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Mayor

Nancy Berry

Mayor Pro Tem

Dave Ruesink

City Manager

David Neeley

Council members

Blanche Brick

Jess Fields

Karl Mooney

Katy-Marie Lyles

Julie M. Schultz

Agenda
College Station City Council
Regular Meeting
Thursday, August 25, 2011 at 7:00 PM
City Hall Council Chamber, 1101 Texas Avenue
College Station, Texas

1. Pledge of Allegiance, Invocation, Consider absence request.

Hear Visitors: A citizen may address the City Council on any item which does not appear on the posted Agenda. Registration forms are available in the lobby and at the desk of the City Secretary. This form should be completed and delivered to the City Secretary by 5:30 pm. Please limit remarks to three minutes. A timer alarm will sound after 2 1/2 minutes to signal thirty seconds remaining to conclude your remarks. The City Council will receive the information, ask staff to look into the matter, or place the issue on a future agenda. Topics of operational concerns shall be directed to the City Manager. Comments should not personally attack other speakers, Council or staff.

Consent Agenda

Individuals who wish to address the City Council on a consent or regular agenda item not posted as a public hearing shall register with the City Secretary prior to the Mayor's reading of the agenda item. Registration forms are available in the lobby and at the desk of the City Secretary. The Mayor will recognize individuals who wish to come forward to speak for or against the item. The speaker will state their name and address for the record and allowed three minutes. A timer will sound at 2 1/2 minutes to signal thirty seconds remaining for remarks.

2. Presentation, possible action and discussion of consent agenda items which consists of ministerial or "housekeeping" items required by law. Items may be removed from the consent agenda by majority vote of the Council.

a. Presentation, possible action, and discussion of minutes for:

- August 8, 2011 Special Meeting
- August 11, 2011 Workshop and Regular Council Meeting
- August 15, 2011 Joint Meeting with City of Bryan, Brazos County and CVB
- August 15, 2011 Budget Workshop
- August 16, 2011 Budget Workshop
- August 17, 2011 Budget Workshop
- August 18, 2011 Budget Workshop

- b. Presentation, possible action, and discussion regarding update to the existing Taxi ordinance regulating Jitneys operating within the city limits of College Station.
- c. Presentation, possible action, and discussion regarding approval of a “Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt” for expenditures related to Wastewater Utility Capital projects.
- d. Presentation, possible action, and discussion Semi-Annual Report on Impact Fees 92-01, 97-01, 97-02B, 99-01, 03-02, and consideration for a Resolution to support and execute a Compliance Certification Letter to the Attorney General.
- e. Presentation, possible action, and discussion on a resolution to award a contract to Cal’s Body Shop for annual automobile and truck paint and body repairs in an amount not to exceed \$60,000.00.
- f. Presentation, possible action, and discussion regarding a resolution approving construction contract #11-310 with Elliott Construction, LLC authorizing the expenditure of funds, in an amount not to exceed, \$667,182.82 for the construction of a lift station near the intersection of Rock Prairie Road and State Highway 6.
- g. Presentation, possible action, and discussion regarding the approval of a Landfill Gas Purchase Agreement with the Brazos Valley Solid Waste Management Agency, Inc. (BVSWMA) in partnership with the City of Bryan.
- h. Presentation, possible action, and discussion regarding a contract for equipment upgrade of the Northgate Street Meter System in the amount of \$98,594.00.
- i. Presentation, possible action, and discussion regarding a deductive change order to the construction contract with Dudley Construction Ltd. (contract # 11-003) in the amount of a \$ 68,115.39 for the Tauber & Stasney Street & Utility Rehabilitation Project.
- j. Presentation, possible action and discussion on an ordinance amending Chapter 10 “Traffic Code”, to remove parking along the east side of Tauber and Stasney Streets between University Drive and Church St, the east side of Stasney St. between Church St and Cherry St, the west side of Tauber between Cross St and Cherry St as part of the Tauber & Stasney Street and Utility Rehabilitation Project.
- k. Presentation, possible action, and discussion regarding approval of two a Wireline Crossing Agreements with Union Pacific Railroad for fiber optic line relocation to support the Texas A&M grade separation project at Wellborn Rd and Old Main Dr. Permit fees for the two wireline crossings total \$6,900.00.
- l. Presentation, possible action, and discussion regarding approval of estimated annual expenditures related to copying and printing services as follows: Tops Printing \$60,000; Texas Printing Co. \$35,000; Office Max \$35,000.

Regular Agenda

Individuals who wish to address the City Council **on a regular agenda item not posted as a public hearing** shall register with the City Secretary prior to the Mayor’s reading of the agenda item. The Mayor will recognize you to come forward to speak for or against the item. The speaker will state their name and address for the record and allowed three minutes. A timer will sound at 2 1/2 minutes to signal thirty seconds remaining for remarks.

Individuals who wish to address the City Council on an item **posted as a public hearing** shall register with the City Secretary prior to the Mayor's announcement to open the public hearing. The Mayor will recognize individuals who wish to come forward to speak for or against the item. The speaker will state their name and address for the record and allowed three minutes. A timer alarm will sound at 2 1/2 minutes to signal thirty seconds remaining to conclude remarks. After a public hearing is closed, there shall be no additional public comments. If Council needs additional information from the general public, some limited comments may be allowed at the discretion of the Mayor.

If an individual does not wish to address the City Council, but still wishes to be recorded in the official minutes as being in support or opposition to an agenda item, the individual may complete the registration form provided in the lobby by providing the name, address, and comments about a city related subject. These comments will be referred to the City Council and City Manager.

1. Public Hearing, possible action, and discussion on an ordinance Budget Amendment #3 amending ordinance number 3290 which will amend the budget for the 2010-2011 Fiscal Year in the amount of \$7,699,757 and presentation, possible action and discussion on two contingency transfers and one interfund transfer.
2. Public Hearing, presentation, possible action, and discussion regarding an ordinance approving an increase in rates for Atmos Energy pursuant to the Rate Review Mechanism tariff approved in 2008.
3. Presentation, possible action, and discussion on an ordinance providing for the issuance of \$7,935,000 City of College Station, Texas Certificates of Obligation, Series 2011 and ordaining other matters relating to the subject, including immediate effectiveness.
4. Presentation, possible action and discussion on an ordinance providing for the issuance of \$1,960,000 City of College Station, Texas General Obligation Improvement bonds, Series 2011 and ordaining other matters relating to the subject, including immediate effectiveness.
5. Adjourn.

If litigation issues arise to the posted subject matter of this Council Meeting an executive session will be held.

APPROVED:

City Manager

Notice is hereby given that a Regular Meeting of the City Council of the City of College Station, Texas will be held on the Thursday, August 25, 2011 at 7:00 PM at the City Hall Council Chambers, 1101 Texas Avenue, College Station, Texas. The following subjects will be discussed, to wit: See Agenda.

Posted this 19th day of August, 2011 at 5:00 p.m.

City Secretary

I, the undersigned, do hereby certify that the above Notice of Meeting of the Governing Body of the City of College Station, Texas, is a true and correct copy of said Notice and that I posted a true and correct copy of said

Thursday, August 25, 2011

notice on the bulletin board at City Hall, 1101 Texas Avenue, in College Station, Texas, and the City's website, www.cstx.gov . The Agenda and Notice are readily accessible to the general public at all times. Said Notice and Agenda were posted on August 19, 2011 at 5:00 p.m. and remained so posted continuously for at least 72 hours proceeding the scheduled time of said meeting.

This public notice was removed from the official posting board at the College Station City Hall on the following date and time: _____ by _____.

Dated this ____ day of _____, 2011 By _____

Subscribed and sworn to before me on this the ____ day of _____, 2011.

Notary Public – Brazos County, Texas

My commission expires: _____

The building is wheelchair accessible. Handicap parking spaces are available. Any request for sign interpretive service must be made 48 hours before the meeting. To make arrangements call (979) 764-3517 or (TDD) 1-800-735-2989. Agendas may be viewed on www.cstx.gov . Council meetings are broadcast live on Cable Access Channel 19.

August 25, 2011
City Council
Consent Agenda Item No. 2a
City Council Minutes

To: David Neeley, City Manager

From: Sherry Mashburn, City Secretary

Agenda Caption: Presentation, possible action, and discussion of minutes for:

- August 8, 2011 Special Meeting
- August 11, 2011 Workshop and Regular Council Meeting
- August 15, 2011 Joint Meeting with City of Bryan, Brazos County and CVB
- August 15, 2011 Budget Workshop
- August 16, 2011 Budget Workshop
- August 17, 2011 Budget Workshop
- August 18, 2011 Budget Workshop

Attachments:

- August 8, 2011 Special Meeting
- August 11, 2011 Workshop and Regular Council Meeting
- August 15, 2011 Joint Meeting with City of Bryan, Brazos County and CVB
- August 15, 2011 Budget Workshop
- August 16, 2011 Budget Workshop
- August 17, 2011 Budget Workshop
- August 18, 2011 Budget Workshop

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
CITY OF COLLEGE STATION
AUGUST 8, 2011

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry

Council:

Blanche Brick
Jess Fields
Karl Mooney
Katy-Marie Lyles
Julie Schultz
Dave Ruesink

City Staff:

David Neeley, City Manager
Kathy Merrill, Deputy City Manager
Frank Simpson, Deputy City Manager
Carla Robinson, City Attorney
Sherry Mashburn, City Secretary
Tanya McNutt, Deputy City Secretary

1. Call to Order and Announce a Quorum is Present

With a quorum present, the Special Meeting of the College Station City Council was called to order by Mayor Nancy Berry at 6:08 p.m. on Monday, August 8, 2011 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77842.

2. Executive Session

In accordance with the Texas Government Code §551.071-Consultation with Attorney, and §551.074-Personnel, the College Station City Council convened into Executive Session at 6:09 p.m. on Monday, August 8, 2011 in order to continue discussing matters pertaining to:

A. Consultation with Attorney to seek advice regarding pending or contemplated litigation; to wit:

- City of Bryan’s application with TCEQ for water & sewer permits in Westside/Highway 60 area, near Brushy Water Supply Corporation to decertify City of College Station and certify City of Bryan
- Clancey v. College Station, Glenn Brown, and Kathy Merrill
- Rachel Rahn v. Alma Martinez, The Arkitek Studio, Inc. et al, Cause No. 09-000656-CV361
- Chavers et al v. Tyrone Morrow, Michael Ikner, City of Bryan, City of College Station, et al
- College Station v. Star Insurance Co., Civil Action No. 4:11-CV-02023
- Ongoing criminal investigation of municipal court missing funds

B. Consultation with Attorney to seek legal advice; to wit:

- Legal Issues regarding possible revenue sharing and legislation in bio-corridor
- Legal issues related to compliance with Senate Bill 100

C. Deliberation on Personnel; to wit:

- Council Self-Evaluation

The Executive Session adjourned at approximately 7:11 p.m. on Monday, August 8, 2011.

No action was required from Executive Session.

3. Presentation, possible action, and discussion on recommendations by the Sunset Review Commission, and appointing Councilmembers to boards and commissions.

MOTION: Upon a motion made by Councilmember Mooney and a second by Councilmember Fields, the City Council voted seven (7) for and none (0) opposed, to accept the report as presented. The motion carried unanimously.

MOTION: Upon a motion made by Councilmember Lyles and a second by Councilmember Schultz, the City Council voted seven (7) for and none (0) opposed, to appoint Councilmembers to committees as noted below. The motion carried unanimously.

Arts Council: Jess Fields

Audit Committee: Nancy Berry, Jess Fields, Karl Mooney

Brazos County Health Department: Jess Fields, Katy-Marie Lyles

BVCOG: Nancy Berry

Brazos Valley Area Community Taskforce: Jess Fields

Convention and Visitors Bureau: Karl Mooney, with Julie Schultz as alternate

Intergovernmental Council: Blanche Brick, Dave Ruesink, Nancy Berry

Lick Creek Park Nature Center Advisory Board: Blanche Brick

Metropolitan Planning Organization: Nancy Berry

Research Valley Partnership: Julie Schultz, Nancy Berry, and Dave Ruesink as alternate

Sister Cities: Dave Ruesink

Transportation Committee: Blanche Brick

4. Public Hearing, presentation, possible action, and discussion regarding the impacts of Senate Bill 100 and its effects on future City elections.

At approximately 7:27 p.m., Mayor Berry opened the Public Hearing.

Lynn McIlhaney, 2022 Oakwood Trail, chair of the Citizen's Charter Review Advisory Commission, stated that the Commission's recommendation is to keep elections in May of odd-numbered years and to extend terms to four-year staggered terms. This would require a charter election. They believe the citizens should have a say as to when they would go to the polls. Elections would be every two years, be removed from partisan campaigns, with longer continuity and a higher profile for local issues. This was a unanimous recommendation of the Commission.

Brian Bochner, 5111 Bellerive Bend, member of the Citizen's Charter Review Advisory Commission, spoke regarding recall as it pertained to a charter amendment election. He noted that the initial charge was to review the entire charter, including the recall provision. Last week, the Council asked the Commission to review the recall provision for inclusion on a possible November 2011 charter amendment election. Recall issues include causes for recall, causes for automatic forfeiture, ease of initiating recall elections, base for recall signatures, and who is eligible to sign a petition. The current charter has no cause specified; only a statement is required. There are also no causes for automatic forfeiture stated. They had briefly discussed this earlier and looked at peer charters. They need more time for public and Council input. They want to research recall experiences in other municipalities. This should be deferred until the next charter election.

Bernice Lewis, 4605 St. Andrews, spoke in favor of moving the election to November. Her great concern is the cost of an election. The fiscally prudent thing to do, in light of our current economic times, is to share the cost with all the local entities. Also, there is a very low voter turnout in May elections. Council needs to step up to the plate and make a decision.

Chris Scotti, 700 University, provided written comments in favor of three-year terms in November.

Jim Maness, 1733 Arrington, provided written comments in favor of two-year terms.

Susan Laue, 4902 Firestone, stated that she sees November elections as an opportunity for College Station. This could reduce the opportunity for small well-focused groups to determine outcomes. November elections are fiscally prudent. May elections exact a high price. Odd year elections are more problematic for inclusion, resulting in a de facto disenfranchisement of minority voters. This could result in close scrutiny and perhaps be overturned by the Department of Justice. A change to four-year terms will diminish accountability. It also will require a greater commitment from those willing to serve, thereby reducing the candidate pool. Financially there will be ongoing independent elections. She cannot see how odd year May elections are a good choice for College Station voters.

David and Valeria Warnick, 612 Navarro, provided written comments. Mr. Warnick spoke to state he wants to decide this now instead of a charter amendment election.

Ryan Davenport, 1104 Haley Place, spoke to the interests of students in municipal election. May elections are held after final exams. Students are out of the city, and students are disenfranchised. They are not given an opportunity to vote like other citizens. He is in favor of moving to November. Four-year terms are troubling because officeholders are less accountable less often. Last November, there were 16,000 voters in the municipal election; in May the turnout was 6,000. With May elections, a politically charged group could come in and determine an outcome. There would be a more representative swath of citizens in November.

Jeff Pickering, 1104 Haley Place, spoke as an advocate on behalf of the TAMU student body. Moving to November is good for the students. The elections last May were held after final exams. Many think students don't vote, and they don't care. He reported that this past March they held a campus election. 13,000 voted. 9,000 came back to vote during the runoff. Students do care and want to have a voice. Current elections in May disenfranchise the students. If elections are moved to November, then we will see if his belief is true that student are engaged. Council has the opportunity and authority to do this.

John Nichols, 1317 Angelina Court, stated he does not object to four-year terms, but prefers three-year terms. November elections will be partisan. People vote by affinity and will use that for their decision criteria. Local issues need to be brought to the forefront. The party leaders should have the opportunity to refute any claims by any local candidate.

Libby Vastano, 2756 Cloisters, provided written comments and spoke in favor of May elections. She does not want to see partisan politics at the local level. She also noted that students have an opportunity to vote absentee.

Chuck Ellison, 302 Holleman, stated the charter is an important governance document. To move to November by resolution effectively amends the charter. For Council to do so, removes the right of the citizens to decide. Four-year terms in May will result in half as many elections as three-year terms in November. As a proponent for personal responsibility, those not showing up to vote in May are self-disenfranchising. In the past, he was a proponent for November elections. However, the last November election changed his mind. The party-card was played last November. When we move to November by resolution, it is November forever. Important issues get lost in the chatter following state and federal elections. Those that come to the polls in May have paid attention to the issues and know what they are voting for.

Charles Szabuniewicz, 3801 Fifth, Bryan, stated the Council has been entrusted to lead this organization for the benefit of its citizens. There are three important parts to this: fiscally efficient operations, maximize citizen involvement, and term limits. The national trend is concern for career politicians. A shorter term may be better. Two years is too short, and four years is too long. The discussion is based on fear and is not logical. Term limits of three years are good, and the only option is a fall election.

Chris Tucker, 405 Nimitz, said it is imperative to move to a November date. We need to keep costs as low as possible, increase voter turnout, and provide an opportunity for student involvement. He would like to see a November date to avoid losing student input.

Patrick Gendron, 205 Lampwick, stated that Mr. Ellison captured his comments.

Buck Prewitt, 2302 Scotney Court, said that Mr. Ellison summed this up very well. He does think four years is a long commitment. He hoped we could stay away from a November election and stay with a shorter term, but the state has dictated what citizens will be doing. We will be either four years in May or stay at the bottom of the ballot in November. It is a lower turnout in May, but we would be away from partisan politics.

Ms. Bernice Lewis asked if anyone could speak to whether an election can be held in November without partisan politics. Mayor Berry replied that she had spoken with several individuals who are heavily involved in the parties, and they stated they would not endorse a local candidate and that November local elections can be non-partisan.

There being no further comments, the Public Hearing was closed at 8:14 p.m.

MOTION: Upon a motion made by Councilmember Fields and a second by Mayor Berry, the City Council voted three (3) for and four (4) opposed, with Councilmembers Brick, Mooney, Schultz, and Ruesink voting against, to direct staff to prepare a resolution moving City elections to November. The motion failed.

MOTION: Upon a motion made by Councilmember Schultz and a second by Councilmember Brick, the City Council voted five (5) for and two (2) opposed, with Mayor Berry and Councilmember Fields voting against, to direct staff to prepare an ordinance calling for a special election to amend the charter to extend terms to four-year terms, with elections in May of odd-numbered years. The motion carried.

5. Adjournment

MOTION: There being no further business, Mayor Berry adjourned the Special Meeting of the College Station City Council at approximately 8:56 p.m. on Monday, August 8, 2011.

Nancy Berry, Mayor

ATTEST:

Sherry Mashburn, City Secretary

MINUTES OF THE CITY COUNCIL WORKSHOP
CITY OF COLLEGE STATION
AUGUST 11, 2011

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry, Mayor

Council:

Blanche Brick
Karl Mooney
Katy-Marie Lyles
Julie Schultz
Dave Ruesink

City Staff:

David Neeley, City Manager
Kathy Merrill, Assistant City Manager
Frank Simpson, Assistant City Manager
Carla Robinson, City Attorney
Tanya McNutt, Deputy City Secretary
Shelley Major, Records Management Coordinator

Call to Order and Announce a Quorum is Present

With a quorum present, the Workshop of the College Station City Council was called to order by Mayor Nancy Berry at 3:01 p.m. on Thursday, August 11, 2011 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77842.

1. Presentations and Recognitions of the:

• Silver LEED award and staff recognition

Pete Caler, Assistant Director of Public Works and Staff received this award.

• Reliable Public Power Provider

College Station Utilities received this National Recognition.

2. Presentation, possible action, and discussion on items listed on the consent agenda.

No items were pulled from the Consent Agenda.

3. Presentation, possible action, and discussion regarding a review of the 2011 Legislative Session by Jennifer Shelley Rodriguez.

Jennifer Shelley Rodriguez, with The Law Office of Dan Shelley, gave an overview of state budget cuts, redistricting and an overall update on the 2011 Legislative Session and Special Session. She highlighted the dates for filing deadlines, and the election schedules from handouts given to council members. Ms. Rodriguez highlighted the review of inquiries made by council members. She updated Council Members on bills such as: the driving while texting ban, annexation, water/waste water issues and groundwater rights, concealed handguns on campus, sales tax exemption on text books, and elections (Senate Bill 100).

Council Member Lyles inquired whether the state was leaning more now towards November elections.

Council Member Brick inquired about redistricting, and when it would be official. Ms. Rodriguez concluded that at this time the dates are unknown, several lawsuits have been filed in regards to redistricting and she will get an update on the progress.

Council Member Lyles also inquired on the bill banning texting while driving and whether will this be something that comes up again during the next session. Ms. Rodriguez confirmed that it will be seen again during the next session

Council Member Ruesink inquired about the outcome of the ban on K2, noting that both College Station and Bryan have ordinances banning the product.

4. Presentation, possible action, and discussion on the FY 2011-2012 Proposed Budget.

David Neeley, City Manager, made opening remarks. The Proposed Budget includes all city funds, and represents all critical needs and priorities set forth by city departments, comprehensive plans, and identified needs of the city. This presentation is not intended to go into great detail on budget, but in the coming weeks, the budget will be explained in depth. Mr. Neeley gave special thanks to Carol Thompson and the budget staff for their tireless work and long hours. The process started months ago, culminating in its presentation. Specific instructions were given to depts. to be more cost effective, adjusting for reductions and reflecting the economic climate. Mr. Neeley asked departments to reevaluate services and efficiency in preparation for creating this budget. The budget is discussed in detail in the Proposed Budget Document, presented this evening. The Organization's job is to continuously improve the way the city does business and that includes looking at how we provide our services.

Mr. Kersten provided an overview of the proposed budget. He believes the budget will position the city for the planning of the future and betterment of College Station. The Budget Public Hearing is tentatively scheduled for September 8th, with the Budget Adoption tentatively scheduled for September 22nd.

5. Presentation, possible action, and discussion regarding a change order to the construction contract with Elliot Construction (Contract # 11-003) in the amount of \$369,796.00 for the Southwood 5-7 Utility Rehabilitation Project.

Chuck Gilman, Public Works, detailed the change order, which includes roadway repairs to all streets in the project area, instead of just repairs to streets affected by the rehabilitation in the Leona Street area. He stated that the difference in longevity between original seal coat on streets, and repaving is five years for seal coat, and seven to nine for repaving. Mr. Gilman stated that although it will be an impact on Water/Wastewater budget, it will not affect it negatively.

Mr. Kersten added that money was set aside for contingency funds and covered the discrepancy noted in the change order.

6. Presentation, possible action, and discussion regarding Carters and Burton Creek Total Maximum Daily Load (TMDL) and Implementation Plan (I-Plan) for Bacteria.

Allan Gibbs, city engineer, presented this plan pursuant with the clean water act regulations and EPA regulations. Mr. Coleman followed up that this plan has no impact to future reclaimed water system plan.

7. Council Calendar

- **August 15 Update on CVB Tourism Consulting Report/Meeting at 9:30 a.m.**
- **August 15 IGC Meeting at BVCOG, 12:00 p.m.**
- **August 15-18 Budget Workshop Meetings in Council Chambers at 3:00 p.m.**
- **August 18 Planning & Zoning Commission Meeting in Council Chambers at 6:00 p.m.**
- **August 25 City Council Budget/Workshop/Regular Meeting at 3:00 p.m. & 7:00 p.m.**

The Budget workshops have been moved to the Carter Creek Waste Water Treatment Plant.

8. Presentation, possible action, and discussion on future agenda items: a Council Member may inquire about a subject for which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.

There were no future agenda items.

9. Discussion, review and possible action regarding the following meetings: Animal Shelter Board, Arts Council of the Brazos Valley, Audit Committee, Bicycle, Pedestrian, and Greenways Advisory Board, Brazos County Health Dept., Brazos Valley Council of Governments, Brazos Valley Wide Area Communications Task Force, BVSWMA, BWACS, Cemetery Committee, Code Review Committee, Design Review Board, Historic Preservation Committee, Interfaith Dialogue Association, Intergovernmental Committee, Joint Relief Funding Review Committee, Landmark Commission, Library Board, Mayor's Council on Physical Fitness, Mayor's Development Forum, Metropolitan Planning

Organization, National League of Cities, Outside Agency Funding Review, Parks and Recreation Board, Planning and Zoning Commission, Research Valley Partnership, Regional Transportation Committee for Council of Governments, Signature Event Task Force, Sister City Association, TAMU Student Senate, Texas Municipal League, Transportation Committee, Wolf Pen Creek Oversight Committee, Zoning Board of Adjustments.

Mayor Berry updated council on the BVCOG presentation from Bryan District Engineers for TxDot in regards to Proposition 12 funding. She also gave an update on the MPO meeting from last Wednesday, where the project for bridge improvements at Rockprairie Road was approved for funding in 2013. The City of College Station will receive 4.6 million for this project, which is still in design process. Mr. Neeley clarified that the original concept was for a teardown and replacement and now the project will widen the existing bridge, add turn lanes and pedestrian crossings.

Council Members Schultz, Brick and Mooney attended the Texas Municipal League's Orientation for Newly elected officials.

10. Executive Session

In accordance with the Texas Government Code §551.071-Consultation with Attorney, and §551.074-Personnel, the College Station City Council convened into Executive Session at 5:09 p.m. on Thursday, August 11, 2011 in order to continue discussing matters pertaining to:

A. Consultation with Attorney to seek advice regarding pending or contemplated litigation; to wit:

- City of Bryan's application with TCEQ for water & sewer permits in Westside/Highway 60 area, near Brushy Water Supply Corporation to decertify City of College Station and certify City of Bryan
- Clancey v. College Station, Glenn Brown and Kathy Merrill, Civil Action No. 09-CV-01480
- Rachel Rahn v. Alma Martinez, The Arkitex Studio, Inc. et al, cause No. 09-000656-CV361
- Chavers et al v. Tyrone Morrow et al, No. 10-20792; Chavers v. Randall Hall et al, Case No. 10 CV-3922
- College Station v. Star Insurance Co., Civil Action No. 4:11-CV-02023
- Ongoing criminal investigation of municipal court missing funds

B. Consultation with Attorney to seek legal advice; to wit:

- Legal issues regarding possible revenue sharing and legislation in bio-corridor
- Legal issues related to compliance of municipal court missing funds

C. Deliberation Regarding Personnel; to wit:

- Planning and Zoning Commission
- Zoning Board of Adjustments
- Parks and Recreation Board

The Executive Session adjourned at 6:53 p.m. on Thursday, August 11, 2011.

No action was required from Executive Session.

8. Adjournment

MOTION: There being no further business, Mayor Berry adjourned the workshop of the College Station City Council at 6:53 p.m. on Thursday, August 11, 2011.

Nancy Berry, Mayor

ATTEST:

Sherry Mashburn, City Secretary

DRAFT

MINUTES OF THE REGULAR CITY COUNCIL MEETING
CITY OF COLLEGE STATION
AUGUST 11, 2011

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry

Council:

Blanche Brick
Jess Fields
Karl Mooney
Katy-Marie Lyles
Julie Schultz
Dave Ruesink

City Staff:

David Neely, City Manager
Kathy Merrill, Assistant City Manager
Frank Simpson, Assistant City Manager
Carla Robinson, City Attorney
Sherry Mashburn, City Secretary
Tanya McNutt, Deputy City Secretary

Call to Order and Announce a Quorum is Present

With a quorum present, the Regular Meeting of the College Station City Council was called to order by Mayor Nancy Berry at 7:06 p.m. on Thursday, August 11, 2011 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77842.

1. Pledge of Allegiance, Invocation, consider absence request.

- The Police Department Outstanding Service Award was presented to Officers Kevin Yargo and Steven Taylor by Mayor Berry
- Captain Greg Rogers and members of the department recognized Fire Chief R. B. Alley for his dedication to the department and the profession. Fire Chiefs Association representatives presented Chief Alley with a commendation for his leadership and commitment to educate the next generation.

Citizen Comments

There were no citizen comments.

CONSENT AGENDA

2a. Presentation, possible action, and discussion of minutes for July 25, 2011 Workshop and Regular Council Meeting.

2b. Presentation, possible action, and discussion regarding Resolution 08-11-11-2b, approving a construction contract with Marek Brothers Construction for fire barriers to protect the transformers at Post Oak Substation and authorizing the expenditure of funds, in an amount not to exceed \$181,900.

2c. Presentation, possible action, and discussion regarding Resolution 08-11-11-2c, approving a construction contract with Knife River for the Semi-Annual Blanket Type D Hot Mix Installed Concrete Project and authorizing the expenditure of funds, in a amount not to exceed \$408,000.

2d. Presentation, possible action, and discussion regarding Resolution 08-11-11-2d, approving a construction contract with G.W. Williams, Inc. and authorizing the expenditure of funds, in an amount not to exceed \$1,066,051.13, for the Carter Creek Wastewater Treatment Plant Laboratory and SCADA Building; and consider approval of transfers in the amount of \$20,077 from the Water Capital Improvement Projects Fund contingency and \$101,913 from the Wastewater Capital Improvements Projects Fund contingency.

2e. Presentation, possible action, and discussion regarding approval of Resolution 08-11-11-2e, for asbestos abatement and debris removal from unoccupied areas in the Chimney Hill Retail Plaza in the amount of \$49,961.00.

2f. Presentation, possible action, and discussion regarding Resolution 08-11-11-2f, approving Notice of Sale and Bidding Instructions Preliminary Official Statement, and related materials for the sale of “City of College Station, Texas General Obligation Improvement Bonds, Series 2011” and “City of College Station, Texas Certificates of Obligation, Series 2011”, including selection of a date for opening bids.

2g. Presentation, possible action, and discussion regarding an Interlocal Agreement with the Bryan-College Station Metropolitan Planning Organization (MPO) for the funding of the BCS Mobility Initiative for fiscal year 2011.

2h. Presentation, possible action, and discussion regarding the approval of equipment purchases to upgrade the current Survalent SCADA system from Survalent Technology in the amount of \$77,660.00 and a Services Contract in the amount of \$14,500.00 for final testing for a total cost of \$92,660.00.

2i. Presentation, possible action, and discussion regarding the approval of the purchase of Barracuda network firewall equipment from MicroAge College Station through the Texas A&M Master Agreement in the amount of \$104,118.46.

2j. Presentation, possible action, and discussion regarding a deductive change order to the construction contract (Contract No.10-050) with Brazos Valley Services for a credit to the City in the amount of \$34,950.00 for the Nantucket Gravity Sewer Line project.

2k. Presentation, possible action, and discussion regarding a change order to the construction contract with Elliot Construction (Contract # 11-003) in the amount of \$369,796.00 for the Southwood 5-7 Utility Rehabilitation Project.

2l. Presentation, possible action and discussion on calling a public hearing on the City of College Station 2011-2012 Proposed Budget for Thursday September 8, 2011.

2m. Presentation, possible action, and discussion regarding ratification of Change Order #1, in the amount of \$11,310 to Contract 11-019 with HDR Engineering, Inc. related to completed impact fee analyses.

2n. Presentation, possible action, and discussion regarding ratification of Change Order #4, for \$19,873 to Contract 09-306 with HDR Engineering, Inc., and approval of a contingency transfer from the Wastewater Operating Fund in the amount of \$19,873.

2o. Presentation, possible action, and discussion to approve an agreement for the City to sell reclaimed water to the Pebble Creek Country Club.

2p. Presentation, possible action, and discussion regarding approval of the purchase of four (4) 2500 kVA distribution padmount transformers from WESCO in the amount of \$147,657.00 and two (2) 1500 kVA distribution padmount transformers from Texas Electric Coop in the amount of \$39,750.00, for a combined total of \$187,406.00, for Scott & White Hospital & Dowling Road Pump Station.

2q. Presentation, possible action, and discussion regarding approval of the purchase of Automatic Transfer Switch from Techline Inc. in the amount of \$105,085.00.

Item 2g was pulled from the Consent Agenda.

MOTION: Upon a motion made by Councilmember Fields and a second by Councilmember Mooney, the City Council voted seven (7) for and none (0) opposed, to approve the Consent Agenda, less item 2g. The motion carried unanimously.

(2g)MOTION: Upon a motion made by Councilmember Fields and a second by Councilmember Lyles, the City Council voted seven (7) for and none (0) opposed, to adopt an Interlocal Agreement with the Bryan-College Station Metropolitan Planning Organization (MPO) for the funding of the BCS Mobility Initiative for fiscal year 2011. The motion carried unanimously.

REGULAR AGENDA

1. Presentation, possible action, and discussion regarding appointments to the following Boards and Commissions:

- **B/CS Library Committee**
- **Bicycle, Pedestrian & Greenways Advisory Board**
- **Cemetery Committee**
- **Construction Board of Adjustments**
- **Design Review Board**
- **Historic Preservation Committee**
- **Joint Relief Funding Review Committee**
- **Landmark Commission**
- **Lick Creek Park Nature Center Advisory Committee**
- **Parks & Recreation Board**
- **Planning & Zoning Commission**
- **Sunset Advisory Commission**
- **Zoning Board of Adjustments**

MOTION: Upon a motion made by Councilmember Lyles and a second by Councilmember Fields, the City Council voted seven (7) for and none (0) opposed, to appoint Mike Ashfield, James Benham, Jerome Rektorik, and Jim Ross, to the Planning and Zoning Commission, and naming Mike Ashfield as chair. The motion carried unanimously.

MOTION: Upon a motion made by Mayor Berry and a second by Councilmember Schultz, the City Council voted seven (7) for and none (0) opposed, to appoint Ida Bellows, Jon Denton, Sherry Ellison, Billy Hart, Fred Medina, and Mike Reynolds to the Parks and Recreation Board, and naming Jon Denton as chair. The motion carried unanimously.

MOTION: Upon a motion made by Councilmember Fields and a second by Councilmember Schultz, the City Council voted seven (7) for and none (0) opposed, to appoint Dick Birdwell and Marsha Sanford to the Zoning Board of Adjustments. The motion carried unanimously.

MOTION: Upon a motion made by Councilmember Mooney and a second by Councilmember Fields, the City Council voted seven (7) for and none (0) opposed, to appoint citizens to the committees listed below. The motion carried unanimously.

- **B/CS Library Committee:** Felicia Glover; Larry Ringer
- **Bicycle, Pedestrian & Greenways Advisory Board:** James Batenhorst (E); Sherry Ellison (C); Marcy Halterman-Cox (B); Greg Stiles (A) (Councilmember Brick is the chair)
- **Cemetery Committee:** Sarah Adams; Ann Hays (Council directed staff to continue to hold vacancies open for applicants)
- **Construction Board of Adjustments:** Mike Lane; Charles Thomas; Marc Chaloupka (alternate); Glenn Thomas (alternate)
- **Design Review Board:** Lindsey Bertrand; Susan McGrail (alternate); Marsha Sanford (alternate)

- Historic Preservation Committee: Jerry Cooper; Linda Harvell; Ann Hays; M.D. Marshall; Frances Williams
- Joint Relief Funding Review Committee: J. Kevin Bryne
- Landmark Commission: Jason Loyd (A); M.D. Marshall (D)
- Lick Creek Park Nature Center Advisory Committee: Robert Bruce (F); Becky Burghardt (D); Jan Fechhelm (D); Ronald Kaiser (F); Mike Manson (F); Susan Scott (E); Scott Shafer (E)
- Sunset Advisory Commission: Dick Birdwell; Robert Bruce; Ryan Campbell; Gary Erwin; Merribeth Kahlich; M.D. Marshall; with Dick Birdwell named chair

2. Public Hearing, presentation, possible action, and discussion on Ordinance 2011-3360, amending Charter 12, “Unified Development Ordinance,” Section 4.2, “Official Zoning Map,” of the Code of Ordinances of the City of College Station, Texas, by changing the zoning district boundaries affecting certain properties; to wit: 7.364 acres located at 2862 North Graham Road, and more generally located west of the intersection of Old Wellborn Road and North Graham Road, from A-O Agricultural Open to PDD Planned Development District.

At approximately 8:32 p.m., Mayor Berry opened the Public Hearing.

There being no comments, the Public Hearing was closed at 8:33 p.m.

MOTION: Upon a motion made by Councilmember Mooney and a second by Councilmember Brick, the City Council voted six (6) for and none (0) opposed, with Councilmember Schultz having recused herself, to adopt Ordinance 2011-3360, amending Charter 12, “Unified Development Ordinance,” Section 4.2, “Official Zoning Map,” of the Code of Ordinances of the City of College Station, Texas, by changing the zoning district boundaries affecting certain properties; to wit: 7.364 acres located at 2862 North Graham Road, and more generally located west of the intersection of Old Wellborn Road and North Graham Road, from A-O Agricultural Open to PDD Planned Development District, with an effective date of September 1, 2011. The motion carried.

3. Presentation, possible action, and discussion on Ordinance 2011-3361, calling a Special Election for November 8, 2011 for the purpose of amending the City Charter, if necessary.

Terry Childers, 4400 Bellerive Court, vice chair of Charter Review Commission, the second tenant of the reform movement in early part of 21st century is nonpartisanship elections. We have nonpartisan elections; the Council is neither democrat or republican when determining what is best for community. The Legislature thrust upon us in an untimely manner as to when local elections can be held, impacting when terms of council can be set. How long a person can serve and when elections are held should be decided by the citizens of the community. It is important to allow the citizens of the community to determine if they want nonpartisan elections in May or have elections in November, allowing those elections to become partisan. The Commission has been working diligently on the charter and needs to continue that work. This issue is important enough to be the only issue to go before the voters. This is a matter that needs to go to the voters for consideration.

Chuck Ellison, 2902 Camille Drive, reported that the Commission held its first meeting in May and have met twice monthly since then. They have been working to have proposed charter amendments to Council for a charter amendment election in May 2012. They have discussed many issues in their review; then three short weeks ago, Secretary Mashburn presented Senate Bill 100 and the impact of the MOVE act. This has derailed their work. Now they cannot hold a charter amendment election in May 2012; the first opportunity is now November 2012, which is a presidential election. No one on the Commission wanted two year terms in May because of the possibility of a complete turnover. If we want to have this on the November 2011 ballot, the ballot language must be to the County Clerk no later than August 12. As a Commission, they do not want four year terms, but if not that, then citizens would not get the opportunity to vote on May versus November elections. Citizens should have the right to that decision. It is the right of the people to make this decision. He expressed the members' desire to remain on the Commission so that they do not lose the work they have done to date, even if we cannot have a charter amendment election until 2013. The Legislature has not given us much choice. This does not give voters the option to vote on all choices, but this is about elections in May or November. This election gives that opportunity. There are numerous substantive issues, and they don't want those lost in the political chatter of a presidential election. It is not ideal to hold a charter election at the same time as a presidential election.

John Anderson, 200 Fireside Circle, stated this is an issue with which honorable, reasonable people can disagree. As to cost, as citizens and elected officials, we have an obligation to be good stewards of the citizens' money. Multiple elections are costly. Elections in May do not preclude partisanship. Since voter turnout is lower in May, it allows special interest groups to garner their will. It also disenfranchises smaller groups and minorities. Then there is the issue of informed voters. Whether in May or November, a voter has an obligation to become informed prior to voting. We have an obligation to inform citizens before elections occur. Four year terms can be onerous for a lot of people. There is also cost inefficiency – it is less expensive and more efficient to have elections in November.

Susan Laue, 4902 Firestone, said nothing is obvious to the uninformed. A big “ah ha” moment occurred to her when she realized that using this charter amendment at this time is giving up dealing with the charter in a comprehensive fashion in a timely manner. Texas is a Voters Rights Act, Section 5 state. Any change has to be submitted to the Department of Justice to be sure we are not discriminating against a protected class. Off-cycle elections or odd-number elections depress voter turnout, and elections become more exclusive. Many things in this community become very politicized. In this area of law, you are presumed guilty until you can disprove that guilt. She would hate to see us do something that tees us up unless we can prove our off-cycle elections have not been discriminatory.

Parviz, Vessali, 110 Pershing, said he has heard that November elections could be doomed to partisanship. The people that vote in May will also vote in November, and that won't disenfranchise others. He agrees that keeping elections in May empowers small groups to have a say in city government, but in November we would have less of that problem. If a councilmember has to resign it would incur additional cost for equipment. Also, staff time boils down to money. If voters choose four year terms, the next charter amendment election would be

pushed to 2015. He urged the Council to vote on a resolution to move to November, and we could have a charter amendment election in November 2012.

Paul Greer, 9100 Waterford Drive, stated that the issue of costs is a serious consideration, but we should realize that three year terms would have an election every year. Four year terms have an election every other year.

MOTION: Upon a motion made by Councilmember Brick and a second by Councilmember Schultz, the City Council voted four (4) for and three (3) opposed, with Mayor Berry, Councilmembers Fields and Ruesink voting against, to adopt Ordinance 2011-3361, ordering a special election to be held on November 8, 2011 for the purpose of amending the City Charter to provide for the regular election of the Mayor and City Council to be held in May of odd-numbered years with the Mayor and City Council serving four (4) year term lengths for no more than eight (8) consecutive years; establishing early voting locations and polling places for this election; and making provisions for conducting the election. The motion carried.

4. Adjournment.

MOTION: Upon a motion made by Mayor Berry and a second by Councilmember Shultz, the City Council voted seven (7) for and none (0) opposed, to adjourn the Regular Meeting of the City Council at 10:04 p.m. on Thursday, August 11, 2011.

Nancy Berry, Mayor

ATTEST:

Sherry Mash burn, City Secretary

MINUTES OF THE JOINT MEETING WITH
THE CITY OF BRYAN, BRAZOS COUNTY,
CONVENTION AND VISITORS BUREAU,
AND THE COLLEGE STATION CITY COUNCIL
AUGUST 15, 2011

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry

Council:

Blanche Brick
Jess Fields, absent
Karl Mooney
Katy-Marie Lyles, absent
Julie Schultz
Dave Ruesink

City Staff:

David Neeley, City Manager
Frank Simpson, Deputy City Manager
Sherry Mashburn, City Secretary

1. Call to Order and Announce a Quorum is Present

With a quorum present, the Joint Meeting with the City of Bryan, Brazos County, Convention and Visitors Bureau, and the College Station City Council was called to order at 9:45 a.m. on Monday, August 15, 2011 at the College Station Hilton, 801 University Dr. East, College Station, Texas 77842.

2. Presentation and discussion regarding the "Bryan-College Station Destination Development Report" and associated recommendations.

Scott Joslove discussed the use of local hotel occupancy tax (HOT). This is a restrictive law, and cannot be used for just any public purpose. Expenditures must fit in one of several specific categories; it is statutorily mandated that HOT must promote convention and visitor programs. These categories include:

1. Convention or visitor center: over 50% of the usage needs to be for conventions and meetings involving tourists
2. Registration of convention delegates
3. Advertising and promotion, must spend at least 1/7th of funds received

4. Promotion of the arts, cannot just be a local event; the cap is 15% of funds received
5. Historical restoration and preservation, cap of 50% of funds received
6. Tourist wayfinding signage
7. Shuttles between convention center and area hotels
8. Sporting related events and infrastructure improvements (the amount spent on improvements cannot exceed the hotel revenue generated in five years)

Sarah Page and Penny Ray, with Indigo Resource Group, presented the results of their study on the best use of hotel occupancy tax. The seven executive summary recommendations are as follows:

1. The City of College Station should adopt a new funding strategy that releases its current occupancy tax reserves and award future collections entirely to organizations that meet state occupancy tax law requirements and demonstrate a healthy return-on-investment.
2. Reserve funding should be allocated to the CVB for the collection of research to track visitor speeding, point of origin, length of stay and other relevant data.
3. Reserve funding should be allocated to create and implement a wayfinding master plan.
4. An investment should be made in utilization of technology to promote Bryan-College Station to potential business and leisure travelers and enhance their visitor experience.
5. The current "Rewards Program" should be expanded to create immediate opportunities for group business in both the convention and sports markets.
6. Funding an additional CVB staff person to create and implement strategies for cross-promotion, cooperative advertising, stakeholder information sharing and product development.
7. Adoption of a clear, easy-to-use and compare, occupancy tax funding request process.

A draft Hotel Tax Fund Expenditure Grant Application Packet was provided, and input from the stakeholders was requested. The entities were requested to agree to a grant funding process that is transparent and easy to understand. It was stressed that the CVB is not asking for funds to be released to them, but rather asking that the funds be released to those organizations that meet state occupancy tax law requirements. They want the process to be more efficient and accountable.

3. Adjournment

MOTION: There being no further business, the Joint Meeting with the City of Bryan, Brazos County, Convention and Visitors Bureau, and College Station City Council was adjourned at 11:50 a.m. on Monday, August 15, 2011.

Nancy Berry, Mayor

ATTEST:

Sherry Mashburn, City Secretary

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP
CITY OF COLLEGE STATION
AUGUST 15, 2011

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry, Mayor

Council:

Blanche Brick
Jess Fields
Karl Mooney, arrived after roll call
Katy-Marie Lyles
Julie Schultz
Dave Ruesink

City Staff:

David Neeley, City Manager
Kathy Merrill, Deputy City Manager
Frank Simpson, Deputy City Manager
Carla Robinson, City Attorney
Sherry Mashburn, City Secretary

1. Call to Order and Announce a Quorum is Present

With a quorum present, the Budget Workshop of the College Station City Council was called to order by Mayor Nancy Berry at 3:09 p.m. on Monday, August 15, 2011 in the Carter Creek Wastewater Training Facility 2200 North Forest Parkway, College Station, Texas 77842.

2. Presentation, possible action, and discussion on the FY 201 1-2012 Proposed Budget.

Jeff Kersten, Chief Financial Officer, provided a review of the proposed FY11-12 budget. The focus of discussion was on the Water and Wastewater Funds and the General Fund – Part 1.

Water Fund: Projected revenues for FY12 are \$13,780,000. These revenues are derived from user fees and water rates. No rate increase is proposed. The forecast does show future rate increases. There is an impact of the drought on water revenues in FY11. Expenditures are projected to be \$14,488,902. Operations and Maintenance is \$6,345,907. There is a service level adjustment reduction in the amount of \$45,480 because we are discontinuing fluoridation and reducing the Conservation Rebate Program. A 2.5% performance increase in the amount of

\$36,852 is included. Debt service is \$4,796,645. \$1,950,000 will be transferred to Capital Projects, and \$1,222,850 will be transferred to the General Fund (ROI). The line item for Economic Development in the amount of \$12,500 was questioned. Mr. Kersten provided a brief overview of the key water system production projects, distribution projects, and rehabilitation projects. We will use \$1.9 million in current revenues to pay for these projects and issue debt in the amount of \$6.1 million.

Wastewater Fund: FY12 revenues are projected at \$12,919,000. These revenues are derived from user fees and a FY12 proposed rate increase of 5%. The forecast shows additional future rate increases. Expenditures are projected at \$12,047,941. Operations and Maintenance is \$6,536,932. There is a service level adjustment of \$132,000 for interceptor cleaning/evaluation. Pay adjustments are projected at \$58,584. Debt service is \$4,114,467. \$1,120,000 will be transferred to Capital Projects, and \$1,206,542 will be transferred to the General Fund (ROI). Mr. Kersten provided a brief overview of the key wastewater system collection projects, rehabilitation projects, and CIP projects. We will use \$1.1 million in current revenues to pay for these projects and issue debt in the amount of \$7.5 million.

General Fund Revenues: Key budget policy points include economic uncertainty, organizational restructuring, utility transfer policy, tax rate, public safety, and pay/benefits. General Fund revenues are proposed at \$54,260,962. For FY11 year-end revenue is estimated to show that sales tax is estimated higher than the approved budget by \$873,000. ROI is estimated to be lower than the approved budget by \$1.5 million. The revenue for FY12 has a 1.7% proposed increase over the FY11 year-end estimate. It anticipates an increase in ad valorem revenue of \$1.2 million, and increase sales tax by \$400,000. The ROI is expected to decrease by \$2 million.

Sales tax makes up 37.5% of General Fund revenues. FY11 sales tax is forecast to be 4.5% higher than anticipated.

Regarding property tax revenue, our certified value this year is \$5.74 billion, with an increase of 5.2% over last year's valuation. There is \$148 million in new values. Existing value has increased by 2%. The median home value is \$209,942. Our current tax rate is 44.7543 cents, and the Effective Tax Rate is 43.7995 cents. The rollback rate is 45.4682 cents. The proposed tax rate is 43.7995 cents; this is broken down to 20.1536 for debt service and 23.6459 for operations and maintenance. The effective tax rate provides additional resources for fire station #6. Each penny generates about \$533,000. Property tax revenues make up \$13.5 million, or 25% of the proposed general fund revenue.

\$10,060,270 is proposed to be transferred from electric utilities. In lieu of franchise fees are \$4.9 million or 14.6%. The ROI is \$2.1 million or 3.95%. Current fiscal policy is we will not transfer more than 10% of the total estimated operating revenues. We expect to reduce transfers by \$2 million in 2012 and \$1 million in FY13. On the water side, we will not to exceed 10% of the total estimated operating revenues. In lieu of franchise fees are \$800,000 and ROI is \$522,000. Wastewater transfers will also not exceed 10% of total operating revenues. In lieu of franchise fee are \$723,000. The ROI is \$820,000.

Franchise/mixed drink revenues are projected at \$2.4 million or 4.5 %. State budget changes will result in less mixed drink tax allocated to the City. Telephone franchise fees anticipate a slight decline. Licenses and permits are projected at \$0.9 million or 1.8%. There are minimal changes in other revenue categories.

General Fund Expenditures: We typically budget at 97% for salary and benefits. Increases have been included for TMRS contribution requirements and the City's portion of health care benefits. Budget reductions have occurred through reorganization and the elimination of 27.25 positions city-wide, 21.25 in the general fund. This provided an estimated savings of \$1.5 million city-wide and \$1.2 million in the general fund. Other reductions include building maintenance, overtime, technology upgrades, travel and training, etc.

An overview of general fund departments was begun and will continue throughout the budget workshops this week:

Police Department: FY12 expenditures are proposed at \$14.6 million. This included a recurring service level adjustment for fitlife testing (\$22,375), deferral of the next steps of the Strategic Plan (hiring of additional officers), and the next phase of the step pay plan to increase sergeants' and lieutenants' pay rates.

Fire Department: FY12 proposed expenditures are \$13.3 million. Service level adjustments for Fire Station #6 operations and maintenance are in the amount of \$7 million. \$639,070 are one-time funds to get the facility up and running. There are \$1.2 million in recurring costs. A service level adjustment for one-time maintenance on Fire Station #4 is \$80,000. TAMU will reimburse half the cost.

Public Works: FY12 proposed expenditures are \$6.7 million. This includes the CIP department, and a service level adjustment for a structural study for the conference center -- a one-time cost of \$25,000. The proposed budget includes \$350,000 for street rehabilitation. The streets proposed for rehabilitation include: Rock Prairie West, Brothers Blvd., Post Oak Circle, Muirfield Village, Jones Butler, and Hardwood.

3. Presentation, possible action and discussion on the 2010-2011 ad valorem tax rate; and, if necessary on calling two public hearings on a proposed ad valorem tax rate for 2011-2012.

This item was not discussed.

4. Adjournment

MOTION: There being no further business, Mayor Berry adjourned the budget workshop of the College Station City Council at 6:04 p.m. on Monday, August 15, 2011.

Nancy Berry, Mayor

ATTEST:

DRAFT

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP
CITY OF COLLEGE STATION
AUGUST 16, 2011

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry, Mayor

Council:

Blanche Brick
Jess Fields
Karl Mooney
Katy-Marie Lyles
Julie Schultz
Dave Ruesink

City Staff:

David Neeley, City Manager
Kathy Merrill, Assistant City Manager
Frank Simpson, Assistant City Manager
Carla Robinson, City Attorney
Sherry Mashburn, City Secretary

1. Call to Order and Announce a Quorum is Present

With a quorum present, the Budget Workshop of the College Station City Council was called to order by Mayor Nancy Berry at 3:12 p.m. on Tuesday, August 16, 2011 in the Carter Creek Wastewater Training Facility 2200 North Forest Parkway, College Station, Texas 77842.

2. Presentation, possible action, and discussion on the FY 201 1-2012 Proposed Budget.

Parks and Recreation: FY12 expenditures are proposed at \$4,971,008. This includes PARD administration, recreation administration, special facilities administration, etc. The sports programs, Xtra education, aquatics, the Southwood Center, and Conference Center have been moved to the Recreation Fund. Service level adjustments total \$40,200. This is to replace the registration/reservation software (\$18,000 one-time cost and \$25,000 recurring costs); athletic fields maintenance equipment for \$22,200 (one-time cost), and the reduction and relocation of Christmas in the Park, for a recurring reduction of \$25,000. Council requested more information on the Christmas in the Park program.

Recreation Fund: Proposed revenue for FY12 is \$1,198,016 and FY12 proposed expenditures are \$3,811,342. These include sports programs, aquatics, instruction, the Southwood Center and Lincoln Center, and the Conference Center. A subsidy of \$2,613,326 is also proposed. Council requested more information on the aquatics programs and subsidy of such. Other programs of interest are the senior center and teen center.

The proposed service level adjustments are all reductions. They are proposing the elimination of the concessions cost center, changing the programming at the Natatorium, and reducing recreation programming by eliminating the adult football program and reducing adult kickball and adult volleyball from three seasons to two seasons.

PROPOSED GENERAL FUND DEPARTMENT BUDGETS

<u>Library</u>	\$ 1,071,654
<u>Planning and Development Services</u>	\$ 3,691,097
• SLA - \$50,000 Wellborn Small Area Plan	
<u>Information Technology</u>	\$ 3,927,140
<u>Fiscal Services</u>	\$ 2,987,050
<u>General Government</u>	\$ 3,566,387
• SLA - \$13,275 Codification Maintenance	
<u>Pay Plan</u>	\$ 905,248
DEPARTMENT TOTALS	\$55,911,372

Pay Plan Proposal: Pay increases are possible only with other reductions. A limited pay increase was provided last year. This year's proposed budget includes an average 2.5% increase that will be performance based. It also includes the next phase of the Police Department step plan for sergeants and lieutenants.

3. Presentation, possible action and discussion on the 2010-2011 ad valorem tax rate; and, if necessary on calling two public hearings on a proposed ad valorem tax rate for 2011-2012.

This item was not discussed.

4. Adjournment

MOTION: There being no further business, Mayor Berry adjourned the budget workshop of the College Station City Council at 6:00 p.m. on Tuesday, August 16, 2011.

Nancy Berry, Mayor

ATTEST:

Sherry Mashburn, City Secretary

DRAFT

- Hotel Tax Fund: This was discussed to provide clarification on some of the public agency funding. Revenues are proposed to come in at \$3,400,680. Proposed expenditures in the amount of \$2,085,142 include special events and programs, convention center land debt service, Convention and Visitors Bureau, Arts Council affiliates, Veteran’s Memorial, Bryan/College Station Chamber, Northgate advertising, and other/contingency.

Other/Transfers Out \$3,427,883

The Economic Development Fund; Interfund Loan-First Street property; Texas 21, High Speed Rail; state legislative consulting; transfer to Northgate District; appraisal district; and the Gulf Coast Strategic Highway Coalition are proposed to be funded in an amount of \$814,157. \$2,613,726 will come from a Recreation Fund subsidy.

Contingency \$ 250,000

GENERAL FUND FINANCIAL FORECAST

Revenue projections are based on economic conditions which have resulted in conservative revenue estimates. Sales tax is projected to have a slight increase. No future tax rate increase is expected. Permit revenues are estimated conservatively. Investment earnings are lower.

There will be limited new expenditures, along with a limited pay plan, and increased health care and retirement costs. Expenditures will include the continuation of the Police strategic plan and the O&M for Fire Station #6.

KEY GENERAL FUND POLICY DECISION POINTS

The General Fund is funded through the Effective Tax Rate proposals, and we are proposing a shift from debt to O&M. There are budget and service level reductions. Utility transfer policy changes are also proposed.

PROPOSED GENERAL DEBT SERVICE FUND

The FY11 Debt Service rate is 22.0194 cents. The proposed FY12 Debt Service rate is 20.1536 cents. This satisfies the FY12 Debt Service requirements of \$12,649,002. The parking garage debt is funded from parking revenues, and the Cemetery debt service is paid from the tax rate.

OTHER GOVERNMENTAL FUNDS

Chief Financial Officer Jeff Kersten touched on the Economic Development Fund. \$250,000 is proposed to be transferred back from the Economic Development Fund into the Electric Utility Fund.

Capital Projects: In 2008, the citizens authorized bonds for \$76.9 million. These bond projects include streets & transportation, parks, library, and a fire station.

ELECTRIC UTILITY FUND

Revenues are proposed at \$100,623,786. This assumes a 2% growth in residential and commercial. No rate increase is included in the FY12 proposed budget, but the forecast shows a future rate increase in FY13.

Proposed expenditures are \$98,236,372. Approximately \$86.5 million is for operations and transfers, including purchased power and wheeling costs. Service level adjustments are \$214,000. Reduction SLA's include the Goodwill Tree Program and the Sun Source Solar Photovoltaic Rebate Program. Increase SLA's include the Transmission Tree Trimming Program, NERC certification pay, transformer maintenance, Electric Substations General Labor Program, Meter Testing Program, and Dispatch Center operating cost. Other expenditures are pay adjustments, debt service cost, transfer to General Fund (ROI), and direct capital.

Key capital projects were briefly touched upon, the largest being production projects in the amount of \$3,000,000. The most costly being the landfill with BVWSMA.

3. Presentation, possible action and discussion on the 2010-2011 ad valorem tax rate; and, if necessary on calling two public hearings on a proposed ad valorem tax rate for 2011-2012.

This item was not discussed.

4. Adjournment

MOTION: There being no further business, Mayor Berry adjourned the budget workshop of the College Station City Council at 6:26 p.m. on Wednesday, August 17, 2011.

Nancy Berry, Mayor

ATTEST:

Sherry Mashburn, City Secretary

MINUTES OF THE CITY COUNCIL BUDGET WORKSHOP
CITY OF COLLEGE STATION
AUGUST 18, 2011

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry, Mayor

Council:

Blanche Brick
Jess Fields
Karl Mooney
Katy-Marie Lyles
Julie Schultz, arrived after roll call
Dave Ruesink

City Staff:

David Neeley, City Manager
Kathy Merrill, Assistant City Manager
Frank Simpson, Assistant City Manager
Carla Robinson, City Attorney
Sherry Mashburn, City Secretary

1. Call to Order and Announce a Quorum is Present

With a quorum present, the Budget Workshop of the College Station City Council was called to order by Mayor Nancy Berry at 3:07 p.m. on Thursday, August 18, 2011 in the Carter Creek Wastewater Training Facility 2200 North Forest Parkway, College Station, Texas 77842.

2. Presentation, possible action, and discussion on the FY 2011-2012 Proposed Budget.

Sanitation Fund: Revenues are proposed at \$7,242,423. There is no rate increase in the proposed budget; however, the forecast shows rate increases in the future. Expenditures are proposed at \$7,442,514. Of this amount, \$6.7 million is for O&M (personnel, equipment, fuel, and disposal cost at landfill). There are no proposed service level adjustments. \$50,820 is proposed for pay adjustments. A transfer to the General Fund (ROI) is proposed in the amount of \$709,987. \$50,240 is proposed for Keep Brazos Beautiful for operations, beautification grants, and other beautification programs in College Station.

BVSWMA: The proposed budget for salaries and benefits, to be reimbursed by BVSWMA, Inc., is \$1,393,401 for FY12.

Northgate Parking Enterprise Fund: Revenues are proposed at \$1,159,689, primarily from the parking fees and assuming a 1% growth. There are also revenues from parking fines, which are assumed to remain flat. Expenditures are proposed at \$1,085,775. This includes \$444,545 for parking O&M and non-parking activities estimated at \$220,633 to be reimbursed by the General Fund. A service level adjustment of \$80,000 is for garage security cameras. There is a pay adjustment for \$5,701. Debt service for this fund is \$464,000.

Community Development Fund: The total proposed budget is \$5,012,772. CDBG eligible expenditures are \$2,303,828 and HOME grant expenditures are \$2,708,944. This money is from federal grants.

ARRA Fund: The total proposed budget is \$65,000. The money comes from a general government grant and funds the Sustainability Coordinator position. The grant funds this position from FY10 to FY12.

Traffic Safety Fund: Revenues are \$1,400 from investment earnings. Expenditures are \$72,959 for the BCS Mobility Initiative and traffic safety programs. The fund will close out during FY12 when the money has been expended.

Wolf Pen Creek TIF: Revenues are \$10,000 from investment earnings. The Capital budget appropriates for the WPC Festival site. The water feature project will carry forward until the project is complete. The balance is estimated to be expended in FY12. The TIF expired December 21, 2009.

Court Funds and Police Seizure Funds: These funds include the Municipal Court Fee Fund, Court Technology Fund, Court Security Fund, Juvenile Case Manager Fund, and the Police Seizure Fund. Revenue received from fees and fines in these funds can only be expended for specific purposes.

Cemetery Funds: There are three cemetery funds.

- Memorial Cemetery Fund has proposed revenues of \$232,293 for plot sales and investment income. Expenditures are zero.
- Memorial Cemetery Perpetual Care Fund has proposed revenues of \$113,951 for plot sales and investment income. Expenditures are proposed in the amount of \$10,000 for advertising expenses.
- Cemetery Perpetual Care Fund has proposed revenues of \$23,000 for plot sales and investment income. Expenditures are zero.

Parkland Dedication: Revenues are proposed at \$305,000. The funds come from residential land developers for the development of neighborhood parks in residential areas. Expenditures are proposed in the amount of \$1,223,373. These funds must be used for the development of parks within dedicated zones. Anticipated projects for FY12 are University Park, Carter Crossing Park, Southwest Park, and John Crompton Park Phase III.

Drainage Fund: Revenues are proposed for \$1,997,773 for drainage utility fees. Expenditures are proposed at \$2,489,068. Of that amount, \$1.3 is for O&M for drainage maintenance operations and the drainage inspector position. There are no service level adjustments. Capital project expenditures are proposed for \$1,122,010. These projects include Greenways projects, minor drainage improvements, Wolf Pen Creek erosion control, and the Drainage Master Plan.

INTERNAL SERVICE FUNDS

Self-Insurance Funds:

- Property Casualty Fund: Revenue is proposed at \$1,492,910 and Expenditures at \$1,637,161. Ending working capital is \$52,786 reserved for possible claims.
- Employee Benefits: Revenue is proposed at \$9,003,244. The City contribution has increased by \$861,279. This is 13.19% over the FY11 budget. Expenditures are proposed at \$9,138,943. The insurance provider is BlueCross BlueShield of Texas. There will be an increase in cost to employees in FY12, and multiple options will be offered to employees. A service level adjustment in the amount of \$22,375 is proposed for the Police Department Fitlife testing.
- Workers Compensation: Revenues are proposed at \$805,538 and expenditures at \$747,874.

Utility Customer Service provides utility metering, billing and collection customer services for the City utilities. Revenues are proposed at \$2,342,713 and expenditures at \$2,342,713. A service level adjustment in the amount of \$23,661 is proposed to replace hand-held meter reading equipment.

Equipment Replacement Fund: Revenues are proposed at \$3,592,926. Expenditures are proposed at \$4,084,826 for fleet purchases and replacement. They will replace vehicles with hybrids when feasible.

Fleet Maintenance Fund provides fleet support services to City operations. Revenue is proposed at \$1,577,410 and expenditures are proposed at \$1,659,149.

Council expressed concern over roadway maintenance and rehabilitation. Staff reported that a three – five year plan will be ready in a couple of months that will address service levels. Once that is completed, Council will need to commit to an annual expenditure for this program.

3. Presentation, possible action and discussion on the 2010-2011 ad valorem tax rate; and, if necessary on calling two public hearings on a proposed ad valorem tax rate for 2011-2012.

Total assessed valuation for FY11 is \$5,738,615,002. This is reflective of a 5.2% increase over last year. The proposed property tax rate for FY11 is slightly lower than the current tax rate. Each cent on the tax rate generates approximately \$533,000. Our current rate is 44.7543 cents, and the effective tax rate, which will generate approximately the same amount of revenue, is 43.7995 cents. If the Council wishes to set a rate above the effective tax rate, they will need to hold public hearings.

Council consensus was to set the tax rate at the Effective Tax Rate at 44.7995 cents.

4. Adjournment

MOTION: There being no further business, Mayor Berry adjourned the budget workshop of the College Station City Council at 6:08 p.m. on Thursday, August 18, 2011.

Nancy Berry, Mayor

ATTEST:

Sherry Mashburn, City Secretary

DRAFT

August 25, 2011
Consent Agenda Item No. 2b
Taxi Ordinance Amendment – Jitneys

To: David Neely, City Manager

From: Jeff Capps, Chief of Police

Agenda Caption: Presentation, possible action, and discussion regarding update to the existing Taxi ordinance regulating Jitneys operating within the city limits of College Station.

Relationship to Strategic Goals: Goal III.4: Promote business-friendly attitude.

Recommendation(s): Approval of amended Taxi Ordinance.

Summary: Council directed a review of the existing ordinance regulating the operation of Jitneys within the city limits of College Station. Staff has completed the review and recommends changes to the current ordinance to more adequately address operation of Jitneys within the city limits. Staff presented proposed changes to Council on July 14, 2011 and Council directed staff to amend the current taxi ordinance to include regulation of Jitneys.

In addition, the Council approved the modification of the current definition of a Jitney to a motor vehicle designed to carry fifteen or fewer persons, including the driver, and used to transport passengers for hire.

The attached Taxi Ordinance amendment brings the operation of a Jitney within the city under the same regulations as a Taxi service.

Budget & Financial Summary: N/A

Attachments:

Taxi Ordinance Amendment

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 4, "BUSINESS REGULATIONS" BY AMENDING SECTION 6 "TAXICABS", OF THE CODE OF ORDINANCES OF THE CITY OF COLLEGE STATION, TEXAS, AS SET OUT BELOW; PROVIDING A SEVERABILITY CLAUSE; DECLARING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: That the Code of Ordinances of the City of College Station, Texas CHAPTER 4, "BUSINESS REGULATIONS" SECTION 6 "TAXICABS", be amended as set out in Exhibit "A", attached hereto and made a part of this ordinance for all purposes.

PART 2: That if any provisions of any section of this ordinance shall be held to be void or unconstitutional, such holding shall in no way effect the validity of the remaining provisions or sections of this ordinance, which shall remain in full force and effect.

PART 3: That any person, firm, or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punishable by a fine of not less than Twenty-Five Dollars (\$25.00) nor more than Five Hundred Dollars (\$500.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense. Said Ordinance, being a penal ordinance, becomes effective ten (10) days after its date of passage by the City Council, as provided by Section 35 of the Charter of the City of College Station.

PASSED, ADOPTED and APPROVED this _____ day of _____, 2011.

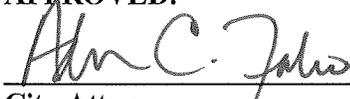
APPROVED:

Mayor

ATTEST:

City Secretary

APPROVED:



City Attorney

EXHIBIT "A"

1. That the Code of Ordinances of the City of College Station, Texas **CHAPTER 4, "BUSINESS REGULATIONS" SECTION 6 "TAXICABS", A. Definitions, (12) Jitney** be amended and is to read as follows:

(12) Jitney is a motor vehicle designed to carry fifteen or fewer persons, including the driver, and used to transport passengers for hire.

2. That the Code of Ordinances of the City of College Station, Texas **CHAPTER 4, "BUSINESS REGULATIONS" SECTION 6 "TAXICABS", B. Exemptions (9) Jitney** be deleted in its entirety.

August 25, 2011
Consent Agenda Item No. 2c
Debt Reimbursement Resolution for
Wastewater Utility Projects

To: David Neeley, City Manager

From: Jeff Kersten, Chief Financial Officer

Agenda Caption: Presentation, possible action, and discussion regarding approval of a "Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt" for expenditures related to Wastewater Utility Capital projects.

Recommendation(s): Staff recommends approval of the "Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt."

Summary: On projects for which spending will occur in advance of the debt issue, a "Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt" must be approved by Council. This "Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt" is being brought to Council to cover expenditures for projects on which spending is estimated to occur in advance of the debt issue scheduled for FY11 and FY12. This resolution does not cover all of the debt that is expected will need to be issued for these projects. Rather, it covers the debt that is reasonably expected to be issued in the time frame covered by the resolution. Therefore, additional resolutions may be brought forth to Council for these projects in the future.

Budget & Financial Summary: The "Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt" is necessary for this item because the long term debt has been issued for these projects. The debt that this resolution is intended to cover is estimated to be issued in FY11 and FY12. The projects covered by this debt resolution include:

FM 2154 Sewer Trunk Line: This project is for the land acquisition, design and construction of a gravity sanitary sewer line, lift station and force main to serve the recently annexed area east of FM 2154. It is estimated that the total project cost will be \$3,332,816.

Bee Creek Parallel (Relief) Trunk Line: This project is for the installation of a gravity line to increase the system capacity of the Bee Creek Trunk Line sub-basin to accept the ultimate build-out demand anticipated in this respective area. It is estimated that the total project cost will be \$14,703,625.

Lick Creek Centrifuge Replacement project: This project will replace the sludge dewatering centrifuge at the Lick Creek Wastewater Treatment Plant. It is estimated that the total project cost of the Centrifuge Replacement will be \$1,000,000.

Attachments:

1. Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt

RESOLUTION NO. _____

RESOLUTION DECLARING INTENTION TO REIMBURSE CERTAIN EXPENDITURES WITH
PROCEEDS FROM DEBT

WHEREAS, the City of College Station, Texas (the "City") is a home-rule municipality and political subdivision of the State of Texas;

WHEREAS, the City expects to pay expenditures in connection with the design, planning, acquisition and construction of the projects described on Exhibit "A" hereto (collectively, the "Project") prior to the issuance of obligations by the City in connection with the financing of the Project from available funds;

WHEREAS, the City finds, considers, and declares that the reimbursement of the City for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the City and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project;

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS THAT:

Section 1. The City reasonably expects it will incur debt, as one or more series of obligations, with an aggregate maximum principal amount not to exceed \$3,500,000, for the purpose of paying the aggregate costs of the Project.

Section 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the City in furtherance of this Statement after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

Section 3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Statement more than three years after the date any expenditure which is to be reimbursed is paid.

PASSED AND APPROVED THIS 11th DAY OF AUGUST, 2011.

Nancy Berry, Mayor

ATTEST:

Sherry Mashburn, City Secretary

(Seal)

APPROVED:



McCall Parkhurst & Horton L.L.P.
Bond Counsel

Exhibit "A"

The projects to be financed that are the subject of this Statement are:

Lick Creek Wastewater Treatment Plant Centrifuge Replacement (\$1,000,000)

Bee Creek Parallel (Relief) Line (\$2,000,000)

FM 2154 Sewer Trunk Line (\$500,000)

August 25, 2011
Consent Agenda Item No. 2d
Impact Fees Semi-Annual Report and Compliance Certification

To: David Neely, City Manager

From: Bob Cowell, AICP, CNU-A Executive Director - Planning and Development Services

Agenda Caption: Presentation, possible action, and discussion Semi-Annual Report on Impact Fees 92-01, 97-01, 97-02B, 99-01, 03-02, and consideration for a Resolution to support and execute a Compliance Certification Letter to the Attorney General.

Relationship to Strategic Goals: Financially Sustainable City Providing Response to Core Services and Infrastructure

Recommendation(s): Staff recommends approval of the Resolution.

Summary: The attached Impact Fee Semi-Annual Report is provided to the City Council in accordance with the Texas Local Government Code Chapter 395.058. In short, the City of College Station currently has five impact fee areas where all associated utility construction is complete. All five of the impact fees were updated by Council in accordance with State Law in either 2008 or 2009.

A previous report showed changes in the projected densities in several of the Impact Fee areas related to the Land Uses adopted with the Comprehensive Plan in 2009. An update to incorporate these changes has been in progress but needed to consider the Water and Wastewater Master Plans that were under development, as well as, a City Wide Impact Fee Study that was underway. Both projects were significant to the aforementioned update. With the recent completion of both projects, the update can now proceed and is currently in progress with completion being anticipated in the next several months.

Additionally the Texas Local Government Code Chapter 395.082 requires an Annual Certification Letter from the City to the Texas Attorney General by the last of day of City's fiscal year stating simply that the City's impact fee program in compliance with State Law.

The Planning and Zoning Commission serves as the Impact Fee Advisory Committee per the City of College Station Code of Ordinances Chapter 15: Impact Fees. On August 4, 2011 the Advisory Committee discussed and unanimously recommended support the Semi-Annual Report and Compliance Certification Letter to be forwarded to City Council for consideration.

Budget & Financial Summary: N/A

Attachments:

1. Impact Fee Semi-Annual Report
2. Resolution
3. Compliance Certification Letter to the Attorney General



CITY OF COLLEGE STATION

1101 Texas Avenue South, P.O. Box 9960
College Station, Texas 77842
Phone 979.764.3570 / Fax 979.764.3496

MEMORANDUM

DATE: July 21, 2011
TO: Planning and Zoning Commission
FROM: Carol Cotter, P.E., Sr. Asst. City Engineer
SUBJECT: Semi-Annual Report – Impact Fees 92-01, 97-01, 97-02B, 99-01, 03-02

Local Government Code requires semi-annual reporting in order to monitor the progress of impact fees and to determine when an update to the fee study is necessary. An update was recommended and approved last year, and is currently under way. There have been no major changes over the last reporting period. Staff recommends that the Advisory Committee forward this report to City Council for their status update.

The City of College Station Ordinance Chapter 15, Impact Fees, designates the Planning and Zoning Commission as the Advisory Committee for review, advisement, and monitoring of proposed and existing impact fees. More specifically, the Advisory Committee is established to:

1. Advise and assist the City in adopting Land Use assumptions.
2. Review the Capital Improvements Plan and file written comments.
3. Monitor and evaluate implementation of the Capital Improvements Plan.
4. File semi-annual reports with respect to the progress of the Capital Improvements Plan.
5. Advise the City Council of the need to update or revise the Land Use Assumptions, Capital Improvements Plan, and Impact Fees.

Currently the City of College Station has five impact fees in existence of which all associated construction is complete. All five of the impact fees underwent a 5-Year Update in either 2008 or 2009 (as noted below) in accordance with State Law. The following is a current status report for each of the five impact fees. (To facilitate review data changes from previous 6 months are presented in bold font.):

92-01 Sanitary Sewer (Graham Road) (508 ac.) \$316.07/LUE

This fee was initially implemented in 1992 at \$152.18 /LUE and was revised in 1996 to \$289.77/LUE after approval of updated Land use Assumptions and Capital Improvements Plan (CIP), revised again to the \$232.04/LUE in 2000 and to the current amount in April of 2008. The CIP consists of three phases originally estimated at \$543,000 which have all been completed at a combined cost of \$473,518.72. Fees collected over the last 6 months are \$0.00 for total amount of \$323,502.20 (per Account #250-0000-287.51-13). The remaining amount eligible for collection is about \$18,211. The total amount to be recovered through impact fees is anticipated at 72% of original construction cost.

97-01 Sanitary Sewer (Spring Creek – Pebble Hills) (2000 ac.) \$98.39/LUE

This fee was implemented in December 1997 at \$349.55/LUE and was revised to the current amount in April of 2008. The CIP consists of Phase I (east of Hwy 6) and Phase II (west of Hwy 6). Phase I estimated to cost \$1,000,000 was completed in 1999 at a cost of \$631,214.59. Phase II was estimated to cost \$1,350,000 and was completed at a cost of \$813,752.00. The total actual cost was \$1,444,966.59. Fees collected over the last 6 months are **\$7,576** for total amount of **\$559,964** (per Acct #251-0000-287.51-13). The remaining amount eligible for collection is about **\$196,933**. The total amount to be recovered through impact fees is anticipated at 52% of original construction cost.

97-02B Sanitary Sewer (Alum Creek – Nantucket) (608 ac.) \$59.42/LUE

This fee was implemented in December 1997 at 243.38/LUE and was revised to the current amount in April of 2008. The CIP consisted of running a 15" sanitary sewer line from the south end of the College Station Business Park westerly along Alum Creek to the east ROW of Highway 6. The project was estimated to cost \$390,000 and was completed in 1999 at a cost of \$214,270.87. Fees collected over the last 6 months are **\$238** for total amount of **\$21,226** (per Acct #252-0000-287.51-13). The remaining amount eligible for collection is about **\$182,141**. The total amount to be recovered through impact fees is anticipated at 95% of original construction cost.

99-01 Water (Harley)(158 ac.) \$769.91/LUE

This fee was implemented in April 1999 at \$550.00/LUE and was revised to the current amount in April of 2008. The CIP consists of running an 18" water line south along the east ROW of Highway 6 approximately 4800'. The line was estimated to cost \$312,000 (the impact fee is based on an 8" line @ \$165,000). A 2400' section of the 18" line was constructed in 1999 from the south end at a total cost of \$342,977.73. Fees collected over the last 6 months are **\$50,814** for total amount of **\$58,582** (per Acct #240-0000-287.51-13). The remaining amount eligible for collection is about **\$252,531**. The total amount to be recovered through impact fees is anticipated at 91% of original construction cost.

03-02 Sanitary Sewer (Steeplechase) (715 ac.) \$357.74/LUE

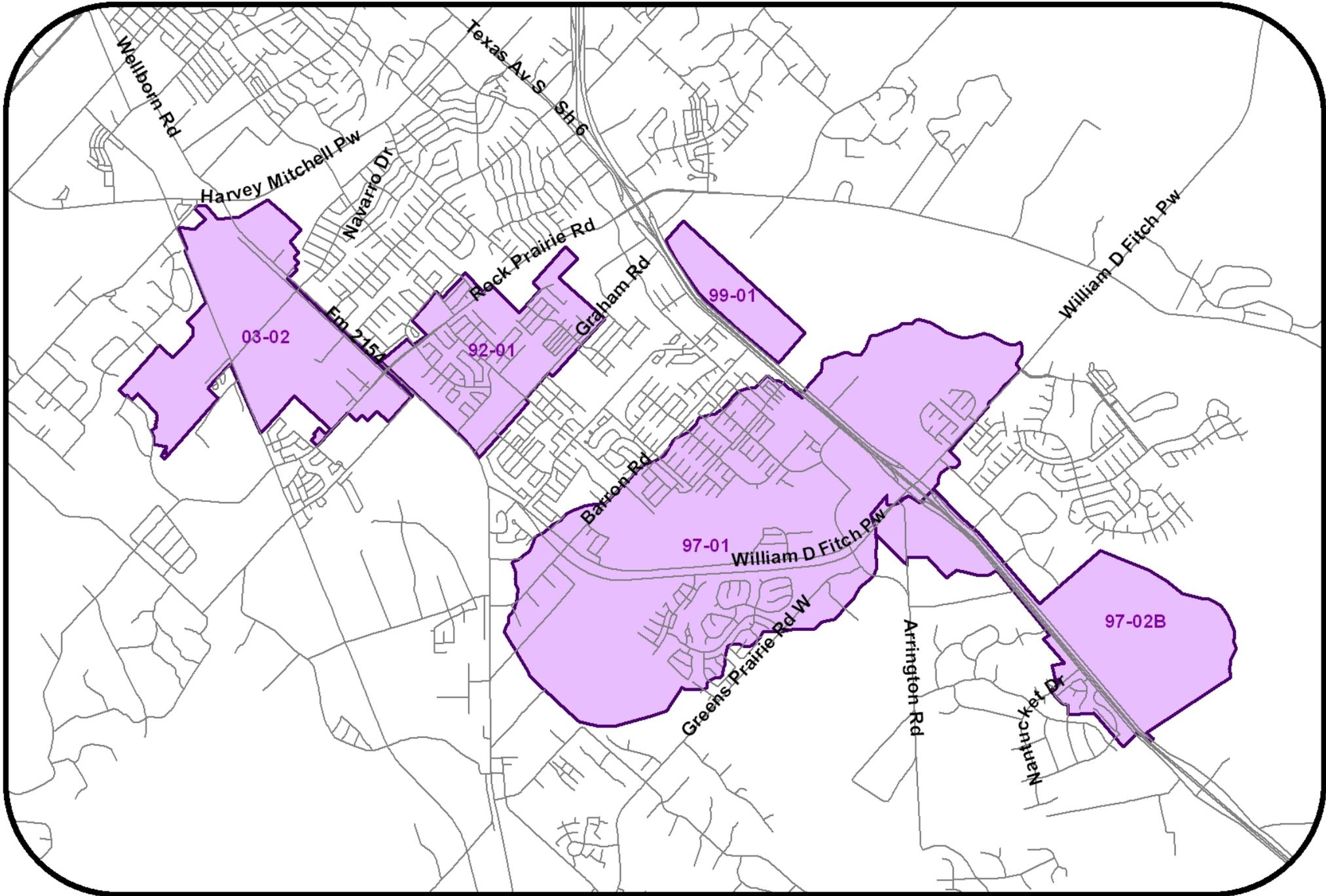
This fee was initially implemented in June 2003 at \$300.00/LUE and was revised to the current amount in May of 2009. This CIP was constructed in two phases of sanitary sewer line construction in compliance with the proposed construction in the original report establishing the fee. Phase one crossed Wellborn Road and terminated at Old Wellborn Road consisting of 2,347 linear feet of 18 inch sewer line with a construction cost of \$296,642. Phase two was completed in 2006 and continued the line along Old Wellborn Road and terminated across RPR West. Phase two consisted of 6,281 linear feet of 12 inch line and 2,062 linear feet of 18 inch line for a construction cost of \$529,088 and a land cost of \$87,133. The design cost for the combined phases was \$148,023. The total actual cost was \$1,091,886 which was less than the original report estimated at \$1,596,137. Fees collected over the last 6 months are **\$12,521** for total amount of **\$46,474** (per Acct #253-0000-287.51-13). The remaining amount eligible for collection is about **\$744,035**. The total amount to be recovered through impact fees is anticipated at 72% of original construction cost.

As part of a previous Semi-Annual Report the impact of the newly adopted Comprehensive Land Use Plan was evaluated. As presented in the Table below, the densities expected with the Land Use Plan adopted in 2009 are significantly different in several of the Impact Fee Areas. An update to incorporate these changes has been in progress but needed to consider the Water and Wastewater Master Plans that were under development, as well as, a City Wide Impact Fee Study that was underway. Both projects were significant to the aforementioned update. With the recent completion of both projects, the update can now proceed and is currently in progress with completion being anticipated in the next several months.

Impact Fee Area	Effective Buildout LUE	Current Impact Fee Rate	Anticipated Buildout LUE	LUE Adjustment	Remaining Capital Investment to Recoup
92-01 Graham	1551	\$ 316.07	1775	+ 224	\$ 18,000
97-01 Spring Creek	4425	\$ 98.39	8384	+ 3959	\$197,000
97-02B Alum	3232	\$ 59.42	2139	- 1093	\$182,000
99-01 Harley	450	\$ 769.91	440	- 10	\$253,000
03-02 Steeplechase	2838	\$ 357.74	7816	+ 4987	\$744,000
				Total	\$1,394,000

The Texas Local Government Code Chapter 395.082 requires an annual certification letter from the City to the Texas Attorney General stating essentially that the City's impact fee program is in compliance with state law. With your direction, this Semi-Annual Report will be forwarded to City Council for their update and the Mayor's execution of the certification.

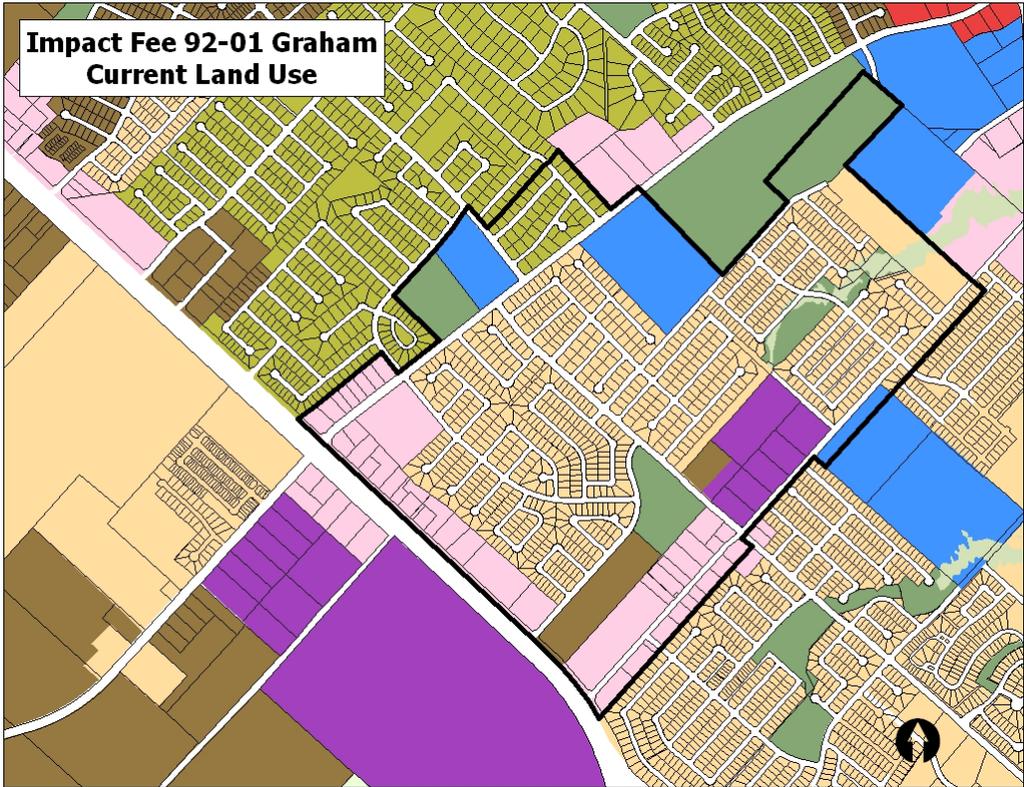
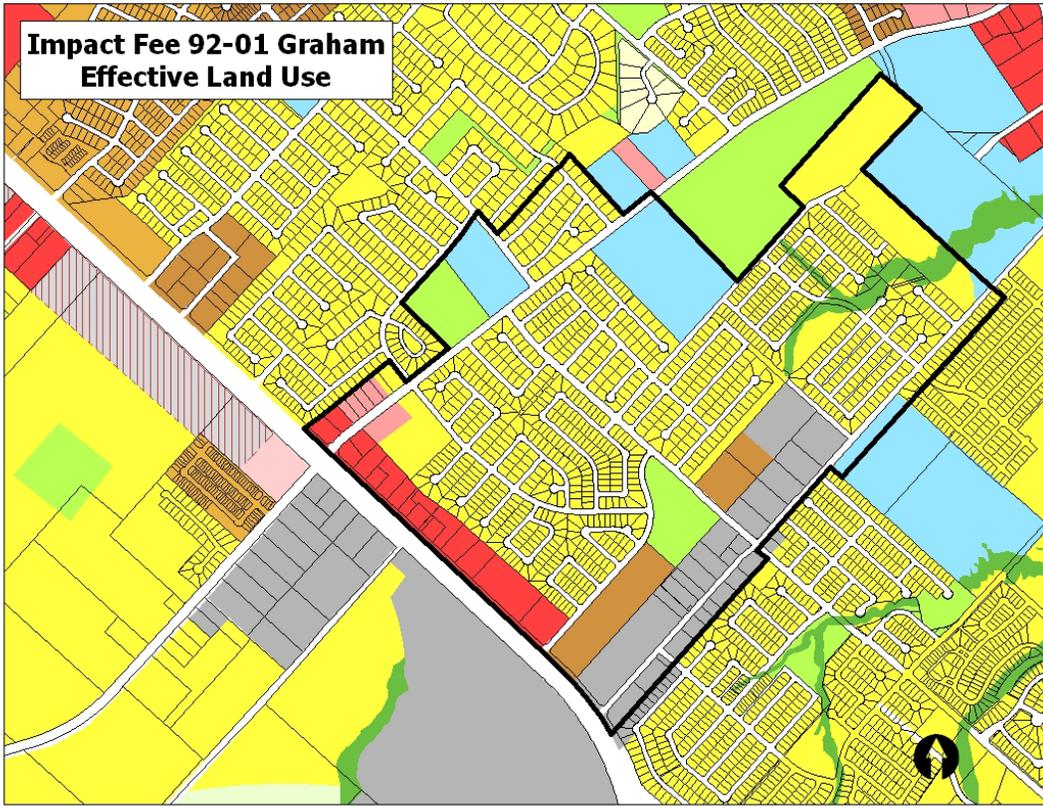
Attachments: Impact Fee Service Areas Map
Land Use at Adoption Map per Impact Fee Area
Current Land Use Map per Impact Fee Area
Compliance Certification Letter to Attorney General

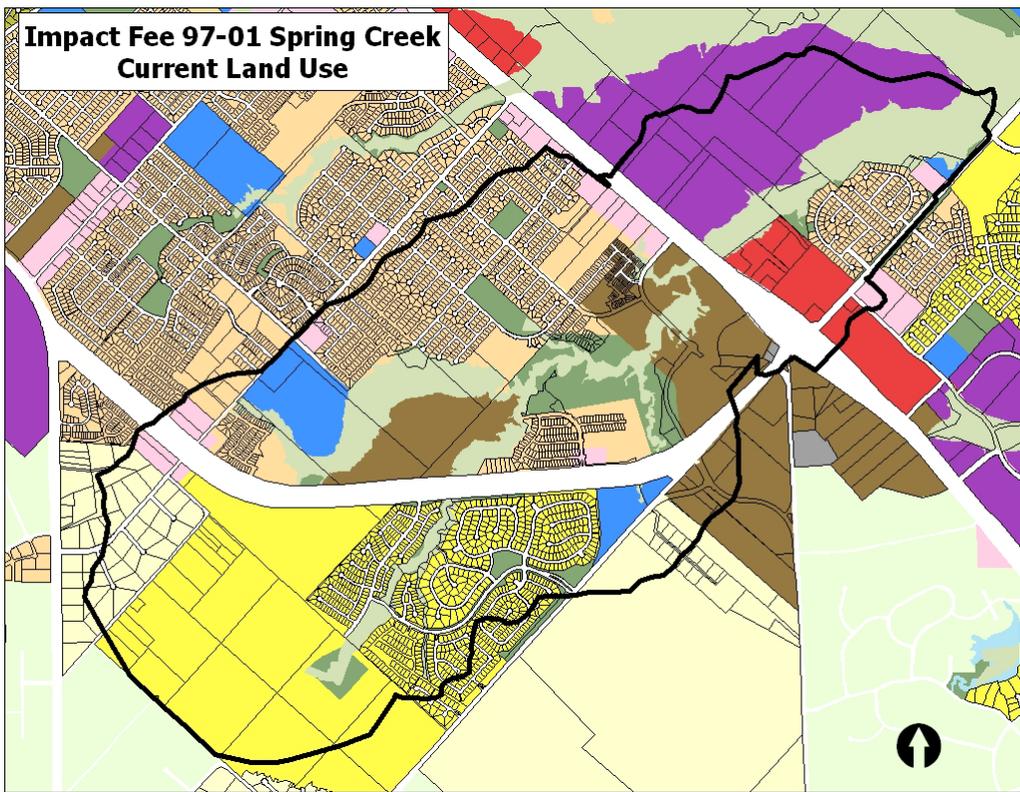
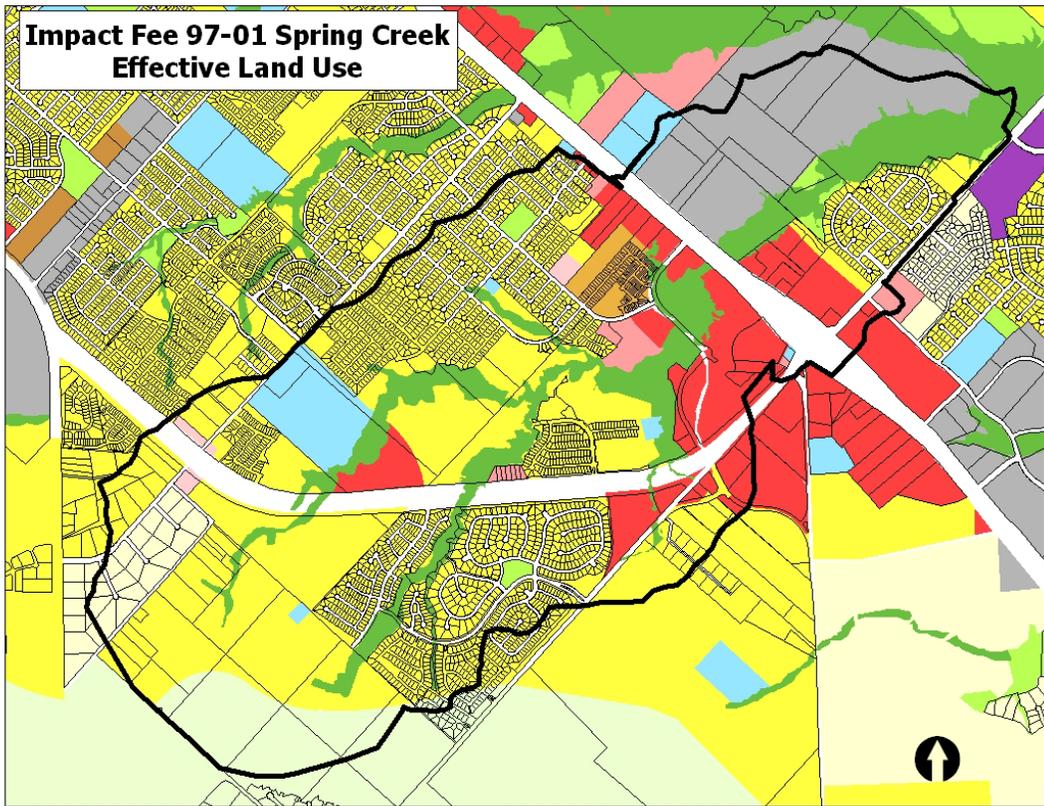


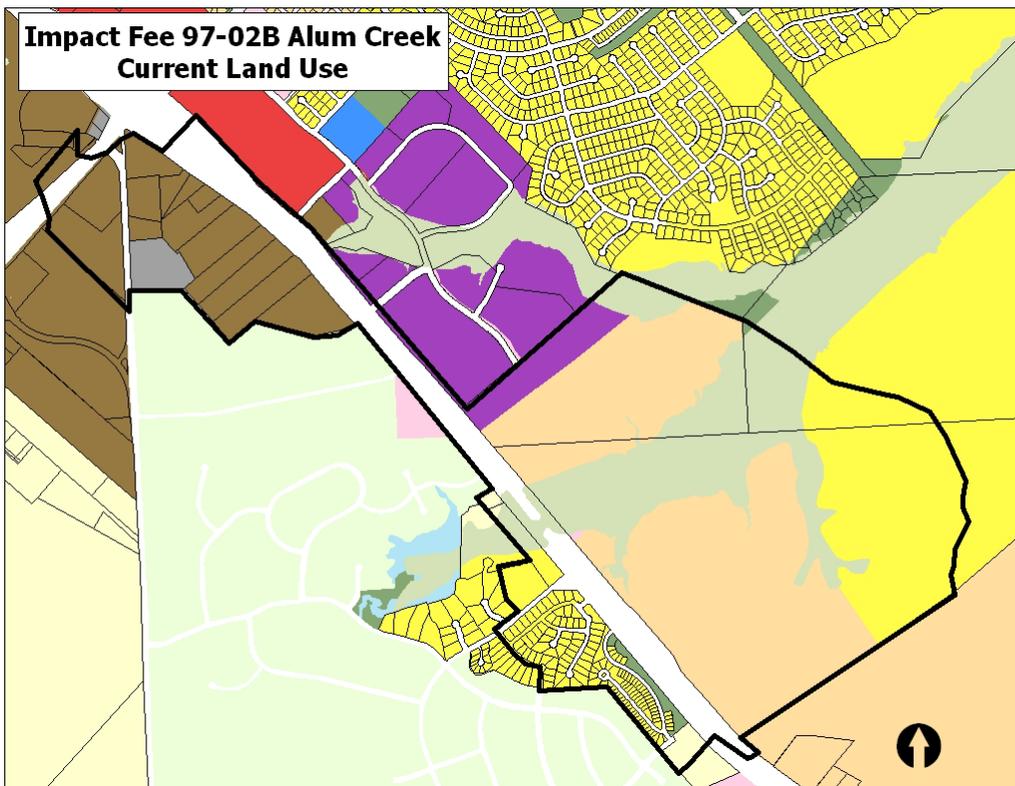
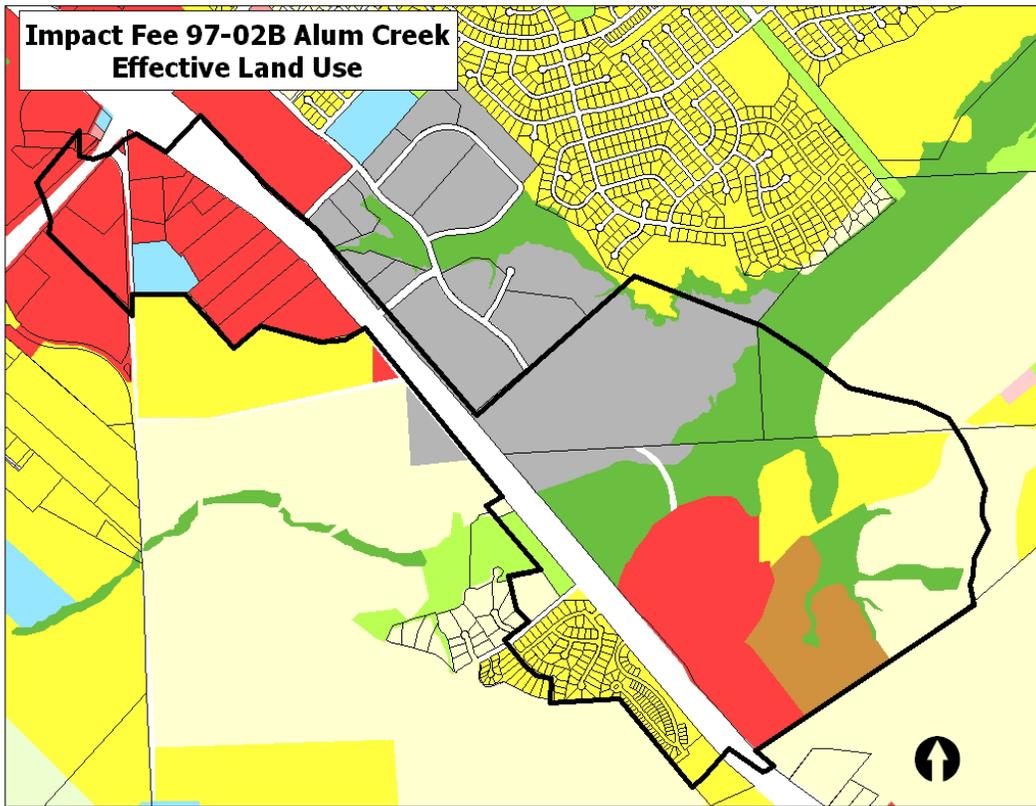
1 inch equals 4,000 feet

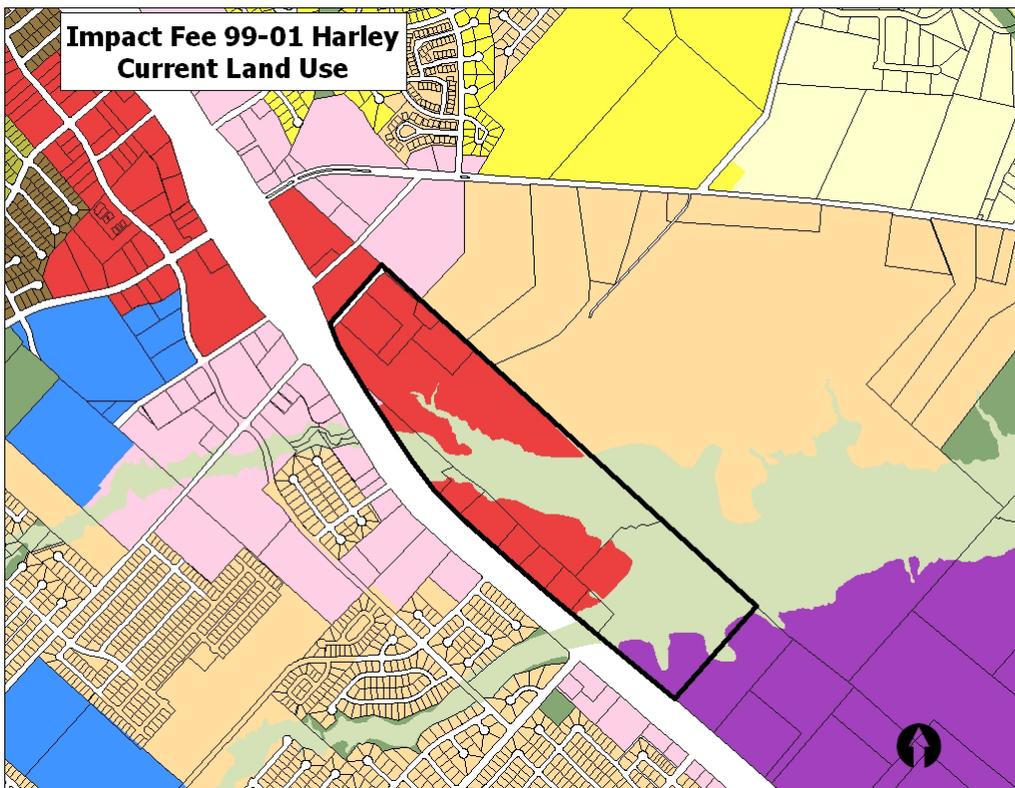
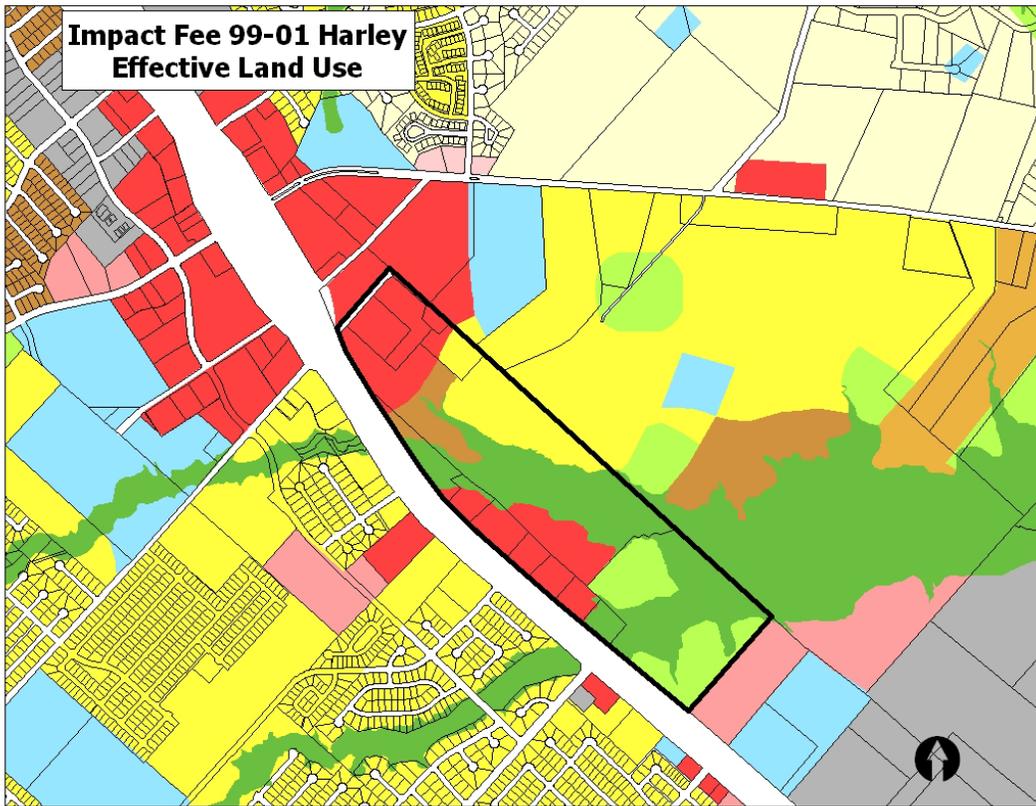


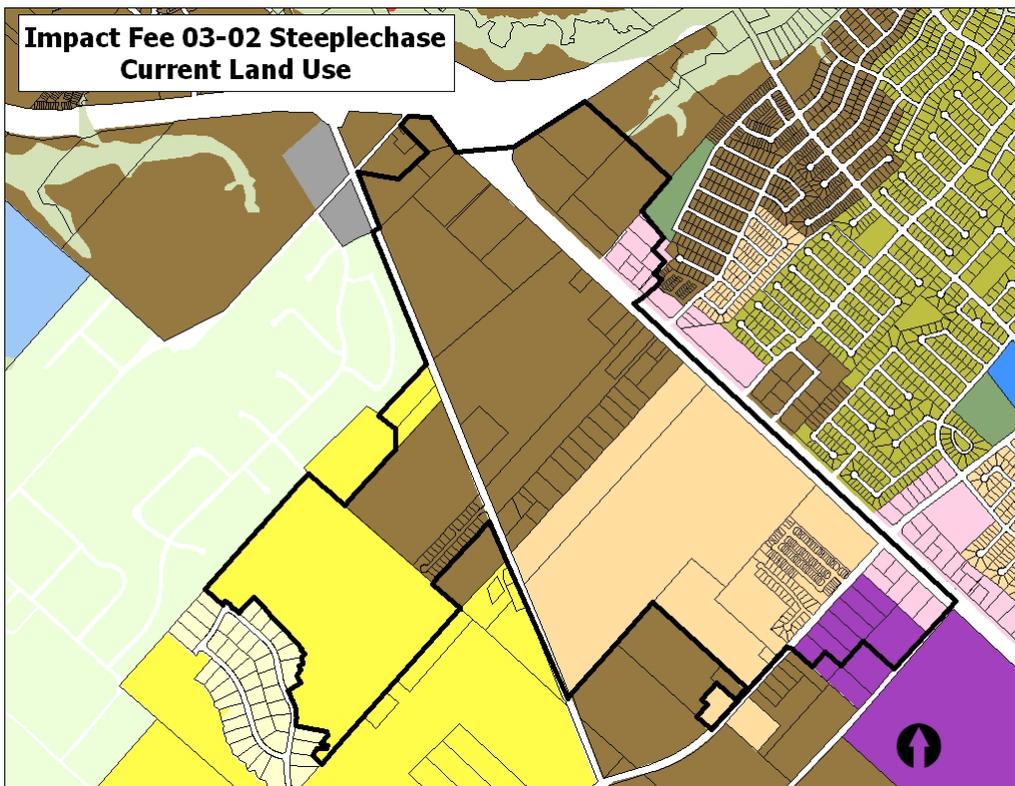
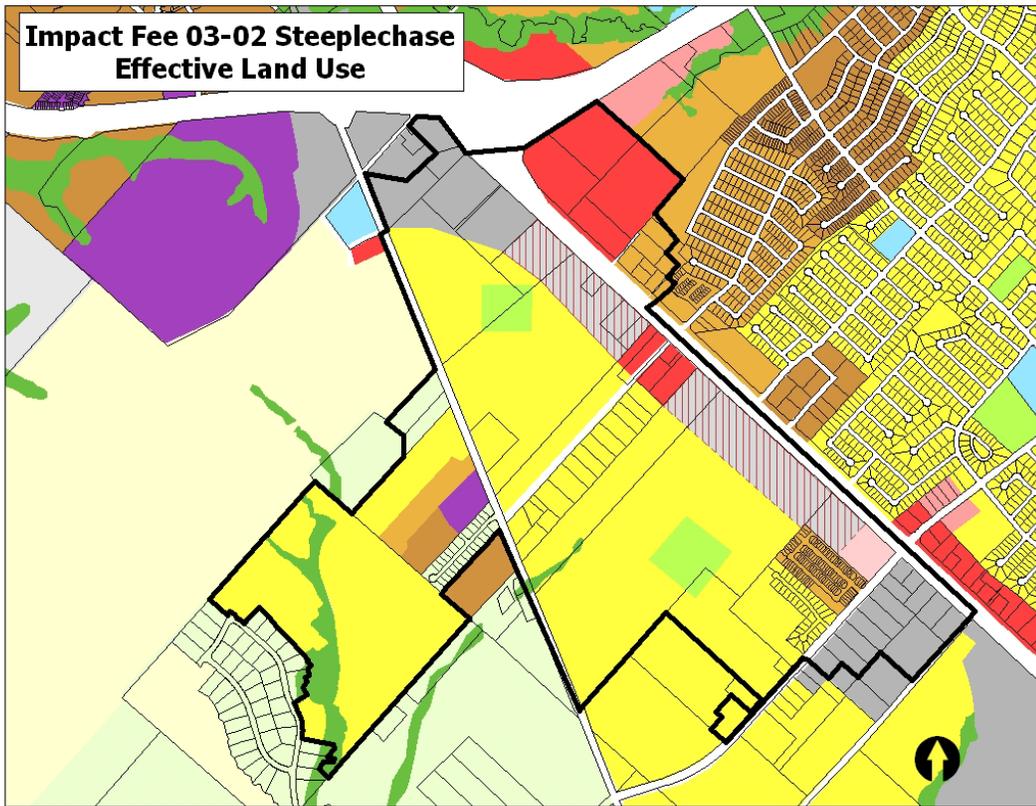
Impact Fee Areas - December 2010













COMPLIANCE CERTIFICATION LETTER

August **, 2011

Attorney General Greg Abbott
Office of the Attorney General
PO Box 12548
Austin, TX 78711_2548

Dear Attorney General Abbott:

This statement certifies compliance with Chapter 395, Local Government Code for the City of College Station, Texas.

Sincerely,

Nancy Berry
Mayor
City of College Station

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, AUTHORIZING THE MAYOR TO EXECUTE THE COMPLIANCE CERTIFICATION LETTER TO THE ATTORNEY GENERAL CERTIFYING THE CITY IS IN COMPLIANCE WITH CHAPTER 395, LOCAL GOVERNMENT CODE.

WHEREAS, the City Council of the City of College Station, Texas, has implemented impact fees in accordance with Chapter 395 of the Texas Local Government Code; and

WHEREAS, the City Council of the City of College Station, Texas, is required to submit written certification verifying compliance with Chapter 395 of the Texas Local Government Code to the Attorney General each year; and

WHEREAS, the Impact Fee Advisory Committee acted on August 4, 2011, unanimously recommending the required Compliance Certification Letter be forwarded to City Council for Consideration for execution; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: That the City Council hereby authorizes the Mayor to execute the Compliance Certification Letter to the Attorney General.

PART 2: That this resolution shall take effect immediately from and after its passage.

ADOPTED this _____ day of _____, A.D. 2011.

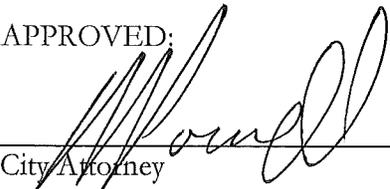
ATTEST:

APPROVED:

City Secretary

MAYOR

APPROVED:



City Attorney



COMPLIANCE CERTIFICATION LETTER

August 25, 2011

**Attorney General Greg Abbott
Office of the Attorney General
PO Box 12548
Austin, TX 78711_2548**

Dear Attorney General Abbott:

**This statement certifies compliance with Chapter 395, Local Government Code for the City of
College Station, Texas.**

Sincerely,

**Nancy Berry
Mayor
City of College Station**

August 25, 2011
Consent Agenda Item No. 2e
Annual Service Agreement for Auto Paint & Body Repairs

To: David Neeley, City Manager

From: Chuck Gilman, P.E., Public Works Director

Agenda Caption: Presentation, possible action, and discussion on a resolution to award a contract to Cal's Body Shop for annual automobile and truck paint and body repairs in an amount not to exceed \$60,000.00.

Relationship to Strategic Goals: Financially Sustainable City Providing Response to Core Services and Infrastructure.

Recommendation(s): Staff recommends approval of the resolution.

Summary: The Fleet Division of the Public Works Department does not have the internal resources to make automotive paint and body repairs to damaged vehicles in our fleet. Therefore, staff solicited sealed competitive bids for this service. Four (4) sealed bids were received and Cal's Body Shop submitted the lowest responsible bid.

The table below shows budget and actual expenditures for three prior years:

Year	Budget	Actual Spent
2008	\$40,000	\$37,854
2009	\$56,250	\$56,250
2010	\$56,000	\$56,239

Budget & Financial Summary: Funds are available in the Property and Casualty Fund.

Attachments:

- 1) Resolution
- 2) Bid Tabulation

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, APPROVING AWARD OF A CONTRACT TO CAL'S BODY SHOP FOR PAINT AND BODY REPAIR OF CITY VEHICLES AND AUTHORIZING THE EXPENDITURE OF FUNDS.

WHEREAS, the City of College Station, Texas, solicited bids for paint and body repair of city vehicles; and

WHEREAS, Cal's Body Shop of Bryan, Texas submitted the lowest responsible bid; and

WHEREAS, the selection of Cal's Body Shop is being recommended as the lowest responsible bidder for paint and body repair of city vehicles now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: That the City Council hereby finds that Cal's Body Shop is the lowest responsible bidder for paint and body repair services.

PART 2: That the City Council hereby approves the contract with Cal's Body Shop in an amount not to exceed \$60,000.

PART 3: That the funding for this contract shall be budgeted from the City's Property & Casualty Fund, in an amount not to exceed \$60,000.

PART 4: That this resolution shall take effect immediately from and after its passage.

ADOPTED this _____ day of _____, 2011.

ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:



City Attorney



City of College Station - Purchasing Division
Bid Tabulation for #11-110
"Annual Contract for Auto Heavy Truck Paint Body Repairs"
Open Date: Tuesday, July 26, 2011 @ 2:00 p.m.

			Cal's Body Shop (Bryan, TX)	Krause Paint & Body Shop (Bryan, TX)	Oscar & Son's Body Shop (Bryan, TX)	Varsity Ford (College Station, TX)
ITEM	UNIT	DESCRIPTION	UNIT PRICE	UNIT PRICE	UNIT PRICE	UNIT PRICE
GROUP I - CARS & LIGHT TRUCKS						
1.1	Hourly Rate	Body/Fender	\$36.00	\$44.00	\$42.00	\$38.00
1.2	Hourly Rate	Frame	\$36.00	\$22.00	\$50.00	\$38.00
1.3	Hourly Rate	Painting - Labor & Materials	\$36.00	\$66.00	\$70.00	\$60.75
1.4	Hourly Rate	Mechanical	\$36.00	\$22.00	\$75.00	\$38.00
GROUP I - TOTAL			\$144.00	\$154.00	\$237.00	\$174.75
GROUP II - HEAVY TRUCKS						
2.1	Hourly Rate	Body/Fender	\$36.00	\$44.00	\$48.00	No Bid
2.2	Hourly Rate	Frame	\$36.00	\$22.00	\$55.00	No Bid
2.3	Hourly Rate	Painting - Labor & Materials	\$36.00	\$66.00	\$78.00	No Bid
2.4	Hourly Rate	Mechanical	\$36.00	\$22.00	\$75.00	No Bid
GROUP II - TOTAL			\$144.00	\$154.00	\$256.00	No Bid
GRAND TOTAL (GROUP I + GROUP II)			\$288.00	\$308.00	\$493.00	\$174.75
Certification of Bid			✓	✓	✓	✓
Prompt Payment Discount			5%	1%	2%	0%

Notes:

Oscar & Son's Body Shop

»Bidder miscalculated Goup I Total as \$247.00 and the Grand Total as \$503.00 The highlighted totals above are correct.

Varsity Ford

»Bidder did not bid on Group II - Heavy Trucks.

**August 25, 2011
Consent Agenda Item No. 2f
Sanitary Sewer Lift Station
Construction Contract
Project Number WF1338390**

To: David Neeley, City Manager

From: Chuck Gilman, P.E., Public Works Director

Agenda Caption: Presentation, possible action, and discussion regarding a resolution approving construction contract #11-310 with Elliott Construction, LLC authorizing the expenditure of funds, in an amount not to exceed, \$667,182.82 for the construction of a lift station near the intersection of Rock Prairie Road and State Highway 6.

Relationship to Strategic Goals: Goal I, Financially Sustainable City Providing Response to Core Services and Infrastructure.

Recommendation(s): Staff recommends approval of this construction contract.

Summary: The proposed Scott & White Hospital, located at the southeast corner of North State Highway 6 and Rock Prairie Road, needs sewer service by June 2012. The scope of this project includes the construction of a lift station, approximately 6,300 linear feet of 6-inch force main, and associated appurtenances. This new sanitary sewer lift station will provide sewer service to the proposed Scott & White Hospital campus. The force main will extend from the lift station south along the Highway 6 Frontage Road and discharge into the Spring Creek gravity sewer line, approximately 3,000 feet north of William D. Fitch Parkway. This project will fulfill the City's obligation of the Economic Development Agreement with Scott & White to participate in the sewer infrastructure that was approved by council in December of 2010.

The City received six construction bids in response to the Invitation To Bid (ITB). The construction budget is \$910,758. The lowest responsible bidder was Elliott Construction, LLC with a bid of \$667,182.82.

Budget & Financial Summary: The FY12 proposed budget for this project is \$1,207,758. These funds are budgeted in the Wastewater Capital Improvement Projects Fund. \$248,138.66 has been expended or committed to date, leaving a balance of \$959,619.34 for construction and related expenses.

A portion of the funding for this project came from the Economic Development Fund. In addition, as outlined in the development agreement with Scott and White, a portion of the cost will be reimbursed by Scott and White upon completion of the project. The remaining cost will be financed by the Wastewater Capital Improvement Projects Fund.

Attachments:

- 1.) Resolution
- 2.) Project Location Map
- 3.) Bid Tabulation

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, APPROVING A CONSTRUCTION CONTRACT AND AUTHORIZING THE EXPENDITURE OF FUNDS FOR THE SCOTT & WHITE HOSPITAL LIFT STATION PROJECT.

WHEREAS, the City of College Station, Texas, solicited bids for the construction of the Scott and White Lift Station; and

WHEREAS, the selection of Elliott Construction, LLC is being recommended as the lowest responsible bidder; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: That the City Council hereby finds that Elliott Construction, LLC is the lowest responsible bidder.

PART 2: That the City Council hereby approves the contract with Elliott Construction, LLC for an amount not to exceed \$667,182.82 for the Base Bid and Alternate 1 for the labor, materials and equipment required for the improvements related to the Scott & White Hospital Lift Station Project.

PART 3: That the funding for this Contract shall be as budgeted from the Wastewater Capital Improvement Projects Fund in the amount of \$667,182.82.

PART 4: That this resolution shall take effect immediately from and after its passage.

ADOPTED this _____ day of _____, A.D. 2011.

ATTEST:

APPROVED:

City Secretary

MAYOR

APPROVED:

Carla A. Robinson

City Attorney

SCOTT & WHITE LIFT STATION





City of College Station - Purchasing Division
 Bid Tabulation for #11-112
 "Scott White Sewer"
 Open Date: Tuesday, August 2, 2011 @ 2:00 p.m.

ITEM	QTY	UNIT	DESCRIPTION	Elliott Construction (Wellborn, TX)		Dudley Construction, Ltd. (College Station, TX)		Kieschnick (Wellborn, TX)		Doughtie Construction (College Station, TX)		Brazos Paving (Bryan, TX)		Holloman Corporation (Converse, TX)	
				UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
BASE BID															
1	1	LS	General Overhead for all Work Including Mobilization, Bonds, Insurance, Staking and Related Items	\$25,000.00	\$25,000.00	\$20,800.00	\$20,800.00	\$25,000.00	\$25,000.00	\$39,500.00	\$39,500.00	\$46,347.00	\$46,347.00	\$98,500.00	\$98,500.00
2	1	LS	Site Preparation and Restoration, including clearing, grubbing, and disposing of vegetation/debris	\$9,000.00	\$9,000.00	\$8,643.57	\$8,643.57	\$10,000.00	\$10,000.00	\$4,500.00	\$4,500.00	\$30,500.00	\$30,500.00	\$3,900.00	\$3,900.00
3	1	LS	Traffic Control	\$2,000.00	\$2,000.00	\$5,882.74	\$5,882.74	\$15,000.00	\$15,000.00	\$3,500.00	\$3,500.00	\$2,500.00	\$2,500.00	\$3,300.00	\$3,300.00
4	1	LS	Erosion Control	\$2,000.00	\$2,000.00	\$13,441.89	\$13,441.89	\$20,000.00	\$20,000.00	\$7,500.00	\$7,500.00	\$4,300.00	\$4,300.00	\$800.00	\$800.00
5	1	LS	Hydromulch Seeding	\$0.32	\$0.32	\$7,059.28	\$7,059.28	\$15,000.00	\$15,000.00	\$4,750.00	\$4,750.00	\$8,600.00	\$8,600.00	\$1,000.00	\$1,000.00
6	6,257	LF	6" Force Main, ASTM D-2241 class 200 PVC with Detector Tape and Tracer Wire in Trench, All Depths	\$16.10	\$100,737.70	\$18.05	\$112,938.85	\$30.00	\$187,710.00	\$16.45	\$102,927.65	\$28.50	\$178,324.50	\$26.00	\$162,682.00
7	740	LF	14" x 3/8" Steel Casing By Bore, Includes 6" ASTM D-2241 Class 200 Certa Flo Greenline Restrained Joint PVC Pipe Including Adapter Seals, Casing Spacers, and End Seals, All Depths	\$189.00	\$139,860.00	\$183.77	\$135,989.80	\$175.00	\$129,500.00	\$130.75	\$96,755.00	\$260.00	\$192,400.00	\$228.00	\$168,720.00
8	5	EA	6" DI Bends (90, 45, etc.)	\$194.00	\$970.00	\$319.29	\$1,596.45	\$200.00	\$1,000.00	\$575.00	\$2,875.00	\$350.00	\$1,750.00	\$356.00	\$1,780.00
9	3	EA	6" Gate Valve and Box (Force Main)	\$700.00	\$2,100.00	\$982.91	\$2,948.73	\$850.00	\$2,550.00	\$975.00	\$2,925.00	\$880.00	\$2,640.00	\$900.00	\$2,700.00
10	2	EA	Air-Release Valve on Force Main in 4' Manhole	\$3,555.00	\$7,110.00	\$4,651.57	\$9,303.14	\$3,500.00	\$7,000.00	\$3,900.00	\$7,800.00	\$5,000.00	\$10,000.00	\$7,300.00	\$14,600.00
11	14	EA	Tracer Wire Access Point	\$115.00	\$1,610.00	\$119.79	\$1,677.06	\$80.00	\$1,120.00	\$175.00	\$2,450.00	\$260.00	\$3,640.00	\$200.00	\$2,800.00
12	1	EA	Force Main Internal Tie into Existing Manhole	\$1,461.00	\$1,461.00	\$1,990.33	\$1,990.33	\$1,000.00	\$1,000.00	\$1,500.00	\$1,500.00	\$850.00	\$850.00	\$300.00	\$300.00
13	6,257	LF	Trench Safety System for Force Main, all cuts	\$1.00	\$6,257.00	\$1.12	\$7,007.84	\$1.00	\$6,257.00	\$0.50	\$3,128.50	\$1.00	\$6,257.00	\$1.00	\$6,257.00
14	1	LS	Duplex, Submersible, Lift Station, Including All Work on Lot 2, Block 4 (Except Alternate Bid Fiber Items)	\$303,860.00	\$303,860.00	\$302,488.18	\$302,488.18	\$280,000.00	\$280,000.00	\$325,000.00	\$325,000.00	\$276,985.00	\$276,985.00	\$372,700.00	\$372,700.00
15	1	EA	Fiber Riser, Furnish 4" x 30' IMC Conduit and Mounting Hardware for installation by City (Items on Lift Station Lot included in Lift Station bid item)	\$200.00	\$200.00	\$882.41	\$882.41	\$950.00	\$950.00	\$1,400.00	\$1,400.00	\$893.00	\$893.00	\$1,000.00	\$1,000.00
16	1,840	LF	Fiber Conduit, 4" PVC Schedule 40 with 4-1" Innerducts and Pull Tape Embedded in 8" Cement Stabilized Sand with 36" cover (Items on Lift Station Lot included in Lift Station bid item)	\$17.60	\$32,384.00	\$8.82	\$16,228.80	\$23.00	\$42,320.00	\$29.00	\$53,360.00	\$21.60	\$39,744.00	\$46.00	\$84,640.00
17	4	EA	Fiber Pull Box, Polymer Concrete 30" x 48" x 36" deep, Traffic Rated (Items on Lift Station Lot included in Lift Station bid item)	\$1,650.00	\$6,600.00	\$3,764.95	\$15,059.80	\$2,750.00	\$11,000.00	\$1,800.00	\$7,200.00	\$2,620.00	\$10,480.00	\$5,000.00	\$20,000.00
18	1	EA	Core and Tie Conduit into Existing Junction Box Outside of Substation	\$800.00	\$800.00	\$1,470.68	\$1,470.68	\$2,750.00	\$2,750.00	\$850.00	\$850.00	\$2,586.00	\$2,586.00	\$1,700.00	\$1,700.00
TOTAL BASE BID (ITEMS 1-14)				\$641,950.02		\$665,409.55		\$758,157.00		\$667,921.15		\$818,796.50		\$947,379.00	
ALTERNATE BID															
19	2			\$1,115.00	\$2,230.00	\$1,176.55	\$2,353.10	\$1,160.00	\$2,320.00	\$960.00	\$1,920.00	\$1,046.00	\$2,092.00	\$1,100.00	\$2,200.00
20	1857			\$3.20	\$5,942.40	\$4.40	\$8,170.80	\$4.20	\$7,799.40	\$4.95	\$9,192.15	\$3.78	\$7,019.46	\$5.00	\$9,285.00
21	4062			\$4.20	\$17,060.40	\$5.40	\$21,934.80	\$5.35	\$21,731.70	\$4.45	\$18,075.90	\$4.84	\$19,660.08	\$8.00	\$32,496.00
TOTAL ALTERNATE BID (ITEMS 19-21)				\$25,232.80		\$32,458.70		\$31,851.10		\$29,188.05		\$28,771.54		\$43,981.00	
BASE BID PLUS ALL ALTERNATES				\$667,182.82		\$675,933.45		\$768,276.40		\$679,033.30		\$847,568.04		\$991,360.00	
Certification of Bid				✓		✓		✓		✓		✓		✓	
Acknowledged Addendums				✓		✓		✓		✓		✓		✓	
Bid Bond				✓		✓		✓		✓		✓		✓	

August 25, 2011
Consent Agenda Item No. 2g
Approval of a Landfill Gas Purchase Agreement
with the Brazos Valley Solid Waste Management Agency, Inc.

To: David Neeley, City Manager

From: David Massey, Director of Electric Utilities

Agenda Caption: Presentation, possible action, and discussion regarding the approval of a Landfill Gas Purchase Agreement with the Brazos Valley Solid Waste Management Agency, Inc. (BVSWMA) in partnership with the City of Bryan.

Relationship to Strategic Goals: Financially Sustainable City Providing Response to Core Services and Infrastructure.

Recommendation: Staff recommends approval of the agreement.

Summary: The closure of the Rock Prairie Landfill gives the Cities of College Station and Bryan a unique opportunity to utilize landfill gas for electricity production. Approval of the Landfill Gas Purchase Agreement will provide long-term certainty to the two municipal electric utilities and BVSWMA, Inc. pertaining to future income/expenses of the landfill gas. The landfill gas will be metered from the existing gas collection system and will be utilized as fuel for a future electric generating facility located on the landfill site. A contract between College Station and Bryan will be forthcoming in the near future for design and construction of the generating facilities along with an Interlocal Agreement for operation of the generation facilities. The BVSWMA Board and Bryan City Council have both approved this agreement in recent weeks.

Budget & Financial Summary:

There are no budget implications pertaining to this agreement until the generation facilities are in place and operational.

Attachment:

Landfill Gas Purchase Agreement

LANDFILL GAS PURCHASE AGREEMENT
BETWEEN
THE BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY, INC.
AND
THE CITY OF BRYAN
AND
THE CITY OF COLLEGE STATION

LANDFILL GAS PURCHASE AGREEMENT

This Landfill Gas Purchase Agreement ("Agreement") is made this ____ day of _____, 2011 by and among the Brazos Valley Solid Waste Management Agency, Inc., a Texas local government corporation with offices at 2690 State Highway 30, Anderson, Texas 77830 ("Seller"), the City of Bryan, Texas, a Texas home rule municipality with offices at 300 South Texas Avenue, Bryan, Texas 77803, and the City of College Station, Texas, a Texas home rule municipality with offices at 1101 Texas Avenue South, College Station, Texas 77840 ("Buyers"), with reference to the following recitals:

A. Seller owns and operates the Rock Prairie Road Landfill ("Landfill") in College Station, Brazos County, Texas;

B. Landfill Gas consisting primarily of methane, carbon dioxide, oxygen, nitrogen, siloxanes and sulfur compounds is produced as a by-product of the decomposition of waste within the Landfill;

C. Seller owns and operates facilities that collect and extract Landfill Gas from the Landfill;

D. Seller owns all Landfill Gas within and extracted from the Landfill and has all rights to the Landfill Gas;

E. Buyers are in the business of owning and operating electric generating and/or transmission facilities;

F. Buyers desire to construct, own and operate an electric generating facility fueled by the Landfill Gas and located at the Landfill;

G. Seller wishes to sell and Buyers wish to purchase all Landfill Gas extracted from

the Landfill to fuel Buyers' generating facilities in accordance with the terms and conditions hereof; and

H. Seller and Buyers wish to split revenues if available from any environmental attributes that are available for the destruction of methane gas and the production of energy generated by Buyers' electric generating facility;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, Seller and Buyers agree as follows:

ARTICLE I

DEFINITIONS

1.1 "BTU" or "British Thermal Unit" shall mean the amount of heat required to raise the temperature of one pound of water one degree (1°) Fahrenheit at sixty degrees (60°) Fahrenheit. The BTU equivalent on a dry basis at 14.65 psi may be obtained by multiplying the BTU so measured by the factor 1.012.

1.2 "Buyers' Facilities" shall mean that certain electric generating facility fueled by Landfill Gas, and all related equipment, owned and operated by Buyers and located at or adjacent to the Landfill. Buyers' Facilities shall also include such poles, lines, transformers, switches, and other fixtures, equipment and appurtenances as may be required to transfer electricity from Buyers' Facilities into the local electric transmission system; however such facilities shall not interfere with the end use activities of the property.

1.3 "Commercial Operation" shall mean that period of time beginning when Buyers produce electricity from Buyers' Facilities for seventy-two (72) consecutive hours and have secured all permits.

1.4 "Day" shall mean each twenty-four (24) hour period commencing at 12:01 a.m.

LANDFILL GAS PURCHASE AGREEMENT BETWEEN THE BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY INC. AND THE CITIES OF BRYAN AND COLLEGE STATION.

PAGE 2

1.5 "Delivery Point" shall mean the interconnection point between Buyers' Facilities and Seller's Facilities located at the "T" valve attached to Seller's flare.

1.6 "Delivery and Purchase Term" shall commence on the date on which Buyers' Facilities begin Commercial Operation and shall continue thereafter until the production of energy is no longer economically sustainable, unless terminated earlier pursuant to the provisions of this Agreement.

1.7 "Effective Date" shall mean the date on which the authorized representatives of all parties to this Agreement have signed the Agreement.

1.8 "Force Majeure" shall mean any cause or causes, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming Force Majeure and which, by the exercise of reasonable diligence, such party is unable to prevent or overcome including without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, hurricanes, floods, high-water washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe not due to the negligence of Seller, partial or entire failure of wells or supply of Landfill Gas, enactment of statutes, laws or regulations, acts of governmental bodies, the inability of Buyers' Facilities to generate or deliver electric energy at full capacity due to forced outages of Buyers' Facilities or due to a condition of the electric distribution or transmission system with which Buyers' Facilities interconnect or due to an act or omission of the owner of such electric distribution or transmission system of the Buyers of electric energy generated by Buyers. Force Majeure shall not include increases in the costs associated with the construction or operation of Buyers' Facilities or Seller's Facilities or a change in market conditions which make uneconomic

LANDFILL GAS PURCHASE AGREEMENT BETWEEN THE BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY INC. AND THE CITIES OF BRYAN AND COLLEGE STATION.

PAGE 3

the operation of Buyers' Facilities or Seller's Facilities or the sale of Landfill Gas or any component thereof.

1.9 "Heating Value" shall mean the amount of heat released when a known volume of Landfill Gas is burned plus the amount of heat released due to the condensation of water vapor from combustion to the liquid state.

1.10 "Landfill" shall mean the Rock Prairie Road Landfill owned by Seller and located at 7600 East Rock Prairie Road, College Station, Brazos County, Texas.

1.11 "Landfill Gas" shall mean that gas consisting primarily of methane, carbon dioxide, oxygen and nitrogen, siloxanes and sulfur compounds which is produced as a byproduct of the decomposition of waste within the Landfill.

1.12 "MMBTU" shall mean one million (1,000,000) British Thermal Units.

1.13 "MW" shall mean megawatt.

1.14 "Price of Landfill Gas" shall mean all revenues received by Seller under the provisions of Exhibit B.

1.15 "PSIA" shall mean pounds per square inch absolute.

1.16 "RECs" means the renewable energy credits or renewable energy certificates that represent the renewable energy generated by Buyers' Facilities, as more fully defined in (i) Texas Public Utility Commission's Substantive Rules Applicable to Electric Providers, Section 25.173, Goal for Renewable Energy (16 Tex. Admin. Code §25.173); (ii) any successor Texas law or regulation; or (iii) any other state, local or federal law that defines renewable energy credits or renewable energy certificates.

1.17 "Seller's Facilities" shall mean that certain system of Landfill Gas wells or trenches, lateral piping, blower, flare and other equipment or facilities required for the extraction of Landfill

LANDFILL GAS PURCHASE AGREEMENT BETWEEN THE BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY INC. AND THE CITIES OF BRYAN AND COLLEGE STATION.

PAGE 4

Gas from the Landfill and delivery thereof to Buyers at the Delivery Point, and piping for condensate disposal through co-management with landfill leachate and delivery thereof to Seller at the Delivery Point, all owned and currently operated by Seller.

ARTICLE II

PRELIMINARY ACTS OF THE PARTIES

2.1 Permits, Authorizations. Promptly after execution of this Agreement, Seller and Buyers each shall, at no cost to the other party, apply for and use reasonable efforts to obtain, at their sole cost, all permits, authorizations, easements and rights of way required for the performance of their respective obligations hereunder. Buyers shall pay all costs required for Building and Electrical Permits, Rights-of-Way and all federal and state permits required for Buyers' Facilities. Buyers shall be responsible for any costs that result from changes in Buyers' Facilities requiring a resubmittal of the Engineering Site Plan to the appropriate entity of the City of College Station, Texas. Each party shall provide the other with a copy of all permits and authorizations described above, promptly upon receipt thereof. With respect to any of Buyers' Facilities to be located on Seller's property, Buyers shall obtain Seller's approval of any permit applications before filing such applications.

2.2 Mutual Assistance. Upon request, the parties hereto shall use reasonable efforts to support and assist one another in the acquisition of any required permit or authorization. Such support shall include, without limitation, participation in regulatory proceedings and provision of information concerning each party's operations as related to this Landfill Gas project.

2.3 Tax Credits and Benefits Associated With Extraction, Sale and Destruction of Landfill Gas. All emission reduction credits and other state, federal or local credits or other benefits other than tax credits that are or may become available in connection with the extraction of Landfill

LANDFILL GAS PURCHASE AGREEMENT BETWEEN THE BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY INC. AND THE CITIES OF BRYAN AND COLLEGE STATION.

PAGE 5

Gas from the Landfill, the sale of Landfill Gas, or the destruction of Landfill Gas shall be shared equally between the Buyers and Seller, meaning 50% to Buyers and 50% to Seller. Seller shall not take advantage of any tax credits that are available or might become available to Seller in connection with the collection, extraction, sale or destruction of Landfill Gas. Buyers shall have all rights to any tax credits or other governmental benefits (other than the benefits allocated to Seller as described above) that are or may become available in connection with the Landfill Gas purchased hereunder or in connection with Buyers' generation of electricity using Landfill Gas as fuel, including without limitation the displacement of fossil fuel. Neither Party shall take any actions that would in any way reduce the availability to the other Party of the credits and benefits described above as belonging to such other Party. The Parties intend that Buyers and Seller will have the right to equally share, meaning 50% to Buyers and 50% to Seller, the RECs associated with the generation of electricity using Landfill Gas and that, at the same time, both Seller and Buyers will have the right to equally share, meaning 50% to Buyers and 50% to Seller, emission reduction credits associated with the destruction of the Landfill Gas. If, during the term of this Agreement, a change in Federal or state law or regulation prohibits the simultaneous sale of the RECs and emission reduction credits or otherwise prohibits the simultaneous enjoyment by both Parties of the benefits allocated to them pursuant to this Section 2.3, then the Parties agree to negotiate in good faith to amend this Agreement to reflect the change in law in a manner that maximizes the benefit to both Parties of the continued sale of RECs or of emission reduction credits or of other benefits described above.

ARTICLE III

FACILITIES

3.1 Seller's Facilities. At no cost to Buyers, Seller shall design, construct or cause to be

LANDFILL GAS PURCHASE AGREEMENT BETWEEN THE BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY INC. AND THE CITIES OF BRYAN AND COLLEGE STATION.

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constructed and own Seller's Facilities. Buyers shall operate and maintain Seller's Facilities during the term of this Agreement at Seller's cost for materials and purchased services for normal wear and tear maintenance and replacement, which amount shall be deducted from the payments to Seller set forth in Attachment B. Maintenance, repair and/or replacement of Seller's Facilities relating to damages or excessive wear resulting from (a) improper facility operation outside of generally accepted industry standards and practices or (b) damages caused by Buyers' employees, agents, contractors, or subcontractors, whether or not such damages are the result of the negligent or intentional acts or omissions of any of them, shall be solely at Buyers' cost for materials and purchased services, which amounts shall not be deducted from amounts paid for Landfill Gas. At all times during the term hereof, Seller's Facilities shall be designed, constructed and operated in compliance with all applicable laws, regulations, permits and authorizations.

3.2 Buyers' Facilities. At no cost to Seller, Buyers shall design, construct or cause to be designed and constructed, own, operate, and maintain Buyers' Facilities. Buyers may from time to time, at their sole discretion and cost, increase or decrease the gross generating capacity of Buyers' Facilities. At all times during the term hereof, Buyers' Facilities shall be designed, constructed and operated in compliance with all applicable laws, regulations, permits and authorizations. Any of Buyers' Facilities to be located on real property owned by Seller shall be at locations reasonably acceptable to Seller. Seller shall have the right to review the design of any such facilities and such review shall not create any warranties in favor of Buyers or any other party. Buyers agree that the construction, maintenance, and operation of Buyers' Facilities shall not unreasonably interfere with Seller's on-going operation of the Landfill or post-closure use as a regional park.

3.3 Grant of License.

A. *License Granted to Buyers.* For the consideration stated herein, Seller hereby grants

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to Buyers, their agents and representatives, a license for the term of this Agreement (including any extension of the term of this Agreement agreed to by the Parties), with the right to use those areas and roads of the Landfill shown on Attachment "C," attached hereto and incorporated herein by reference ("the Licensed Area"), for the purpose of purchasing, receiving, processing and compressing Landfill Gas, generating electricity using Landfill Gas as fuel, delivering the electricity so generated, and for all related activities reasonably necessary for the performance of the foregoing purposes.

B. *Authorization to Construct Buyers' Facilities.* Buyers, their agents and representatives, are authorized pursuant to the license granted by this Section 3.3 to construct, own, operate, maintain and repair Buyers' Facilities on the Licensed Area, and such other areas of the Landfill as are reasonably necessary in connection with the generation and sale of electricity as Seller may from time to time authorize in writing, which authorization will not be unreasonably withheld. Seller also grants to Buyers the right to place structures and equipment on the Licensed Area as Buyers deem reasonably necessary, together with all necessary rights of ingress and egress across or over Seller's real property on Landfill Roads designated on Attachment "C" and on other Landfill Roads that may exist from time to time during the term hereof, for the purposes of access to Buyers' Facilities. Buyers' Facilities shall not be placed or constructed in a manner that will interfere with the post-closure usage of the Landfill as a regional park.

C. *Character of Grant.* The license granted herein does not convey any interest in real property to Buyers. However, the license granted herein may only be revoked and terminate concurrently with the termination of this Agreement in accordance with Article VI, below.

D. *Reservation of Rights.* Seller reserves the right to use and the right to authorize the use by others, all or part of the Landfill roadways in conjunction with Buyers, their successors and

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assigns.

ARTICLE IV

DELIVERY AND PURCHASE OBLIGATION AND ASSUMPTION OF SELLER'S

OBLIGATIONS UPON A SALE OF THE LANDFILL

4.1 Sale and Purchase Obligation. Commencing on the date when Buyers' Facilities begin Commercial Operation, Seller shall deliver and sell to Buyers and Buyers shall accept and purchase, or pay for, all Landfill Gas extracted from the Landfill and delivered to Buyers by Seller each Day during the term of this Agreement.

4.2 Delivery of Landfill Gas for Test Purposes. Seller shall make Landfill Gas available at Buyers' request to enable Buyers to test the performance of Buyers' Facilities before Buyers' Facilities begin Commercial Operation.

4.3 Non-Conforming Landfill Gas. Buyers shall have no obligation to pay Seller for Landfill Gas that fails to meet the quality specifications set out in Section 7.1 unless Buyers accept delivery of such Landfill Gas and combusts such Landfill Gas as fuel for Buyers' Facilities.

4.4 Assumption of Seller's Obligations upon a Sale of the Landfill. Seller will not sell or otherwise transfer all or any portion of Seller's interest in the Landfill unless the purchaser or transferee agrees in writing to assume all of Seller's obligations pursuant to this Agreement. In such event, Seller will provide Buyers with a copy of such written agreement at least fifteen (15) days in advance of the effective date of any such sale or transfer.

ARTICLE V

DELIVERY POINT; TITLE

The Delivery Point for all Landfill Gas sold hereunder shall be at the interconnection
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between Buyers' Facilities and Seller's Facilities at the "T" valve which is attached to Seller's flare at the Landfill, as shown on Attachment A. Title to and control and possession of the Landfill Gas sold hereunder shall pass to Buyers upon delivery at the Delivery Point, free and clear of all liens, encumbrances and claims of third parties.

ARTICLE VI

TERM AND RIGHT TO TERMINATE

6.1 Term. Subject to the other provisions contained herein, this Agreement shall become effective on the Effective Date and shall continue in effect for 25 years or until Buyers determine that further operation of Buyers' Facility is no longer economically feasible, unless terminated earlier as set forth below.

6.2 Seller's Termination Right. Seller may, upon the occurrence of any of the following events, deliver written notice to Buyers of its intention to terminate this Agreement:

A. Any Local, State, or Federal regulatory agency attempts to assert jurisdiction over Seller as an electric or gas utility as a result of the sale of Landfill Gas hereunder, or issues an order stating that the sale of Landfill Gas hereunder would subject Seller to such jurisdiction;

B. Buyers fail to perform their obligations under this Agreement due to an event of Force Majeure which lasts longer than nine (9) months; or

C. Buyers fail to make any payment due hereunder when due or to cure such failure within thirty (30) days after receipt of Seller's notice that payment was not received, or otherwise fail to perform a material obligation hereunder.

This Agreement shall thereafter terminate thirty (30) days after Buyers' receipt of Seller's notice of termination unless (i) Buyers cure their failure to perform or resume performance of their obligations hereunder within said thirty (30) days, or (ii) if the failure to perform cannot be cured

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within thirty (30) days, Buyers commence steps toward a cure by such applicable termination date and thereafter diligently pursue such cure to completion within one hundred twenty (120) days after receipt of Seller's notice.

6.3 Buyers' Termination Right. Buyers may, upon the occurrence of any of the following events, deliver written notice to Seller of their intention to terminate this Agreement:

A. Seller fails to perform its obligations under this Agreement due to an event of Force Majeure which lasts longer than nine (9) months; or

B. Seller fails to deliver Landfill Gas to Buyers hereunder as required pursuant to Article IV and Article VII.

This Agreement shall thereafter terminate thirty (30) days after Seller's receipt of Buyers' notice unless (i) Seller resumes performance of its obligations hereunder within said thirty (30) days, or (ii) if the failure to perform cannot be cured within thirty (30) days, Seller commences steps toward a cure and thereafter diligently pursues such cure to completion within one hundred twenty (120) Days after receipt of Buyers' notice.

6.4 Obligations Upon Termination. Upon termination of this Agreement, neither party shall have any further obligation to the other under this Agreement or otherwise, including special or consequential damages, except:

A. Buyers shall remain obligated to pay Seller for all Landfill Gas delivered hereunder prior to the applicable termination date at the price in effect on the date of delivery; and

B. Unless otherwise agreed by Seller, Buyers shall remove, at Buyers' sole cost, Buyers' Facilities from Seller's property and restore Seller's property in the area in which Buyers' Facilities were located to substantially the condition it was in prior to the Effective Date, except for reasonable wear and tear, which removal and restoration shall occur not later than one hundred

eighty (180) days following the date of termination, unless extension of such removal period is agreed in writing by Seller.

6.5 Sole Remedy; Exception. Except where a remedy is expressly set forth in this Agreement, the right to terminate this Agreement pursuant to this Article VI shall be the sole remedy available to either party for the other party's failure to perform its obligations hereunder; provided, however, the foregoing limitation of remedies shall not apply to Seller upon the assignment of this Agreement to a third party other than an entity which is controlled by Buyers, which controls Buyers, or which is under common control with Buyers.

6.6 Failure to Remove Buyers' Facilities. If upon termination of this Agreement Buyers fail to remove Buyers' Facilities and restore Seller's property as required by Section 6.4.B., above, Seller may do so, at Buyers' cost, which amounts shall be reimbursed to Seller not later than thirty (30) days following delivery of written demand to Buyers. The amounts demanded by Seller pursuant to this Section 6.6 shall constitute a debt owed by Buyers to Seller and shall be collectible through an appropriate action filed in a court of competent jurisdiction in Brazos County, Texas. In the alternative, if Buyers fail to pay Seller the amounts owed pursuant to this Section 6.6, and retake possession of Buyers' Facilities, Seller may, subject to the rights of any lien holders, sell any or all of Buyers' Facilities, reimburse Seller for its costs related to the removal, storage, and sale of the items sold, including reasonable attorneys fees, and forward the balance, if any, to Buyers.

ARTICLE VII

GAS QUALITY

7.1 Heating Value and Oxygen Content. Seller shall deliver Landfill Gas hereunder at a base temperature of sixty (60) degrees Fahrenheit and a base pressure equivalent to 14.73 psia and which contains a Higher Heating Value of less than four hundred fifty-four (454) Btu per

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cubic foot by volume containing no more than two percent (2%) oxygen by volume.

7.2 Buyers' Remedies. Buyers' sole remedy for Seller's failure to deliver Landfill Gas which meets the quality specifications set out in Section 7.1 shall be to terminate this Agreement pursuant to Section 6.3.

7.3 Disclaimer of Warranties. Seller makes no warranties as to the quality or quantity of the Landfill Gas delivered to Buyers hereunder. The parties hereto agree that the implied warranties of merchantability and fitness for a particular purpose and all other warranties, express or implied, do not apply to the Landfill Gas sold hereunder. Seller shall have no liability to Buyers or any third party. Buyers hereby release and hold Seller harmless from and against any claims arising in connection with damage to Buyers' property or injury or death to persons resulting from the presence of any component within the Landfill Gas delivered to Buyers hereunder after delivery to Buyers, or otherwise arising in connection with such Landfill Gas.

ARTICLE VIII

UNIT OF VOLUME - MEASUREMENT

8.1. Unit of Volume. Except for the determination of heating value, the unit of volume for measurement of Landfill Gas delivered hereunder will be one (1) cubic foot of Landfill Gas at a base temperature of sixty (60) degrees Fahrenheit and at an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch. All fundamental constants shall be in accordance with the standards prescribed in the National Standard ANSI-API 2530, Second Edition, as reprinted in September 1986, with any subsequent amendments which may be mutually acceptable to Buyers and Seller.

8.2. Metering. Buyers shall, at no cost to Seller, install, operate and maintain in accurate working order at or near the Delivery Point metering devices mutually acceptable to the parties for

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the measurement of the Landfill Gas delivered hereunder. Seller shall have read-only access to the metering equipment at all reasonable times, but readings, calibrations and adjustments thereof shall be made by Buyers.

8.3 Meter Tests. At Buyers' expense, Buyers shall keep its metering equipment accurate and in repair, making such periodic tests as Buyers deems necessary, but at least one time during each calendar year. Buyers shall give Seller reasonable advance notice of any such test so that Seller may have its representatives present. Seller may request a special test of the metering equipment at any time. The expense of such special test shall be borne by Seller if the equipment is found to be inaccurate by less than two percent (2%), otherwise, the special test shall be at the expense of Buyers. If, upon any test, the equipment is found to be inaccurate so that it affects the measurement accuracy by more than two percent (2%), meter readings shall be corrected for a period extending back to the date on which such inaccuracy first occurred if that date can be ascertained. If the date the inaccuracy commenced is not ascertainable, corrections shall be made for one half of the elapsed time since the previous meter calibration.

8.4 Meter Out of Service. If, for any reason, Buyers' metering equipment is out of service or out of repair so that the amount of Landfill Gas delivered cannot be ascertained or corrected pursuant to Section 8.3, Buyers shall estimate the amount of Landfill Gas delivered during any period when the metering equipment is out of service or out of repair based on deliveries under similar conditions during earlier periods when the metering equipment was registering properly. Notwithstanding the above, if Seller installs metering equipment reasonably acceptable to Buyers and tests, repairs and maintains such metering equipment in a manner that is comparable to the manner in which Buyers repairs and maintains its metering equipment, then Seller's metering equipment shall be used to measure the quantity of Landfill Gas delivered during periods when

Buyers' metering equipment is out of service.

8.5 Reconciliation of Meter Errors. If following a special test of the Meters as described in Section 8.3, above, it is determined the meters were in error by 2% or more of actual Landfill Gas being delivered, payments for the adjusted period shall be as follows:

A. If the meter test indicated that the meter was measuring less Landfill Gas than was actually being delivered, Buyers shall pay the amount attributable to the Landfill Gas for which payment was not made in three installments of 1/3 each of the amount that should have been paid, said installments to be included with the payments made by Buyers for the three calendar months following the month in which the meter error was discovered; or

B. If the meter test indicated that the meter was measuring more Landfill Gas than was actually being delivered, Buyers shall take as a credit against the amounts to be paid to Seller for sales of Landfill Gas in the months following the correction of the meter error the amount attributable to the Landfill Gas for which payment was made but not received. Such credit shall be in three installments of 1/3 each of the amount that should not have been paid by Buyers had the meter read correctly credited against the amounts due Seller from Buyers for the three months following the month in which the meter error was corrected; provided, however, if the amount of such credit exceeds the amount of the payment due to Seller in a given month, the amount of the credit in excess of the amount payable to Seller from current month sales of Landfill Gas shall be carried forward to the next month(s) payment(s) until the credit due under this paragraph is paid in full. Seller shall not be required to refund monies actually paid to Seller as the result of a meter error except in the case where a credit due Buyers has not been fully satisfied on the termination date of this Agreement, in which case Seller will repay Buyers any remaining amounts due upon completion of removal of Buyers' Facilities and restoration of Seller's property as required by

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Section 6.4.B.

ARTICLE IX

DELIVERY PRESSURE

9.1 Vacuum Settings. In order to maintain sufficient pressure to deliver Landfill Gas to Buyers' Facilities, Buyers will establish a vacuum using Buyers' compressor system. However, only Seller shall determine the required vacuum and tolerable variances. Seller may from time to time change the required vacuum set point to accommodate expansions of Seller's Facilities or changes in regulations with which Seller must comply. Buyers must adjust the vacuum set point not later than ten (10) days following delivery of the request by Seller to make such adjustment. Notwithstanding the foregoing, Buyers shall in no event be required to increase the vacuum set point to a level that would cause delivery to Buyers of more Landfill Gas than Buyers' Facilities can reasonably consume, or that would cause harm to Buyers' Facilities, based on then-current operating conditions.

9.2 Loss of Vacuum Pressure. Buyers agree to accept all Landfill Gas delivered from Seller's Facilities at the Delivery Point beginning on the Commercial Operations Date and extending for the Term of this Agreement. Buyers will cause to either combust the Landfill Gas delivered to the Delivery Point and/or redeliver any unused Landfill Gas to the Seller's Flare for combustion. Buyers agree to provide all controls, metering, valving, compression and processing equipment necessary to allow all Landfill Gas received at the Delivery Point after the Commercial Operations Date to be either combusted in the Buyers' Facilities and/or redelivered into the Seller's Flare for combustion. Beginning on the Commercial Operations Date and for the entire Term of this Agreement, Buyers shall be responsible for the operation, maintenance, and repair of all equipment and systems necessary to deliver any unused Landfill Gas to the Seller's Flare, with the cost of said

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operation, maintenance, and repair to be allocated and paid in the same manner as set forth in Section 3.1, above, with respect to Seller's Facilities. Buyers shall have full responsibility to maintain Seller's Flare in good operating condition in compliance with applicable permits and authorizations. In the event Seller's Flare fails to operate, Buyers shall endeavor to notify the Seller's representative within two (2) hours of discovering such failure.

9.3 Temporary Reduction in Demand. In the event Buyers' Facilities experience a temporary reduction in demand for Landfill Gas for any reason, and which reduction results in a loss of vacuum pressure on Seller's Facilities, Buyers must notify Seller not later than four (4) hours after the on-set of said temporary reduction.

ARTICLE X

PRICE, BILLING AND PAYMENT

10.1 Price. Buyers shall pay Seller for all Landfill Gas delivered hereunder that Buyers accept and combust in Buyers' Facilities, whether or not it meets the quality specifications set out in Section 7.1, at the rates set out in Attachment B, attached hereto and incorporated herein by reference.

10.2 Rounding. The amount payable for Landfill Gas purchased hereunder shall be rounded to the nearest one cent (\$.01).

10.3 Billing and Payment.

A. Billing. On or before the thirtieth (30th) day of each calendar month, Seller shall send a statement to Buyers setting out the amount due hereunder in connection with Landfill Gas delivered or tendered to Buyers during the preceding calendar month based on the formula set forth Attachment B. Such statement shall set out the quantity of Landfill Gas purchased by Buyers during the immediately preceding month, and any taxes for which Buyers are obligated to reimburse Seller

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hereunder.

B. Payment. Buyers shall pay to Seller the amount due as shown on Seller's statement not later than thirty (30) days after receipt of each statement, less the amounts withheld pursuant to Sections 3.1 and 15.1 for the period covered by Seller's invoice. Buyers' payment shall be accompanied by a detailed statement of the expenditures made by Buyers pursuant to Section 3.1 for the period covered by the payment for the Landfill Gas.

C. Errors in Billing. If either party hereto shall find at any time within one (1) year after the date of any payment hereunder that there has been an overcharge or undercharge, the party finding the error shall promptly notify the other party in writing. In the event of an undercharge, Buyers shall pay the amount due within sixty (60) days of the date of the notice of error. In the event of an overcharge, Seller shall refund the overpayment to Buyers within sixty (60) days of the date of the notice of error. This paragraph shall not apply to reconciliations resulting from errors in the meters as set forth in Section 8.5.

D. Interest. Interest shall accrue on any invoiced amount that remains unpaid on the day following the due date for such payment at an annual rate equal to 12% or the highest interest rate allowed by law, whichever is less.

E. Records. Each party shall have the right, at its sole expense during normal business hours, to examine the other party's records to the extent necessary to verify the accuracy of any statement, charge, notice or computation made hereunder.

F. Wire Transfer of Payment. Payment shall be made by wire transfer to Seller's account in accordance with written instructions provided to Buyers by Seller from time to time and in sufficient time to allow Buyers to make timely payments.

ARTICLE XI

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TAXES

Seller shall pay or cause to be paid all taxes and assessments imposed on Seller with respect to the Landfill Gas delivered hereunder prior to its delivery to Buyers, and Buyers shall pay or cause to be paid all taxes and assessments imposed upon Buyers with respect to the Landfill Gas delivered hereunder after its receipt by Buyers, as well as any taxes that Seller is required to collect from Buyers in connection with the Landfill Gas delivered hereunder. Neither party shall be responsible or liable for any taxes nor other statutory charges levied or assessed against any of the facilities or operations of the other party used for the purpose of carrying out the provisions of this Agreement.

ARTICLE XII

FORCE MAJEURE

If any party is rendered unable, wholly or in part, by an event of Force Majeure to carry out its obligations under this Agreement, then upon such party giving notice describing the nature of the Force Majeure event to the other parties as soon as possible after the occurrence of the cause relied upon (but in no event later than ninety (90) days after the occurrence of the cause relied upon as an event of Force Majeure), then the obligations of the party giving such notice, other than the obligation to make any payment due pursuant to this Agreement, and the obligation to provide notice pursuant to this Article XII, shall be suspended during the continuance of any inability so to perform caused by the event of Force Majeure but for no longer period, and such cause shall, to the extent possible, be remedied with all reasonable dispatch. A notice of Force Majeure shall include a good faith estimate of the date on which the Force Majeure is expected to end. The party affected by the Force Majeure event shall update the other parties of the progress toward ending the Force Majeure event no less frequently than once every thirty (30) days. If a Force Majeure event lasts for more than 180 days, then the party whose performance is not affected by the Force Majeure may

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terminate this Agreement without further liability to the other parties.

ARTICLE XIII

WARRANTIES, REPRESENTATIONS AND SELLER OBLIGATIONS

13.1 Buyers Representations and Warranties. Buyers represent and warrant to Seller as follows:

A. Buyers are Texas Home Rule Municipalities with full legal right, power and authority to enter into and to fully and timely perform their obligations hereunder;

B. Buyers have duly authorized, executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation, enforceable against Buyers in accordance with its terms;

C. Neither the execution nor delivery by Buyers of this Agreement, nor the performance by Buyers of their obligations hereunder, conflicts with, violates or results in a breach of any constitution, law or governmental regulation applicable to it, or materially conflicts with, violates or results in a breach of any term or condition of any order, judgment or decree or any agreement or instrument to which Buyers are parties or by which Buyers or any of their properties or assets are bound, or constitutes a default thereunder;

D. No approval, authorization, order, consent, declaration, registration or filing with any federal, state or local governmental authority, other than Buyers' respective city councils approving this Agreement, is required for the valid execution and delivery of this Agreement by Buyers, except such as have been disclosed to Seller or have been duly obtained or made; and

E. Buyers have no knowledge of any action, suit or proceeding, at law or in equity, before or by any court or governmental authority, pending against Buyers, in which an unfavorable decision, ruling or finding would materially adversely affect the performance by Buyers of their

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obligations hereunder, or that, in any way, would materially adversely affect the validity or enforceability of this Agreement.

13.2. Seller Representations and Warranties. Seller represents and warrants to Buyers as follows:

A. Seller is a Texas Local Government Corporation, with full legal right, power and authority to enter into and to fully and timely perform its obligations hereunder;

B. Seller has duly authorized, executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms;

C. Neither the execution nor the delivery by Seller of this Agreement, nor the performance by Seller of its obligations hereunder conflicts with, violates or results in a breach of any constitution, law or governmental regulation applicable to it, or materially conflicts with, violates or results in a breach of any term or condition of any order, judgment or decree, or any agreement or instrument to which Seller is a party or by which Seller or any of its properties or assets are bound, or constitutes a default thereunder;

D. No consent, approval or authorization of, or registration, filing or declaration with, any federal or state governmental authority or other regulatory agency or action of the corporate authorities of the Seller, which has not been received, waived or satisfied as of the date hereof, is required for the valid execution and delivery by Seller of this Agreement, the consummation by Seller of the transactions contemplated hereby or compliance by Seller with the terms and provisions thereof;

E. All persons making up Seller's Board of Directors are duly appointed incumbents in their positions and hold such positions in good standing in accordance with Seller's charter and

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other applicable law;

F. Seller has no knowledge of any action, suit or proceeding, at law or in equity, before or by any court or governmental authority, pending against Seller, in which an unfavorable decision, ruling or finding would materially adversely affect the performance by Seller of its obligations hereunder, or that, in any way, would materially affect the validity or enforceability of this Agreement; and

G. Seller has good title to all Landfill Gas that has been or will be created within the Landfill during the Term of this Agreement, free and clear of all liens and encumbrances.

ARTICLE XIV

INSURANCE; INDEMNIFICATION

14.1 Insurance Coverage Amounts. Buyers, at their own expense, shall purchase, maintain, and keep in force during the entire Term of this Agreement, insurance to protect Seller from claims, whether these claims arise as a result of the operations of Buyers, or any of Buyers' officers, employees, agents, subcontractors, or any party not enumerated for whose acts Buyers may be liable. All policies shall be from an insurer licensed to do business in the State of Texas and possess an A.M. Best rating of no less than A- and shall be in the following minimum amounts:

- A. Commercial General Liability:
 - (1) \$2,000,000 per occurrence
 - (2) \$4,000,000 Annual Aggregate
 - (3) G/L must include the following provisions:
 - i. Must be on an occurrence basis
 - ii. Personal and Advertising Injury
 - iv. Products and Completed Operations

v. Fire Damage

B. Automobile Liability

- (1) Combined Single Limit (CSL) of Liability of \$1,000,000
- (2) Coverage must include any Auto, Owned, Scheduled, Hired, or Non-Owned Autos

C. Workers' Compensation. Statutory limits as required by the Labor Code of the State of Texas Employers' Liability:

- (1) Each accident: Limit \$1,000,000
- (2) Disease, each employee: Limit \$1,000,000
- (3) Disease, Policy Limit: \$1,000,000

14.2 Additional Insured. All excess policies except the Workers' Compensation Policy shall be endorsed to name Seller as an additional insured on the policies, which endorsement shall be noted on all insurance certificates.

14.3 Insurance Certificates. Before commencing any work with respect to installation of Buyers' Facilities, Buyers shall provide to Seller one or more certificates of insurance to evidence that the required insurance coverage is in effect at all times during the term hereof. No insurance shall be cancelled less than thirty (30) days following notice being provided to Seller by Buyers.

14.4 Buyers' Contractors. Buyers agree to require any third party with whom Buyers' contract or otherwise hire or engage for the purpose of constructing, operating, maintaining, or repairing Buyers' Facilities or Seller's Facilities and/or who must otherwise enter onto the Landfill to perform any services related to this Agreement to comply with the provisions of Sections 14.1, 14.2, and 14.3, in the same manner as Buyers.

14.5 INDEMNIFICATION. BUYERS AGREE TO REQUIRE ANY THIRD PARTY

WITH WHOM BUYERS' CONTRACT OR OTHERWISE HIRE OR ENGAGE FOR THE PURPOSE OF CONSTRUCTING, OPERATING, MAINTAINING, OR REPAIRING BUYERS' FACILITIES OR SELLER'S FACILITIES AND/OR WHO MUST OTHERWISE ENTER ONTO THE LANDFILL TO PERFORM ANY SERVICES RELATED TO THIS AGREEMENT TO INDEMNIFY AND SAVE HARMLESS SELLER FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENT OR INTENTIONAL ACT OR OMISSION ON THE PART OF SAID THIRD PARTY OR, ITS OFFICERS, DIRECTORS, SERVANTS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, SUBCONTRACTORS, LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS IN CONNECTION WITH THE PERFORMANCE OF ACTIVITIES ARISING FROM OR RELATED TO THIS AGREEMENT (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO SOLE NEGLIGENCE OF THE SELLER). BUYERS' SHALL FURTHER REQUIRE OF SUCH THIRD PARTIES, ON NOTICE FROM SELLER, TO DEFEND SELLER IN ANY ACTION OR PROCEEDING BROUGHT AGAINST SELLER IN CONNECTION WITH ANY SUCH LIABILITY OR CLAIM, AT SAID THIRD PARTY'S EXPENSE, BY OR THROUGH ATTORNEYS REASONABLY SATISFACTORY TO SELLER. IF THIS AGREEMENT IS ASSIGNED BY ONE AND/OR THE OTHER OF THE BUYERS TO A THIRD PARTY, THE OBLIGATION TO INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS, SHALL EXTEND TO SAID THIRD PARTY ASSIGNEE TO THE EXTENT AUTHORIZED BY LAW. THIS PROVISION SHALL

LANDFILL GAS PURCHASE AGREEMENT BETWEEN THE BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY INC. AND THE CITIES OF BRYAN AND COLLEGE STATION.

PAGE 24

SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE XV

MISCELLANEOUS

15.1 Condensate. Beginning on the Commercial Operations Date, Buyers shall deliver condensate generated from the operation of the Buyers' Facilities to the point shown in Exhibit A. Buyers shall install any necessary pipelines from Buyers' Facilities to such location, provided that such pipeline locations do not interfere with the Landfill operations. All locations for such pipelines must have prior approval from Seller. Seller shall also, to the extent permitted under Applicable Laws, Permits and Authorizations, accept from Buyers, all condensate produced in connection with the operation of Buyers' Facilities subject to payment of the posted disposal rate in effect on the date Buyers deliver such condensate to the Seller. Each accounting period, Buyers shall be entitled to deduct any amounts due Seller for condensate disposal from any amounts due Seller for Landfill Gas purchased during the same accounting period, as set forth in Attachment B. Seller will meter the flow of condensate at the Delivery Point as shown in Attachment A, and before condensate is mixed and co-managed with landfill leachate.

15.2 Assignment. Except for assignment by Buyers to an entity which is controlled by Buyers, which controls Buyers, or which is under common control with Buyers, or assignment by either Party to a third party who acquires the assigning Party's facilities required for the performance of such party's obligations hereunder, neither Party may assign this Agreement without the prior written consent of the other Party, such consent not to be unreasonably withheld. Notwithstanding the foregoing, no assignment shall be effective if the assigning Party is in default in its obligations hereunder at the time of the assignment. No permitted assignment shall be effective unless the assignor provides written notice to the other party to this Agreement,

LANDFILL GAS PURCHASE AGREEMENT BETWEEN THE BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY INC. AND THE CITIES OF BRYAN AND COLLEGE STATION.

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whether consent is required or not, and assignee assumes and agrees in writing to be bound by this Agreement. In the event of a transfer of either Party's facilities as described above, the transferring Party shall provide the other Party with a certified or confirmed copy of any instrument of sale or transfer. All covenants, stipulations, terms, conditions, and provisions of this Agreement shall be binding upon the parties hereto and shall extend to and be binding upon their permitted successors and assigns.

15.3 Notices. Any notice, request, demand, statement and or payment provided for in this Agreement shall be in writing and, except as otherwise provided herein, shall be sent to the Parties hereto at the following addresses:

If to Buyers: Bryan Texas Utilities
 PO Box 1000
 Bryan TX 77805
 Attn: General Manager

 City of College Station
 PO Box 9960
 College Station, TX 77842
 Attn: Director of Electric Utility

If to Seller: BVSWMA Inc.
 PO Box 10027
 College Station, TX 77842
 Attn: Executive Director

With Copies to: Peter G. Smith
 Nichols, Jackson, Dillard, Hager & Smith, L.L.P.
 1800 Lincoln Plaza
 500 North Akard
 Dallas, Texas 75201

Notices and other communications shall be deemed to have been given and received when personally delivered or upon receipt as evidenced by a U.S. Postal Service Receipt for Certified Mail or evidence of delivery by a private express mail service or courier. Either Party may change the address to which notices are to be sent by written notice to the other Party as provided

LANDFILL GAS PURCHASE AGREEMENT BETWEEN THE BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY INC. AND THE CITIES OF BRYAN AND COLLEGE STATION.

PAGE 26

herein.

15.4 Entire Agreement. This Agreement is intended by the Parties to constitute a final, complete and exclusive expression of their agreement on the subject matter hereof, and shall not be changed, modified, discharged, extended, or renewed except by a written amendment executed by both Parties.

15.5 No Joint Venture. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties, nor cause Seller to be deemed to be a constituent partner of Buyers.

15.6 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

15.7 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

15.8 Recitals. The recitals to this Agreement are incorporated herein.

15.9 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

15.10 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, specifically referring to **LANDFILL GAS PURCHASE AGREEMENT BETWEEN THE BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY INC. AND THE CITIES OF BRYAN AND COLLEGE STATION.**

PAGE 27

a period of time following the termination of this Agreement shall survive termination hereof.

15.11 No Waiver. The waiver by either Buyers or Seller of any failure on the part of the other Party to perform any of its obligations under this Agreement shall not be construed a waiver of any future or continuing failure or failures, whether similar or dissimilar thereto.

15.12 Choice of Law; Venue. This Agreement and provision contained herein shall be interpreted under the law of the State of Texas, without regard to conflicts of law provisions. Venue for any disputes between the parties arising from or related to this Agreement shall be in Brazos County, Texas.

15.13 Expenditure Using Current Funds. To the extent this Agreement can be construed as being an Interlocal Agreement pursuant to Chapter 791 of the Texas Government Code, the parties acknowledge and agree that the party obligated to make the payment shall do so from current revenues available to the paying party.

(Signatures on Following Page)

IN WITNESS WHEREOF, the parties hereto have caused the execution of this Agreement as of the date first written above by the officers whose names appear below.

SELLER:
BVSWMA, INC.

By: _____
Jason P. Bienski, President

APPROVED AS TO FORM:

Peter G. Smith, General Counsel
BUYERS:

CITY OF COLLEGE STATION

CITY OF BRYAN

By: _____
Nancy Berry, Mayor

By: _____
Ann Horton, Mayor Pro Tem

ATTEST:

ATTEST:

City Secretary

Mary Lynne Stratta, City Secretary

APPROVED:

City Manager

Kean Register, Interim City Manager

Gula A Robinson
City Attorney

APPROVED AS TO FORM:

Janis K. Hampton, City Attorney

ATTACHMENT A

Diagram Showing Point of Delivery

**EXHIBIT B
COMPENSATION**

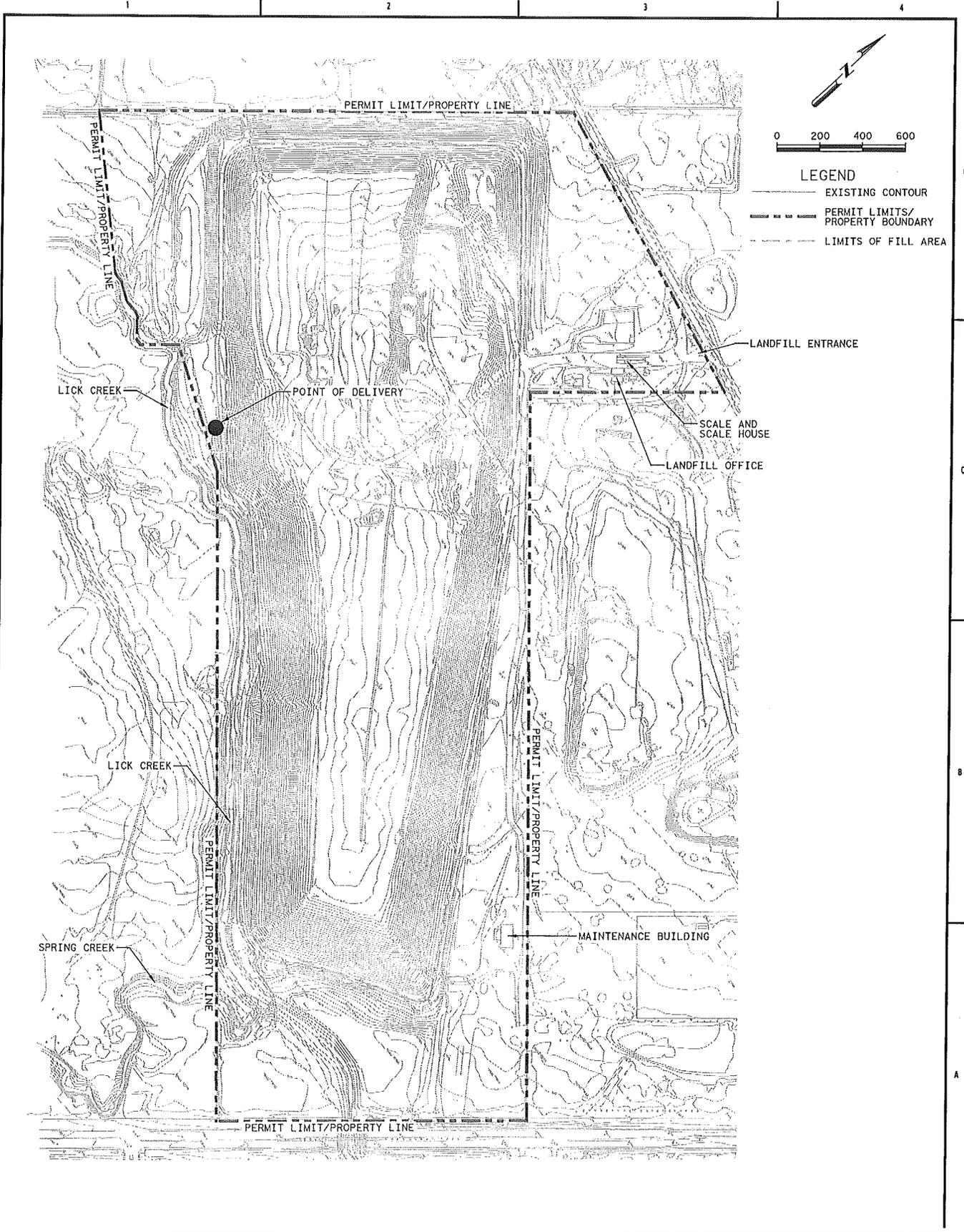
In consideration of the total volume of Landfill Gas (“LFG”) delivered to and received by Buyers during each Accounting Period pursuant to the terms of this Agreement, , Buyers shall pay Seller the amount determined by the following formula:

$$\text{Compensation} = (A \times B) - (C + D)$$

Where,

- A** = the amount of LFG delivered to Buyers (which is not flared) during such Accounting Period, in MMBtu;
- B** = \$1.25per MMBtu (*“Base LFG Rate”*);
- C** = all costs incurred by Buyers during such Accounting Period to which they are entitled to reimbursement pursuant to Section 3.1 relating to LFG collection system repairs or modifications.
- D** = all costs incurred by Buyers during such Accounting Period to which they are entitled to reimbursement pursuant to Section 15.1 relating to condensate disposal.

**ATTACHMENT C
LICENSED AREA OF LANDFILL**



DATE: 7/13/2011
 TIME: 12:28 PM
 USER: fcox
 FILE: BVSWMA_Inc/FPRRF_Final_Closure_Ph_2_07/13/00_CAD/Working Files

PLOTTER: TX300_WIN_COLOR_PDF.plt
 PENTABLE: NEW_HDR_ERM.ctb
 FILENAME: RP_EISS02.dgn

BVSWMA
 BRAZOS VALLEY SOLID WASTE MANAGEMENT AGENCY

HDR
 HDR ENGINEERING, INC.
 4500 W. Eldorado Parkway
 Suite 3500
 McKinney, Texas 75070
 Texas P.E. Firm
 Firm Registration No. F-754

ROCK PRAIRIE ROAD LANDFILL

SHEET

**August 25, 2011
Consent Agenda Item No. 2h
Northgate Street Meter Upgrade**

To: David Neeley, City Manager

From: Bob Cowell, Executive Director - Planning & Development Services

Relationship to Strategic Goals: Goal I.1 Spending taxpayer money efficiently; Goal I.4 Services must pay for themselves; Goal I.5 Develop revenue streams independent of the General Fund; Goal III.4 Promote business-friendly attitude.

Agenda Caption: Presentation, possible action, and discussion regarding a contract for equipment upgrade of the Northgate Street Meter System in the amount of \$98,594.00.

Recommendation(s): Staff recommends that the City Council approve the contract with IPS Group, Inc.

Summary: After more than ten (10) years of heavy use, the current meter and auditing equipment for the City's on-street parking assets has reached the end of its serviceable life-span. While the existing equipment is currently functional, changes in technology for both revenue collection and meter auditing has rendered this current equipment obsolete. Staff has identified an immediate need for both additional assets and updated technology that will provide tangible operational and customer service improvements.

An additional driving factor behind this project is the ongoing street and sidewalk rehabilitation taking place along Tauber Street and Stasney Street. Prior to this project, Northgate District staff were responsible for managing seventy-six (76) on-street, coin-operated parking meters. The Tauber/Stasney project is creating seventy-two (72) additional, new on-street parking spaces that will require metering and management. Additionally, when construction is complete along these streets and renovations begin along University Drive, there will be a total of one hundred five (105) on-street spaces throughout the Northgate District. This net increase of twenty-nine (29) spaces will require monitoring, revenue collection and enforcement without creating an operational gap or unnecessarily draining departmental resources.

This proposed meter system from IPS will provide patrons with both coin and credit card payment options, similar to the existing system in the Promenade Surface Lot. Familiarity with this payment format will hopefully reduce or eliminate any confusion over where to pay for parking. Additionally, vehicle detection sensors and comprehensive back office software applications associated with this metering equipment will also increase the overall efficiency of our revenue collection and enforcement efforts by automatically notifying staff when vehicles are present, when a meter requires service, and when a meter has reached its capacity. As such, this system will more effectively track meter usage, reduce staff time spent on enforcement and significantly reduce meter downtime.

Budget & Financial Summary: This contract for the new on-street meter system is \$98,594.00. Additional costs for the purchase of materials and the installation of meter poles are estimated at \$17,584.80. Funds in the amount of \$83,000 are included in the FY11 Parking Enterprise Fund budget for this project. The additional needed funds in the amount of \$33,178.80 will come from the Tauber and Stasney Street Rehabilitation project and the Northgate Improvements project which was for capital improvement projects in Northgate.

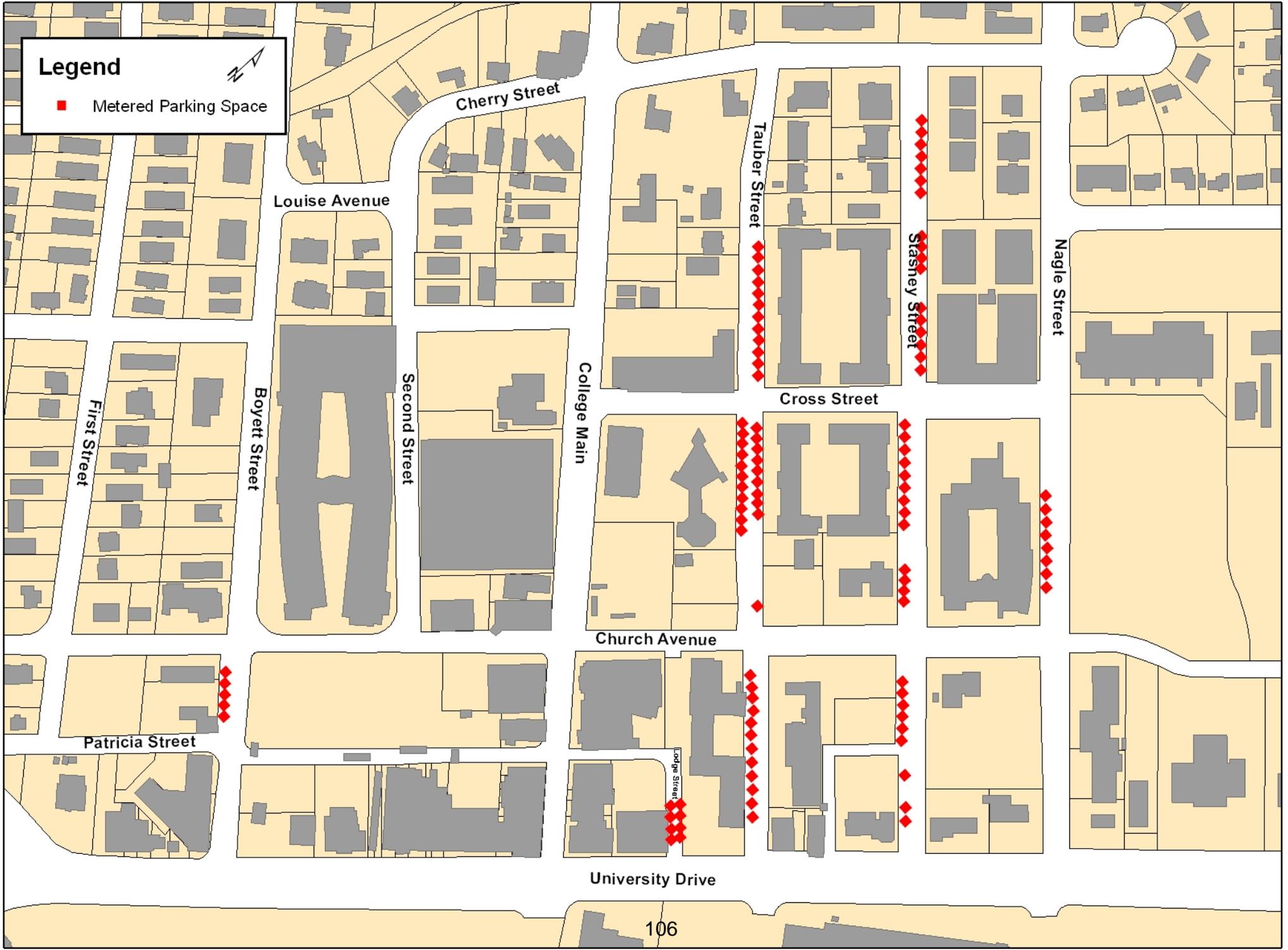
Attachments:

1. General Services Contract between the City of College Station and IPS Group, Inc. (on file in the City Secretary's Office)
2. Map of Post-Construction Street Parking Assets

Map of Post-Construction Street Parking Assets

Legend

■ Metered Parking Space



August 25, 2011
Consent Agenda Item No. 2i
Tauber & Stasney Street and Utility Rehabilitation Project
Construction Change Order
Project Numbers ST-0505, WF0625888, WF0625893, WF6598173, CO-0902

To: David Neeley, City Manager

From: Chuck Gilman, P.E., Public Works Director

Agenda Caption: Presentation, possible action, and discussion regarding a deductive change order to the construction contract with Dudley Construction Ltd. (contract # 11-003) in the amount of a \$ 68,115.39 for the Tauber & Stasney Street & Utility Rehabilitation Project.

Relationship to Strategic Goals: Goal I, Financially Sustainable City Providing Response to Core Services and Infrastructure. Goal II.1, Preserving and restoring older neighborhoods.

Recommendation(s): Staff recommends approval of this change order providing the contract with IPS Group for the installation of new on-street parking meters is approved.

Summary: The majority of this deductive change order is due to a reduction in scope to eliminate the installation of a new on-street parking system along Tauber and Stasney. A \$100,000 line item was included in the original bid to allow for a new on-street parking system in Northgate. The original estimate for the new system was approximately \$200,000, with additional funding budgeted in the Parking Garage Fund. The system being purchased is considerably less, and this change order will reduce the expenditures on this contract related to the parking system by \$87,939.50. The new parking system will be installed by the vendor providing the equipment. Only the installation of the meter poles will remain in this construction contract.

The change order also includes some minor quantity adjustment necessary to make field modifications due to differing site conditions.

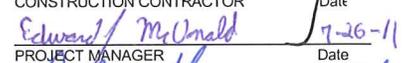
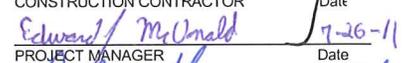
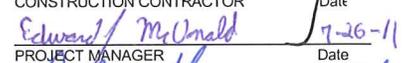
Budget & Financial Summary: Funds in the amount of \$2,760,523 are currently budgeted for the Streets portion of this project. The items on the change order related to the Streets portion of the project will result in a credit of \$82,002.32 to the project. These funds will remain in the project budget until the project is complete. Funds in the amount of \$415,044 are currently budgeted for the Water portion of the project. The items on the change order related to the Water portion of the project will result in an additional expense of \$13,886.93, which is within the project budget.

Attachments:

1. Change Order
2. Project Location Map

Tauber and Stasney Street Rehabilitation Project Location Map



CHANGE ORDER NO. 3 P.O.# 110411	PROJECT: Tauber-Stasney Street & Utility Rehabilitation Project	Contract No. 11-070	DATE: July 22, 2011					
OWNER: City of College Station P.O. Box 9960 College Station, Texas 77842		CONTRACTOR: Dudley Construction 11371 State HWY 30 College Station, TX 77845 Ph: (979) 776-2135 Fax: (979) 776-2235						
PURPOSE OF THIS CHANGE ORDER: A. Northgate Parking System: A \$100,000 line item was included in the original bid to account for a new parking system in Northgate. Council approval of the new system of parking meters means cost to the project will be less than the included line item. This change order reduces line item to the amount required to install the meter poles. B. Sidewalk: Two additional sidewalk ramps were required to meet ADA access along Stasney Street between University and Church at the rectory for St. Mary's Catholic Church. Additional concrete was also required to be removed to maintain proper driveway access and sidewalk cross slopes on Stasney St. between University and Church. C. Additional Water Related Items: A temporary tie-in on Tauber near the north side of Church St was required to keep residents in service due to the existing valve configuration being different from that depicted in the source documents. Additionally, at Tauber and Cherry field modifications were required to reconnect a fire hydrant and fire line adjacent to the Factory property. These modifications required additional valves, fittings, a 6-inch sleeve and anchor coupling to complete the tie-in. Also, the existing 2-inch at Tauber and University was not looped as previously believed and to be tied in to keep multiple businesses along University Drive in service. D. Reposition Junction Box: An existing electrical junction box adjacent to the new sidewalk on Stasney St's west side requires repositioning to prevent a potential tripping hazard and/or potential area for standing water to collect and not drain properly.								
ITEM NO	UNIT	DESCRIPTION	UNIT PRICE	ORIGINAL QUANTITY	REVISED QUANTITY	ADDED COST		
4	LS	Proposed Northgate Parking System	\$100,000.00	1	0.127325	(\$87,267.50)		
6	SF	Removal of concrete pavement (includes sidewalk, driveways, and associated areas)	\$0.58	22637	23647	\$585.80		
14	SY	6" concrete pavement (includes connection to existing pavement)(includes commercial and residential driveways)	\$48.32	11605	11664	\$2,850.88		
21	EA	Sidewalk Ramps	\$37.10	21	23	\$74.20		
26	EA	8"x6" D.I. Tee (includes installation and clean-up)	\$396.21	1	3	\$792.42		
28	EA	6" Gate Valve (includes installation and clean-up)	\$975.80	1	3	\$1,951.60		
CO3-1	EA	6" Sleeve	\$145.00	0	2	\$290.00		
CO3-2	EA	Anchor Coupling	\$128.00	0	2	\$256.00		
CO3-3	LS	Temporary tie-in of a 2-inch water line to the new 8-inhc waterline on Tauber near Church	\$1,067.50	0	1	\$1,067.50		
CO3-4	LS	Additional Labor and Equipment for items not in original bid	\$3,724.60	0	1	\$3,724.60		
CO3-5	LS	Reposition junction box on Stasney Street between Church and University	\$2,426.30	0	1	\$2,426.30		
CO3-6	EA	Credit for Quazite PG2424 Pull Boxes. Boxes have been delivered but not installed. City will take possession of boxes and receive credit for the installation f	\$112.00	6	0	(\$672.00)		
CO3-7	LS	Tie in two inch line at Tauber & University that was not looped to keep businesses in service.	\$5,804.81	0	1	\$5,804.81		
TOTAL						(\$68,115.39)		
THE NET AFFECT OF THIS CHANGE ORDER IS A 2.72% DECREASE.								
LINE 1 (13991119713020/ST0505) (\$82,002.32) LINE 2 (21291119735502/WTWOC) \$13,886.93 LINE 3 (21391119735501/SCWOC) \$0.00 LINE 4 (21191119725040/EDWOC) \$0.00 LINE 5 (13791119717040/CO902) \$0.00 TOTAL CHANGE ORDER (\$68,115.39)			ORIGINAL CONTRACT AMOUNT \$2,507,475.13 CHANGE ORDER NO. 1 \$9,006.73 0.36% % CHANGE CHANGE ORDER NO. 2 \$3,726.73 0.15% % CHANGE CHANGE ORDER NO. 3 (\$68,115.39) -2.72% % CHANGE REVISED CONTRACT AMOUNT \$2,452,093.20 -2.21% % TOTAL CHANGE					
ORIGINAL CONTRACT TIME 270 Days Time Extension No. 1 8 Days Time Extension No. 2 4 Days Time Extension No. 3 17 Days Revised Contract Time 299 Days			SUBSTANTIAL COMPLETION DATE 17-Nov-11 REVISED SUBSTANTIAL COMPLETION DATE 16-Dec-11					
APPROVED <table style="width:100%; border: none;"> <tr> <td style="width:50%; vertical-align: top;">  CHIEF FINANCIAL OFFICER _____ Date 7-27-11  CONSTRUCTION CONTRACTOR _____ Date 7-26-11  PROJECT MANAGER _____ Date 7-26-11  DEPARTMENT DIRECTOR _____ Date 26 July 2011 </td> <td style="width:50%; vertical-align: top;">  CITY ATTORNEY _____ Date _____ Date _____ Date _____ Date _____ Date _____ Date </td> </tr> </table>							 CHIEF FINANCIAL OFFICER _____ Date 7-27-11  CONSTRUCTION CONTRACTOR _____ Date 7-26-11  PROJECT MANAGER _____ Date 7-26-11  DEPARTMENT DIRECTOR _____ Date 26 July 2011	 CITY ATTORNEY _____ Date _____ Date _____ Date _____ Date _____ Date _____ Date
 CHIEF FINANCIAL OFFICER _____ Date 7-27-11  CONSTRUCTION CONTRACTOR _____ Date 7-26-11  PROJECT MANAGER _____ Date 7-26-11  DEPARTMENT DIRECTOR _____ Date 26 July 2011	 CITY ATTORNEY _____ Date _____ Date _____ Date _____ Date _____ Date _____ Date							

August 25, 2011
Consent Agenda Item No. 2j
Tauber & Stasney On-street Parking Removal

To: David Neeley, City Manager

From: Chuck Gilman, P.E., Public Works Director

Agenda Caption: Presentation, possible action and discussion on an ordinance amending Chapter 10 "Traffic Code", to remove parking along the east side of Tauber and Stasney Streets between University Drive and Church St, the east side of Stasney St. between Church St and Cherry St, the west side of Tauber between Cross St and Cherry St as part of the Tauber & Stasney Street and Utility Rehabilitation Project.

Relationship to Strategic Goals: Goal I, Financially Sustainable City Providing Response to Core Services and Infrastructure. Goal IV, Improving Multi Modal Transportation.

Recommendation(s): Staff recommends approval of the ordinance amendment.

Summary: This ordinance will remove parking from Tauber and Stasney Street in accordance with the parking plan approved by the City Council as part of the Tauber & Stasney Street and Utility Rehabilitation Project on July 9, 2009. This is not a new parking plan being proposed by staff along Tauber and Stasney; it is simply a codification of the parking plan that was approved by the City Council prior to beginning construction. The Tauber and Stasney on-street parking plan was designed to ensure adequate space exists along each street for emergency vehicle access.

The parking plan is also consistent with the Northgate on-street parking plan included in the Memorandum of Understanding (MOU) between the City of College Station and Northgate District Association.

Parking will be removed from the west side of Tauber and Stasney Streets between University and Church, on the east side of Stasney between Church and Cherry, and the west side of Tauber between Cross and Cherry. The parking plan pavement striping was included as a bid item in the construction contract for the project which was approved by Council on January 13, 2011.

Budget & Financial Summary: The "NO PARKING" signs are planned operation and maintenance expenses accounted for in the Public Works Traffic Operation budget.

Attachments:

1. Ordinance
2. Parking Plan for Tauber & Stasney Streets

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 10, "TRAFFIC CODE" SECTION 4 "ADMINISTRATIVE ADJUDICATION OF PARKING VIOLATIONS", E (1) "PARKING REGULATIONS FOR CERTAIN DESCRIBED AREAS" SCHEDULE XIV OF THE CODE OF ORDINANCES OF THE CITY OF COLLEGE STATION, TEXAS, BY AMENDING SCHEDULE XII; PROVIDING A SEVERABILITY CLAUSE; DECLARING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: That CHAPTER 10, "TRAFFIC CODE" SECTION 4 "ADMINISTRATIVE ADJUDICATION OF PARKING VIOLATIONS", E (1) "PARKING REGULATIONS FOR CERTAIN DESCRIBED AREAS" SCHEDULE XIV, of the Code of Ordinances of the City of College Station, Texas, be amended as set out in Exhibit "A", attached hereto and made a part of this ordinance for all purposes.

PART 2: That if any provisions of any section of this ordinance shall be held to be void or unconstitutional, such holding shall in no way effect the validity of the remaining provisions or sections of this ordinance, which shall remain in full force and effect.

PART 3: That any person, firm, or corporation violating any of the provisions of this chapter shall be deemed liable for a civil offense and/or guilty of a Class C misdemeanor, and, upon a finding of liability thereof, shall be punished by a civil penalty of not less than One Dollar (\$1.00) nor more than Two Thousand Dollars (\$2,000.00), or upon conviction thereof, shall be punished by a fine of not less than Twenty-five Dollars (\$25.00) nor more than Five Hundred Dollars (\$500.00). Said Ordinance becomes effective ten (10) days after date of passage by the City Council, as provided by Section 35 of the Charter of the City of College Station.

PASSED, ADOPTED and APPROVED this _____ day of _____, 2011.

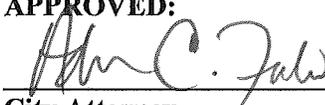
APPROVED:

Mayor

ATTEST:

City Secretary

APPROVED:



City Attorney

EXHIBIT "A"

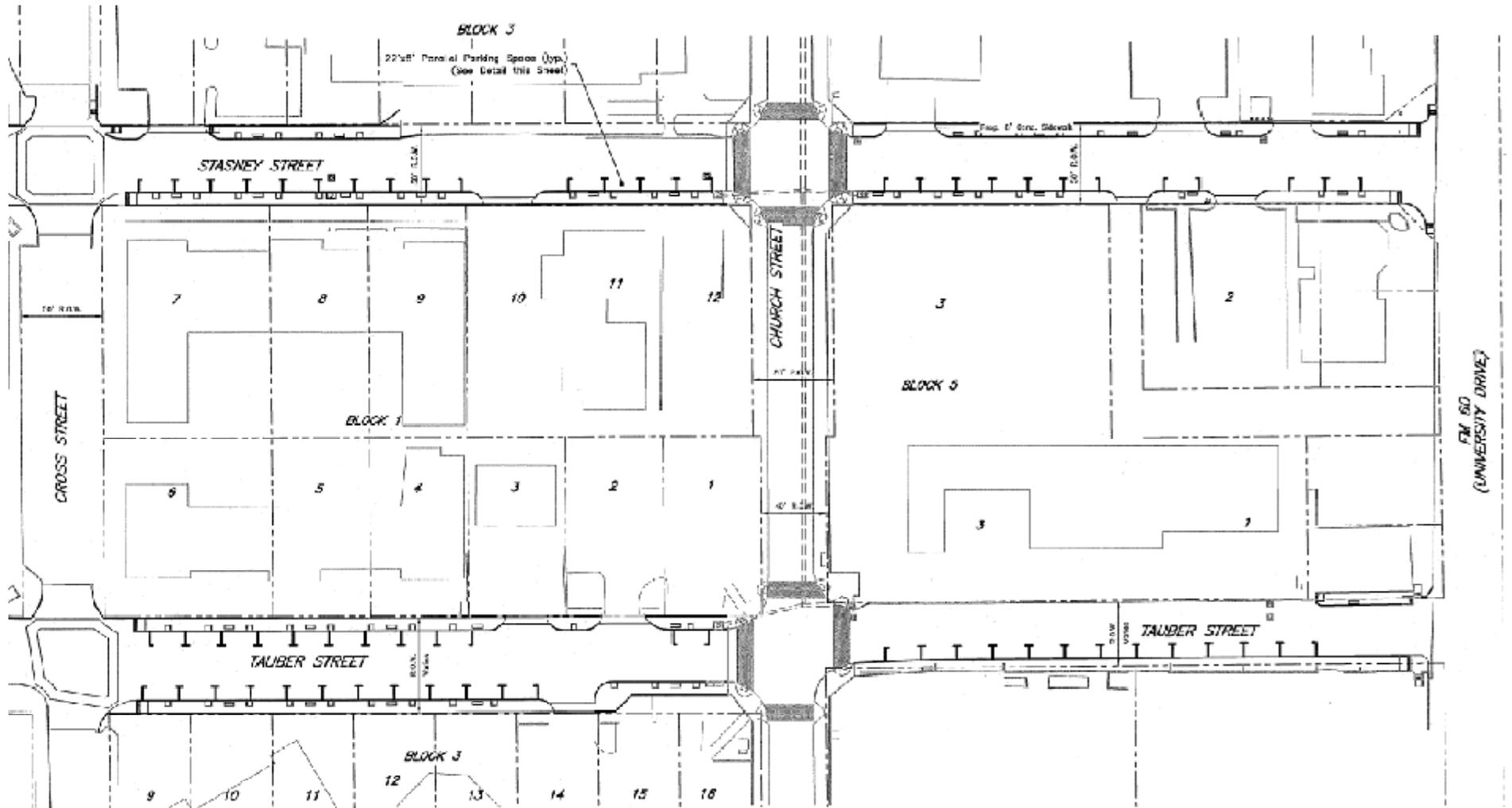
That **CHAPTER 10, "TRAFFIC CODE" SECTION 4 "ADMINISTRATIVE ADJUDICATION OF PARKING VIOLATIONS", E (1) "PARKING REGULATIONS FOR CERTAIN DESCRIBED AREAS" SCHEDULE XIV** is hereby amended to include the following:

Tauber Street – From University Drive (FM 60) to Church Street, No Parking on the east side of the street. From Church Street to Cross Street, no parking on the west side of the street for the first 130 feet north of the intersection. From Cross Street to Cherry Street, No parking on the west side of the street. From Cross Street to Cherry Street, No Parking on east side of the street beginning at the corner of Cherry Street and extending 280 feet south.

Stasney Street - From University Drive (FM 60) to Cross Street, No Parking on the east side of the street. From Cross Street to Cherry Street, No Parking on the west side of the street.

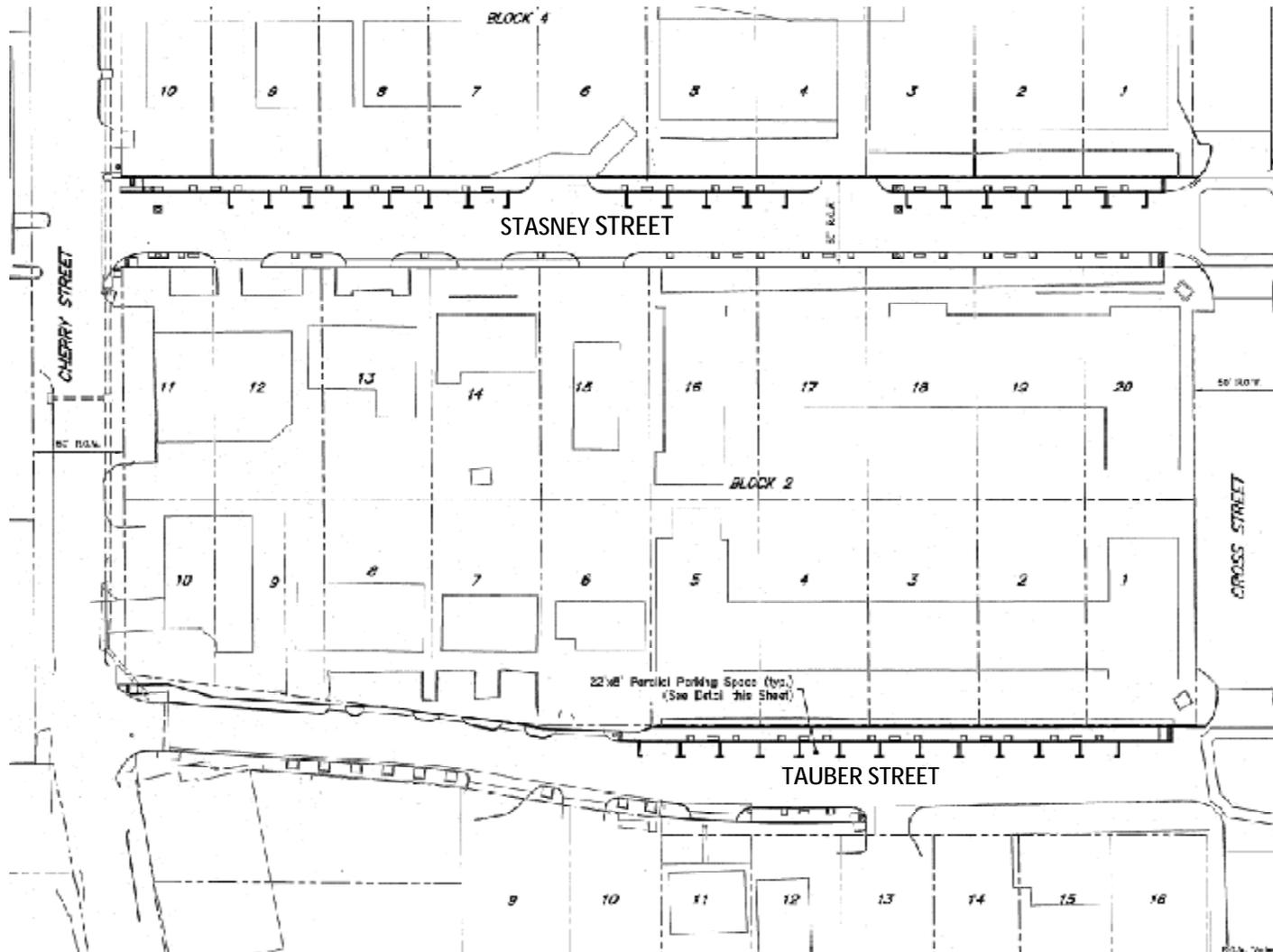
Tauber & Stasney On-Street Parking Plan

(University to Cross)



Tauber & Stasney On-Street Parking Plan

(Cross to Cherry)



August 25, 2011
Consent Agenda Item No. 2k
Wellborn Rd/Old Main Grade Separation Fiber Relocation - UPRR Wireline Crossing

To: David Neeley, City Manager

From: Ben Roper, IT Director

Agenda Caption: Presentation, possible action, and discussion regarding approval of two a Wireline Crossing Agreements with Union Pacific Railroad for fiber optic line relocation to support the Texas A&M grade separation project at Wellborn Rd and Old Main Dr. Permit fees for the two wireline crossings total \$6,900.00

Relationship to Strategic Goals: Goal II.7 Town/Gown Relationship

Recommendation(s): Staff recommends approval of the Agreements.

Summary: Some time ago, Texas A&M University began exploring options for additional traffic and/or pedestrian tunnel(s) under Wellborn Rd to increase safety and support the increased traffic flow to West Campus. The final developed plan will use a grade separation to route vehicle and pedestrian traffic under Wellborn Rd and the Union Pacific RR. This grade separation will be located at the intersection of Wellborn Rd and Old Main Dr.

The City's main fiber optic loop runs adjacent to Wellborn Rd and will have to be rerouted around the construction area. Fiber optic lines owned by Qwest Communications and Sprint will also require relocation. Through mutual agreement, Qwest has agreed to act as "Lead Carrier" for the relocation project, and the City entered into a contract with Qwest to relocate the city's fiber. Union Pacific Railroad informed Qwest that the City would have to file a separate wireline crossing request for each of the two railroad crossings associated with the fiber relocation.

Budget & Financial Summary: Funding for the wireline crossing permits, totaling \$6,900.00 will be provided by Texas A&M University.

Attachments:

Wireline Agreements on file in City Secretary's Office

**August 25, 2011
Consent Agenda Item No. 2L
Copying and Printing Services**

To: Glenn Brown, City Manager

From: Jeff Kersten, Executive Director of Business Services

Agenda Caption: Presentation, possible action, and discussion regarding approval of estimated annual expenditures related to copying and printing services as follows: Tops Printing \$60,000; Texas Printing Co. \$35,000; Office Max \$35,000.

Relationship to Strategic Goals: Goal I.1. Spending taxpayer money efficiently

Recommendation(s): Staff recommends approval of expenditures to: Tops Printing \$60,000; Aggieland Printing \$35,000; Office Max \$35,000. These estimates are based on the past three year's history for city-wide printing and copying.

Summary: In October 2007, the City closed its internal print shop and has been outsourcing printing and high volume copies since that time. Staff issued a Request for Proposal for copying and printing services in May 2011. Proposals were received and evaluated by a Committee of representatives from several City departments. Specifications established three different categories which summarized the types of printing and copying services the City typically uses. The City spent approximately \$85,618 in copying and printing in a 12month period and approximately \$25,000 in specialty printing. These categories with the recommended vendors for award follow:

I. Category I - Digital Print and Copy

This category includes standard black/white copies/prints; standard color copies/prints; some oversize black/white/color copies/prints; blueprints and finishing services. A multiple award is recommended so departments may choose based on pricing and convenience:

Tops Printing \$35,000

Aggieland Pringing \$35,000

Office Max \$35,000

II. Category II - Offset Printing and High Volume Color Printing

This category includes City letterhead, pre-printed envelopes and business cards

Tops Printing \$25,000

III. Category III – Specialty Printing

This category includes a wide range of services including graphic design, maps, calendars, annual reports, and multi-faceted informational packages, The City will request quotes from firms for these type specialty services. There are no pre-qualified firms on this category.

Budget & Financial Summary: Funds are available and budgeted in each Department for copying and printing services.

Attachments:

None

August 25, 2011
Regular Agenda Item No. 1
Public Hearing and Consideration of Budget Amendment # 3

To: David Neeley, City Manager

From: Jeff Kersten, Chief Financial Officer

Agenda Caption: Public Hearing, possible action, and discussion on an ordinance Budget Amendment #3 amending ordinance number 3290 which will amend the budget for the 2010-2011 Fiscal Year in the amount of \$7,699,757 and presentation, possible action and discussion on two contingency transfers and one interfund transfer.

Recommendation(s): Staff recommends the City Council hold the public hearing on Budget Amendment #3 and approve the budget amendment ordinance.

Summary: The proposed budget amendment is to increase the appropriations for the items listed below by \$7,699,757. The charter of the City of College Station provides for the City Council to amend the annual budget in the event there are revenues available to cover increased expenditures and after holding a public hearing on such budget amendment. A number of items have been identified that need to be considered in a budget amendment. Attached is a list of the items in the proposed budget amendment.

Budget & Financial Summary: The City has resources or can reasonably expect resources to cover each of the appropriations in this budget amendment. Appropriations in the amount of \$2,000,000 are for Bee Creek Parallel Trunk line. \$2,216,128 of this budget amendment is to provide appropriation for wheeling charges. The attached list has the complete description of the items included in the proposed budget amendment.

Attachments:

1. Budget Amendment #3 Detail List, Budget transfer detail list
2. Ordinance

The proposed budget amendment is to increase the appropriations for the items listed below by \$7,699,757. When budget adjustments between Departments and/or Funds are necessary, Council approval is required. In addition, several General Fund contingency transfer items are included below. Contingency transfers do not increase or decrease the overall budget. Rather, the contingency transfers shift resources within a fund. Contingency transfers greater than \$15,000 require Council approval and are therefore included as part of this Budget Amendment documentation. An interfund transfer item is also included below. Budget transfers do not increase or decrease the overall budget. Rather, the transfers shift resources within a fund.

1. Expenditure for use of Doak Funds for Library shelving - \$9,372 (Budget Amendment)
This item is for the replacement and installation of shelving at the College Station Larry Ringer Library. Grant funds were received from the Clifton C. and Henrietta C. Doak Charitable Trust and are available in the General Fund Fund balance for this purchase.

2. Energy Efficiency & Conservation Block Grant – Energy Dept – \$208,795 (Budget Amendment, Interfund Transfer)
The City has received a total of \$791,100 from stimulus funds administered by the Department of Energy. These funds are to be used for three years of funding for a Sustainability Coordinator, funding for hybrid vehicles, and upgrades to Stephen C. Beachy Central Park and Veterans Park. Funds to cover the following expenditures are available in the ARRA Fund Balance.

\$17,773 - The Energy Efficiency & Conservation Block Grant provides funding for the increase in cost between two regular vehicles and two hybrid vehicles. The total purchase price of the two vehicles is \$58,080. This item approves the transfer of \$17,773 from the Equipment Replacement Fund to the ARRA Fund for this purchase. All Interfund transfers must be approved by Council.

\$41,591 - Funds were awarded for the second allocation of the 2009 Byrne Justice Assistance Grant (JAG) and need to be appropriated in the ARRA Fund to be spent by the Police department on an approved equipment list.

\$149,431 – The remaining grant funds need to be re-appropriated in the ARRA fund to be spent on General Government related projects; including the continuation of retrofits to Stephen C. Beachy Central Park and Veterans Park. Approved expenditures include irrigation retrofits, installing solar-powered LED lighting, more efficient recycling/trash containers, and a rainwater harvesting system.

3. State Homeland Security Grant Funding - \$163,286 (Budget Amendment)
This item is to appropriate the Governor's Division of Emergency Management (GDEM) State Homeland Security Grant to Public Communications, and the Police and Fire departments. FY08 Homeland grant (GT0901) expenditures totaling \$36,445 need to be appropriated to the following departments: Public Communications (\$4,609); the Police Department (\$3,515); and the Fire Department (\$28,321) in order to close out this grant. The Fire Department requests appropriations in the amount of \$11,396 for the FY09 Homeland grant (GT1001). The Police Department budget needs increased by \$59,319 for the FY10 Homeland grant (GT1101) and the Fire Department in the amount of \$56,126 for their portion of the FY10 Homeland grant (GT1102). All grant funds from GDEM are expended and then reimbursed by the State.

4. Funding for Fire Vehicle Purchases - \$836,459 (Budget Amendment)

As part of the FY11 budget approval process, and in accordance with the vehicle replacement policy, Council approved the purchase of four Fire Department vehicles. Two of these vehicles are for Fire station #6 and the third is a replacement ladder truck. It was anticipated that long term debt would be used toward the purchase these three vehicles. Instead, it is being recommended that funds from completed capital projects be used for the vehicle purchases. Funds in the amount of \$595,922 are available from the balance of the Radio System Replacement project. These funds were originally from the Equipment Replacement Fund. Funds in the amount of \$5,037 are available from the balance of the Barron Road Interchange Design project. These funds were originally from Certificates of Obligation (CO's) issued in 2002. Funds in the amount of \$235,500 are available from the University Drive Widening Design project. These funds were also originally from CO's issued in 2002. The 2002 CO balances must be used in accordance with the purposes outlined in the 2002 'Notice of Intention to Issue Certificates of Obligation.' Using the CO balances for the Fire Department vehicle purchases would be in accordance with this intent. Furthermore, it would account for and would allow for the reporting of all of the 2002 CO issue to the IRS, which could help to mitigate potential future arbitrage penalties. This item will appropriate \$595,922 to the General Government Capital Improvement Projects Fund and will appropriate \$240,537 to the Streets Capital Improvement Projects Fund for transfer to the Equipment Replacement Fund for the purchase of the fire vehicles.

5. Zone B Community Park Land - \$60,000 (Budget Amendment)

This item will appropriate \$60,000 to Zone B Community Park Land budget. These funds will be used for the construction of sidewalk and curb work and the installation of picnic units and barbeque grills at Southwood Athletic Park. The budget for these items was not included in the FY11 Approved Budget because the project was not defined when the budget was developed. The funds for this project will come from contributions collected in Community Park Land Zone B.

6. Lick Creek Hike and Bike Trail - \$50,000 (Budget Amendment)

\$50,000 was appropriated in FY11 for expenses related to completing the Preliminary Engineering Review (PER) phase of the Lick Creek Hike and Bike Trail project. The contract for the PER has been negotiated with the consultant and will cost \$64,365. Coupled with related expenses, it is estimated that this project phase will cost approximately \$100,000. This item will appropriate an additional \$50,000 to the Lick Creek Hike and Bike Trail project in FY11, but the overall project budget will not increase. This project was approved as part of the 2008 General Obligation Bond authorization.

7. FM 2154 Sewer Trunk Line – \$500,000 (Budget Amendment)

This item will appropriate \$500,000 to the FY11 Wastewater Capital Improvement Projects Fund budget for the FM 2154 Sewer Trunk Line project. This project is for the land acquisition, design and construction of a gravity sanitary sewer line, lift station and force main to serve the recently annexed area east of FM 2154. The project was not included in the FY11 Approved Budget as the project was not defined when the FY11 Approved Budget was developed. The project will be included in the FY12 Proposed Budget. It is estimated that the total project cost will be \$3,332,816. The \$500,000 included in this budget amendment is for preliminary project costs and the engineering contract which is expected will be brought to Council in FY11.

8. Bee Creek Parallel Trunk Line - \$2,000,000 (Budget Amendment)
This item will appropriate \$2,000,000 to the FY11 Wastewater Capital Improvement Projects Fund budget for the Bee Creek Parallel Trunk Line project. This project is for the installation of a gravity line to increase the system capacity of the Bee Creek Trunk Line sub-basin to accept the ultimate build-out demand anticipated in this respective area. This trunk line capacity increase is necessary to proactively prevent surcharge events, possible fines from TCEQ, and customer service disruptions. The project was not included in the FY11 Approved Budget as the project was not defined when the FY11 Approved Budget was developed. The project will be included in the FY12 Proposed Budget. It is estimated that the total project cost will be \$14,703,625. The \$2,000,000 included in this budget amendment is intended to cover the engineering contract that is expected to be brought to Council this fiscal year.

9. Lick Creek Centrifuge Replacement - \$1,000,000 (Budget Amendment)
This item will appropriate \$1,000,000 to the FY11 Wastewater Capital Improvement Projects Fund budget for the Lick Creek Centrifuge Replacement project. This project will replace the sludge dewatering centrifuge at the Lick Creek Wastewater Treatment Plant. The current centrifuge has exceeded its useful life span and is requiring considerable on-going maintenance. The project was not included in the FY11 Approved Budget as the project was not defined when the FY11 Approved Budget was developed. The project will be included in the FY12 Proposed Budget. This project will be completed in conjunction with the currently budgeted Lick Creek Miscellaneous Improvements project. Cost savings should be realized by doing these projects jointly. It is estimated that the cost of the Centrifuge Replacement will be \$1,000,000. The majority of the expenses will occur in FY12, but it is expected that the engineering and construction contracts will be brought to Council this fiscal year.

Please note: A rate increase is forecasted for FY12 in the Wastewater Fund to support the operating, non-operating, capital, and debt service coverage requirements in the Wastewater Fund.

10. Electric Settlement Payment -\$500,945 (Budget Amendment)
This item will appropriate \$500,945 to the Electric Utility budget for the payment of a settlement for the September - December 1999 Transition Mechanism Dispute. The transition mechanism was initially used to help ease effects of transmission costs to some ERCOT utilities during the period of wholesale transmission deregulation in the late 1990s. College Station was one of the beneficiaries of this mechanism. The transition mechanism was later found by the courts to be invalid. Under the proposed settlement, the parties benefited (*i.e.* were paid) from the transition mechanism will repay the amounts paid plus interest through October 6, 2003. While this settlement would resolve the largest issues still outstanding on prior transmission rates from that period, there is one claim that remains pending before the PUC. Funds for this settlement will come from the Electric Utility fund balance.

11. Purchased Power and Wheeling Charges – \$2,216,128 (Budget Amendment)
This item will appropriate funds for the unanticipated increase in the cost of purchased power and wheeling charges. Purchased power costs were higher than anticipated primarily due to the extreme cold events that resulted in the brown-outs that occurred in February 2011. Purchased power costs were approximately \$2.1 million higher than anticipated during that month. This amount is being recovered in FY11 and FY12 as part of the Transmission Delivery Adjustment. In addition, wheeling

charges are higher than budgeted for FY11. Changes to the wheeling charges represent transmission cost changes approved for additions and improvements to the ERCOT transmission grid made by various transmission providers in the ERCOT system. Transmission costs are determined on a yearly basis by the Texas Public Utilities Commission (PUCT) with the new charges approved in the first quarter of the calendar year. This budget amendment item will increase the purchased power budget to reflect the additional costs anticipated for FY11. Funds for these costs will come from the Electric Utility fund balance.

12. Scott and White Economic Development Agreement Amendment - (\$77,386 Budget Amendment & \$77,386 Inter-fund Transfer)

On April 14, 2011, Council approved an amendment to the Scott and White Economic Development Agreement. Based upon Scott & White Healthcare's development preference and the City's desire to help facilitate the burial of the overhead electrical lines, Scott & White Healthcare agreed to pay for all materials and labor to bury the existing overhead electrical lines (estimated at \$809,567) and the City agreed to pay for only the bore underneath State Highway 6 required for just the College Station Utilities lines (estimated at \$77,386). Funds in the amount of \$886,953 were received from Scott and White's electrical contractor to cover this expense. This item will appropriate \$77,386 to the Economic Development Fund to cover the cost of the bore under State Highway 6. These funds will be transferred from the Economic Development Fund to the Electric Fund. The Electric Fund will then reimburse Scott and White's electrical contractor \$77,386 because the payment received reflected the total project cost rather than just the portion agreed upon to be paid by Scott and White. The transaction will have no net financial impact on the Electric Fund as the payment will be offset by the revenue received from the Economic Development Fund.

Contingency Transfers

1. Codification \$15,765 (General Fund Contingency)

The City Secretary's Office has implemented an online codification process for all College Station ordinances. These funds will provide for the initial contract and four months of maintenance fees to the vendor. Funds are available in General Fund contingency for this item.

2. Utility Customer Service (UCS), and former Fire Station buildings Security Project (General Fund fund balance \$57,825; Utility Customer Service Fund fund balance and transfer to General Fund \$33,000)

This item provides funding for the purchase and installation costs to provide a security system to the Utility Customer Service building (\$66,000) and the former fire station building located on Texas Avenue just south of City Hall (\$24,825). Each building will have exterior and interior door controls as well as video surveillance. Half of the funding for the UCS building will come from the Utility Customer Service Fund fund balance and the remaining will come from General Fund fund balance. All expenditures will occur in the General Fund.

ORDINANCE NO. _____

AN ORDINANCE (BUDGET AMENDMENT 3) AMENDING ORDINANCE NUMBER 3290 WHICH WILL AMEND THE BUDGET FOR THE 2010-2011 FISCAL YEAR AND AUTHORIZING AMENDED EXPENDITURES AS THEREIN PROVIDED.

WHEREAS, the City Council of the City of College Station, Texas, approved its Budget Ordinance for the 2010-2011 Fiscal Year on September 13, 2010; and

WHEREAS, the City Council of the City of College Station, Texas, desires to amend the approved Budget Ordinance; and

WHEREAS, this amendment was prepared and presented to the City Council and a public hearing held thereon as prescribed by law and the Charter of the City of College Station, Texas, after notice of said hearing having been first duly given; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

Part 1: That Part 1 of the Budget Ordinance for the 2010-2011 Fiscal Year is amended to read as follows:

"PART 1: That the proposed budget as amended by the City Council of the City of College Station, which is made a part hereof to the same extent as if set forth at length herein, is hereby adopted and approved, a copy of which is on file in the Office of the City Secretary in College Station Texas. Amended appropriations for fiscal year 2010-2011 for the General Fund are \$61,898,883; for the Economic Development Fund are \$1,481,750; for the ARRA Fund are \$461,261; for the General Government CIP Fund are \$\$1,886,348; for the Streets CIP Fund are \$\$5,410,491; for the Parkland Dedication Funds are \$1,046,013; for the Electric Fund are \$101,170,660; for the WasteWater Fund are \$17,507,680. All other appropriations as originally adopted and amended by the City Council remain in full force and effect."

Part 2: That this ordinance shall become effective immediately after passage and approval.

PASSED and APPROVED this _____ day of _____ 2011.

ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:

Carla A. Robinson

City Attorney

August 25, 2011
Regular Agenda Item No. 2
2011 Atmos Rate Review Mechanism Increase

To: David Neeley, City Manager

From: City Manager's Office

Agenda Caption: Public Hearing, presentation, possible action, and discussion regarding an ordinance approving an increase in rates for Atmos Energy pursuant to the Rate Review Mechanism tariff approved in 2008.

Recommendation(s): Staff recommends approval of the ordinance.

Summary: The City of College Station, along with 154 other cities served by Atmos Energy Mid-Tex Division ("Atmos"), is a member of the Atmos Cities Steering Committee ("ACSC"). On April 1, 2011, Atmos filed with the City an application to increase natural gas rates pursuant to the Rate Review Mechanism ("RRM") tariff approved by the City as part of the settlement of the Atmos 2007 Statement of Intent to increase rates. This is the fourth annual RRM filing.

The Atmos filing originally sought a \$15.7 million rate increase. The ACSC conducted analysis of the schedules and evidence offered by Atmos to support its request to increase rates on behalf of the City. The Ordinance and attached rate and RRM tariffs are the result of negotiations between ACSC and the Company to resolve issues raised by ACSC during the review and evaluation of ACSC's RRM filing. The Ordinance resolves the Company's RRM filing by authorizing supplemental revenue of \$6.6 million to be recovered through the customer charge component of rates to cover direct incremental costs associated with a steel service line replacement program approved as part of last year's rate adjustment. All other relief requested by Atmos was denied resulting in a 58% reduction from Atmos' requested rate increase.

The RRM tariff was approved by cities as part of the settlement agreement to resolve the Atmos' 2007 system-wide rate filing at the Railroad Commission. Atmos' rate request represents an extension to the three-year trial project known as the Rate Review Mechanism ("RRM") process. The RRM process was created collaboratively by ACSC and Atmos Mid-Tex as an alternative to the legislatively authorized GRIP surcharge process. The RRM process has allowed for a more comprehensive rate review and annual adjustment as a substitute for GRIP filings during the three-year trial period specified by the tariff.

Budget & Financial Summary: The monthly bill impact for the average residential customer will be a \$0.44 (about a 0.64% increase in the total bill).

Attachments:

1. Ordinance
2. Tariffs
3. ACSC Staff Report
4. ACSC FAQ's

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, (“CITY”) APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC” OR “STEERING COMMITTEE”) AND ATMOS ENERGY CORP., MID-TEX DIVISION (“ATMOS MID-TEX” OR “COMPANY”) REGARDING THE COMPANY’S FOURTH ANNUAL RATE REVIEW MECHANISM (“RRM”) FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING 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; REQUIRING THE COMPANY TO REIMBURSE CITIES’ REASONABLE RATEMAKING EXPENSES; REPEALING CONFLICTING RESOLUTIONS OR ORDINANCES; 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 STEERING COMMITTEE’S LEGAL COUNSEL.

WHEREAS, the City of College Station, 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 Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC” or “Steering Committee”), a coalition of approximately 154 similarly situated cities served by Atmos Mid-Tex 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 (such participating cities are referred to herein as “ACSC Cities”); and

WHEREAS, pursuant to the terms of the agreement settling the Company’s 2007 Statement of Intent to increase rates, ACSC Cities and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process controlled in a three-year experiment by ACSC Cities as a substitute to the current GRIP process instituted by the Legislature; and

WHEREAS, the City took action in 2008 to approve a Settlement Agreement with Atmos Mid-Tex resolving the Company’s 2007 rate case and authorizing the RRM Tariff; and

WHEREAS, the 2008 Settlement Agreement contemplates reimbursement of ACSC Cities’ reasonable expenses associated with RRM applications; and

WHEREAS, the Steering Committee and Atmos Mid-Tex agreed to extend the RRM process in reaching a settlement in 2010 on the third RRM filing; and

WHEREAS, on or about April 1, 2011, the Company filed with the city its fourth annual RRM filing, requesting to increase natural gas base rates by \$15.7 million; and

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex's RRM filing by designating a Settlement Committee made up of ACSC representatives, assisted by ACSC attorneys and consultants, to resolve issues identified by ACSC in the Company's RRM filing; and

WHEREAS, independent analysis by ACSC's rate expert concluded that Atmos Mid-Tex is unable to justify an increase over current rates except for undisputed costs of \$6.6 million to cover the steel service line replacement program initiated in 2010; and

WHEREAS, the ACSC Settlement Committee, as well as ACSC lawyers and consultants, recommend that ACSC Cities approve the attached rate tariffs ("Attachment A" to this Ordinance), which will increase the Company's revenue requirement by \$6.6 million to extend current recovery of incremental direct costs of the steel service line replacement program authorized by ACSC Cities in ordinances passed in 2010; and

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

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

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

Section 2. That the City Council finds the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable and new tariffs which are attached hereto and incorporated herein as Attachment A, are just and reasonable and are hereby adopted.

Section 3. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC Cities in processing the Company's rate application.

Section 4. That to the extent any resolution or ordinance previously adopted by the Council 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 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 September 1, 2011.

Section 8. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of David Park, Vice President Rates and Regulatory Affairs, at Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this _____ day of _____, 2011.

Mayor

ATTEST:

City Secretary

APPROVED:

City Attorney

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Mcf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 7.50 per month
Commodity Charge – All Mcf	\$ 2.5116 per Mcf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 3,000 Mcf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Mcf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 16.75 per month
Commodity Charge - All Mcf	\$ 1.0217 per Mcf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 450.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2750 per MMBtu
Next 3,500 MMBtu	\$ 0.2015 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0433 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailement Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 450.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2750 per MMBtu
Next 3,500 MMBtu	\$ 0.2015 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0433 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	All Cities except the City of Dallas	
EFFECTIVE DATE:	Bills Rendered on or after 9/1/2011	

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Curtailement Overpull Fee

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

ACSC STAFF REPORT

RRM Background:

The RRM tariff was 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. Atmos Mid-Tex's current action represents an extension to the three-year trial project known as the Rate Review Mechanism ("RRM") process. The RRM process was created collaboratively by ACSC and Atmos Mid-Tex as an alternative to the legislatively authorized GRIP surcharge process. ACSC opposed GRIP because it constituted piecemeal ratemaking, did not allow any reasonableness review, and did not allow participation by cities or recovery of cities' rate case expenses. The RRM process has allowed for a more comprehensive rate review and annual adjustment as a substitute for GRIP filings during the three-year trial period specified by the tariff.

Purpose of the Ordinance:

Rates cannot change and the Settlement Agreement with Atmos Mid-Tex cannot be implemented without passage of rate ordinances by cities. No related matter is pending at the Railroad Commission. The purpose of the Ordinance is to approve rate tariffs ("Attachment A") that reflect the negotiated rate change pursuant to the RRM process and to ratify a Settlement Agreement recommended by the ACSC Settlement Committee and Executive Committee.

As a result of the negotiations, ACSC was able to reduce the Company's requested \$15.7 million RRM increase to \$6.6 million, allowing only incremental revenues necessary to cover direct costs associated with the steel service line replacement program approved by ACSC Cities in 2010. Approval of the Ordinance will result in the implementation of new rates that increase Atmos Mid-Tex's revenues effective September 1, 2011.

Reasons Justifying Approval of the Negotiated Resolution:

During the time that the City has retained original jurisdiction in this case, consultants working on behalf of ACSC cities have investigated the support for the Company's requested rate increase. While the evidence does not support the \$15.7 million increase requested by the Company, ACSC consultants agree that the Company can justify an increase in revenues of \$6.6 million, a result consistent with Cities' approval of a steel service line replacement program last year. The agreement on \$6.6 million is a compromise between the positions of the parties.

The Settlement Agreement of 2010 which included an extension of the RRM process, included an allowance for recovery of direct costs, excluding overheads, of the steel service line replacement program. Current year recovery factors of \$00.15 for residential customers and \$00.41 for commercial customers per month were authorized last year. The 2010 Settlement Agreement contemplated that the steel service line replacement program would be adjusted annually, but shall be capped at \$00.44 cents for residential customers and \$1.22 for commercial customers. The increase in this case is consistent with the caps contemplated last year for the steel service line replacement program, and nothing more.

The alternative to a settlement of the RRM filing would be a contested case proceeding before the Railroad Commission on the Company's current application, would take several months and cost ratepayers millions of dollars in rate case expenses, and would not likely produce a result more favorable than that to be produced by the settlement. The ACSC Settlement Committee recommends that ACSC members take action to approve the Ordinance authorizing new rate tariffs.

Steel Service Line Replacement:

Under pressure from the Railroad Commission to establish a comprehensive program to replace service lines that contain steel which is subject to corrosion and leaks, ACSC worked with Atmos Mid-Tex in 2010 to establish a risk based approach to steel service line replacement that accomplishes the following goals:

1. Replace all service lines throughout the Mid-Tex Region with the highest degree of risk within two years;
2. Coordination between ACSC city members and Atmos Mid-Tex to minimize disruption of rights of way without compromising safety;
3. To minimize and spread the rate impact on customers of the replacement program, the service lines with little relative risk of leaks should be replaced over a 10-year period; and
4. Current recovery of incremental (above and beyond normal maintenance and repair addressed in RRM proceedings) direct (excluding Atmos Mid-Tex overheads) cost of service line replacement should be permitted as an adder to customer charges.

Fulfillment of these goals in the 2010 case led to \$00.15 and \$00.41 added to residential and commercial customer charges, respectively. The annual customer charge adder to cover the steel service line replacement program may not exceed \$00.44 and \$1.22 for residential and commercial customers, respectively, prior to the entry of a Final Order in the next system-wide Statement of Intent rate proceeding.

Changes to Customer Charges:

The Settlement Agreement approved in 2010 contemplated that incremental revenues to cover future steel service line replacement costs would be recovered through customer charges. Consistent with that approach, the \$6.6 million in additional revenues to be recovered following passage of the Ordinance is accomplished by increasing customer charges.

The tariffs to be approved by the Ordinance set monthly customer charges at \$7.50 and \$16.75 for residential and commercial customers, respectively.

The commodity portion of the commercial rate will decline slightly from existing rates.

Explanation of “Be It Ordained” Paragraphs:

1. This paragraph approves all findings in the Ordinance.
2. This section adopts the attached tariffs (“Attachment A”) in all respects and finds the rates set pursuant to the attached tariffs to be just, reasonable and in the public interest. Note that only new tariffs or existing tariffs being revised are attached to the Ordinance. Existing tariffs not being changed in any way are not attached to the Ordinance.
3. This section requires the Company to reimburse ACSC for reasonable rate making costs associated with reviewing and processing the RRM application.
4. This section repeals any resolution or ordinance that is inconsistent with this Ordinance.
5. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
6. 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.
7. This section provides for an effective date upon passage.
8. This paragraph directs that a copy of the signed Ordinance be sent to a representative of the Company and legal counsel for ACSC.

FREQUENTLY ASKED QUESTIONS REGARDING ACSC AND THE RRM RATEMAKING PROCESS

What is the Role of Cities in Ratemaking?

Cities have historically exercised original jurisdiction over the level of gas rates charged within their boundaries. Generally, gas distribution utilities have filed rate cases at the city level and only gone to the Railroad Commission of Texas (“RRC”) with an appeal of city action or if they cannot reach a settlement with cities. If a utility and cities reach an agreement, the utility may then file a case at the RRC to implement the same rates approved by cities in areas outside municipal boundaries.

Once a case is at the RRC, the Commission Staff generally expects cities to intervene and do most of the discovery, sponsor opposing witnesses, and do most of the cross-examination and briefing. There is no consumer advocate at the RRC. If cities do not participate in hearings at the RRC, the request of a regulated utility is likely to be rubber-stamped.

What is the background to the creation of the Atmos Cities’ Steering Committee?

The Atmos pipeline and distribution systems were built, owned and operated by Lone Star Gas (“LSG”) which maintained over 200 rate jurisdictions until it sold its assets to Texas Utilities (“TXU”) in the late 1990’s. That meant that many cities had their own unique distribution rates and that individual cities had to process rate cases at the local level. LSG-Pipeline served all 200-plus distribution systems and pipeline rates were set by the RRC.

From the early 1980’s through the late 1990’s, LSG filed no pipeline or system-wide rate case at the RRC. When LSG was finally brought before the RRC to show cause why its rates should not be reduced, approximately 80 cities intervened and created an *ad hoc* group known as the Steering Committee of Cities Served by Lone Star.

TXU purchased the LSG assets in the late 1990’s and immediately commenced consolidating 200-plus ratemaking jurisdictions into regions. As regional cases were filed, cities within each region created an *ad hoc* committee to form a common strategy and negotiating position. Once TXU had aggregated the cities into five or six jurisdictions, each with a different rate, Texas Utilities Gas Company filed a system-wide case to bring all of the old LSG territory under one common rate. The different city regional committees then united and formed the Allied Coalition of Cities (“ACC”). While the gas utility assets were owned and controlled by TXU, the Steering Committee transformed itself from an *ad hoc* group that came together only in response to rate filings by the utility into a permanent standing committee.

In Gas Utilities Docket (“GUD”) No. 9400 in 2004, TXU’s request for a \$61.6 million system-wide increase was aggressively opposed by ACC. The Company received only a \$2.01 million increase. Unhappy with that result, TXU decided that owning a gas system was neither as fun nor as profitable as the deregulated electric system, and they sold the system to Atmos Energy Corporation (“Atmos” or “Company”). ACC was then transformed into the Steering

Committee of Cities Served by Atmos and then renamed Atmos Cities Steering Committee to obtain an easy to remember acronym, “ACSC”.

What is the Atmos Cities Steering Committee?

ACSC is a coalition of 154 cities that unite in common purpose to address gas utility rate and franchise issues related to Atmos Energy Corporation. Its objectives are to: (1) ensure that gas utility rates charged to cities and their residents are fair and reasonable; (2) maintain reasonable franchise fee revenues for cities; (3) protect cities’ original jurisdiction over rates and services; (4) be a voice for consumers where no state agency assumes such a role; and (5) promote sound ratemaking policy in the public interest.

Cities join the permanent standing committee by passing a resolution and agreeing to support the work of ACSC through modest occasional *per capita* assessments which support ongoing administrative and legislative advocacy and all expenses where cities are not entitled to reimbursement. Each member city designates a representative to ACSC. Member representatives may volunteer to serve on the ACSC Executive Committee or Settlement Committee. The Executive Committee sets policy, hires legal counsel and consultants, directs litigation, establishes a legislative agenda, sets assessments on members as needed and meets quarterly with Atmos executives. The Settlement Committee is directly involved in negotiating resolution of contested matters with Atmos executives.

The list of current members is attached.

What is the benefit of membership in ACSC?

One hundred fifty-four cities speaking as one voice is much more effective in advocacy before the Railroad Commission and legislature than any one city or multiple small groups of cities.

The legislature has given gas utilities a right to an annual increase in rates. Resources (both financial and human) of individual cities are conserved by membership in ACSC. Additionally, membership enhances institutional memory of ratemaking issues, public policy debates, and right-of-way and franchise fee battles.

What has ACSC accomplished?

Going into the legislative session, ACSC in December 2010 released a 48-page report, “Natural Gas Consumers and the Texas Railroad Commission.” More than 200 television, newspaper and radio news sites posted information on and a link to the report which may be found on ACSC’s website, TexasGasConsumers.org.

Earlier in 2010, ACSC representatives visited on several occasions with the Sunset Commission Staff, and several ACSC recommendations for reform were included in the Sunset Commission Report on the Railroad Commission, delivered to the legislature’s Sunset Committee prior to public hearings on the agency. Several ACSC member representatives testified before the legislature regarding reforms needed at the Railroad Commission.

During the most recent legislative session, lobbying efforts by ACSC were critical in killing two gas utility bills that would have undermined traditional regulation, deprived cities of certain rights, and led to even greater rate increases.

In the last 12 months, ACSC has resolved a major issue involving franchise fees. Atmos unilaterally, with notice, ceased inclusion of franchise fees in the calculations of gross receipts regardless of whether specific franchises included such payments. Several cities were willing to pursue the matter through litigation. However, counsel for ACSC was able to negotiate a resolution that allowed each member city to determine whether it desired an increase in franchise fee payments based on inclusion of franchise fees in the calculation of gross receipts. If a city opted for inclusion of fee-on-fee revenues, it had the further option of retroactive payments back to the point in time that Atmos decided to curtail fee-on-fee payments. Each member had these options regardless of the wording of the then valid franchise agreement. This resolution spared significant litigation costs and anxiety and was only possible because of the clout of the ACSC membership.

One of the most significant accomplishments of ACSC occurred in 2007 via a settlement of the then pending system-wide rate case. Approximately 50 ACSC city representatives showed up in Arlington for a meeting with Atmos executives who were shocked at the vocal opposition to Atmos practices, the unfairness of annual Gas Reliability Infrastructure Program (“GRIP”) rate filings that precluded city and citizen review, and the Company’s lack of coordination with cities. That meeting led to the creation of the Rate Review Mechanism (“RRM”) process and greater ongoing communication between the Company and ACSC.

Last year, ongoing communications between ACSC and the Company led to a workable solution to the need to replace steel service lines in a manner that accommodated city needs to control their rights-of-way, while moderating the rate impact and focusing first on the riskiest service lines based on leak repair histories. This compromise precluded a more onerous (from a city and consumer perspective) program threatened by the RRC.

What is a RRM case?

The concept of a RRM proceeding emerged as a three-year experimental substitute for GRIP cases as part of the settlement of Atmos Mid-Tex’s 2007 system-wide rate case. In 2003, the Texas Legislature added Section 104.301, Interim Adjustment for Changes in Investment, to the Gas Utility Regulatory Act. While not identified as such in the law, § 104.301 was referred to as the Gas Reliability Infrastructure Program or GRIP. The GRIP adjustments allowed gas companies to recover changes to invested capital without a review of whether increased revenues or declining expenses offset the invested capital costs. Both Atmos Pipeline and Atmos Mid-Tex filed GRIP cases as soon as the RRC adopted rules to implement the interim adjustments. As explained below, it quickly became apparent that the GRIP adjustments were terrible public policy.

As an alternative to GRIP, ACSC entered into a negotiated agreement with Atmos in 2007 to establish the RRM process. Unlike GRIP, the RRM provided for an annual review of all portions of Mid-Tex’s cost of service. It fixed an authorized rate of return on equity for the three-year period at 9.6% (which was less than what the RRC would have authorized) and set

caps on the extent to which expenses or investments could increase from one year to the next. More importantly, it allowed cities to make a comprehensive evaluation of all aspects of the utility business—investment, operation and maintenance expenses and revenues—unlike GRIP which only allows consideration of changes to invested capital.

Why is RRM superior to GRIP?

The GRIP cases are one-sided guarantees of a rubber-stamp of the utility’s rate request. ACSC attempted to participate in the first two GRIP proceedings filed by both Atmos Pipeline and Atmos Mid-Tex at the RRC. Not only were cities’ motions to intervene denied, but also, ACSC’s comments were ignored. At the city level, ACSC consultants determined that Atmos was not only including items such as artwork, chairs, computers and meals in interim rate adjustments that were allegedly intended to promote pipeline safety, but also the Company was over-earning its previously authorized rate of return. ACSC attacked the Commission’s rule in court because it denied city participation, denied a hearing on a contested matter, and denied cities’ recovery of any expenses associated with resisting GRIP rate increases. The courts have not been helpful to cities, although the matter has now been set for hearing before the Texas Supreme Court on September 15, 2011.

Cities have contended that GRIP is terrible public policy since it authorizes what would from a history of public interest regulation be regarded as unlawful—piecemeal ratemaking. GRIP allows rates to increase if the utility’s invested capital net of depreciation increases year-over-year. An increase in rates is mandated under GRIP if investment increases, even if increasing revenues and declining expenses more than offset the costs associated with increased investment.

The RRM process negotiated by ACSC solves the piecemeal ratemaking problem by providing for a comprehensive review of Atmos’ expenses and revenues. Furthermore, RRM benefits ACSC by: (1) allowing cities participation that would be denied under GRIP; (2) allowing cities to recover, at utility shareholder expense, all their ratemaking costs; and (3) avoiding both litigation and RRC jurisdiction.

The legislature has functionally authorized annual increases in gas utility rates through the GRIP process. Since consumers are otherwise stuck with annual rate increases, it is better to have cities participating in the comprehensive RRM process than unable to participate in a piecemeal process.

What has been the history of the RRM efforts?

In 2010, ACSC, in settling the third RRM proceeding, agreed to a slight modification and extension of the process. A settlement of the fourth annual RRM is now pending before ACSC members. The results of the four RRM proceedings are as follows:

RRM Filing	Year	Atmos Request	ACSC Settlement
#1	2008	\$33.5 million	\$20 million
#2	2009	\$20.2 million	\$2.6 million
#3	2010	\$70.2 million	\$27 million
#4	2011	\$15.7 million	\$6.6 million (pending)

These results are better for cities and consumers than would have been authorized by the RRC under the GRIP process.

What is the future of the RRM process?

The settlement of the fourth RRM filing anticipates ACSC and Atmos working between August and December to refine the RRM process. If agreement on a new process is reached, Atmos will file another RRM case next April. If no agreement can be reached on the RRM process by the end of this year, Atmos Mid-Tex will file a system-wide traditional rate case in January 2012.

If you have other questions please contact me at (512) 322-5875 and/or ggay@lglawfirm.com.

Geoffrey Gay
ACSC, General Counsel

August 25, 2011
Regular Agenda Item No. 3
Consider Ordinance Issuing of Certificates of Obligation

To: David Neeley, City Manager

From: Jeff Kersten, Executive Director of Business Services

Agenda Caption: Presentation, possible action, and discussion on an ordinance providing for the issuance of \$7,935,000 City of College Station, Texas Certificates of Obligation, Series 2011 and ordaining other matters relating to the subject, including immediate effectiveness.

Relationship to Strategic Goals: Goal I: Financially Sustainable City Providing Response to Core Services and Infrastructure

Recommendation(s): Council move to approve the attached ordinance to issue certificates of obligation.

Summary: The City Council is authorized to approve the issuance of certificates of obligation (CO's) after approving a resolution directing notice to be published of the intent to issue the CO's. On July 14, 2011, Council approved a resolution directing staff to advertise the issuance of CO's. On July 22rd and 29th such notice was published.

The City of College Station typically issues debt to fund various capital projects identified and approved as a part of the annual budget. The City primarily uses three types of debt instruments to fulfill those requirements:

1. General Obligation Bonds (GOB's) are based on the full faith and credit of the City and are paid primarily through the debt service portion of the ad valorem tax rate. GOBs are authorized by the voters and therefore the notice is provided in the election process.
2. Utility Revenue Bonds (URB's) are backed by the revenues of the City's various utilities and are issued as a business activity. These are typically only issued for utility capital projects.
3. Certificates of Obligation (CO's) normally include at least one additional revenue stream such as utility revenues, but are considered to be much like GOBs and therefore normally receive a rating similar to GOB's. Our policy for issuing CO's allows more flexibility in their issue than GOB's, particularly when other revenues are anticipated to assist in debt service.

It is at the recommendation of the City's Financial Advisor, Mr. Drew Masterson, that the City issue Certificates of Obligation for utility projects rather than Utility Revenue Bonds.

This particular issue will provide resources for electric and wastewater improvements, and debt issuance costs totaling \$7,935,000.

Budget & Financial Summary: Staff reviewed the impact of the Certificates on the City's ability to meet debt service requirements and the effect they may have on the ad valorem tax rate and utility rates. The recommendation to move forward with this issue will not affect the ad valorem tax rate or the utility rates.

Attachments:

1. Debt Issuance 2011
2. Ordinance available in City Secretary's Office

2008 General Obligation Bonds

Streets				
	\$	100,000	Sidewalk Improvements	ST1028 7 Yrs
		400,000	Barron Road East/Lakeway	ST1101 7 Yrs
		50,000	RPR West ROW	ST1025 7 Yrs
		150,000	Lick Creek Hike and Bike Trail	ST1104 7 Yrs
Streets Total	\$	<u>700,000</u>		
Parks				
	\$	100,000	Lick Creek Nature Center	PK1102 7 Yrs
		380,000	Neighborhood Parks Improvements	PK0910 7 Yrs
		780,000	Central Park Improvements	PK1001 7 Yrs
Parks Total	\$	<u>1,260,000</u>		
2008 GOB Total	\$	<u>1,960,000</u>		
GOB Total	\$	<u><u>1,960,000</u></u>		

Certificates of Obligation

		1,050,000	General Plant	
		600,000	Overhead System Improvements	
		530,000	Underground System Improvements	
		1,050,000	New Services and System Ext	
		85,000	Residential Street Lighting	
		250,000	Thoroughfare Street Lighting	
		690,000	Distribution	
		480,000	Transmission	
Electric Projects	\$	<u>4,735,000</u>		20 Yrs
	\$	2,700,000	Southwood 5-7	
		75,000	FM 2154 Sewer Line	
		325,000	Lick Creek Miscellaneous Imp	
Wastewater Projects	\$	<u>3,100,000</u>		20 Yrs
Utility CO Subtotal	\$	<u>7,835,000</u>		
Estimated Debt Issuance Costs	\$	100,000		
Certificates of Obligation Total	\$	<u><u>7,935,000</u></u>		
Total Debt Issue	\$	<u><u>9,895,000</u></u>		

August 25, 2011
Regular Agenda Item No. 4
Consider Ordinance Issuing General Obligation Bonds

To: David Neeley, City Manager

From: Jeff Kersten, Executive Director of Business Services

Agenda Caption: Presentation, possible action and discussion on an ordinance providing for the issuance of \$1,960,000 City of College Station, Texas General Obligation Improvement bonds, Series 2011 and ordaining other matters relating to the subject, including immediate effectiveness.

Relationship to Strategic Goals: Goal I: Financially Sustainable City Providing Response to Core Services and Infrastructure

Recommendation(s): Council move to approve the attached ordinance issuing general obligation bonds.

Summary: The City Council is authorized to approve the issuance of general obligation bonds which have been authorized by a vote of the citizens. The Citizens approved a total of \$76,950,000 on November 4, 2008. By approving the ordinance, the Council will issue a total of \$1,960,000 from the 2008 authorization. This is the third bond sale from the 2008 bond authorization. The 2008 authorization provides for a 7 year capital plan.

The City of College Station typically issues debt to fund various capital projects identified and approved as a part of the annual budget. The City primarily uses three types of debt instruments to fulfill those requirements:

1. General Obligation Bonds (GOB's) are based on the full faith and credit of the City and are paid primarily through the debt service portion of the ad valorem tax rate. GOB's are authorized by the voters and therefore the notice is provided in the election process.
2. Utility Revenue Bonds (URB's) are backed by the revenues of the City's various utilities and are issued as a business activity. These are typically only issued for utility capital projects.
3. Certificates of Obligation (CO's) normally include at least one additional revenue stream such as utility revenues, but are considered to be much like GOB's and therefore normally receive a rating similar to GOB's. Our policy for issuing CO's allows more flexibility in their issue than GOB's, particularly when other revenues are anticipated to assist in debt service.

This particular debt issue is planned to provide resources for street projects, sidewalk improvements, hike and bike trails, and parks and park facilities improvements totaling \$1,960,000.

Budget & Financial Summary: Staff reviewed the impact of the general obligation bonds City's ability to meet debt service requirements and the effect they may have on the ad valorem tax rate. The recommendation to move forward with this issue will not impact the ad valorem tax rate.

Attachments:

1. Debt Issuance 2011.
2. Ordinance available in City Secretary's Office.

2008 General Obligation Bonds

Streets				
	\$	100,000	Sidewalk Improvements	ST1028 7 Yrs
		400,000	Barron Road East/Lakeway	ST1101 7 Yrs
		50,000	RPR West ROW	ST1025 7 Yrs
		150,000	Lick Creek Hike and Bike Trail	ST1104 7 Yrs
Streets Total	\$	<u>700,000</u>		
Parks				
	\$	100,000	Lick Creek Nature Center	PK1102 7 Yrs
		380,000	Neighborhood Parks Improvements	PK0910 7 Yrs
		780,000	Central Park Improvements	PK1001 7 Yrs
Parks Total	\$	<u>1,260,000</u>		
2008 GOB Total	\$	<u>1,960,000</u>		
GOB Total	\$	<u><u>1,960,000</u></u>		

Certificates of Obligation

		1,050,000	General Plant	
		600,000	Overhead System Improvements	
		530,000	Underground System Improvements	
		1,050,000	New Services and System Ext	
		85,000	Residential Street Lighting	
		250,000	Thoroughfare Street Lighting	
		690,000	Distribution	
		480,000	Transmission	
Electric Projects	\$	<u>4,735,000</u>		20 Yrs
	\$	2,700,000	Southwood 5-7	
		75,000	FM 2154 Sewer Line	
		325,000	Lick Creek Miscellaneous Imp	
Wastewater Projects	\$	<u>3,100,000</u>		20 Yrs
Utility CO Subtotal	\$	<u>7,835,000</u>		
Estimated Debt Issuance Costs	\$	100,000		
Certificates of Obligation Total	\$	<u><u>7,935,000</u></u>		
Total Debt Issue	\$	<u><u>9,895,000</u></u>		