



## Council Agenda Item

|                                  |   |
|----------------------------------|---|
| Budget Account Code:             | Meeting Date: May 19, 2015                          |
| Budgeted Amount:                 | Department/ Requestor: Administration/ City Council |
| Fund Balance-before expenditure: | Prepared by: City Attorney Shepherd                 |
| Estimated Cost:                  | Date Prepared: May 6, 2015                          |
| Exhibits:                        | 1. PROPOSED RESOLUTION                              |

### AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION 2015-476 APPROVING THE TERMS AND CONDITIONS OF THE INTERLOCAL AGREEMENT BETWEEN PARKER AND THE CITY OF ALLEN REGARDING THE PARKER RANCH SEGMENT OF ALLEN HEIGHTS DRIVE IMPROVEMENTS [SHEPHERD]

### SUMMARY

### POSSIBLE ACTION

Approve/deny/modify/table

| Inter - Office Use          |                    |       |                         |
|-----------------------------|--------------------|-------|-------------------------|
| Approved by:                |                    | Date: |                         |
| Department Head/ Requestor: |                    | Date: |                         |
| City Attorney:              | <i>email</i>       | Date: | <i>5/13/15 @ 4:22pm</i> |
| City Administrator:         | <i>Johnna Boyd</i> | Date: | <i>5-14-2015</i>        |

**RESOLUTION NO. 2015-476**

*(Parker/Allen agreement for Parker Ranch segment of Allen Heights roadway widening)*

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, APPROVING THE TERMS AND CONDITIONS OF THE INTERLOCAL AGREEMENT BETWEEN PARKER AND THE CITY OF ALLEN REGARDING THE PARKER RANCH SEGMENT OF ALLEN HEIGHTS DRIVE IMPROVEMENTS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, The City of Parker ("Parker") and the City of Allen ("Allen") had entered into a Settlement Agreement dated February 19, 1999; and

**WHEREAS**, the subdivision under development known as Parker Ranch required the construction of certain roadways to be connected to the existing Allen Heights Drive, in the City limits of Allen, and

**WHEREAS**, the Settlement Agreement required that Parker widen Allen Heights in Parker by the addition of two additional lanes as platting or development of adjacent land in Parker occurred;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS AS FOLLOWS:**

**SECTION 1.** The letter agreement attached hereto as Exhibit A, dated May 5, 2015, regarding:

- a. the connection of Chaparral Drive and Salisbury Drive to the existing lanes of Allen Heights (described in Exhibit B), and
- b. the timing of the engineering, financing, and construction of that portion of two new lanes of Allen Heights as described in the agreement,

is ratified and approved by the City Council.

**SECTION 2.** Should any word, sentence, paragraph, subdivision, clause, phrase or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

**SECTION 3.** This resolution shall become effective immediately from and after its passage.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Parker, Texas,  
on this the \_\_\_\_\_ day of May, 2015.

CITY OF PARKER, TEXAS

\_\_\_\_\_  
Scott Levine, Mayor Pro Tem

ATTEST:

\_\_\_\_\_  
Carrie L. Smith, City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
James E. Shepherd, City Attorney



May 5, 2015

Peter Vargas  
City Manager  
City of Allen  
305 Century Parkway  
Allen, TX 75013-8042

Re: Allen Heights roadway improvements

Mr. Vargas:

Thank you for taking my call yesterday. We discussed the various issues which exist regarding the road connections to, and the widening of Allen Heights adjacent to the property identified on the attached Exhibit A as Parker Ranch Estates, (hereinafter, "Parker Ranch"). Please note the frontage of Parker Ranch on Allen Heights is marked as 2195 feet, plus or minus. I would propose we make this written agreement based on that conversation to take the following actions:

1. The construction plans filed with Allen by Parker's city engineer April 20, 2015 for road connections to Allen Heights at Chaparral and Salisbury roads are approved. Allen will allow the construction immediately, to be performed in accordance with the April 20, 2015 plans.
2. Parker's city engineer will complete construction plans for that segment of Allen Heights adjacent to Parker Ranch by October 1, 2015.
3. Parker will commence construction of the two lane segment of Allen Heights adjacent to Parker Ranch during the 2015-2016 fiscal year, and complete construction within eighteen (18) months of commencement, so long as:

Final plat(s) for Parker Ranch situated adjacent to Allen Heights have been filed by the developer, approved by Parker, and recorded thereby dedicating the necessary right of way to Parker, and

4. Funding for the roadway construction will be included in the Parker 2015-2016 municipal budget, in accordance with state law. It is anticipated that projected revenue and available fund balance will be sufficient for the cost of construction.

We believe the provisions above are consistent with the Settlement Agreement between the cities. This letter does not change or affect the timing, funding or construction of that segment of Allen Heights north of Parker Ranch to the Parker/Allen city limits, adjacent to the property commonly referred to as the Bolin property.

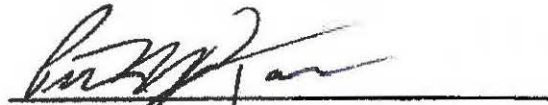
We are still willing to discuss changes to the Settlement Agreement.

Sincerely yours,

A handwritten signature in blue ink, appearing to be "Scott Levine", written over a horizontal line.

Scott Levine  
Mayor Pro Tem  
Parker, Texas

Agreed and Approved:

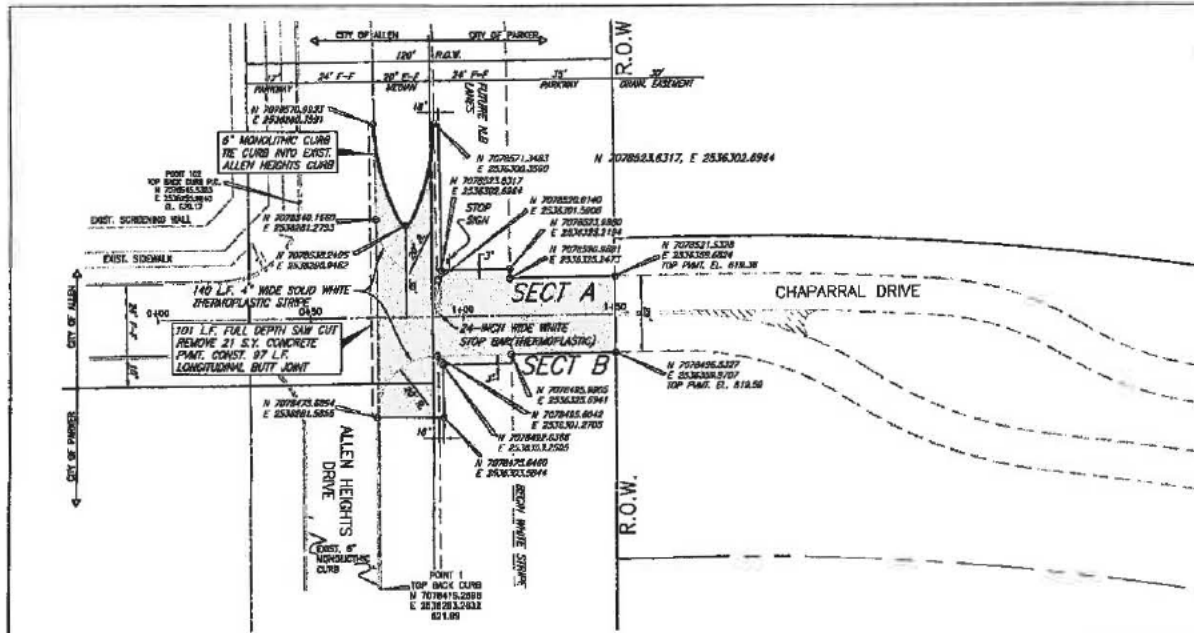
A handwritten signature in black ink, appearing to be "Peter Vargas", written over a horizontal line.

Peter Vargas,  
City Manager  
Allen, TX

Date: 5-7-15

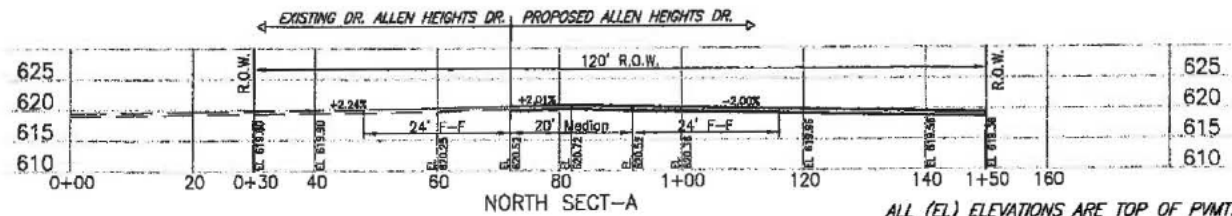
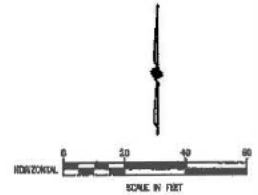


# Exhibit B

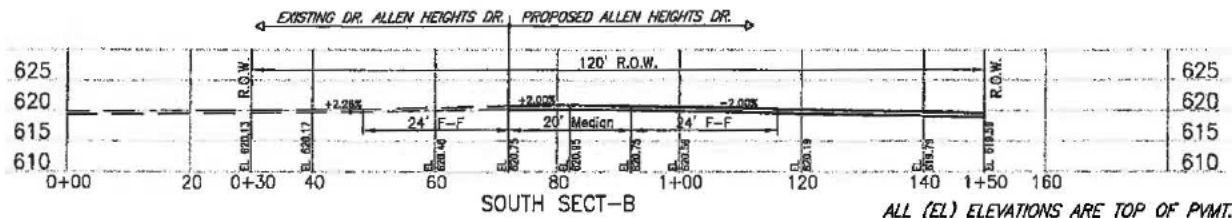


## NOTES:

1. CONTRACTOR SHALL OBTAIN A DEVELOPMENT PERMIT FROM CITY OF ALLEN PRIOR TO CONSTRUCTION WITHIN CITY OF ALLEN RIGHT-OF-WAY. CONTRACTOR SHALL PROVIDE CITY OF PARKER A COPY OF THE PERMIT.
2. CONTRACTOR SHALL SUBMIT FOR REVIEW AND APPROVAL A TRAFFIC CONTROL PLAN TO THE CITY OF ALLEN PRIOR TO WORK WITHIN CITY OF ALLEN RIGHT-OF-WAY. REFERENCE CITY OF ALLEN DETAIL SD-105.
3. 8-INCH REINFORCED CONCRETE 3000 P.S.I. COMPRESSIVE STRENGTH @ 28 DAYS, #3 DEFORMED BARS ON 18-INCH CENTERS EACH WAY.
4. ONCE THE CURB ADJUTING THE THROUGHFARE HAS BEEN SAWCUT AND REMOVED, THE CONTRACTOR SHALL REPLACE THE CONCRETE WITH THE PROPOSED CONCRETE WITHIN 14 CALENDAR DAYS OF THE REMOVAL.
5. STOP SIGN SHALL BE 30-INCHES ACROSS, BE ONE FEET ALUMINUM WITH REFLECTIVE SURFACE HARDWARE SHALL BE SET IN MIN. 2-FEET 2000 P.S.I. CONCRETE.
6. STAMPED CONCRETE MEDIAN SHALL BE KEYSTONE PATTERN WITH BLACK FLASH RED AS THE COLOR.
7. CONSTRUCT MEDIAN IN ACCORDANCE WITH CITY OF ALLEN STD. DETAIL SD-P18 MEDIAN WIDER THAN 6-Feet (1'-30.00')



TYPICAL SECTION (STA. 1+00)  
NO SCALE



TYPICAL SAWCUT DETAIL  
NO SCALE

These plans and related specifications were prepared for the construction of the proposed project only. Any use of these documents in any other project, without the written consent of Birkhoff, Hendricks & Carter, L.L.P., is strictly prohibited. The engineer, B.H.C., is not responsible for any errors or omissions in these plans and specifications, nor for any damages or losses resulting therefrom.

**BIRKHOFF, HENDRICKS & CARTER, L.L.P.**  
PROFESSIONAL ENGINEERS  
Texas Permit: P525  
11916 Greenville Ave., Suite 600  
Dallas, Texas 75243 (214) 351-7500



*John A. Birkhoff*  
4/20/15

**CITY OF PARKER, TEXAS**

ALLEN HEIGHTS INTERSECTIONS

ALLEN HEIGHTS DRIVE & CHAPARRAL DRIVE INTERSECTION  
PLAN AND SECTIONS

BHC  
PROJECT NO.  
4006-208

April, 2015

SHEET NO.

1



## Council Agenda Item

|                                  |   |
|----------------------------------|---|
| Budget Account Code:             | Meeting Date: May 19, 2015                          |
| Budgeted Amount:                 | Department/ Requestor: Administration/ City Council |
| Fund Balance-before expenditure: | Prepared by: City Attorney Shepherd                 |
| Estimated Cost:                  | Date Prepared: May 6, 2015                          |
| Exhibits:                        | 1. PROPOSED RESOLUTION                              |

### AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION 2015-477 APPROVING A CONTRACT WITH BIRKHOFF, HENDRICKS AND CARTER FOR THE PREPARATION OF CONSTRUCTION PLANS FOR THE ALLEN HEIGHTS DRIVE PROJECT. [BIRKHOFF]

### SUMMARY

The City is obligated to construct two additional lanes of Allen Heights road north of Chaparral, adjacent to the new subdivision under construction known as Parker Ranch. Storm water drainage and other construction details require the City to have the City Engineer prepare construction plans for the project. This contract sets forth the requirements for those plans, and the compensation for the engineering work to be done.

### POSSIBLE ACTION

Approve/deny/modify/table

| Inter - Office Use          |                    |       |                         |
|-----------------------------|--------------------|-------|-------------------------|
| Approved by:                |                    |       |                         |
| Department Head/ Requestor: |                    | Date: |                         |
| City Attorney:              | <i>email</i>       | Date: | <i>5/13/15 @ 4:19pm</i> |
| City Administrator:         | <i>Johnna Boyd</i> | Date: | <i>5-14-15</i>          |

**RESOLUTION NO. 2015-477**  
*(Proposal for Engineering Services)*

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, APPROVING THE TERMS AND CONDITIONS FOR ENGINEERING SERVICES FOR ROAD IMPROVEMENTS TO ALLEN HEIGHTS DRIVE AS DESCRIBED IN THE PROPOSAL ATTACHED HERETO AS EXHIBIT "A"; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, City Council has reviewed and evaluated the proposal for engineering services by the city engineer's offices for road improvements to Allen Heights Drive from Chaparral Drive north for 2195 feet;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS AS FOLLOWS:**

**SECTION 1.** The proposal for engineering services from Birkhoff, Hendricks & Carter, L.L.P., dated May 6, 2015, for Allen Heights Drive, attached hereto as Exhibit A, is approved.

**SECTION 2.** All provisions of the resolutions of the City of Parker, Texas, in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this resolution shall remain in full force and effect.

**SECTION 3.** Should any word, sentence, paragraph, subdivision, clause, phrase or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

**SECTION 4.** This resolution shall become effective immediately from and after its passage.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Parker, Texas, on this the \_\_\_\_\_ day of May, 2015.

CITY OF PARKER, TEXAS

\_\_\_\_\_  
Scott Levine, Mayor Pro Tem



ATTEST:

\_\_\_\_\_  
Carrie L. Smith, City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
James E. Shepherd, City Attorney

**BIRKHOFF, HENDRICKS & CARTER, L.L.P.**  
**PROFESSIONAL ENGINEERS**

11910 Greenville Ave., Suite 600

Dallas, Texas 75243

Phone (214) 361-7900

www.bhcllp.com

JOHN W. BIRKHOFF, P.E.  
 GARY C. HENDRICKS, P.E.  
 JOE R. CARTER, P.E.  
 MATT HICKEY, P.E.  
 ANDREW MATA, JR., P.E.  
 JOSEPH T. GRAJEWSKI, III, P.E.  
 DEREK B. CHANEY, P.E.  
 CRAIG M. KERKHOFF, P.E.

May 6, 2015

Mr. Jeff Flanigan  
 City Administrator  
 City of Parker  
 5700 E. Parker Rd.  
 Parker, Texas 75002

Re: Engineering Services – Allen Heights Drive  
 2,195 L.F. Across Frontage of Parker Ranch Estates Addition

Dear Mr. Flanigan:

In accordance with your request and our existing General Engineering Services Agreement, we are pleased to submit this General Services letter for services related to the preparation of specifications, bidding documents and contract administration for Allen Heights Drive – from Chaparral to 2,195 feet North of Chaparral.

Based on our understanding of the project requirements as outlined above, our opinion of probable project budget is summarized below:

|   |                  |
|---|------------------|
| Opinion of Probable Construction Cost .....                                     | \$885,864        |
| Engineering Services:   |                  |
| Design, Bidding, and Contract Administration .....                              | \$80,900         |
| Additional Services (Field Surveys, Geotechnical, Expenses, Reproduction) ..... | \$9,500          |
| Quality Control and Material Testing (2%) .....                                 | <u>\$20,500</u>  |
| <b>Total Budget:</b>  | <b>\$996,764</b> |

A copy of our itemized opinion of cost is attached as **Appendix A** for reference only.

Mr. Jeff Flanigan  
City Administrator  
Engineering Services – Allen Heights Drive  
May 6, 2015  
Page 2 of 7

## **SCOPE of SERVICES**

### **Part I: Design Phase (*Across Frontage Parker Ranch Estates, Tract 2,195 Linear Feet*)**

- A. Construction Plan-Profile Sheets prepared at a scale of not less than 1"= 20' for a 24-foot face-to-face roadway parallel to existing southbound lanes of Allen Heights Drive, from Chaparral to 2,195 feet North of Chaparral.
- B. Establish Horizontal Alignment
- C. Establish Vertical Alignment
- D. Utilize City of Allen Standard Details for connection to Allen Pavement and for medians connecting to Allen Pavement
- E. Drainage Plan Profile Sheets
- F. Marking and Signage Plan
- G. Erosion Control Plan
- H. Standard Details
- I. Special Details
- J. Cover Sheet, Location Map and Sheet Index
- K. Coordination with other Franchise Utility companies
- L. Formulation of Opinion of Probable Construction Estimate
- M. Preparation of Specifications, Bid Proposal, and Contract Documents
- N. Assist in procuring geotechnical engineering information or reports as the project requirements dictate
- O. Printing of preliminary plans and specifications for review by the City

**Part II: Bidding Phase**

- A. Assist the City staff in advertising for bids. This will include e-mailing “Notice to Contractors” to contractors experienced in this type of construction. City will have Notice published in local newspaper.
- B. Sell bidding documents to potential bidders and their suppliers and other parties.
- C. Provide bidding documents to City of Parker, Dodge Reports, and two other parties requested by the City.
- D. Assist during opening of bids and provide bidding tally sheets.
- E. Provide bid tabulation to City and contractors who submitted bids.
- F. Obtain the following information from the lowest bidder:
  - 1. Past work history.
  - 2. Physical resources to produce the project.Formulate opinion from information received and provide the City a letter of recommendation for award of a construction contract.
- G. After award of contract, furnish ten sets of prints of the final plans, specifications and contract documents to the City for construction use by the City and Contractor.

**Part III: Construction Phase**

- A. Attend a pre-construction conference, including preparing an agenda.
- B. Attend coordination meetings with contractor, quality control personnel, and City representatives to discuss strategy, problem areas, progress, and any required coordination.
- C. Review shop drawings and other submittal information, which the Contractor submits. This review is for the benefit of the Owner and covers only general conformance with information given by the Contract Documents. The contractor is to review and stamp



their approval on submittals prior to submitting to the Engineer. Review by the Engineer does not relieve the Contractor of any responsibilities, safety measures or the necessity to construct a complete and workable facility in accordance with the Contract Documents. Shop drawings will be transmitted electronically in PDF format.

- D. Provide written responses to requests for information or clarification to City or Contractor.
- E. Prepare and process routine change orders for this project as they pertain to the original scope of work.
- F. Make periodic site visits during construction as the project requirements dictate. Minimum of one project site visit per month.
- G. Review monthly pay request from information obtained from City Inspector and Contractor.
- H. Accompany the City during their final inspection of the project.
- I. Recommend final acceptance of work based on information from the on-site representative.
- J. Prepare Record Drawings. Utilizing on-site representative and Contractor construction record information, consultant will prepare one set of 11" x 17" reproducible record drawings and one set of electronic image files in PDF format.

#### **Part IV: Additional Services**

- A. Design, Property and Construction Control Surveys
- B. Geotechnical Evaluations and recommendations. The Geotechnical evaluation and report will be performed by Henley-Johnston & Associates.
- C. Printing of final plans and specifications for distribution to prospective bidders and the successful contractor.

**Part V: Exclusions**

The intent of this scope of services is to include only the services specifically listed herein and none others. Services specifically excluded from this scope of services include, but are not necessarily limited to the following:

- A. Environmental impact statements and assessments.
- B. Fees for permits or advertising.
- C. Certification that work is in accordance with plans and specifications.
- D. Environmental cleanup.
- E. Trench safety designs.
- F. Quality control and testing services during construction.
- G. Services in connection with condemnation hearings.
- H. Phasing of Contractor's work.
- I. On-site safety precautions, programs and responsibility.
- J. Consulting services by others not included in proposal.
- K. Revisions and/or change orders as a result of revisions after completion of original design (unless to correct error on plans).
- L. Traffic engineering report or study.
- M. Title searches.
- N. Fiduciary Responsibility to the City.

Mr. Jeff Flanigan  
City Administrator  
Engineering Services – Allen Heights Drive  
May 6, 2015  
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### **COMPLETION SCHEDULE**

|   |                                      |
|---|--------------------------------------|
| Notice to Proceed from City .....                             | At direction of City                 |
| Permission to Survey .....                                    | Two Months after Notice to Proceed   |
| Initial Topographic and Boundary Surveys .....                | One Month after Permission to Survey |
| Submit Preliminary Plans (60%) to City for Review .....       | Two Months after Notice to Proceed   |
| Complete Final Plans .....                                    | October 1, 2015                      |
| Advertise Project for Bids (after land rights secured): ..... | At City's Direction                  |
| Construction Phase: .....                                     | 6 months                             |

### **FEE NOT TO EXCEED AMOUNT**

#### **Basic Services (Parts I-III)**

Payment for the Basic Services described under Parts I, II and, III shall be on a **Lump Sum Basis** in the following Amounts:

|  |                    |
|--|--------------------|
| Part I: Design Phase .....                 | \$68,000.00        |
| Part II: Bidding Phase .....               | \$4,900.00         |
| Part III: Construction Phase .....         | <u>\$8,000.00</u>  |
| <b>Total Basic Services: Lump Sum Fee:</b> | <b>\$80,900.00</b> |

#### **Additional Services (Part IV)**

For the Additional Services described in Part IV, we propose to be compensated on a salary cost basis times a multiplier of 2.40, with expenses at actual invoice cost times 1.15. The two man survey crew will be billed at a crew rate of \$165 per hour. Automobile mileage for special services will be invoiced at \$0.50 per mile.

Mr. Jeff Flanigan  
City Administrator  
Engineering Services – Allen Heights Drive  
May 6, 2015  
Page 7 of 7

We suggest you budget approximately \$29,800 in the following amounts for our services for this project:

|   |                  |
|---|------------------|
| A. Design and Boundary Surveys .....        | \$5,800.00       |
| B. Geotechnical Evaluation and Report ..... | \$3,000.00       |
| C. Printing of Plans & Specifications ..... | \$500.00         |
| D. Testing QA/QC .....                      | <u>20,500.00</u> |

**Total Additional Services: Not to Exceed Amount      \$29,800.00**

**Texas Board of Professional Land Surveying Contact Information**

Recipients of professional land surveying services under this agreement may direct complaints regarding such services to the Texas Board of Professional Land Surveying, 12100 Park 35 Circle, Building A, Suite 156, MC 230, Austin, TX 78753, Phone (512) 239-5263, Fax (512) 239-5253.

If this General Engineering Services Letter Agreement meets with your approval, please sign and return one set to our office along with your directive to proceed. We look forward to working with you on this important project for the City of Parker and are available to discuss this task further at your convenience.

Sincerely,



John W. Birkhoff, P.E.

**APPROVED FOR THE CITY OF PARKER**

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

Date: \_\_\_\_\_





## Council Agenda Item

|                                     |   |
|-------------------------------------|---|
| Budget Account Code:                | Meeting Date: May 19, 2015                        |
| Budgeted Amount:                    | Department/<br>Requestor: ACSC/ Legal Counsel Gay |
| Fund Balance-before<br>expenditure: | Prepared by: City Attorney Shepherd               |
| Estimated Cost:                     | Date Prepared: May 6, 2015                        |
| Exhibits:                           | 1. Model Staff Report<br>2. Proposed Ordinance    |

### AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON ORDINANCE 727 APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2014 AND 2015 RATE REVIEW MECHANISM FILINGS; APPROVING A SETTLEMENT AGREEMENT WITH ATTACHED RATE TARIFFS AND PROOF OF REVENUES; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES [SHEPHERD]

### SUMMARY

The Model Staff Report included with the settlement packet gives the history and details of the rate adjustment in a good clear manner.

The ordinance proposed by the coalition meets our standards of these negotiated settlements for gas adjustments.

Given the high cost of Parker litigating this rate case by itself, it is reasonable to presume the 154 cities and their staffs have done what needs to be done in holding the rate to the same, or less, than the state authority would otherwise have approved. Without evidence to the contrary, I would recommend approval.

### POSSIBLE ACTION

Approve, Table, Deny

| Inter - Office Use             |                    |       |                               |
|--------------------------------|--------------------|-------|-------------------------------|
| Approved by:                   |                    |       |                               |
| Department Head/<br>Requestor: |                    | Date: |                               |
| City Attorney:                 | <i>email</i>       | Date: | <i>5/14/2015<br/>@ 8:48am</i> |
| City Administrator:            | <i>Johnna Boyd</i> | Date: | <i>5-14-2015</i>              |



## **MODEL STAFF REPORT**

The City, along with other similarly situated cities served by Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). The RRM Tariff was adopted by the City as an alternative to the Gas Reliability Infrastructure Program ("GRIP"), the statutory provision that allows Atmos to bypass the City's rate regulatory authority to increase its rates annually to recover capital investments. In February 2014, Atmos Mid-Tex filed its second annual filing under the Rate Review Mechanism ("RRM") Tariff, seeking an increase of \$45.7 million. Although ACSC attempted to reach a settlement with the Company as it had in past years, the wide differences between the Company and ACSC's consultants' recommendations made a compromise impossible. On the recommendation of the ACSC Executive Committee and ACSC's legal counsel, the City in 2014 adopted a Resolution denying the requested rate increase.

The Company appealed the City's denial to the Railroad Commission of Texas ("Commission"), and revised its requested increase to \$43.8 million. A hearing was held on the Company's appeal on September 3, 2014. On April 28, 2015, the Commission's Hearings Examiner issued his Proposal for Decision ("PFD") in the Company's appeal of the City's denial of the 2014 RRM rate increase. This PFD was not favorable to ACSC, but did recommend a reduction of approximately \$860,000 to the Company's adjusted 2014 filing.

While the parties were waiting for the PFD from the Hearings Examiner in the appeal of the 2014 RRM filing, on February 27, 2015, Atmos Mid-Tex filed with the City another rate increase request under the RRM Tariff, seeking additional revenues in the amount of \$28.762 million (total system) or \$24.0 million (affected cities). The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its 2015 request to increase rates. The Ordinance and attached Settlement Agreement and tariffs are the result of negotiation between the Mid-Tex Executive Committee and the Company to resolve issues raised by ACSC during the review and evaluation of Atmos Mid-Tex's filing. The recommended Settlement Agreement also requires Atmos to abate its appeal of the City's rejection of the 2014 RRM rate increase pending approval by all ACSC cities of the Settlement Agreement. The Agreement requires Atmos to give the City the benefit of the adjustments to the 2014 rate increase recommended by the PFD.

The Ordinance and Settlement tariffs approve rates that will increase the Company's revenues by \$65.7 million for the Mid-Tex Rate Division, effective for bills rendered on or after June 1, 2015. The monthly residential customer charge will be \$18.60. The consumption charge will change from \$0.08819 per Ccf to \$0.09931 per Ccf. The monthly bill impact for the typical residential customer consuming 60 Ccf will be an increase of \$1.14 (about a 1.59% increase in the base bill). The typical commercial customer will see an increase of \$2.69 or 0.96%.

The ACSC Executive Committee and its designated legal counsel and consultants recommend that all Cities adopt the Ordinance approving the negotiated Settlement Agreement resolving both the 2014 and the 2015 RRM filings, and implementing the rate change.

### **RRM Background:**

The RRM tariff was originally approved by ACSC Cities as part of the settlement agreement to resolve the Atmos Mid-Tex 2007 system-wide rate filing at the Railroad Commission. In early

2013, the City adopted a renewed RRM tariff for an additional five years. This is the third RRM filing under the renewed tariff. The RRM tariff and the process implementing that tariff were created collaboratively by ACSC and Atmos Mid-Tex as an alternative to the legislatively-authorized GRIP surcharge process. ACSC has opposed GRIP because it constitutes piecemeal ratemaking, does not allow any review of the reasonableness of Atmos' expenditures, and does not allow participation by cities or recovery of cities' rate case expenses. In contrast, the RRM process has allowed for a more comprehensive rate review and annual adjustment as a substitute for GRIP filings. ACSC's consultants have calculated that had Atmos filed its 2015 case under the GRIP provisions, it would have received additional revenues from ratepayers of approximately \$10 million.

### **Purpose of the Ordinance:**

The purpose of the Ordinance is to approve the Settlement Agreement and the resulting rate change under the RRM tariff. As a result of the negotiations, the Executive Committee was able to reduce the Company's requested \$28.8 million rate increase for Mid-Tex cities to \$21,962,784. When added to the settlement of the 2014 RRM filing and the adjustments recommended by the PFD, the Company will receive total additional annual revenues of \$65.7 million. Because the 2014 rates have been in effect since June 1, 2014, the increase to currently-billed rates is \$21 million. Approval of the Ordinance will result in rates that implement an increase in Atmos Mid-Tex's revenues effective June 1, 2015.

### **Why Approve the Settlement Agreement:**

While it is annoying and disconcerting to annually consider rate adjustments from Atmos Mid-Tex, the Texas legislature has granted gas utilities the right, through the GRIP process, to an annual increase based on increases in invested capital. GRIP is piecemeal ratemaking and ignores increases in revenues and declines in O&M expenses that may be associated with plant additions. ACSC found it preferable to negotiate with Atmos to substitute an expedited comprehensive review process that includes consideration of revenues and expenses as well as invested capital for the GRIP process.

Compelling reasons for approving the Settlement include:

1. While the 2015 RRM system-wide filing exceeded \$28 million, a comparable GRIP filing would have been in excess of \$38 million. ACSC has negotiated a reduction to the 2015 filing of approximately \$6 million. Therefore, the 2015 RRM result is approximately \$16 million better for ratepayers within municipal limits than ratepayers within Environs.
2. ACSC counsel is convinced that the Proposal for Decision ("PFD") by Railroad Commission Examiners in the 2014 RRM appeal will not improve if we file Exceptions and Replies to Exceptions. Counsel recommends action to avoid the PFD becoming a final order that would serve as precedent in future rate proceedings.
3. The token benefit to ratepayers authorized in the PFD to the 2014 appeal has been incorporated into the Settlement Agreement.
4. Atmos will file its formal withdrawal of its 2014 appeal only after all ACSC members approve the Settlement Agreement.



5. The alternative to approval of the Settlement Agreement would be another contested case hearing on appeal of the 2015 filing, implementation of interim rates on June 1, 2015 at the full value of the Company's request (or \$6 million higher than proposed by the Settlement) and continuation of the 2014 appeal with resulting rate case expenses borne by ratepayers.

**Explanation of "Be It Ordained" Sections:**

1. This section approves all findings in the Ordinance.
2. This section finds the Settlement Agreement (attached to the Ordinance) to be a comprehensive settlement of gas utility rate issues arising from Atmos Mid-Tex's 2014 and 2015 RRM filings, and that such settlement is in the public interest and consistent with the City's statutory authority.
3. This section finds the existing Atmos Mid-Tex rates to be unreasonable, and approves the new tariffed rates providing for additional revenues over currently-billed rates of \$21 million and adopts the attached new rate tariffs.
4. This section establishes the baseline for pensions and other post-employment benefits for future rate cases.
5. This section renews the Atmos Mid-Tex RRM Tariff for an additional period of time, commencing with the filing to be made on March 1, 2016, and continuing until the RRM Tariff is suspended by ordinance of the City.
6. This section requires the Company to reimburse Cities for reasonable ratemaking costs associated with reviewing and processing the RRM filing.
7. This section repeals any resolution or ordinance that is inconsistent with this Ordinance.
8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
9. This section is a savings clause, which provides that if any section(s) is later found to be unconstitutional or invalid, that finding shall not affect, impair or invalidate the remaining provisions of this Ordinance. This section further directs that the remaining provisions of the Ordinance are to be interpreted as if the offending section or clause never existed.
10. This section provides for an effective date upon passage which, according to the Cities' ordinance that adopted the RRM process, is June 1, 2015.
11. This paragraph directs that a copy of the signed Ordinance be sent to a representative of the Company and legal counsel for the Steering Committee.

**ORDINANCE NO. 727**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PARKER, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2014 AND 2015 RATE REVIEW MECHANISM FILINGS; APPROVING A SETTLEMENT AGREEMENT WITH ATTACHED RATE TARIFFS AND PROOF OF REVENUES; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.**

**WHEREAS**, the City of Parker, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and a regulatory authority with an interest in the rates and charges of Atmos; and

**WHEREAS**, the City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of similarly-situated cities served by Atmos Mid-Tex ("ACSC Cities") that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

**WHEREAS**, ACSC and the Company worked collaboratively to develop a new Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program ("GRIP") process instituted by

the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

**WHEREAS**, the initial RRM Tariff was in effect for four (4) years; and

**WHEREAS**, ACSC Cities and Atmos Mid-Tex entered into another settlement agreement and revised the RRM Tariff; and

**WHEREAS**, ACSC Cities and Atmos Mid-Tex compromised and reached agreements on the amount of the rate increases to be in effect for the RRM Tariff filings for 2012 and 2013; and

**WHEREAS**, ACSC Cities and Atmos Mid-Tex were unable to reach an agreement on the 2014 RRM Tariff filing, resulting in the ACSC Cities' rejection of the 2014 RRM filing; and

**WHEREAS**, Atmos Mid-Tex appealed the ACSC Cities' actions rejecting its 2014 RRM filing to the Railroad Commission of Texas ("Commission"), pursuant to the provisions of the RRM Tariff; and

**WHEREAS**, Atmos Mid-Tex and ACSC litigated the appeal of the 2014 RRM filing at the Commission; and

**WHEREAS**, on February 27, 2015, Atmos Mid-Tex filed its 2015 RRM Tariff filing, requesting to increase natural gas base rates system-wide by \$28.762 million; and

**WHEREAS**, ACSC coordinated its review of Atmos Mid-Tex RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

**WHEREAS**, Atmos Mid-Tex has agreed to withdraw its appeal of ACSC's rejection of its 2014 RRM Tariff rate increase; and

**WHEREAS**, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve the attached Settlement Agreement (Attachment A to this Ordinance) as well as the tariffs attached thereto, resolving both the 2014 and the 2015 RRM Tariff filings, which together will increase the Company's revenues by \$65.7 million over the amount allowed under City-approved rates set in 2013; and

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

**WHEREAS**, the RRM Tariff should be renewed for a period of time commencing in 2016 and continuing until the RRM Tariff is suspended by ordinance of the City; and

**WHEREAS**, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PARKER, TEXAS:

**SECTION 1.** That the findings set forth in this Ordinance are hereby in all things approved.

**SECTION 2.** That the City Council finds that the Settlement Agreement (Attachment A to this Ordinance) represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2014 and 2015 RRM filings, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

**SECTION 3.** That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment C, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional



\$65.7 million in revenue over the amount allowed under currently approved rates, or \$21 million over currently-billed rates, as shown in the Proof of Revenues attached hereto and incorporated herein as Attachment B; such tariffs are hereby adopted.

**SECTION 4.** That the ratemaking treatment for pensions and other post-employment benefits in Atmos' next RRM filing shall be as set forth on Attachment D, attached hereto and incorporated herein.

**SECTION 5.** That in an effort to streamline the regulatory review process, the Atmos Mid-Tex RRM Tariff is renewed for a period commencing with the Company's March 1, 2016 RRM filing for calendar year 2015, effective June 1, 2016, and continuing thereafter until such time as the City adopts an ordinance suspending operation of the RRM Tariff.

**SECTION 6.** That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's RRM application.

**SECTION 7.** That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

**SECTION 8.** 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 9.** 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 10.** That consistent with the City Ordinance that established the RRM process, this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after June 1, 2015.

**SECTION 11.** That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LJB Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

**PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Mayor Pro Tem Scott Levine

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Secretary Carrie L. Smith

\_\_\_\_\_  
City Attorney James E. Shepherd

**Council Agenda Item**

|                                  |  |
|----------------------------------|--|
| Budget Account Code:             | Meeting Date: May 19, 2015                     |
| Budgeted Amount:                 | Department/ Requestor: Administration/ Routine |
| Fund Balance-before expenditure: | Prepared by: City Secretary Smith              |
| Estimated Cost:                  | Date Prepared: May 6, 2015                     |
| Exhibits:                        | 1. Proposed Resolution                         |

**AGENDA SUBJECT**

CONSIDERATION AND/OR ANY APPROPRIATE ACTION OF RESOLUTION 2015-478 CANVASSING THE ELECTION RETURNS AND DECLARATION OF RESULTS OF AN ELECTION HELD IN THE CITY OF PARKER, TEXAS ON MAY 9, 2015.  
[SMITH]

**SUMMARY**

The canvass is the official tabulation of the election results. The Election Code speaks of the local canvass and the final canvass. In a city election there is only one canvass, made by the city council [EC §67.002], and the local canvass is also the final canvass. For purposes of canvassing a city election, only two members of the city council are needed to constitute a quorum [EC §67.004(a)].  
*Resource TMCA Election Manual*

**POSSIBLE ACTION**

Approve/deny

|                             |                    |       |                       |
|-----------------------------|--------------------|-------|-----------------------|
| Inter - Office Use          |                    |       |                       |
| Approved by:                |                    |       |                       |
| Department Head/ Requestor: |                    | Date: |                       |
| City Attorney:              | <i>email</i>       | Date: | <i>5/13 @ 3:37 pm</i> |
| City Administrator:         | <i>Johnna Boyd</i> | Date: | <i>5-14-2015</i>      |

**RESOLUTION NO. 2015-478**  
*(Canvass May 9, 2015 General Election)*

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARKER, TEXAS;  
CANVASSING THE ELECTION RETURNS AND DECLARATION OF RESULTS OF  
AN ELECTION HELD IN THE CITY OF PARKER, TEXAS ON MAY 9, 2015.**

**WHEREAS**, the City Council of the City of Parker, Texas called an election to be held in the City on May 9, 2015 for the purpose of electing three City Councilmembers, caused notice thereof to be given in the manner and time provided for by law; and

**WHEREAS**, The Order of the City Council calling the election, together with the notice issued thereon, is recorded in the Minutes of the City Council, and is hereby referred to and made a part hereof for all purposes, and

**WHEREAS**, the Presiding Judge and other officials holding the election made their returns of the results thereof to the Canvassing Board, composed of the City Council, and said returns of the results being made according to law, and duly authenticated, and it being shown that proper notice of said election the time and in the time and in the manner provided by law, and all other proceedings pertaining to said election have been shown to have done and performed at and within the time and in the manner provided by law, and all papers pertaining hereto having been returned and duly certified by the Presiding Election Judge:

**NOW THEREFORE BE IT RESOLVED** by the Canvassing Board of the City Council of the City of Parker, Texas after examining said returns and opening and canvassing the votes of said election that are as follows:

**FOR CITY COUNCIL:**

Tom Stone     205

Ed Standridge   199

Patrick Taylor   163

David Leamy     97

Tom Stone, Ed Standridge, and Patrick Taylor received the highest number of votes of the four candidates for the three contested offices of City Councilmember. Tom Stone, Ed Standridge, and Patrick Taylor are hereby each declared as elected as City Councilmembers to serve immediately after qualifying for the two year term commencing May 9, 2015.

**IT IS FURTHER RESOLVED** that this Canvass and Declaration of results of said election be entered in the Minutes of the Said Canvassing Board of the City Council and that said Officer's after they have qualified and taken their oaths, shall serve the term of office for which they were elected commencing immediately and ending when their successors are duly elected and qualified.

This Resolution declaring the results of the election becomes effective immediately upon its passage.

**RESOLVED** this \_\_\_\_th day of May, 2015.

**APPROVED:**

\_\_\_\_\_  
Mayor Pro Tem Scott Levine

**ATTEST:**

\_\_\_\_\_  
City Secretary Carrie L. Smith

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney James E. Shepherd

Insert official canvass certification from Collin County Elections Office

PROPOSED





## Council Agenda Item

|                                  |   |
|----------------------------------|---|
| Budget Account Code:             | Meeting Date: May 19, 2015                                  |
| Budgeted Amount:                 | Department/ Requestor: Administration/ Mayor Pro Tem Levine |
| Fund Balance-before expenditure: | Prepared by: City Attorney Shepherd                         |
| Estimated Cost:                  | Date Prepared: May 6, 2015                                  |
| Exhibits:                        | 1. Proposed Resolution                                      |

### AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION 2015-479 APPROVING MEDICAL LEAVE FOR MAYOR MARSHALL. [LEVINE]

### SUMMARY

Mayor Z Marshall has requested a medical leave of absence, as set forth in the proposed resolution.

### POSSIBLE ACTION

Approve

| Inter - Office Use          |                    |       |                         |
|-----------------------------|--------------------|-------|-------------------------|
| Approved by:                |                    |       |                         |
| Department Head/ Requestor: |                    | Date: |                         |
| City Attorney:              | <i>email</i>       | Date: | <i>5/13/15 @ 3:27pm</i> |
| City Administrator:         | <i>Johnna Boyd</i> | Date: | <i>5-14-2015</i>        |

**Resolution No. 2015-479**

**(Medical Leave)**

**A RESOLUTION APPROVING MEDICAL LEAVE  
FOR MAYOR Z MARSHALL**

**WHEREAS**, Mayor Z Marshall, due to health concerns, has requested a Medical leave be granted him from his Mayoral duties until his health improves sufficiently to resume his duties;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Parker, Texas as follows:

The request from Mayor Z Marshall for a medical leave is approved, and will continue until he notifies the City he is able to return to the Mayoral duties, or the completion of his current term of Mayor, whichever may first occur.

**PASSED** by unanimous vote of the City Council this \_\_\_\_ day of May, 2015.

\_\_\_\_\_  
Scott Levine, Mayor Pro Tem

**ATTEST:**

\_\_\_\_\_  
Carrie L. Smith, City Secretary

Approved as to form:

\_\_\_\_\_  
James E. Shepherd, City Attorney



## Council Agenda Item

|                                  |   |
|----------------------------------|---|
| Budget Account Code:             | Meeting Date: May 19, 2015                                  |
| Budgeted Amount:                 | Department/ Requestor: Administration/ Mayor Pro Tem Levine |
| Fund Balance-before expenditure: | Prepared by: City Attorney Shepherd                         |
| Estimated Cost:                  | Date Prepared: May 6, 2015                                  |
| Exhibits:                        | 1. Proposed Resolution                                      |

### AGENDA SUBJECT

CONSIDERATION AND/OR ANY APPROPRIATE ACTION ON RESOLUTION 2015-480 APPOINTING A CHIEF INVESTMENT OFFICER AND MEMBERS TO SERVE ON THE INVESTMENT COMMITTEE. [LEVINE]

### SUMMARY

The city investment officer and committee appointments are to be reviewed and selected. Persons appointed are generally members of staff and council.

### POSSIBLE ACTION

Approve/ Deny/ Table

| Inter - Office Use          |                    |       |                       |
|-----------------------------|--------------------|-------|-----------------------|
| Approved by:                |                    |       |                       |
| Department Head/ Requestor: |                    | Date: |                       |
| City Attorney:              | <i>Email</i>       | Date: | <i>5:13 @ 3:25 pm</i> |
| City Administrator:         | <i>Johnna Boyd</i> | Date: | <i>5-14-2015</i>      |

**RESOLUTION NO. 2015-480**  
*(2015-2016 Chief Investment Officer and Committee)*

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARKER,  
COLLIN COUNTY, TEXAS APPOINTING A CHIEF INVESTMENT  
OFFICER AND MEMBERS TO SERVE ON THE INVESTMENT  
COMMITTEE.**

**WHEREAS**, the laws of the State of Texas require a municipality to appoint a chief investment officer, and approves the use of an investment committee to review the investment policies of the municipality, all in accordance with Chapter 2256 of the Texas Government Code;

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARKER, COLLIN COUNTY, TEXAS, AS FOLLOWS:**

**SECTION 1. Appointment of Chief Investment Officer**

\_\_\_\_\_ is hereby appointed to serve as the Chief Investment Officer for the City of Parker.

**SECTION 2. Appointment of Committee Members**

The following are hereby appointed to serve on the Investment Committee:

|               | TITLE              |
|---------------|--------------------|
| Jeff Flanigan | City Administrator |
| _____         | Councilmember      |
| _____         | Councilmember      |

**DULY PASSED AND APPROVED** by the City Council of the City of Parker, Collin County, Texas on this the \_\_\_\_th day of May, 2015.

**CITY OF PARKER:**

\_\_\_\_\_  
Scott Levine, Mayor Pro Tem

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Carrie L. Smith, City Secretary

\_\_\_\_\_  
James E. Shepherd, City Attorney