

MURPHY CITY COUNCIL AGENDA
REGULAR CITY COUNCIL MEETING
OCTOBER 15, 2013 AT 6:00 P.M.
206 NORTH MURPHY ROAD
MURPHY, TEXAS 75094



Eric Barna
Mayor

Owais Siddiqui
Mayor Pro Tem

Ben St. Clair
Deputy Mayor Pro Tem

Scott Bradley
Councilmember

Betty Spraggins
Councilmember

Bernard Grant
Councilmember

Rob Thomas
Councilmember

James Fisher
City Manager

NOTICE is hereby given of a meeting of the City Council of the City of Murphy, Collin County, State of Texas, to be held on October 15, 2013 at Murphy City Hall for the purpose of considering the following items. The City Council of the City of Murphy, Texas, reserves the right to meet in closed session on any of the items listed below should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

1. CALL TO ORDER

2. INVOCATION & PLEDGE OF ALLEGIANCE

3. ROLL CALL & CERTIFICATION OF A QUORUM

4. PUBLIC COMMENTS

5. PRESENTATION ITEMS :

A. Proclamation Recognizing the Firehouse Subs Public Safety Foundation

6. CONSENT AGENDA

All consent agenda items are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which event the item will be removed from the Consent Agenda and voted on separately.

A. Consider and/or act upon meeting minutes:

1. September 23, 2013 special meeting minutes; and,
2. October 1, 2013 regular meeting minutes.

B. Consider and take action, if any, on the approval of an ordinance approving a negotiated resolution between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the company's 2013 annual rate review mechanism 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 accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; providing a most favored nations clause; and requiring delivery of this ordinance to the company and the steering committee's legal counsel.

C. Consider and take action, if any, on a Resolution approving the 2013 tax roll with a total levy of \$9,201,542.33 as certified by Kenneth L. Maun, Tax Assessor Collector for Collin County.

7. INDIVIDUAL CONSIDERATION

A. Consider and take action, if any, on the request by the Glen Ridge Estates Homeowners Association to waive permit and/or impact fees for a proposed

beautification project located at the intersection of Glen Ridge Drive and Heritage Drive.

- B. Consider and take action, if any, on the results of the bids received for the Animal Shelter Project.
- C. Discussion on the improvements to North Murphy Road and an update on the Safe Routes to School project along North Murphy Road.
- D. Consider and take action, if any, on the City Council meeting schedule for November and December 2013 and January 2014.
- E. Discussion regarding setting a date and time for a fall Council planning session.
- F. Consider and take action, if any, on the 2014 City of Murphy Holiday Schedule.
- G. Discuss Planned Development District Ordinance No. 03-10-590 (Gables and Ranch), Section H. Screening. *(Council will convene into executive session prior to discussion of this item.)*

8. CITY MANAGER/STAFF REPORTS

North Murphy Road Construction Update
Murphy Central Park Construction Update
Update on West Nile Virus
Council Planning Session
Employee Cook Out – October 16th

9. EXECUTIVE SESSION

The City Council will hold a closed Executive Session pursuant to the provisions of Chapter 551, Subchapter D, Texas Government Code, in accordance with the authority contained in:

- A. §551.071 Consultation with City Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings act regarding:
 - Zoning and subdivision regulation issues involving the Ranch/ Gables subdivisions
- B. §551.074 Deliberation regarding the appointment, evaluation, reassignment, duties, discipline or dismissal of :
 - 1. City Secretary;
 - 2. Municipal Court Judge; and,
 - 3. City Attorney

10. RECONVENE INTO REGULAR SESSION

The City Council will reconvene into Open Session pursuant to the provisions of Chapter 551, Subchapter D, Texas Government Code, in accordance with the authority contained in:

- A. §551.071 Consultation with City Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings act regarding:
Zoning and subdivision regulation issues involving the Ranch/ Gables subdivisions
- B. §551.074 Deliberation regarding the appointment, evaluation, reassignment, duties, discipline or dismissal of :
 - 1. City Secretary;
 - 2. Municipal Court Judge; and,
 - 3. City Attorney
- C. Consideration, if any, on executive session items.

11. ADJOURNMENT

I certify that this is a true and correct copy of the Murphy City Council Meeting Agenda and that this notice was posted on the designated bulletin board at Murphy City Hall, 206 North Murphy Road, Murphy, Texas 75094; a place convenient and readily accessible to the public at all times, and said notice was posted on October 11, 2013 by 5:00 p.m. and will remain posted continuously for 72 hours prior to the scheduled meeting pursuant to Chapter 551 of the Texas Government Code.


Kristi Gilbert, TRMC, CMC, CPM
City Secretary

In compliance with the American with Disabilities Act, the City of Murphy will provide for reasonable accommodations for persons attending public meetings at City Hall. Requests for accommodations or interpretive services must be received at least 48 hours prior to the meeting. Please contact the City Secretary at 972.468.4011 or kgilbert@murphytx.org.

Notice of Possible Quorum: There may be a quorum of the 4B Community Development Corporation, the Animal Shelter Advisory Committee, the Board of Adjustment, the Building and Fire Code Appeals Board, the Ethics Review Commission the Murphy Municipal Development District Board, the Park and Recreation Board and/or the Planning and Zoning Commission may be present at the meeting, but they will not deliberate on any city business.

CITY COUNCIL MINUTES
 SEPTEMBER 23, 2013 JOINT CITY COUNCIL AND PLANNING AND ZONING
 COMMISSION WORK SESSION

1. CALL TO ORDER

Mayor Barna called the City Council meeting to order at 6:00 p.m. in the Fire Training Room at the Murphy Fire Department.

2. CERTIFICATION OF A QUORUM

City Secretary, Kristi Gilbert, certified a quorum with the following Councilmembers present:

Mayor Eric Barna
 Mayor Pro Tem Owais Siddiqui
 Deputy Mayor Pro Tem Ben St. Clair (*arrived at 6:25 p.m.*)
 Councilmember Scott Bradley
 Councilmember Betty Nichols Spraggins
 Councilmember Bernard Grant
 Councilmember Rob Thomas

Councilmembers absent: None

Planning and Zoning Chairperson Steve Levy called the Planning and Zoning meeting to order.

Lori Knight, certified a quorum of the Planning and Zoning Commission with the following Commissioners present:

Chairperson Steve Levy Chairperson
 Vice Chairperson Jon King
 Secretary Ty Holcomb
 Commissioner Camille Hooper
 Commissioner John Johnson
 Commissioner Eric Hemphill
 Commissioner Mathew Thekkil

Commissioners absent: None

INDIVIDUAL CONSIDERATION

1. Discuss and give direction on amendments to the Murphy Code of Ordinances:
 - a. Digital Signs
 - b. Residential fence applications
 - c. Procedures for Final Plat approval
 - d. Regulations for the Stopping, Standing and Parking of vehicles

Kristen Roberts introduced the item relating to digital signs and stated ordinance changes had been made nearly a year ago to address conflicts in the ordinance.

The Council and Commission held discussion with regard to digital and electronic changeable message signs. Discussion included allowing digital signs at Plano ISD and Wylie ISD school

MURPHY CITY COUNCIL MINUTES
September 23, 2013

facilities; religious institutions as defined by the IRS and municipal facilities. Discussion was held with regard to limiting the location of digital signs to major thoroughfares including FM 544 and North Murphy Road. Discussion included reviewing ordinance changes to prohibit animation features and regulation of the duration of the messages.

The Council and Commission held discussions relating to the City Council having sole approval on final plats that substantially conform with the construction plat.

The Council and Commission held discussions with regard to amending regulations as it pertains to fencing repairs and overnight parking of recreational and commercial vehicles.

COUNCIL ACTION:

No action was taken.

NON ACTION ITEM

ADJOURNMENT

With no further business by the City Council, the Council meeting was adjourned at 7:40 p.m.

APPROVED BY:

Eric Barna, Mayor

ATTEST:

Kristi Gilbert, City Secretary

CITY COUNCIL MINUTES
OCTOBER 1, 2013 REGULAR CITY COUNCIL MEETING

1. CALL TO ORDER

Mayor Barna called the meeting to order at 6:00 p.m.

2. INVOCATION & PLEDGE OF ALLEGIANCE

Mayor Barna gave the invocation and led the recitation of the Pledge of Allegiance.

3. ROLL CALL & CERTIFICATION OF A QUORUM

City Secretary, Kristi Gilbert, certified a quorum with the following Councilmembers present:

Mayor Eric Barna
Mayor Pro Tem Owais Siddiqui
Deputy Mayor Pro Tem Ben St. Clair
Councilmember Scott Bradley
Councilmember Betty Nichols Spraggins
Councilmember Bernard Grant
Councilmember Rob Thomas

Councilmembers absent: None

4. PUBLIC COMMENTS –

Don Jackson, 522 Havenwood Drive - Mr. Jackson stated he was the president of the Glen Ridge Estates HOA. Mr. Jackson stated that Progressive Waste had stated that they do not offer bulky waste pick up for the residents, instead the items must be dropped off twice a year at the city complex. Mr. Jackson stated that the neighborhood feels that the services have been reduced.

Joe Stalgin, 167 Sunset Drive – Mr. Stalgin stated that he received a citation for a watering violation. Mr. Stalgin stated that he did water at the incorrect time, but he felt that to have a citation issued for a first offense for a large fine was burdensome to residents.

5. PRESENTATION ITEMS –

A. Mayor Barna presented Parks and Public Works Director Kim Lenoir with a proclamation declaring a Murphy Arbor Day Celebration.

B. Finance Director Linda Truitt presented the Council with the unaudited investment and financial report as of August 31, 2013. (*Resolution No. 13-R-781*)

6. CONSENT AGENDA

All consent agenda items are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which event the item will be removed from the Consent Agenda and voted on separately.

A. Consider and/or act upon meeting minutes:

1. September 16, 2013 special meeting minutes; and,
2. September 17, 2013 regular meeting minutes.

- B. Consider and/or act upon approval of Resolution designating investment officers of the City and approving the investment policies for the investment of municipal funds.

COUNCIL ACTION (6.A. – 6.B.):**APPROVED**

Mayor Pro Tem Siddiqui moved to approve the consent agenda as presented. Councilmember Bradley seconded the motion. For: Unanimous. The motion carried by a vote of 7 to 0.

7. INDIVIDUAL CONSIDERATION

- A. Hold a public hearing and reconsider and/or act on a request by Aron Frydberg on behalf of Allen Tari to reconsider the denied appeal by the City Council of the denied variance by the Planning and Zoning Commission to sign requirements as stated in the Code of Ordinances Section 28-22, Monument Signs-Business Districts, for a sign at the business known as Tari Car Lot, located at 729 W. FM 544.

Mayor Barna opened the public hearing at 6:15 p.m.

Mr. Frydberg presented information regarding utilizing signs for advertising purposes. Mr. Frydberg stated that the sign regulations need to be more balanced. Mr. Frydberg commented that by not allowing a taller sign, the City is depriving Mr. Tari of 50% of his advertising capability.

Councilmember Grant asked Mr. Frydberg if he felt he had the opportunity to make his full presentation. Mr. Frydberg stated he felt he had made his full presentation.

Don Jackson, 522 Woodhaven Drive – Mr. Jackson stated big signs detract from the community. Mr. Jackson stated that when he drives by the car lot, he knows it is a used car lot without the sign.

Mayor Pro Tem Siddiqui inquired about the existing signs.

Mr. Fisher responded that the existing signs were installed prior to the ordinance changes or were part of a planned development.

Mayor Pro Tem Siddiqui inquired as to if a stop work order was issued as a result of proceeding with construction prior to the issuance of a permit. Mr. Fisher stated that a stop work order was issued.

Mayor Barna closed the public hearing at 6:31 p.m.

COUNCIL ACTION (7.A.):**NO ACTION**

No action was taken. The initial ruling to deny the request stands.

- B. Consider and take action, if any, on the request by the Glen Ridge Estates Homeowners Association to waive permit and/or impact fees for a proposed beautification project located at the intersection of Glen Ridge Drive and Heritage Drive.

Keith Patton, 451 Poindexter – Mr. Patton stated that these types of items come up frequently and reminded the Council of the hard costs involved.

Council held discussions with regard to previous waivers and hard costs.

Mr. Fisher responded that the City has only waived fees for PSA and the schools. Mr. Fisher asked the Council to delay action to allow staff the opportunity to investigate resident complaints regarding damages to the entrances at Glen Ridge and Shirehurst as a result of the construction on North Murphy Road.

COUNCIL ACTION (7.B.):

NO ACTION

No action was taken.

- C. Consider and take action, if any, on a proposed resolution approving an amendment to the City of Murphy Policies and Procedures.

COUNCIL ACTION (7.C.):

APPROVED

Councilmember Grant moved to approve the amendments to the Murphy Policies and Procedures as presented. Mayor Pro Tem Siddiqui seconded the motion. For: Unanimous. The motion carried by a vote of 7 to 0. (*Resolution No. 13-R-781*)

8. CITY MANAGER/STAFF REPORTS

Mr. Fisher provided the Council with an update on the following items:

North Murphy Road Construction Update

Murphy Central Park Construction Update – A grand opening will be late March to early April

Update on West Nile Virus

Maize Days Update

Fire Open House – October 5th 10a-2p

Texas Municipal League – October 8th – 11th

Calling All Castoffs (recycling event) – October 12th 9a-noon

Arbor Day, Brentwood Park Tree Planting, October 12th 10a-noon

Council Planning Session

Staff Appreciation Day on Wednesday, October 16th for an employee lunch

Boards and Commissions Dinner - December 10th

Employee Holiday Lunch- December 19th

9. EXECUTIVE SESSION

The City Council convened into Executive Session at 6:47 p.m. pursuant to the provisions of Chapter 551, Subchapter D, Texas Government Code, in accordance with the authority contained in:

- A. 551.072 Deliberation regarding the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Collin County Surplus Property

- B. §551.074 Deliberation regarding the appointment, evaluation, reassignment, duties, discipline or dismissal of :

1. City Secretary; and,
2. Municipal Court Judge.

10. RECONVENE INTO REGULAR SESSION

The City Council reconvened into Open Session at 7:56 p.m. pursuant to the provisions of Chapter 551, Subchapter D, Texas Government Code, in accordance with the authority contained in:

- A. §551.072 Deliberation regarding the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.
Collin County Surplus Property

- B. §551.074 Deliberation regarding the appointment, evaluation, reassignment, duties, discipline or dismissal of :
 - 1. City Secretary; and,
 - 2. Municipal Court Judge.

No action was taken as a result of executive session items.

11. ADJOURNMENT

With no further business, the meeting was adjourned at 7:56 p.m.

APPROVED BY:

Eric Barna, Mayor

ATTEST:

Kristi Gilbert, City Secretary

City Council Meeting
October 15, 2013

Issue

Consider and take action, if any, on the approval of an ordinance approving a negotiated resolution between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the company's 2013 annual rate review mechanism 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 accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; providing a most favored nations clause; and requiring delivery of this ordinance to the company and the steering committee's legal counsel.

Staff Resource/Department

Linda Truitt, Finance Director

Background

The City, along with approximately 164 other cities served by Atmos Energy Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). On or about July 15, 2013, Atmos Mid-Tex filed with the City an application to increase natural gas rates pursuant to the Rate Review Mechanism ("RRM") tariff renewed by the City in 2013 as a continuation and refinement of the previous RRM rate review process. This is the first annual RRM filing under the renewed RRM tariff.

The Atmos Mid-Tex RRM filing sought a \$22.7 million rate increase system-wide based on an alleged test-year cost of service revenue deficiency of \$25.7 million. The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its request to increase rates. The Ordinance and attached rate tariffs are the result of negotiations between ACSC and the Company to resolve issues raised by ACSC during the review and evaluation of Atmos Mid-Tex's RRM filing.

The Ordinance resolves the Company's RRM filing by authorizing additional revenues to the Company of \$16.6 million system-wide. For purposes of comparison, this negotiated result is about \$11 million *less* than what ACSC's consultants calculated that Atmos would have been entitled to if Atmos had filed a case under the Gas Reliability Infrastructure Program ("GRIP") rather than an RRM case. The settlement is expected to increase the average residential customer's bill by approximately \$0.74 per month. An Average Bill Comparison of base rates has been prepared for residential, commercial, industrial, and transportation customers.

The ACSC Executive Committee and ACSC legal counsel recommend that all ACSC Cities adopt the Ordinance implementing the rate change.

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RRM Background:

The RRM tariff was originally approved by ACSC Cities as part of the settlement agreement to resolve the Atmos Mid-Tex 2007 system-wide rate filing at the Railroad Commission. In early 2013, the City adopted a renewed RRM tariff for an additional five years. Atmos Mid-Tex's July 2013 filing was made pursuant to the renewed RRM tariff.

The RRM tariff and the process implementing that tariff were created collaboratively by ACSC and Atmos Mid-Tex as an alternative to the legislatively-authorized GRIP surcharge process. ACSC has opposed GRIP because it constitutes piecemeal ratemaking, does not allow any review of the reasonableness of Atmos' expenditures, and does not allow participation by cities or recovery of cities' rate case expenses. In contrast, the RRM process has allowed for a more comprehensive rate review and annual adjustment as a substitute for GRIP filings. ACSC's consultants have calculated that had Atmos filed under the GRIP provisions, it would have received additional revenues from ratepayers in excess of \$28 million.

Purpose of the Ordinance:

The purpose of the Ordinance is to approve rates (shown on "Attachment A" to the Ordinance) that reflect the negotiated rate changes pursuant to the RRM process and to ratify the recommendation of the ACSC Executive Committee.

As a result of the negotiations, ACSC was able to reduce the Company's requested \$22.7 million RRM increase to \$16.6 million. Approval of the Ordinance will result in the implementation of new rates that increase Atmos Mid-Tex's revenues effective November 1, 2013.

Reasons Justifying Approval of the Negotiated RRM Tariff:

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 \$22.7 million increase requested by the Company, ACSC's consultants agree that the Company can justify an increase in revenues of some lesser amount. The agreement on \$16.6 million is a compromise between the positions of the parties.

The alternative to a resolution of the RRM filing would be a GRIP filing by the Company, based upon the Railroad Commission's decision in the 2012 rate case. A GRIP filing would entitle the Company to receive more than \$28 million in additional revenues, with ACSC being precluded from reviewing the reasonableness of the GRIP filing. The ACSC Executive Committee recommends that ACSC members take action to approve the Ordinance authorizing new rate tariffs.

No Changes to Residential Customer Charges:

For the first annual filing under the revised RRM tariff, the Company agreed to forgo any change to the residential customer charge. Therefore, for the 2013 RRM, the result of the filing will not increase the residential customer charge, and the entirety of the increase to the residential class will be applied to the commodity (natural gas consumption) component of rates.

City Council Meeting
October 15, 2013

Financial Considerations

N/A

Staff Recommendation

Approval of the ordinance as presented.

Attachments

- 1) Ordinance
- 2) Memo from Atmos Cities Steering Committee (ACSC)

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STEERING COMMITTEE AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2013 ANNUAL RATE REVIEW MECHANISM 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; PROVIDING A MOST FAVORED NATIONS CLAUSE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE STEERING COMMITTEE'S LEGAL COUNSEL.

WHEREAS, the City of Murphy 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"), a coalition of approximately 164 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; 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 Gas Reliability Infrastructure Program ("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, in 2013, ACSC and the Company negotiated a renewal of the RRM tariff process for an additional five years; and

WHEREAS, the City passed an ordinance renewing the RRM tariff process for the City for an additional five years; and

WHEREAS, the RRM renewal tariff contemplates reimbursement of ACSC Cities' reasonable expenses associated with RRM applications; and

WHEREAS, on or about July 15, 2013, the Company filed with the City its first annual RRM filing under the renewed RRM tariff, requesting to increase natural gas base rates by \$22.7 million; and

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

WHEREAS, the ACSC Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve the attached rate tariffs ("Attachment A" to this Ordinance), which will increase the Company's revenues by \$16.6 million; 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 MURPHY, 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 RRM 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 if ACSC determines any rates, revenues, terms and conditions, or benefits resulting from a Final Order or subsequent negotiated settlement approved in any proceeding addressing the issues raised in Atmos’ 2013 RRM filing would be more beneficial to the ACSC Cities than the terms of the attached tariffs, then the more favorable rates, revenues, terms and conditions, or benefits shall additionally and automatically accrue to the ACSC Cities, including the City, without the need for City to take any further action. If this automatic adjustment occurs, Atmos Mid-Tex shall promptly thereafter file with the City an amended tariff documenting the adjustment to rates.

Section 8. 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 November 1, 2013.

Section 9. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Manager of 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 15th day of October, 2013.

Eric Barna, Mayor
City of Murphy

ATTEST:

Kristi Gilbert, City Secretary
City of Murphy

APPROVED AS TO FORM:

City Attorney



816 Congress Avenue, Suite 1900
 Austin, Texas 78701
 Telephone: (512) 322-5800
 Facsimile: (512) 472-0532
 www.lglawfirm.com

M E M O R A N D U M

TO: Atmos Cities Steering Committee

FROM: Geoffrey M. Gay, Georgia N. Crump, Eileen L. McPhee

DATE: September 17, 2013

RE: Action Required – Ordinance Approving First Annual RRM Rate Increase Under the Renewed RRM Tariff

CONFIDENTIAL/ATTORNEY-CLIENT COMMUNICATION

Only July 15, 2013, Atmos Energy Corporation-Mid Tex Division (“Atmos” or “Company”) filed a Rate Review Mechanism (“RRM”) application with each of the Atmos Cities Steering Committee (“ACSC”) members. In the filing, Atmos alleges a test year revenue deficiency of \$25.7 million on a total company basis. Pursuant to the ordinances passed by cities that renewed the RRM process that was negotiated following the Railroad Commission’s (“RRC”) Final Order in the 2012 rate case, Atmos was required to make a downward adjustment of \$3 million to its alleged cost of service revenue deficiency. Thus, Atmos requested \$22.7 million in additional revenues.

ACSC consultants filed several discovery requests on the Company and produced a report to ACSC counsel on August 23, 2013. That report concluded that Atmos was entitled to additional revenues but significantly less than requested by the Company. After several rounds of negotiations with Atmos, the Company has agreed that it will accept additional revenues of \$16.6 million rather than the initially requested \$22.7 million. In a conference call Monday morning, September 16, 2013, the ACSC Executive Committee¹ unanimously approved the compromised revenue deficiency of \$16.6 million. The Executive Committee and legal counsel recommend adoption of an ordinance and tariffs that will collect that amount of additional revenue over a twelve (12) month period beginning November 1, 2013.

While the ordinance establishing a new RRM process passed by cities this past summer calls for an Effective Date of October 15, 2013 for the first RRM under the new process, the Company has agreed to a two-week extension to provide ACSC cities six weeks to take action. The rate ordinance provides an Effective Date of November 1, 2013.

Attached to this communication please find the following:

1. The RRM Rate Ordinance (with tariffs designated as Attachment A);
2. A Model Staff Report in support of the Ordinance; and

¹ The ACSC Executive Committee includes representatives from Abilene, Arlington, Benbrook, Carrollton, College Station, Colleyville, Denison, Duncanville, Eastland, Farmers Branch, Flower Mound, Fort Worth, Garland, Grand Prairie, Haltom City, Irving, Kerrville, Killeen, Lewisville, Mesquite, Plano, Sherman, Waco and Waxahachie. At least 15 representatives were on the call.

September 17, 2013

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3. A rate impact analysis (Average Bill Comparison-Base Rates).

None of these attachments are confidential and may be distributed as you choose.

The \$16.6 million to be approved by the Ordinance is superior to the \$25.7 million system-wide cost of service revenue deficiency alleged by the Company. The \$16.6 million compromise is significantly better than the \$28 million the Company would have received in the rubber-stamp process review at the RRC, if the Company had chosen to ignore city input by filing a GRIP application.

Please note that the significant increases in customer charges that occurred earlier this year resulted from a RRC order signed December 4, 2012. None of the \$16.6 million increase in this case will be applied to the residential customer charge pursuant to the agreement with Atmos earlier this year that led to the RRM renewal.

The Average Bill Comparison-Base Rates demonstrates that the monthly rate impact of the ordinance and new tariffs on an average residential or commercial customer will be \$0.74 (1.75% increase).

Note that the tariffs include a Conservation and Efficiency (CEE) surcharge that had been previously approved pursuant to RRC orders. It is not a new item and is not referenced in the Ordinance or Model Staff Report.

If you have any concerns or questions, please do not hesitate to call Geoffrey (512-322-5875), Georgia (512-322-5832), or Eileen (512-322-5817).

File Date: July 15, 2013

**ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2012**

Line						CURRENT	November 1, 2013	
							PROPOSED	CHANGE
1	Rate R @ 41.7 Ccf							
2	Customer charge					\$ 17.70		
3	Consumption charge	41.7	CCF	X \$ 0.04172	=	1.74		
4	Rider GCR Part A	41.7	CCF	X \$ 0.32167	=	13.41		
5	Rider GCR Part B	41.7	CCF	X \$ 0.16324	=	6.81		
6	Subtotal					\$39.66		
7	Rider FF & Rider TAX		\$ 39.66	X 0.06769	=	2.68		
8	Total					\$42.34		
9								
10	Customer charge						\$ 17.70	
11	Consumption charge	41.7	CCF	X \$ 0.05831	=	2.43		
12	Rider GCR Part A	41.7	CCF	X \$ 0.32167	=	13.41		
13	Rider GCR Part B	41.7	CCF	X \$ 0.16324	=	6.81		
14	Subtotal					\$40.35		
15	Revenue-related Tax Reimbursement		\$ 40.35	X 0.06769	=	2.73		
16	Total					\$43.08		\$0.74
17								1.75%
18								
19	Rate C @ 327.2 Ccf							
20	Customer charge					\$ 34.72		
21	Consumption charge	327.2	CCF	X \$ 0.06589	=	21.56		
22	Rider GCR Part A	327.2	CCF	X \$ 0.32167	=	105.24		
23	Rider GCR Part B	327.2	CCF	X \$ 0.11765	=	38.49		
24	Subtotal					\$200.01		
25	Revenue-related Tax Reimbursement		\$ 200.01	X 0.06769	=	13.54		
26	Total					\$213.55		
27								
28	Customer charge						\$ 35.75	
29	Consumption charge	327.2	CCF	X \$ 0.06893	=	22.55		
30	Rider GCR Part A	327.2	CCF	X \$ 0.32167	=	105.24		
31	Rider GCR Part B	327.2	CCF	X \$ 0.11765	=	38.49		
32	Subtotal					\$202.03		
33	Revenue-related Tax Reimbursement		\$ 202.03	X 0.06769	=	13.68		
34	Total					\$215.71		\$2.16
35								1.01%

MODEL STAFF REPORT

The City, along with approximately 164 other cities served by Atmos Energy Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). On or about July 15, 2013, Atmos Mid-Tex filed with the City an application to increase natural gas rates pursuant to the Rate Review Mechanism (“RRM”) tariff renewed by the City in 2013 as a continuation and refinement of the previous RRM rate review process. This is the first annual RRM filing under the renewed RRM tariff.

The Atmos Mid-Tex RRM filing sought a \$22.7 million rate increase system-wide based on an alleged test-year cost of service revenue deficiency of \$25.7 million. The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its request to increase rates. The Ordinance and attached rate tariffs are the result of negotiations between ACSC and the Company to resolve issues raised by ACSC during the review and evaluation of Atmos Mid-Tex’s RRM filing.

The Ordinance resolves the Company’s RRM filing by authorizing additional revenues to the Company of \$16.6 million system-wide. For purposes of comparison, this negotiated result is about \$11 million *less* than what ACSC’s consultants calculated that Atmos would have been entitled to if Atmos had filed a case under the Gas Reliability Infrastructure Program (“GRIP”) rather than an RRM case. The settlement is expected to increase the average residential customer’s bill by approximately \$0.74 per month. An Average Bill Comparison of base rates has been prepared for residential, commercial, industrial, and transportation customers.

The ACSC Executive Committee and ACSC legal counsel recommend that all ACSC Cities adopt the Ordinance implementing the rate change.

RRM Background:

The RRM tariff was originally approved by ACSC Cities as part of the settlement agreement to resolve the Atmos Mid-Tex 2007 system-wide rate filing at the Railroad Commission. In early 2013, the City adopted a renewed RRM tariff for an additional five years. Atmos Mid-Tex’s July 2013 filing was made pursuant to the renewed RRM tariff.

The RRM tariff and the process implementing that tariff were created collaboratively by ACSC and Atmos Mid-Tex as an alternative to the legislatively-authorized GRIP surcharge process. ACSC has opposed GRIP because it constitutes piecemeal ratemaking, does not allow any review of the reasonableness of Atmos’ expenditures, and does not allow participation by cities or recovery of cities’ rate case expenses. In contrast, the RRM process has allowed for a more comprehensive rate review and annual adjustment as a substitute for GRIP filings. ACSC’s consultants have calculated that had Atmos filed under the GRIP provisions, it would have received additional revenues from ratepayers in excess of \$28 million.

Purpose of the Ordinance:

Rates cannot change without the adoption of rate ordinances by cities. No related matter is pending at the Railroad Commission. The purpose of the Ordinance is to approve rates

(shown on “Attachment A” to the Ordinance) that reflect the negotiated rate changes pursuant to the RRM process and to ratify the recommendation of the ACSC Executive Committee. **Please make sure that the tariffs are attached when the Ordinance is passed by the City Council.**

As a result of the negotiations, ACSC was able to reduce the Company’s requested \$22.7 million RRM increase to \$16.6 million. Approval of the Ordinance will result in the implementation of new rates that increase Atmos Mid-Tex’s revenues effective November 1, 2013.

Reasons Justifying Approval of the Negotiated Resolution:

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 \$22.7 million increase requested by the Company, ACSC’s consultants agree that the Company can justify an increase in revenues of some lesser amount. The agreement on \$16.6 million is a compromise between the positions of the parties.

The alternative to a resolution of the RRM filing would be a GRIP filing by the Company, based upon the Railroad Commission’s decision in the 2012 rate case. A GRIP filing would entitle the Company to receive more than \$28 million in additional revenues, with ACSC being precluded from reviewing the reasonableness of the GRIP filing. The ACSC Executive Committee recommends that ACSC members take action to approve the Ordinance authorizing new rate tariffs.

No Changes to Residential Customer Charges:

For the first annual filing under the revised RRM tariff, the Company agreed to forgo any change to the residential customer charge. Therefore, for the 2013 RRM, the result of the filing will not increase the residential customer charge, and the entirety of the increase to the residential class will be applied to the commodity (natural gas consumption) component of 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 ratemaking 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 is a “most favored nations” clause. It provides that if the Company settles with other parties on better terms than agreed to with the ACSC Cities, the ACSC Cities (including the City) will automatically receive the benefit of those better terms.

8. This section provides for an effective date upon passage.

9. This paragraph directs that a copy of the signed Ordinance be sent to a representative of the Company and legal counsel for ACSC.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF _____, TEXAS, APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS CITIES STEERING COMMITTEE AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2013 ANNUAL RATE REVIEW MECHANISM 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; PROVIDING A MOST FAVORED NATIONS CLAUSE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE STEERING COMMITTEE'S LEGAL COUNSEL.

WHEREAS, the City of _____, 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"), a coalition of approximately 164 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; 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 Gas Reliability Infrastructure Program (“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, in 2013, ACSC and the Company negotiated a renewal of the RRM tariff process for an additional five years; and

WHEREAS, the City passed an ordinance renewing the RRM tariff process for the City for an additional five years; and

WHEREAS, the RRM renewal tariff contemplates reimbursement of ACSC Cities’ reasonable expenses associated with RRM applications; and

WHEREAS, on or about July 15, 2013, the Company filed with the City its first annual RRM filing under the renewed RRM tariff, requesting to increase natural gas base rates by \$22.7 million; and

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

WHEREAS, the ACSC Executive Committee, as well as ACSC’s counsel and consultants, recommend that ACSC Cities approve the attached rate tariffs (“Attachment A” to this Ordinance), which will increase the Company’s revenues by \$16.6 million; 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 _____, 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 RRM 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 if ACSC determines any rates, revenues, terms and conditions, or benefits resulting from a Final Order or subsequent negotiated settlement approved in any proceeding addressing the issues raised in Atmos' 2013 RRM filing would be more beneficial to the ACSC Cities than the terms of the attached tariffs, then the more favorable rates, revenues, terms and conditions, or benefits shall additionally and automatically accrue to the ACSC Cities, including the City, without the need for City to take any further action. If this automatic adjustment occurs, Atmos Mid-Tex shall promptly thereafter file with the City an amended tariff documenting the adjustment to rates.

Section 8. 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 November 1, 2013.

Section 9. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Manager of 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 _____, 2013.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

Attachment A

**Atmos Mid-Tex Tariffs
Effective November 1, 2013**

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

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 Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 17.70 per month
Rider CEE Surcharge	\$ 0.02 per month ¹
Total Customer Charge	\$ 17.72 per month
Commodity Charge – All <u>Ccf</u>	\$0.05831 per Ccf

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.

¹ Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2013.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

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 30,000 Ccf.

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 Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 35.75 per month
Rider CEE Surcharge	\$ 0.10 per month ¹
Total Customer Charge	\$ 35.85 per month
Commodity Charge – All Ccf	\$ 0.06893 per Ccf

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.

¹ Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2013.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

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	\$ 620.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2565 per MMBtu
Next 3,500 MMBtu	\$ 0.1879 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0403 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).

Curtailment 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."

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.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

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 CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

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	\$ 620.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2565 per MMBtu
Next 3,500 MMBtu	\$ 0.1879 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0403 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.

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.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

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."

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.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	9.97	0.1318	96.50	0.5659
Austin	11.05	0.1262	189.59	0.7195
Dallas	13.13	0.1832	171.84	0.8797
Waco	9.78	0.1262	117.60	0.5774
Wichita Falls	10.99	0.1297	107.70	0.5041

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and a Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

Attachment A

**Atmos Mid-Tex Tariffs
Effective November 1, 2013**

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

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 Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 17.70 per month
Rider CEE Surcharge	\$ 0.02 per month ¹
Total Customer Charge	\$ 17.72 per month
Commodity Charge – All <u>Ccf</u>	\$0.05831 per Ccf

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.

¹ Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2013.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

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 30,000 Ccf.

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 Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 35.75 per month
Rider CEE Surcharge	\$ 0.10 per month ¹
Total Customer Charge	\$ 35.85 per month
Commodity Charge – All Ccf	\$ 0.06893 per Ccf

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.

¹ Reference Rider CEE - Conservation And Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2013.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

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	\$ 620.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2565 per MMBtu
Next 3,500 MMBtu	\$ 0.1879 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0403 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).

Curtailment 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."

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.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

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 CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

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	\$ 620.00 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.2565 per MMBtu
Next 3,500 MMBtu	\$ 0.1879 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0403 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.

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.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

Curtailment 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."

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.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(Bl_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- Bl_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 11/01/2013	

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	9.97	0.1318	96.50	0.5659
Austin	11.05	0.1262	189.59	0.7195
Dallas	13.13	0.1832	171.84	0.8797
Waco	9.78	0.1262	117.60	0.5774
Wichita Falls	10.99	0.1297	107.70	0.5041

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and a Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

City Council Meeting
October 15, 2013

Issue

Consider and take action, if any, on a Resolution approving the 2013 tax roll with a total levy of \$9,201,542.33 as certified by Kenneth L. Maun, Tax Assessor Collector for Collin County.

Staff Resource/Department

Linda Truitt – Finance Director

Background/History

The 2013 appraisal roll was certified to the City by the Chief Appraiser of the Collin Central Appraisal District and approved by the City Council on August 6, 2013. The tax roll consists of the approved tax rate (\$0.5700) applied to the taxable appraisal values (\$1,614,305,560). This total levy includes funding for both maintenance and operations of the City and debt service.

The City contracts with the Collin County Tax Assessor Collector for assessment and collection of property taxes. The Tax Assessor Collector calculates the total tax levy and submits this to the City for approval by the governing body. Approval of the tax roll is required by Section 26.09 of the Texas Property Tax Code.

Financial Considerations

N/A

Action Requested

Approval of Resolution approving the 2013 tax roll and total tax levy as certified by Kenneth L. Maun, Tax Assessor Collector for Collin County.

Attachments

- 1) Resolution
- 2) Correspondence from Tax Assessor

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MURPHY,
TEXAS, CONCERNING THE APPROVAL OF THE 2013 TAX ROLL WITH A
TOTAL LEVY OF \$9,201,542.33**

WHEREAS The City of Murphy has a taxable levy in the amount of \$9,201,542.33 as certified by Kenneth L. Maun, Collin County Tax Assessor Collector, for the 2013 tax year,

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

SECTION 1. Section 26.09 of the Texas Property Tax Code requires submittal of the tax roll to the governing body for approval.

SECTION 2. The City Council approves the tax roll with a total levy in the amount of \$9,201,542.33 for 2013 tax year for the City of Murphy.

DULY RESOLVED by the City Council of the City of Murphy, Collin County, Texas on this 15th day of October, 2013.

APPROVED:

ERIC BARNA, Mayor

ATTEST:

KRISTI GILBERT, City Secretary



**KENNETH L. MAUN
TAX ASSESSOR COLLECTOR
COLLIN COUNTY**

2300 Bloomdale, Suite 2366
P.O. Box 8006
McKinney, TX 75070-8006
(972) 547-5020
Metro: (972) 424-1460 ext. 5020
Fax: (214) 491-4808
Email: kmaun@collincountytx.gov

September 30, 2013

Eric Barna, Mayor
City of Murphy
206 North Murphy Road,
Murphy, TX 75094

Dear Mayor Barna,

Attached is the 2013 Tax Roll Summary for the City of Murphy.

Submission of the 2013 Tax Roll to your governing body for approval, in accordance with *Texas Property Tax Code*, Section 26.09, will constitute the 2013 Tax Roll for City of Murphy.

Please provide my office a copy of your ordinance approving the Tax Roll at your earliest convenience. While this is a formality in the Texas Property Tax Code, we do want to fulfill the requirements of the law and do appreciate your cooperation.

If you have any questions, please let me know.

Sincerely,

Kenneth L. Mann
Tax Assessor Collector

Cc: Linda Truitt, Finance Director
Steven Ventura, Assistant Finance Director

Run Date: September 26, 2013

Collin County

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2013 TAX ROLL SUMMARY

21 - MURPHY CITY

	Amount	Count
NUMBER OF ACCOUNTS		6,533
MARKET VALUES		
ROLLCODE: PERSONAL		
Personal	\$37,566,237	
ROLLCODE: REAL		
Agriculture	\$9,812,409	
Improvement	\$1,112,432,417	
Improvement Non-Home Site	\$76,336,057	
Land	\$348,130,528	
Land Aq Land	\$21,476	
Land Non-Home Site	\$105,214,165	
TOTAL MARKET VALUE	\$1,689,513,289	
DEFERRALS		
Aq	\$9,812,409	26
TOTAL DEFERRALS	\$9,812,409	
EXEMPTIONS		
Cap Adjustment	\$5,388,997	418
Disabled	\$3,162,500	65
Disabled Veteran	\$4,499,938	82
Nominal Value	\$5,216	24
Other Exemption	\$25,836,516	144
Over 65	\$26,478,778	542
Solar/Wind	\$23,375	1
TOTAL EXEMPTIONS	\$65,395,320	
GRAND TOTAL FOR DEFERRALS AND EXEMPTIONS	\$75,207,729	
TOTAL MARKET VALUE	\$1,689,513,289	
TAXABLE VALUE	\$1,614,305,560	
ROLLCODE: PERSONAL		
Levy	\$214,097.93	466
ROLLCODE: REAL		
Levy	\$8,987,444.40	6,067
TOTAL LEVY	\$9,201,542.33	
LEVY LOST DUE TO FROZEN	\$0.00	

City Council Meeting

October 15, 2013

Issue

Consider and take action, if any, on the request by the Glen Ridge Estates Homeowners Association to waive permit and/or impact fees for a proposed beautification project located at the intersection of Glen Ridge Drive and Heritage Drive.

Staff Resource / Department

James Fisher, City Manager

Background/History

The Council first considered this item at the October 1, 2013 Council meeting. During the meeting, HOA President Don Jackson advised the City Manager of several incidents in which the irrigation system and landscaping had been damaged by TxDOT contractors at their entrances at Glen Ridge and Shirehurst during the construction of North Murphy Road.

Branson McCallister, acting on behalf of the Board of Directors of the Glen Ridge Estates HOA, has asked that the City waive the impact fees associated with installing a water meter at Glen Ridge Drive and Heritage Drive to provide irrigation for a beautification project at one of the subdivisions entrances.

The HOA has funds in their budget for a landscaping project that they have been unable to spend at their entrances along North Murphy Road at both Shirehurst and Glen Ridge Drive due to TxDOT's construction activities. The HOA plans to undertake beautification projects at both the North Murphy Road intersections upon completion of the road construction. Mr. McAllister has been advised of the Stage 3 water restrictions, as well as the requirement to pay fees for future beautification projects.

The following is city related costs:

• Water Meter 1"	\$ 420.00
• Deposit for meter	\$ 100.00
• Impact fees for 1" (water only for irrigation)	\$ 2,208.58
• Cost for Public Works to make the tap and subsequent sidewalk repair	\$ 1,296.13
• Irrigation/landscape permit fee	\$ 250.00
• Contractor registration fee (good for a year)	<u>\$ 100.00</u>

Total Estimated City Fees: \$ 4,374.71

I visited with TxDOT regarding the concern expressed by the Glen Ridge HOA. They advised that if the sprinkler line was in TxDOT right of way, the line would have been cut and capped. They did not know if the affected property owner would have been notified. It will also be difficult to determine which entity may have been responsible for capping the line if cut. I would propose that the City waived the requested fees, while we continue to resolve this issue.

Action Requested

Consider waiving all, a portion, or none of the development and/or impact fees for the Glen Ridge Estates landscape/beautification project.

City Council Meeting October 15, 2013

Issue

Consider and take action, if any, on the results of the bids received for the Animal Shelter Project.

Background

This project was approved by Council at the March 19, 2013 regular council meeting.

The project, as approved, included (summary):

1. Concept drawing with suggested changes made at the joint January Council/ASAC meeting.
2. The costs for the Animal Shelter Project (ASP) to be at or below \$620,000.
3. Approval and adoption of Quorum as the architect and project management firm.
4. Authorized Quorum to develop the bid specifications and building plans for project construction.

Council approved going out for bids on July 16, 2013.

Bids notices were sent out and a pre-bid meeting was held September 10, 2013.

Bids were opened on September 17, 2013

The city received bids from eight (8) contractors. See the attached table for each bid, along with estimated costs for add alternates.

The lowest bid received was for \$939,000, which comes out to about \$451 per square foot. The highest bid was \$1,130,000, which is about \$543 psf. The project estimate provided by Quorum was about \$275 psf. This was a reasonable estimate based upon current and expected materials and labor costs.

No satisfactory explanation has been submitted that might come close to explaining why the bids came in so high. The most recent project Quorum had come in at about \$270 per square foot.

Financial Considerations

Depending upon the add-alternate options approved upon bid openings, the costs should range from \$620,000 for the building, including architectural services, to any additional add/alt items approved.

As of this time, the financial exposure for the approved Animal Shelter project \$620,000, which includes costs for architectural services.

Other Considerations

None

Attachments

Bid Tabulation Sheet: Murphy Animal Shelter

Board/Staff Recommendation

It is staff recommendation to reject all bids and rebid the project. If after the second round of bids, the project cannot be completed at the budgeted amount, other alternatives, such as remodeling of the current facility might be in order

Motion: I move to reject all bids and direct Quorum to rebid the project utilizing the approved bid specs and documents for the Animal Shelter Project.

Chief G. M. Cox and Kim Parker, Support Services Manager
Submitted By

Mr. James Fisher
City Manager Approval



September 28, 2013

G.M. Cox, Police Chief
 City of Murphy
 206 N. Murphy Rd
 Murphy, TX 75094

Re: Murphy Animal Shelter
 Quorum Project No: 13022

On September 17, 2013, eight (8) proposals were received for the proposed new Murphy Animal Shelter. The Base Proposal includes all work and materials necessary to provide a new facility and associated site work as defined in the contract documents dated August 25, 2013.

We have attached a bid tab for your review. As you can see, all of the proposals received, exceeded the budget of approximately \$500,000. Surprisingly, even the lowest base proposal of \$939,000 equates to \$451 per square foot of building, which exceeded any of our similar facilities constructed over the last 7-8 years, even though this was much simpler. Some of the contributing factors to the high cost, as mentioned by contractors, include:

1. The bid climate is changing and material and labor prices are escalating.
2. The site utilities (extending the Fire line, adding the FH, then extending the water service down to the building) were high for such a small project.
3. The site grading and pavement (leveling of the site for grading, adding the concrete Fire Lane required by FD, both items resulting in partial removal and replacement of some of the existing asphalt pavement) exceeded original planned scope.
4. The Chain link fence prices – I heard a contractor indicate that he had over \$50,000 in fencing.
5. Small project, limited interest, higher prices from subs.
6. Higher OH than other municipal projects – The City charged themselves over \$36,000 for permit and impact fees.
7. The Mechanical (plumbing and HVAC) subs were using super inflated costs and GC could not find subs to do it for less.

Our understanding is that staff's desire is to reject all proposals based on the significant cost; therefore, we have not made reference calls on the contractors. If it is Staff's and Council's decision to follow through with the project as bid, we are available to provide further evaluation of the contractors who submitted the lowest bids and help the City work toward a lower contract amount by removing deduct alternates and various components of the building (i.e. – cages, tables, cabinets, etc.); however, this would likely result in a savings of less than \$50,000, based on an average of the deduct alternates and unit prices. With this approach, many of the items requested by the advisory committee would likely be eliminated. Significant reductions to lower the construction cost to around \$500,000 such as reducing the building size would likely need to be rebid.

Please let us know if you need additional information for a decision by Council.

Sincerely,

Digitally signed by David Duman
 Date: 2013.09.28 08:31:55-0500'

David G. Duman, AIA
 Principal
 Quorum Architects, Inc.

Murphy Animal Shelter

Bid Tabulation

September 17, 2013
QAI Project No. 13022

Contractor	Bid Bond	Base Bid	Alt No. 1 (ADD)	Alt No. 2 (ADD)	Alt No. 3 (ADD)	Alt No. 4 (DEDUCT)	Alt No. 5 (DEDUCT)	Days
Imperial Construction	N	\$994,000	\$4,800	\$16,500	\$5,000	-\$10,000	-\$3,500	180
Lamarco, Inc.	Y	\$1,130,000	\$5,500	\$25,000	\$10,000	-\$6,000	-\$6,500	240
Mart, Inc.	Y	\$969,000	\$4,200	\$10,000	\$8,250	-\$6,600	-\$5,003	210
Reeder Construction	Y	\$998,000	\$6,200	\$8,500	\$7,200	-\$5,320	-\$4,100	280
SCM Construction Services, LLC	Y	\$939,000	\$4,500	\$2,000	\$10,000	-\$15,000	-\$4,000	180
TCMC	Y	\$1,045,000	\$4,660	\$11,000	\$6,000	-\$6,000	-\$3,000	180
Tegrety Contractors	Y	\$945,777	\$5,592	\$8,000	\$8,206	-\$7,000	-\$5,000	200
The Gilbert Construction Group	Y	\$1,036,000	\$4,000	\$14,000	\$6,000	-\$8,000	-\$8,000	180
AVERAGE		\$1,007,097	\$4,932	\$11,875	\$7,582	-\$7,990	-\$4,888	206.25

- Alternate No. 1: ADD Undercounter Dishwasher in Work Room
- Alternate No. 2: ADD Expanded Outdoor animal enclosure
- Alternate No. 3: ADD Fence Enclosed Sally Port with Gate
- Alternate No. 4: DEDUCT Paint in lieu of Type 'B' simulated masonry
- Alternate No. 5: DEDUCT Delete Field Turf and area drains

All bids submitted for the designated project are reflected on this bid tab sheet. **However, the listing of a bid on this sheet should not be construed as a comment on the responsiveness of such a bid or as any indication that the Owner accepts such bid as responsive.**

The City will make a determination as to the responsiveness of bids submitted based upon compliance with all Project Documents including but not limited to the Project Specifications and Contract Documents.

Issue

Discussion on the improvements to North Murphy Road and an update on the Safe Routes to School project along North Murphy Road.

Staff Resource / Department

James Fisher, City Manager

Background

The staff has been in meetings with TxDOT to discuss this project and the status of completion. The City has been advised that the anticipated completion date is December 2014. Also, the City is working with TxDOT to provide safe access along and across North Murphy Road by pedestrians who will utilize the schools and parks. Staff would like to discuss with City Council some of the challenges/ideas and get City Council feedback.

Staff Recommendation

This item is for informational purposes only.

Issue

Consider and take action, if any, on the City Council meeting schedule for November and December 2013 and January 2014.

Staff Resource / Department

James Fisher, City Manager

Consideration

Section 3.09 of the Murphy City Charter requires the City Council to meet at least once per month. Traditionally, the City Council holds its regular meetings on the 1st and 3rd Tuesdays of the month. In years past, Council has modified the regular meeting schedule to allow for one meeting in December, typically conducted on the 2nd Tuesday of the month.

Staff Recommendation

Staff is recommending modifications to the Council meeting dates as schedules allow.

Issue

Consider and take action, if any, on the 2014 City of Murphy Holiday Schedule.

Staff Resource / Department

James Fisher, City Manager

Stacy Buckley, Human Resources

Consideration

Section 4.03 of the Employee Handbook requires submission of the holiday schedule prior to November 1st. The proposed schedule includes 10 holidays and is as follows:

- Wednesday, January 1 – New Year’s Day
- Monday, January 20 – Martin Luther King, Jr. Day
- Friday, April 18 – Good Friday
- Monday, May 26 – Memorial Day
- Friday, July 4 – Independence Day
- Monday, September 1 – Labor Day
- Thursday, November 27 – Thanksgiving Day
- Friday, November 28 – Friday Thanksgiving Holiday
- Wednesday, December 24 – Christmas Eve*
- Thursday, December 25 – Christmas Day*

* concern about closing Wednesday and Thursday, maybe staying open on December 24th, consider closing early on Wed (maybe 3pm) and taking Friday, December 26th off completely

Staff Recommendation

Staff recommends approval of the 2014 holiday schedule.

City Council Meeting
October 15, 2013

Issue

Discuss Planned Development District Ordinance No. 03-10-590 (Gables and Ranch), Section H. Screening.

Summary

Council held discussions on this item on June 4, 2013 and has since provided direction to the City Attorney on pursuing a resolution.

On May 21, 2013, a resident spoke to the City Council on behalf on behalf of the Ranch Subdivision property owners regarding the maintenance of the wooden fence along McWhirter Road and the requirements set forth in Ordinance 03-10-590, the planned development regulations for the subdivision.

Background

On October 20, 2003, the City Council adopted Ordinance No. 03-10-590 creating a Planned Development District for Single Family Uses with conditions, also known as The Ranch and Gables PD. This PD governs Phases 3-8 of The Ranch at North Hill and all phases of The Gables at North Hill subdivisions.

On May 17, 2010, the City Council approved an amendment to Ordinance No. 03-10-590 that eliminated a tree maintenance requirement.

On October 2, 2011, the City Council approved an amendment to Ordinance No. 03-10-590 that eliminated the masonry requirement for accessory buildings.

Conditions

1. There is limited history available in regards to the approval of this Planned Development District from 2003 and/or the background as to the inclusion of the section in question.
2. Planned Development District Ordinance No. 03-10-590 (Gables and Ranch), Section H. Screening states (section in question is italicized):
 - H. Screening: The screening shall be as reflected on the concept plan and as listed below, except as allowed by the Planning and Zoning and City Council. Permanent signage shall be permitted at all major entry points. *All screening shall be maintained by the Homeowners' Association except for the 6-foot high board-on-board wooden fence with a top rail along McWhirter Road, which shall be maintained by each owner on whose lot the fence is located. Lots abutting dedicated park land shall have fencing consisting of an 8-foot high board-on-board wooden fence with a top rail, which shall have no access points (openings) to the park and shall be maintained by each owner on whose lot the fence is located.*

1. McWhirter Road -

**City Council Meeting
October 15, 2013**

- i. A living screen shall be constructed as shown on the concept plan. The lots backing to McWhirter shall be deed restricted to require a 6-foot high board-on-board wooden fence with a top rail.
 2. McCreary Road -
 - i. A 6-foot high brick thinwall will be constructed.
 3. Betsy Lane
 - i. A 6-foot high brick thinwall will be constructed.
 4. Lots abutting dedicated park land-
 - i. The lots abutting dedicated parkland shall be deed restricted to require an 8-foot high board-on-board wooden fence with top rail.
3. If Council were to request amendment to this section of the PD affecting approximately thirty residences, public notification would be required to all residences within the Ranch and Gables (approximately 650 homes) governed by PD NO. 03-10-590.

Action Requested

Council will be briefed by the City Attorney in executive session

Attachments

Planned Development District Ordinance No. 03-10-590

ORDINANCE 03-10-590

AN ORDINANCE OF THE CITY OF MURPHY, TEXAS, AMENDING ITS COMPREHENSIVE ZONING ORDINANCE, ORDINANCE NO. 12 BY CHANGING THE ZONING CLASSIFICATION ON APPROXIMATELY 286.5 ACRES OUT OF THE C.A. MCMILLAN SURVEY, ABSTRACT NO. 588, TRACTS 33, 49, 46, 34, AND 50, LOCATED IN THE CITY OF MURPHY, COLLIN COUNTY, TEXAS, AS MORE PARTICULARLY DESCRIBED ON EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE FOR ALL PURPOSES, FROM ITS PRESENT SINGLE FAMILY 1, SINGLE FAMILY 2, AND PLANNED DEVELOPMENT-RESIDENTIAL DISTRICT TO A PLANNED DEVELOPMENT SINGLE FAMILY RESIDENTIAL; PROVIDING A PENALTY CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Zoning Commission of the City of Murphy, Texas, and the Governing Body of the City of Murphy, in compliance with state law with reference to the Zoning Ordinance Regulations and Zoning Map, have given requisite notices by publication and otherwise and, after holding due hearings and affording a full and fair hearing to all the property owners generally and to the persons situated in the affected area and in the vicinity thereof; and

WHEREAS, all legal requirements, conditions and prerequisites have been complied with prior to the case coming before the City Council for the City of Murphy; and

WHEREAS, the Governing Body of the City of Murphy, after determining that all legal requirements of notice and hearing have been met, is of the opinion that the following amendment to the zoning laws would provide for and would be in the best interest of the health, safety, morals and general welfare of the City and, accordingly, finds that it is in the public interest to amend the zoning ordinance and the changes should be made as set forth herein.

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

Section 1. That all of the above premises are hereby found to be true and correct legislative findings of the City and are hereby approved and incorporated into the body of this ordinance as if copied in their entirety.

Section 2. The Zoning Ordinance of the City of Murphy is hereby amended, insofar as the property described, by amending the Zoning Map and Plat of the City of Murphy to change the zoning classification of approximately 286.5 acres of land (as more particularly described on Exhibit “A” attached hereto and incorporated herein by reference) which is presently zoned Single Family 1, Single Family 2, and Planned Development, to be zoned Planned Development – Single Family Residential District.

Section 3. A copy of the Planned Development requirements, the Gables and Ranch Planned Development, is attached hereto marked Exhibit “B” and incorporated herein by reference for all purposes.

Section 4. The Land Plan for the affected property is attached hereto marked Exhibit “C” and incorporated herein by reference for all purposes.

Section 5. The City Secretary is hereby directed to correct the Zoning Map of the City of Murphy to reflect the changes in zoning herein.

Section 6. In all other respects, the said property shall be subject to all applicable regulations contained in the Zoning Ordinance of the City of Murphy.

Section 7. Penalty Clause. Any person, firm or corporation violating any of the provisions of this Ordinance shall be subject to the same penalties provided for in §10.99 of the Code of Ordinances of the City of Murphy.

Section 8. Severability Clause. If any section, part of a section or provision of any section of this Ordinance shall be held to be void, ineffective, or unconstitutional by a court of competent jurisdiction, the holding of such section, part of a section, or provision of any section to be void, ineffective or unconstitutional for any cause whatsoever shall in no way affect the validity of the remaining sections and provisions of the Ordinance which shall remain in full force and effect.

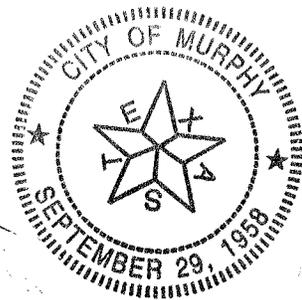
Section 9. Effective Date. This Ordinance shall become effective and be in full force and effect from and after the date of the passage in accordance with the provisions of State law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS on this the 20th day of October 2003.


David Trudeau, Mayor
City of Murphy

ATTEST:


Kaythe Darnell, City Secretary
City of Murphy



APPROVED AS TO FORM AND LEGALITY:

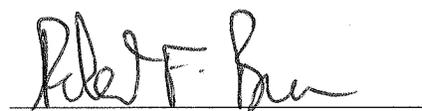

Robert Brown, City Attorney

EXHIBIT "A"**PROPERTY DESCRIPTION**

STATE OF TEXAS
COUNTY OF COLLIN

BEING a tract of land situated in the C.A. McMillan Survey, Abstract No. 558, Collin County, Texas and being all of a tract of land as described in a deed to LUMBERMEN'S INVESTMENT CORPORATION as recorded in Volume 5012, Page 2550 Deed Records of Collin County, Texas (DRCCT) and all of a tract of land as described in a deed to LUMBERMEN'S INVESTMENT CORPORATION as recorded in Volume 4868, Page 5731 (DRCCT) and all of a tract of land as described in a deed to D.R. HORTON-TEXAS LTD. As recorded in Volume 4799, Page 2252 (DRCCT) and all of a tract of land as described in a deed to D.R. HORTON-TEXAS LTD. As recorded in Volume 4658, Page 1236 (DRCCT) and all of a tract of land as described in a deed to D.R. HORTON-TEXAS LTD. being Lot 1 thru 7, Block A, Lot 1 thru 7, Block B, Lot 1 thru 14, Block C, Lot 1 thru 4, Block D as recorded in Cabinet N, Page 761 Plat Records of Collin County (PRCCT) and being more particularly described as follows:

COMMENCING at a ½ inch iron rod set for the intersection of the centerline of McCreary Road and the centerline of McMillen Road, said iron rod being the most southeasterly corner of a tract of land as described in a deed to S.A.A.M. TRUST as recorded in Volume 4536, Page 2324(DRCCT);

THENCE along the centerline of McCreary Road as follows:

North 01°46'33" East a distance of 1090.14 feet to a 5/8 inch iron rod found for corner;

North 00°53'55" East a distance of 144.35 feet to a ½ inch iron rod set for the POINT OF BEGINNING;

THENCE departing the centerline of said McCreary Road North 89°06'05" West a distance of 471.62 feet to a point for corner;

THENCE South 00°54'47" East a distance of 386.40 feet to a point for corner in the centerline of BETSY LANE (a 110 foot right-of-way), said point being the beginning of a non-tangent curve to the right having a radius of 1500.00 feet, a chord bearing North 71°06'05" West and a chord distance of 304.96 feet;

THENCE along said non-tangent curve to the right thru a central angle of 11°40'08" for an arc length of 305.49 feet to a point for the beginning of a curve to the left having a radius of 1500.00 feet, a chord bearing North 77°35'34" West and a chord distance of 640.41 feet;

THENCE along said curve to the left thru a central angle of 24°39'06" for an arc length of 645.38 feet to a point for corner;

THENCE North 89°55'07" West a distance of 735.45 feet to a point for the beginning of a curve to the left having a radius of 1500.00 feet, a chord bearing South 81°12'35" West and a chord distance of 462.67 feet;

THENCE along said curve to the left thru a central angle of 17°44'36" for an arc length of 464.52 feet to a point for the beginning of a curve to the right having a radius of 1500.00 feet, a chord bearing South 73°31'20" West and a chord distance of 61.99 feet;

THENCE along said curve to the right thru a central angle of 2°22'05" for an arc length of 62.00 feet to a point for corner;

THENCE South 1°23'36" East a distance of 105.88 feet to a point for corner;

THENCE South 89°44'32" West a distance of 2119.05 feet to a point for corner;

Departing said BETSY LANE as follows:

North 9°14'33" West a distance of 230.88 feet to a point for corner;
 North 84°53'17" West a distance of 313.23 feet to a point for corner;
 South 87°40'55" West a distance of 105.12 feet to a point for corner;
 South 81°05'37" West a distance of 92.02 feet to a point for corner;
 North 1°14'33" East a distance of 804.11 feet to a point for corner;
 North 78°31'34" East a distance of 215.75 feet to a point for corner;
 North 45°33'40" East a distance of 152.59 feet to a point for corner;
 North 4°56'55" East a distance of 270.75 feet to a point for corner;
 North 87°36'41" West a distance of 29.97 feet to a point for corner;
 North 35°47'08" East a distance of 129.99 feet to a point for corner;
 North 17°30'41" East a distance of 35.18 feet to a point for corner;
 North 0°32'56" East a distance of 98.76 feet to a point for corner;
 North 29°24'50" West a distance of 45.19 feet to a point for corner;
 South 89°57'37" East a distance of 187.20 feet to a point for corner;
 North 0°22'06" West a distance of 463.24 feet to a point for corner;
 North 1°23'04" West a distance of 435.89 feet to point for corner, said corner being in the centerline of McWHIRTER ROAD (a 60 foot right-of-way);

THENCE South 89°25'06" East a distance of 4759.83 feet to a point for corner;

THENCE South 0°58'23" West a distance of 1291.10 feet to a point for corner;

THENCE South 0°53'55" West a distance of 953.62 feet to the POINT OF BEGINNING;

CONTAINING within these metes and bounds 286.486 acres or 12,479,331 square feet of land more or less. The bearings contained herein are based upon the boundary line agreement as recorded in Volume 1673, Page 260 (DRCCT).

EXHIBIT "B"

PLANNED DEVELOPMENT REQUIREMENTS

Gables and Ranch

Murphy, Texas

- I. **Statement of Purpose:** The purpose of this Planned Development District is to establish a concept plan and specific conditions for the development of the properties known as the Gables and Ranch subdivisions. The intent of this planned development is to provide a quality residential subdivision with a variety of lot and dwelling sizes, and additional project amenities.

- II. **Statement of Effect:** This Planned Development District shall not affect any regulation found in the Comprehensive Zoning Ordinance, as amended, except as specifically provided herein.

- III. **General Regulations:** All regulations of the Single-Family Residential Districts shall apply as set forth in Section 157.062 of the Murphy Zoning Code, as amended, except as otherwise specified herein.

- IV. **Development Plans:** Development shall be in accord with the concept plan and exhibits as attached. However, in the event of conflict between the concept plan and the written conditions, the written conditions shall control. The concept plan shall also serve as the land use plan.

- V. **Development Regulations:**
 - A. **Minimum Lot Criteria:** The lot designation shall be as indicated on the concept plan and the following minimums shall apply:
 1. **SF-9**
 - a. Minimum lot size: 9,000 square feet
 - b. Minimum lot width: 75 feet (at front yard setback build line)
 - c. Minimum lot depth: 120 feet
 - d. Except lots on cul-de-sac's and eyebrows may vary in width and depth as indicated on the concept plan contained herein, but in no event shall be less than 9,000 square feet in size.
 - e. Minimum front yard setback: 25 feet
 - f. Minimum side yard setback adjacent to a street: 15 feet
 - g. Minimum side yard setback not adjacent to a street: 7 feet
 - h. Minimum rear yard setback: 15 feet

 2. **SF-11**
 - a. Minimum lot size: 11,000 square feet

- b. Minimum lot width: 90 feet (at front yard setback build line)
- c. Minimum lot depth: 120 feet
- d. Except lots on cul-de-sac's and eyebrows may vary in width and depth as indicated on the concept plan contained herein, but in no event shall be less than 11,000 square feet in size.
- e. Minimum front yard setback: 25 feet
- f. Minimum side yard setback adjacent to a street: 15 feet
- g. Minimum side yard setback not adjacent to a street: 7 feet
- h. Minimum rear yard setback: 15 feet

B. **Minimum dwelling unit area:** The minimum dwelling unit area shall be 1,800 square feet of living area only, not to include eaves, porches, garages and breezeways.

C. **Minimum exterior construction standards:** The standards and criteria contained within this subsection are deemed minimum standards and shall apply to all building construction occurring within the Gables and Ranch PD.

Single-Family:

1. All single-family homes exterior shall be of fire-resistant construction, and shall have a minimum of 75% masonry (brick and stone) construction for the entire house, except for windows and doors. This masonry (brick and stone) requirement shall include accessory buildings and/or detached garages.
2. Any exterior façade of a new single-family home (regardless of location) that faces a public street shall be predominantly masonry (brick or stone), and no single façade shall be comprised of less than 75% masonry (brick or stone), construction. In addition, 10% of the single-family structures, up to a maximum of 69 single-family homes, shall include 20% stone and 80% brick on the front exterior facade. Areas of a home's façade that are devoted to windows, doors, covered porches or stoops, or chimneys, shall not be counted as "wall surface" when calculating the masonry (brick or stone) requirement provided that covered porches and stoops are at least four feet (4') deep and eight feet (8') wide (i.e., at least 64 square feet in area).
3. Concrete, concrete block, stucco, exterior plaster, trowel and textured

mortar washed surfaces or metal exterior construction shall not be permitted on any single-family residential structure, including accessory buildings and/or detached garages.

4. Roof materials for a single-family structure, including accessory buildings and detached garages shall be comprised of architectural/dimensional composition shingle (25-year minimum), flat pan standing seam metal roofing (only with a factory baked-on muted color finish; no bright colors or natural-colored metal roofing allowed), or terra cotta or slate tile in muted colors. Minimum predominant roof pitch shall be at least 6:12, and except for “Santa Fe” (with a flat roof and highly articulated parapet that conceals the roof and any roof-mounted equipment), “Texas ranch house” (with low pitched roofs, large eaves/overhangs, rambling design), or other uniquely styled home (which may be granted a special exception to the roof pitch requirement by the Zoning Board of Adjustments).

D. Minimum Landscaping Standards

1. For any premises located in Ranch and Gables PD the premises shall have one (1) shade tree located within 15 feet of the front lot line for each fifty (50) feet of lot width or portion thereof, measured along the front lot line. Trees may be clustered or spaced linearly and need not be placed evenly at 50-foot intervals.
2. The required trees and landscaping shall be installed prior to issuance of a Certificate of Occupancy for the premises, and shall be maintained in a living and growing condition by the owner of the premises. All plant material shall be replaced with plant material as required in Section d.3.
3. The required trees shall be a minimum of three-inch (3”) caliper measured forty-eight inches (48”) above the ground. If the tree is located on a slope, measurement shall be from the highest side of the slope. The trees shall be selected from the current Texas A&M University Collin County Extension Agent’s list of recommended tree list.

E. Minimum height required:

Required trees: seven feet (7’-0”) in height.

F. Park Fees:

Payment of park fees will only be required on the number of lots that are over and above the existing concept plans for the Ranch and the Gables.

1. The payment of the park fees will be at the time of final platting with respect to the first lots platted by Lumbermen's Investment Corporation ("LIC") or D. R. Horton, Incorporated ("DRHI"), as applicable, and will commence with the initial phase of development.

2. These park fees shall be utilized for park improvements within the approximately 12.09-acre park as shown on the concept plan within this planned development.

3. If LIC and/or DRHI provide improvements to the City Public Park area, those costs will be credited toward satisfaction of the required park fees.

G. **Private Recreational Facility:** A private recreational facility will be constructed by LIC on the 1.14-acre tract as shown on the concept plan. Prior to the development of the private recreational facility, a detail plan and elevations shall be approved through the public hearing process. The Homeowners' Association will maintain this facility. This facility will provide parking per the City of Murphy Code. In addition to these spaces, an additional 10 to 15 spaces will be constructed by LIC as part of the above referenced park improvements. A common access easement will be provided by the City of Murphy for the benefit of LIC, its successors and assigns including the Homeowners' Association, its members and their guests, through the current city water tank site to the private recreational site.

H. **Screening:** The screening shall be as reflected on the concept plan and as listed below, except as allowed by the Planning and Zoning and City Council. Permanent signage shall be permitted at all major entry points. All screening shall be maintained by the Homeowners' Association except for the 6-foot high board-on-board wooden fence with a top rail along McWhirter Road, which shall be maintained by each owner on whose lot the fence is located. Lots abutting dedicated park land shall have fencing consisting of an 8-foot high board-on-board wooden fence with a top rail, which shall have no access points (openings) to the park and shall be maintained by each owner on whose lot the fence is located.

1. **McWhirter Road** –

- i. A living screen shall be constructed as shown on the concept plan. The lots backing to McWhirter shall be deed restricted to require a 6-foot high board-on-board wooden fence with a top rail.

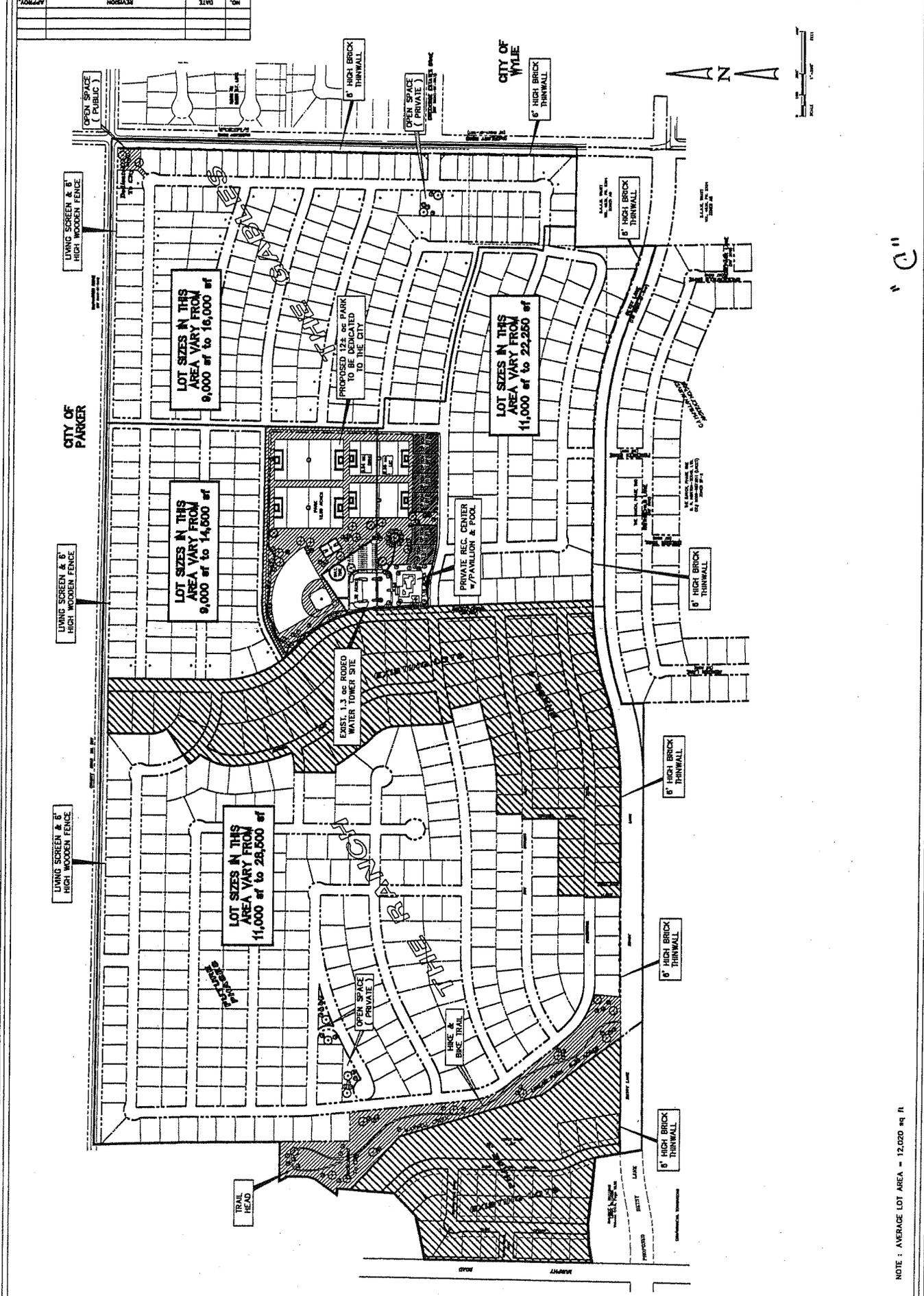
2. McCreary Road –
 - i. A 6-foot high brick thinwall will be constructed.
 3. Betsy Lane –
 - i. A 6-foot high brick thinwall will be constructed.
 4. Lots abutting dedicated park land-
 - i. The lots abutting dedicated parkland shall be deed restricted to require an 8-foot high board-on-board wooden fence with top rail.
- I. **Open Spaces:** Open spaces will be provided as shown on the concept plan and maintained by the party indicated.
- J. **Sidewalks/Trails:** In lieu of the city standard sidewalk normally required along McWhirter Road, and along McCreary Road north of Creekside Drive, a minimum 6-foot wide hike and bike trail will be constructed within the Maxwell Creek linear park from McMillen Drive to Betsy Lane then to the northern trailhead as shown on the Ranch and Gables concept plan. The City of Murphy shall provide right-of-way from McMillen Drive to Betsy Lane.
- K. **Dedications:** The areas will be dedicated as open space and/or Public Park as shown on the concept plan.
- L. **Homeowners' Association:** A Homeowners' Association duly incorporated in the State of Texas shall be incorporated and each lot/homeowner shall be a mandatory member. This association shall be established so as to ensure the proper maintenance of all common areas, either public or private, as desired, to be maintained by the association. The bylaws of this association shall establish a system of payment of dues, a system of enforcement of its rules and regulations; a clear and distinct definition of the responsibility of each member, and such other provisions as are reasonably deemed appropriate to secure a sound and stable association. The Bylaws shall be submitted to the Director of Planning for review and approval prior to construction.
- M. **Option to Purchase:** LIC shall grant to the City of Murphy an option (the "Option") to purchase the six (6) lots (the "Option Lots") as designated on the concept plan for an amount equal to the actual costs of acquisition and development fairly and reasonably allocable to the Option Lots as normally and customarily done by LIC in the ordinary course of its business. The Option must be exercised by the City of Murphy and the acquisition of the Option Lots actually closed and consummated on or

before two (2) years after the establishment of this Planned Development District or such Option shall automatically expire and be of no further force or effect. The form and substance of the written agreement granting the Option must be approved by the City Council and executed by LIC and the City of Murphy contemporaneously with the establishment of this Planned Development District.

EXHIBIT "C"

Drawing Dated "Received September 19, 2003
Concept Plan
Gables and Ranch

NO.	DATE	REVISION	APPROVED



NOTE: AVERAGE LOT AREA = 12,020 sq. ft.