receiving the request for reimbursement.



**Texas Gas Service Company, a Division of ONE Gas, Inc.**

**Rio Grande Valley Service Area**

**RATE SCHEDULE 10**

**RESIDENTIAL SERVICE RATE**

**APPLICABILITY**

Applicable to a residential customer in a single dwelling, or in a dwelling unit of a multiple dwelling or residential apartment, for domestic purposes. A residential consumer includes an individually-metered residential unit or dwelling that is operated by a public housing agency acting as an administrator of public housing programs under the direction of the U.S. Department of Housing and Urban Development. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

**TERRITORY**

The Rio Grande Valley Service Area includes the incorporated areas of Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas.

**COST OF SERVICE RATE**

During each monthly billing period:

A Customer Charge per meter per month of               \$17.52 plus  
All Ccf @    \$0.74376 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Energy Efficiency Program: Adjustments in accordance with the provisions of the Energy Efficiency Program, Rate Schedule 1EE, if applicable.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT.

Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

Taxes: Plus applicable taxes and fees (including franchises fees) related to above.

**CONDITIONS**

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Supersedes Same Sheet Dated  
July 29, 2020

Meters Read On and After  
July 28, 2021

**Texas Gas Service Company, a Division of ONE Gas, Inc.**  
**Rio Grande Valley Service Area**

**RATE SCHEDULE 20**

**COMMERCIAL SERVICE RATE**

**APPLICABILITY**

Applicable to commercial consumers and to consumers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

**TERRITORY**

The Rio Grande Valley Service Area includes the incorporated areas of Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas.

**COST OF SERVICE RATE**

During each monthly billing period:

A Customer Charge per meter per month of	\$122.11 plus (For Commercial Service)
	\$104.11 plus (For Church Service)
All Ccf @	\$0.31650 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Energy Efficiency Program: Adjustments in accordance with the provisions of the Energy Efficiency Program, Rate Schedule 1EE, if applicable.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT.

Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

Taxes: Plus applicable taxes and fees (including franchises fees) related to above.

**CONDITIONS**

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Supersedes Same Sheet Dated  
July 29, 2020

Meters Read On and After  
July 28, 2021

**Texas Gas Service Company, a Division of ONE Gas, Inc.**

**Rio Grande Valley Service Area**

**RATE SCHEDULE 30**

**INDUSTRIAL SERVICE RATE**

**APPLICABILITY**

Applicable to any qualifying industrial customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government.

Division B - Mining - all Major Groups

Division D - Manufacturing - all Major Groups

Divisions E and J - Utility and Government - facilities generating power for resale only

**TERRITORY**

The Rio Grande Valley Service Area includes the incorporated areas of Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas.

**COST OF SERVICE RATE**

During each monthly billing period:

A Customer Charge per meter per month of                    \$712.83 plus

   All Ccf @                    \$0.30336 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule I-INC.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT.

Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

Taxes: Plus applicable taxes and fees (including franchises fees) related to above.

**CONDITIONS**

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

**PUBLIC AUTHORITY SERVICE RATE**

**APPLICABILITY**

Applicable to any qualifying public authority, public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts. This rate is only available to full requirements customers of Texas Gas Service Company, a Division of ONE Gas, Inc.

**TERRITORY**

The Rio Grande Valley Service Area includes the incorporated areas of Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas.

**COST OF SERVICE RATE**

During each monthly billing period:

A Customer Charge per meter per month of	\$112.04 plus
All Ccf @	\$0.38068 per Ccf

**OTHER ADJUSTMENTS**

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Excess Deferred Income Taxes Rider: The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Pipeline Integrity Testing Rider: The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT.

Rate Schedule RCE: Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider.

Taxes: Plus applicable taxes and fees (including franchises fees) related to above.

**CONDITIONS**

Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

**TRANSPORTATION SERVICE RATE**

**APPLICABILITY**

Applicable to customers who have elected Transportation Service not otherwise specifically provided for under any other rate schedule.

Service under this rate schedule is available for the transportation of customer-owned natural gas through Texas Gas Service Company, a Division of ONE Gas, Inc.'s (the "Company") distribution system. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.

**AVAILABILITY**

Natural gas service under this rate schedule is available to any individually metered, non-residential customer for the transportation of customer owned natural gas through the Company's Rio Grande Valley distribution system which includes the incorporated areas of Alamo, Alton, Brownsville, Combes, Donna, Edcouch, Edinburg, Elsa, Harlingen, Hidalgo, La Feria, La Joya, La Villa, Laguna Vista, Los Fresnos, Lyford, McAllen, Mercedes, Mission, Palm Valley, Palmhurst, Palmview, Penitas, Pharr, Port Isabel, Primera, Progreso, Rancho Viejo, Raymondville, Rio Hondo, San Benito, San Juan, Santa Rosa, and Weslaco, Texas. Such service shall be provided at any point on the Company's System where adequate capacity and gas supply exists, or where such capacity and gas supply can be provided in accordance with the applicable rules and regulations and at a reasonable cost as determined by the Company in its sole opinion.

**COST OF SERVICE RATE**

During each monthly billing period, a customer charge per meter per month listed by customer class as follows:

Commercial	\$464.11 per month
Industrial	\$962.83 per month
Public Authority	\$467.04 per month

Plus – All Ccf per monthly billing period listed by customer class as follows:

Commercial	The First 5000 Ccf @	\$0.31650 per Ccf
	All Over 5000 Ccf @	\$0.01777 per Ccf

**TRANSPORTATION SERVICE RATE**  
**(Continued)**

Industrial	The First 5000 Ccf @	\$0.30336 per Ccf
	All Over 5000 Ccf @	\$0.03453 per Ccf
Public Authority	The First 5000 Ccf @	\$0.38068 per Ccf
	All Over 5000 Ccf @	\$0.01595 per Ccf

**ADDITIONAL CHARGES**

- 1) A charge will be made each month to recover the cost of taxes paid to the State of Texas pursuant to Texas Utilities Code, Chapter 122 as such may be amended from time to time which are attributable to the transportation service performed hereunder.
- 2) A charge will be made each month to recover the cost of any applicable franchise fees paid to the cities.
- 3) In the event the Company incurs a demand or reservation charge from its gas supplier(s) or transportation providers in the unincorporated areas of the Rio Grande Valley Service Area, the customer may be charged its proportionate share of the demand or reservation charge based on benefit received by the customer.
- 4) Adjustments in accordance with provisions of the Rate Case Expense Surcharge Rider RCE.
- 5) The billing shall reflect adjustments in accordance with provisions of the Pipeline Integrity Testing Rider, Rate Schedule PIT.
- 6) The billing shall reflect adjustments in accordance with provisions of the Excess Deferred Income Taxes Rider, Rate Schedule EDIT-Rider.

**SUBJECT TO**

- 1) Tariff T-TERMS, General Terms and Conditions for Transportation.
- 2) Transportation of natural gas hereunder may be interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residential and other higher priority customers served. The curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other customers served pursuant to the Company's rate schedule which would otherwise be available to such customer.
- 3) Subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

**ITEM 8**

TEXAS DIVISION OF EMERGENCY MANAGEMENT

# Coronavirus Local Fiscal Recovery Funds

Introductory Briefing



**TDEM**  
THE TEXAS A&M UNIVERSITY SYSTEM



# BRIEFING OBJECTIVES



**Coronavirus Local Fiscal  
Recovery Funds (CLFRF)  
- General Information**



**Funding Disbursement  
in GMS**



**Eligible/  
Ineligible Costs**



**Information  
Resource Locations**



**Account Setup**



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# CLFRF General Information



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## Coronavirus Local Fiscal Recovery Funds (CLFRF)

Under Title IX of the American Rescue Plan Act of 2021, the Coronavirus State and Local Fiscal Recovery Funds were created. This is a \$350 billion appropriation used to make payments for specified uses to states, Tribal governments, territories, and units of local government.

Funding is allocated based on population.



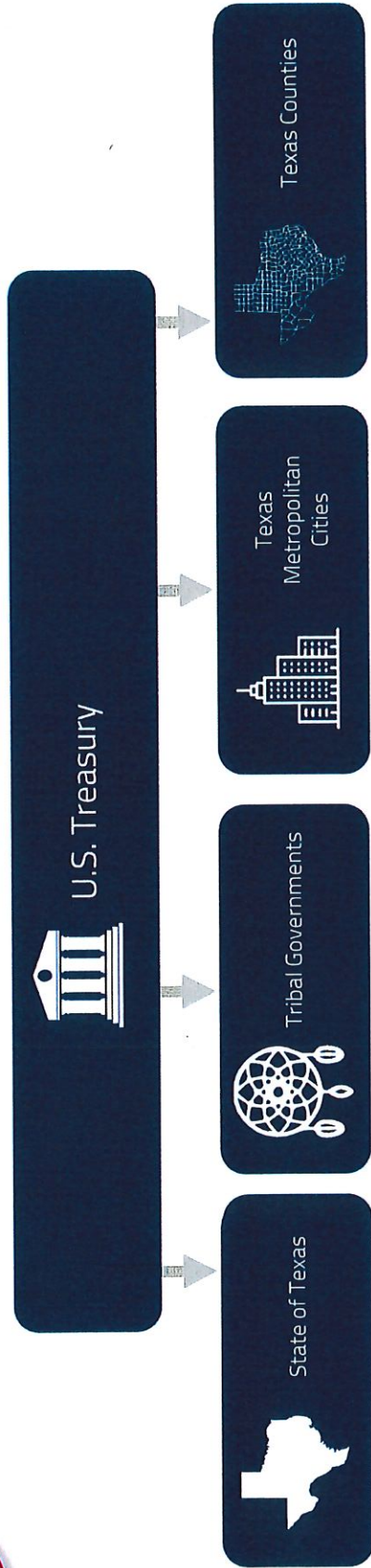
Treasury CLFRF Site



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# Funding Flow



Cities with population under 50,000 referred to as non-entitlement units (NEU)

TDEM maintains an allocation sheet listing amounts allocated to these entities at <https://tdem.texas.gov/clfrf/>



This is the funding we are reviewing in this briefing



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## CLFRF Characteristics

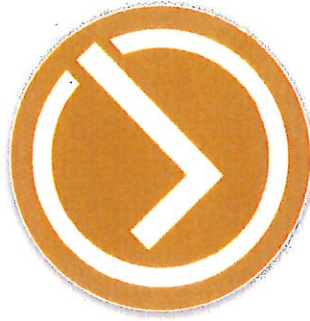
- No cost share
- More flexibility in types of purchases
- Covers costs incurred due to Coronavirus emergency and certain infrastructure costs
- Subject to OIG audit
- Total funding for cities with populations under 50,000 will be capped at 75% of the city's most recent budget as of January 27, 2020



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# Eligible/Ineligible Costs



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## Definition of Eligible Costs

- 1 Expenditures to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts
- 2 Providing premium pay to workers performing essential work during the COVID-19 public health emergency
- 3 Expenditures for the provision of government services to the extent of the reduction in revenue due to the public health emergency
- 4 Expenditures to make necessary investments in water, sewer, or broadband infrastructure



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## Eligibility Date Range

Covers costs obligated between March 3, 2021 and December 31, 2024

“Obligate” means an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment.

Funds must be expended by December 31, 2026



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## Examples of Eligible Costs

### Assistance to:

- ✓ Households
- ✓ Small Businesses
- ✓ Nonprofits

For more  
detail see:



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## Examples of Eligible Costs

### Aid to Impacted Industries such as:

- ✓ Tourism
- ✓ Travel
- ✓ Hospitality

For more  
detail see:



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## Examples of Eligible Costs

### Premium Pay to Eligible Workers Performing Essential Work During COVID-19:

- ✓ City, County and/or Local Government Workers
- ✓ Grants to Eligible Employers
- ✓ Can cover work performed since start of the pandemic
- ✓ Must be paid after March 3, 2021

For more  
detail see:



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## Premium Pay – Definition

### Premium Pay:

- ✓ Up to \$13 per hour paid to an eligible worker
- ✓ In addition to wages
- ✓ For all work performed by the eligible worker during the COVID-19 Public Health Emergency
- ✓ Capped at \$25,000 per employee

For more  
detail see:



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## Eligible Workers – Definition

### Eligible Workers:

- ✓ Workers needed to maintain continuity of operations of essential critical infrastructure sectors
- ✓ Other additional sectors designated by the Mayor as critical to protect the health and well-being of the residents of the city.

For more  
detail see:



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## Examples of Eligible Costs

### Revenue Replacement:

- ✓ Limited to the extent of revenue loss due to COVID-19
- ✓ Reduction measured relative to most recent fiscal year prior to COVID-19 Public Health Emergency

For more  
detail see:



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## Examples of Eligible Costs

### Necessary Infrastructure Investments in:

- ✓ Water
- ✓ Sewer
- ✓ Broadband

For more  
detail see:



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## Examples of Ineligible Costs

- X Deposits to Pension funds
- X Damages covered by insurance
- X Expenses that have been or will be covered by another federal program



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