



MURPHY CITY COUNCIL AGENDA
REGULAR CITY COUNCIL MEETING
MAY 6, 2014 AT 6:00 P.M.
206 NORTH MURPHY ROAD
MURPHY, TEXAS 75094

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 May 6, 2014 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 declaring May 4-10 Public Service Recognition Week in the City of Murphy, Texas and presentation of service awards.
- B. Proclamation declaring May 11-17 as National Police Week and May 15th as National Police Memorial Day in the City of Murphy, Texas.
- C. Proclamation declaring May 18-24 Emergency Medical Services Week in the City of Murphy, Texas.

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. April 15, 2014 regular meeting minutes; and,
 - 2. April 22, 2014 special meeting minutes.
- B. Consider and take action, if any, on the approval of an resolution denying the rate increase requested by Atmos Energy Corp., Mid-Tex Division under the company's 2014 annual rate review mechanism filing in all cities exercising original jurisdiction; requiring the company to reimburse cities' reasonable ratemaking expensed pertaining to review of the RRM; authorizing the city's participation with Atmos Cities Steering Committee in any appeal filed at the Railroad Commission of Texas by the company; requiring the company to reimburse cities' reasonable ratemaking expenses in any such appeal to the Railroad Commission; determining that this resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; and requiring delivery of this resolution to the company and the steering committee's legal counsel.

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

7. INDIVIDUAL CONSIDERATION

- A. Consider and/or act on the City of Murphy Water Conservation and Drought Management Ordinance (Ordinance 11-10-897).
- B. Consider an/or act on the study request by the City of Murphy to the North Texas Municipal Water District to address the future wastewater needs for the Cities of Murphy and Wylie and authorize the City Manager to participate in the study and proceed with the request.
- C. Consider and/or act upon authorizing the City Manager to execute an Agreement for Video Streaming Services with Swagit Productions, LLC, to provide video recordings and streaming of City Council Meetings.
- D. Consider and/or act upon approval of an ordinance amending the FY 2013-2014 revenue, expenditure budgets and fund balances for the General Fund, Utility Fund, Murphy Municipal Development District and the Debt Service Fund.
- E. Discuss, consider and/or act upon the Utility Rate Study as presented by NewGen Strategies & Solutions.
- F. Consider and/or act on proposed guidelines and application for a MCDC Community Enhancement Grant Program.

8. CITY MANAGER/STAFF REPORTS

North Murphy Road Construction Update

May Election – May 10th

Moonlight Movies – May 9th, 16th and 23rd

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. § 551.072. 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.

10. RECONVENE INTO REGULAR SESSION

The City Council will reconvene into Regular Session, pursuant to the provisions of Chapter 551, Subchapter D, Texas Government Code, to take any action necessary regarding:

- 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.

B. Take Action on any Executive Session Item.

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 May 2, 2014 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
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 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.

Proclamation

City of Murphy, Texas

**Public Service Recognition Week
May 4-10, 2014**

WHEREAS, Americans are served every single day by public servants at the federal, state, county and city levels; and

WHEREAS, Many public servants, including military personnel, police officers, firefighters, parks and recreation, public works, customer service, communication officers, municipal court, municipal administration, and others, provide diverse services every day to the people of the United States and around the world with efficiency and integrity; and

WHEREAS, Without these public servants at every level, continuity would be impossible in a democracy that regularly changes its leaders and elected officials; and

WHEREAS, the City Council of Murphy, Texas, wishes to urge everyone in our community to recognize the accomplishments and contributions of government employees at all levels — federal, state, county and city.

NOW, THEREFORE, I, Eric Barna, Mayor of the City of Murphy, Texas, do hereby proclaim May 4-10, 2014

“Public Service Recognition Week”

in Murphy, Texas, in official recognition of this nationwide event.
Proclaimed this 6th day of May, 2014.

*Eric Barna, Mayor
City of Murphy*

Proclamation

City of Murphy, Texas

National Police Week

May 11-17, 2014

WHEREAS, in the performance of the mission for the welfare and well-being of our community, law enforcement officers are engaged, on a daily basis, in a hazardous and life threatening profession; and

WHEREAS, our citizens' peace of mind comes from the knowledge that these officers are readily available for crime prevention, crime suppression and protection of life and property; and

WHEREAS, in some cases, the officer actually gives his or her life in exchange for the welfare of his or her community; and

WHEREAS, our community has a continuing sense of gratitude to these brave men and women who have given their lives defending and protecting our City and those who serve daily in the protection of life and property; and

WHEREAS, in 1962, President John F. Kennedy established May 15th as a national day of commemoration known as "National Police Memorial Day" in honor of these men and women who have made the ultimate sacrifice; and

NOW, THEREFORE, I, Eric Barna, Mayor for the City of Murphy Texas, Do hereby proclaim the week of May 11-17, 2014 as

"NATIONAL POLICE WEEK"

In Murphy, Texas and urge the appropriate recognition thereof.

Eric Barna, Mayor
City of Murphy

Proclamation

City of Murphy, Texas

Emergency Medical Services Week

May 18-24, 2014

WHEREAS, emergency medical services is a vital public service; and

WHEREAS, the members of emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and

WHEREAS, access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

WHEREAS, the emergency medical services system consists of emergency physicians, emergency nurses, emergency medical technicians, paramedics, firefighters, educators, administrators and others; and

WHEREAS, the members of emergency medical services teams, whether career or volunteer, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills; and

WHEREAS, it is appropriate to recognize the value and the accomplishments of emergency medical services providers by designating Emergency Medical Services Week.

THEREFORE, I, Eric Barna, Mayor of the City of Murphy, Texas, do hereby proclaim the week of May 18-24, 2014, as

“EMERGENCY MEDICAL SERVICES WEEK”

in Murphy, Texas, With the theme, “*EMS: Dedicated. For Life*”, in official recognition of this nationwide event. Proclaimed this 6th day of May, 2014.

*Eric Barna, Mayor
City of Murphy*

CITY COUNCIL MINUTES
APRIL 15, 2014 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 Pledge of Allegiance to the flag of the United States of America.

3. ROLL CALL & CERTIFICATION OF A QUORUM

Interim City Secretary, Terri Johnson, 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 - None

5. PRESENTATION ITEMS

A. Proclamation Recognizing Sexual Assault Awareness and Prevention Month.

Mayor Barna recognized Ms. Samantha Wyman, Community Education Coordinator for The Turning Point, the Rape Crisis Center of Collin County.

Ms. Wyman gave a brief explanation of the work performed by The Turning Point in the City of Murphy.

Mayor Barna read the Proclamation naming April as Sexual Assault Awareness and Prevention Month.

B. Proclamation Recognizing Child Abuse Prevention Month.

Mayor Barna recognized a group of individuals representing Murphy's Exchange Club. They included President Shelly Bottlinger, President Elect Marv Williams, Mike Hendrix and Ken Goodman.

President Bottlinger presented a ribbon to Mayor Barna representing the Exchange Club's Preventing Child Abuse program.

Mayor Barna read the Proclamation naming April as Child Abuse Prevention Month in the City of Murphy.

C. Presentation of financial report and investment report as of March 31, 2014.

Finance Director Linda Truitt presented the unaudited financial information for FY 2014. She reported that 99% of the property taxes had been received. Ms. Truitt stated sales tax and

revenue in the General Fund were on target. Ms. Truitt informed the City Council that building permits had dropped from last year.

Ms. Truitt gave projections for year-end and stated that most departments were at or under 50% of their budgets. She reported that Water & Sewer revenues may be short at year-end but the expenditures were on target.

Ms. Truitt also presented the quarterly investment report ending March 31, 2014 and explained that there was no change in the interest rate the City received. She noted that the bond payments were made in February.

6. CONSENT AGENDA

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- A. Consider and/or act upon the March 31, 2014 special meeting minutes.
- B. Consider and/or act upon the April 1, 2014 regular meeting minutes.

Councilmember Rob Thomas requested that Item 6.B. be removed from consent agenda.

COUNCIL ACTION (6.A.):

APPROVED

Mayor Pro Tem Siddiqui moved to approve item 6.A. on the consent agenda, as presented. Deputy Mayor Pro Tem St. Clair seconded the motion. For: Unanimous. The motion carried by a vote of 7 to 0.

COUNCIL ACTION (6.B):

APPROVED

Councilmember Rob Thomas moved to approve the April 1, 2014 regular meeting with the following changes to page 4 of 9:

Paragraph 5: change Councilmember Bernard Grant's name to Councilmember Thomas
Paragraph 6: change Councilmember Thomas's name to Councilmember Bernard Grant
Paragraph 10: change Councilmember Bernard Grant's name to Councilmember Thomas

Councilmember Bernard Grant seconded the motion. For: Unanimous. The motion carried by a vote of 7 to 0.

7. INDIVIDUAL CONSIDERATION

- A. Discussion on the City's Web Page.

City Manager James Fisher reported that this item was on the agenda at the request of Mayor Barna. In March, Council had asked that staff create a one-click link on the City's web page for financial information so that the CAFR and other financial documents could easily be accessed.

Mr. Fisher announced that this had been done and that when the updated web page comes online shortly this will occur with all departments. He reported that management of

information that provides easy access and the ability to ask questions of City services/operations is a key goal in the City's update of its web page.

Mayor Barna stated that he wanted Finance Reports to be a permanent page on the City's website. He went on to talk about transparency in government for the City of Murphy and explained that the State Comptroller awards political subdivisions for their financial transparency. He wanted the City of Murphy to qualify for the Gold medal from the State Comptroller that would recognize the City, Finance Director Truitt and City Staff for their transparent practices.

The Mayor informed Mr. Fisher that he would like to see a link to the City's check register to be placed on the City's web page in this budget year.

Councilmember Thomas discussed the current links on the left side of the home page of the City's website and hoped that the link to the Finance Department could be placed there.

COUNCIL ACTION (7.A.):

NON-ACTION ITEM

No action was taken on this item.

B. Discussion on the Collin County Transit Needs Assessment and Planning Study.

City Manager Fisher stated that this item was placed on the agenda in order for Council to have a discussion with representatives of the North Central Texas Council of Governments (NCTCOG) and Texoma Paratransit System (TAPS) about public transit needs and/or concerns in Murphy. The City was served by CCARTS for many years and some residents utilized this service to get to work, school, medical appointments or for other personal reasons. The trips went to cities within Collin County with most people traveling to Plano and Wylie.

Mr. Fisher reported that in September 2013, the NCTOG prepared a study called Collin County Transit Needs Assessment and Planning Study. This study identified transit patterns within the county and some of the challenges for the residents. NCTCOG and TAPS are working with cities in Collin County to address these challenges and to address the financial support that is needed to fund operational costs. Mr. Fisher explained that many of the capital costs are secured by federal funding.

Mayor Barna announced that this was not something new because Murphy residents were familiar and often used CCARTS.

Sarah Chadderdon, Senior Transportation Planner from NCTCOG, was present and explained that they were seeking federal funding for capital costs of the transit program. She reminded Council that the COG was here to support the City of Murphy.

Ms. Chadderdon introduced the TAPS representatives who were present to make a proposal to Council for public transportation in the City of Murphy.

Mr. Tim Patton, Chief Operating Officer, served as spokesman for TAPS Public Transit. He introduced Ms. Teresa Foster, CFO and Zak Kerfai, Director of Grants Administration & Planning.

Mr. Patton reported that representatives of TAPS had a meeting on April 4th concerning the transit needs for Collin County, including the City of Murphy.

He gave a brief history of their transit company which was established in 1986. TAPS started in the City of McKinney in Collin County on July 1, 2013. His presentation included:

- Demographics/Unmet Needs
- Service & Funding
- Capturing Demand
- Projecting Ridership Analytics
- Cost vs. Value
- Guiding Growth

Mr. Patton reported that currently there are 5 registered customers in the City of Murphy and talked about their projected growth for years 2 and 3.

Mayor Pro Tem Siddiqui, Deputy Mayor Pro Tem St. Clair and Councilmember Grant asked Mr. Patton about the number of customers, operating costs and projected revenue.

Mr. Patton thanked Council for their time and consideration.

COUNCIL ACTION (7.B.):

NON-ACTION ITEM

No action was taken on this item.

- C. Consider and take appropriate action, if any, on a Resolution declaring a Moratorium regarding the permitting, installation and removal of synthetic turf in the City of Murphy.

City Manager James Fisher explained that this Moratorium would put everything on hold and give City staff some time to get the report back to Council.

Deputy Mayor Pro Tem St. Clair asked for clarification of the time period and Mr. Fisher stated that it was ninety (90) days.

Councilmember Grant stated that from his reading of the ordinance it was clear that this is not an allowed product to be installed in yards in the City of Murphy as is currently stated in the ordinance. If it's not allowed, a permit wouldn't be issued because it's against the ordinance. Installation wouldn't be allowed at all and then removal would be an issue that would need to be handled through code. He stated that his present feeling is that the way the ordinance is currently constructed, there is framework in place on how to handle this situation. He thought that whenever we get something new, some sort of different thing that is not necessarily contemplated by ordinance, he was concerned that we might be setting a precedent that will come in later on something else and we have to run down this line. He stated that there is framework currently contemplated in the charter and the ordinances with regards to the zoning board of adjustments and a request for a variance if you so choose. He reported that he had mentioned this to the City Manager and the City Attorney in the past. Councilmember Grant stated that to him this really has nothing to do with the issue presently before Council, it was just his feeling that our laws or ordinances already address the situation and he felt the resolution was unnecessary in his opinion.

Councilmember Thomas questioned Mr. Fisher about the statement in the summary for the agenda item that says that the code was silent on the matter. He stated that when reading the ordinance it states that all nonpaved surfaces shall be completely covered with living plant material. He said that he didn't think the City ordinance was silent on it, unless he was missing something.

Mr. Fisher commented that Councilmember Thomas was not missing anything. It was silent in that it doesn't specifically address synthetic turf. He stated that he agrees that it is not a living material. If it's not living, it is synthetic, or its rocks or something else. That's where City staff is trying to get clarification on this. Basically what the proposed resolution does is put a hold on the City forcing or filing a citation in Municipal Court at this time in regards to the property owners putting in a synthetic turf lawn because it is in violation of the ordinance.

Councilmember Bradley stated that it will give staff 90 days to research the issue.

City Manager Fisher explained that it also gives Council the opportunity to get answers to some of the questions asked at the previous meeting.

Councilmember Grant stated that Council could instruct the City Manager not to enforce the ordinance for 90 days without doing a resolution. He felt that the resolution is a little bit unnecessary in his opinion.

Deputy Mayor Pro Tem St. Clair asked that if this happens on another issue, will this set a precedent for future violations of any ordinance. Will we have to declare a moratorium until we can look into it?

City Manager Fisher replied that he did not believe it would. Staff could have moved ahead and filed in Municipal Court but he knew there were some concerns regarding the use of synthetic turf and where does it fit. That was why City staff brought it to Council for discussion. Traditionally if someone were to come in on a code and ask if they can do something, staff would look up the ordinance and tell them if it was allowed. If the individual was denied the request they could appeal to ZBOA. Since the property owner had already installed the synthetic turf, they are in direct violation of the ordinance. Mr. Fisher explained that he felt everything was on a case-by-case basis and this isn't setting a precedent. This is an issue that a lot of communities are going to be addressing if the drought continues and cities look at water challenges. He felt that the City was doing the right thing in getting all of the information they could about this issue and then make a decision. From that decision, the City will tell the home owner where we are at. That doesn't necessarily mean that at the end of the decision, we say that synthetic turf is not allowed and that we are going to cite them in court. Council might say that the property owner has 90 days to remove it, otherwise then we would file in court. There is a lot of different ways the City can handle this.

Councilmember Grant explained that he was not opposed to the 90 days, but he felt Council could just direct staff and not have to pass a resolution.

City Manager Fisher explained that this resolution puts the backing of the Council in writing. If someone questioned the moratorium, staff could just give them the resolution and not have to look up the minutes.

Deputy Mayor Pro Tem St. Clair asked if this had ever been done before on any other issue.

Mr. Fisher stated that he was not aware of it being done before.

The Mayor explained that Council had not done it for grass, but had done it for banks.

Councilmember Bradley stated that the only value this brings us is that Council's decision to study this for 90 days doesn't change the HOA's position, whatever their position may be. If the HOA wants to take action, then they could put in some type of demand that the City enforce its ordinances. He felt that it was a risk to the City. The only reason that he could see the value of the resolution declaring a moratorium would be legal protection for the City from that conversation. Otherwise, he completely agreed with Councilmember Grant.

Mayor Pro Tem Siddiqui said that at this point, he agreed that a resolution might be a bit too heavy-handed. If Council could direct staff for a moratorium without passing a resolution, he would be comfortable with that. He stated that he did think that the City was setting a precedent because if something wasn't accounted for in our ordinance that we would be willing to have a moratorium right away. That did concern him.

Councilmember Bradley stated that this had gone on the record.

Mayor Barna asked if everyone was okay to make a motion not to enforce the ordinance.

City Manager Fisher discouraged the Council to vote "not" to enforce an ordinance. He felt that would be more of a slippery slope than anything.

Mayor Barna said that an ordinance was on the books that may change or may not change. He didn't like Council as a whole, or individual Councilmembers telling the City staff to not enforce something that Council implemented in the manner of an ordinance. The Mayor felt that the proposed resolution said that the City could step back and look at this in a very similar way the City did with the banks. The City wasn't saying they didn't want another bank in Murphy, but the City was taking a break and would decide what Murphy's development would look like.

Councilmember Thomas asked if it would be okay to clarify that the Council's interpretation of City Code Section 28-155(a) would be that synthetic turf is a non-living material. It would make it less ambiguous for now.

Councilmember Grant stated that in his opinion it wasn't something the Council should do right now.

City Manager Fisher explained that the intent of this resolution was to put everything on hold for ninety (90) days for City staff to get a report back to Council so they could make a decision. Part of that decision would be to clarify this ordinance.

Deputy Mayor Pro Tem St. Clair stated that he didn't necessarily disagree with the resolution. He just wanted to be very cautious in doing so and only in very limited circumstances.

Councilmember Grant said he didn't see a difference in a resolution and a motion in Council establishing a moratorium on the installation and removal of synthetic turf in the City of Murphy.

Mayor Barna asked Councilmember Grant if he felt that just making a motion was equal to the resolution. Councilmember Grant stated that he did think so. He stated that it was essentially instructing staff to do the very same thing, it's just not a resolution.

City Manager Fisher stated that a resolution is a document of Council that says this is the wishes of the Council.

Mayor Barna stated that he was good either way. He felt that everybody on staff and on Council is in agreement with what the City was trying to accomplish here except for the method of how to accomplish it.

City Manager Fisher reminded Council that the agenda item read consider and take appropriate action, if any, on a Resolution. He explained that he didn't know if the resolution was not approved that the Council could approve a different item because this specifically stated a resolution.

Councilmember Grant stated that he believed the City Manager was correct. Because the way the agenda item was worded, it needed to wait until the next Council meeting or Council could vote on the resolution tonight.

Councilmember Bradley said he agreed with the Mayor. He could go either way. He didn't have a problem with the resolution but he also thought Councilmember Grant was right about the action of Council is a similar action. Bradley said he just didn't see the downside of the resolution.

Mayor Pro Tem Siddiqui asked if the Council were to wait until the next Council meeting, then what would the agenda item be. Would it be a resolution or would it be discussion and a motion for a moratorium? He felt that Council might be splitting hairs here as to the definition. He wasn't sure how structurally any action Council took would differ from a resolution if the end result was a moratorium.

Mayor Barna said he thought actions on Council were quasi-resolutions anyway. He stated that he might be totally wrong from a legal perspective.

COUNCIL ACTION (7.C.):

APPROVED

Deputy Mayor Pro Tem St. Clair moved to approve the resolution declaring the moratorium regarding the permitting, installation, removal of synthetic turf in the City of Murphy as presented.

The motion was seconded by Councilmember Bradley and passed with following 5 to 2 vote:
AYES: Mayor Barna, Mayor Pro Tem Siddiqui, Deputy Mayor Pro Tem St. Clair, Councilmember

Bradley and Councilmember Thomas. NOES: Councilmember Spraggins and Councilmember Grant. (*Resolution 14-R-791*)

D. Discussion on the FY 15 Annual Budget.

City Manager Fisher this item was placed on the agenda to get some direction from Council. He suggested that Council might want to have the discussion with NewGen about the utility rate study first as it might have some bearing on the Council's budget discussion.

Mayor Barna wanted to go ahead with the budget discussion. Although the utility rate study would be a big part of the budget discussion, he felt it would not matter for tonight's general discussion.

City Manager Fisher stated that City staff wants to ensure that all of the City Council expectations are met. He went on to say that it was important for staff to know the wishes and overall goal(s) of Council and compile the support information that will help Council understand the draft requests.

Fisher also asked what type of meeting schedule the City Council would like this year so he could prepare a budget calendar for Council and staff to plan their summer vacations and other events.

Mayor Barna said that last year there were several new Councilmembers so a more in-depth departmental discussion was needed. But this year, he felt that Council could tackle a lot more because everyone was a lot more comfortable with the process and what the budget included. The Mayor suggested that possibly budget discussions could be held the off-weeks from regular City Council meetings, although he didn't necessarily like that from the standpoint of vacation time. He reported that he was still up-in-the-air on summer vacation.

Councilmember Thomas stated that while Council was talking frameworks, he would like to see a strategic conversation. The City was nearing the build-out phase and getting near a baseline maintenance-type budget. He went on say that the City has no idea what the property valuations will be and that was a huge chunk of the City's revenues, so he would like to push revenues aside as all best practices do and talk about our expenses. Let's look at it department-by-department now and what it might look like 2-3 years down the road. Let's put some sort of baseline in place for where these departments are in their budgets. Then the City can determine the expenses and Council could have a discussion about the revenues. Thomas said that is how he does it at home and how it's done in private business.

Mayor thanked Councilmember Thomas for his thoughts and told Mr. Fisher that gives City staff a general idea what he would like to see. As far as timing goes, nothing like last year's schedule was needed. He agreed that he would like to look at the expenses without revenue and look at what Council would really like the City to be.

City Manager Fisher stated that although budget discussions in the past started with revenues, he was hearing that this year the revenues would be pushed off to the side and Council would focus on the expenses and baselines of each department.

Mayor Barna discussed how his business prepared their budget but from the standpoint of the City, he wanted to look at where Council wanted Murphy to be a year from now and look at expenses first. He felt that looking at revenue first would cloud that. It might be that the revenue is not there to reach that vision and that would be the time to start paring down.

City Manager Fisher asked if the roadmaps that the department heads had laid out for the next five years was helpful or did it need to be fine-tuned.

Deputy Mayor Pro Tem St. Clair reported that his personal opinion was it was every department's wish list. Maybe it needed to be trimmed down to what the essential needs are. He felt that the wish list could be astronomical as far as the revenues needed.

Councilmember Bradley felt that a discussion was needed about what the City was doing right and what could be improved. If the City wanted to add a new program, the most important question to ask would be whether or not this new program would meet a need. He had sent the City Manager a list of things that are not done well in the City or things that cause issues in the City. Bradley thought a conversation with City staff was needed about where they think the problems are and what needed to be fixed. He stated that Council would have some of their own feelings about what may not be operationally working and where the City needs to look at the budget. It would be easy if you could say that the City runs perfectly and everything is right, then the budget is perfect for what we are doing. A conversation needs to be had about some places where we may be overly investing and some places where we are under-investing.

Councilmember Thomas stated that for the record, he thought there were a lot of things the City does right. He just felt that if you start with revenues, you will spend it. He wanted to start with expenses although he wasn't saying slash and burn, he just wanted to get a good idea of what the baseline needs were.

Mayor Barna said he agreed.

Councilmember Grant said he would like Mrs. Fincanon (his opponent in the upcoming City election) to address this as well but his preference was to have one main all-day meeting on the budget with two or three follow ups to clarify any issues that weren't addressed in the all-day session. He agreed that going over expenses first was a good idea. Grant questioned the City Manager about the deadline the City had to approve the tax rate. He felt that any expenditure discussion would need to be done by late July if the tax rate had to be approved in August.

City Manager Fisher explained that the charter required that the budget be submitted to the Council by August 10th. The tax rate is adopted in September, although it has been determined what it will be in July or August. Fisher went on to say that one of the challenges this year is that that the charter states the budget must be submitted to Council by August 10th, which is a Sunday and the Council meeting before that is scheduled for August 5th. City staff will probably present the budget to Council on August 5th rather than try to squeeze in a special meeting.

Councilmember Grant suggested that the budget deadline might be put on the list for the Charter Review Committee in the future.

Deputy Mayor Pro Tem St. Clair asked about the community survey and when it might be done in relation to the budget time-line. Mayor Barna reported that he and Councilmember Thomas needed to get-together to get the survey underway. City Manager Fisher said hopefully it would be completed in the next few weeks.

Mayor Pro Tem Siddiqui questioned Councilmember Grant about the proposed all-day meeting. He asked if Grant intended that it would be a department-by-department look at the expenses.

Councilmember Grant stated that in his experience it was better if you had the ability to meet for one day, then you could focus and see the larger picture. You could see all of it in totality as opposed to seeing it piece meal. Mayor Pro Tem Siddiqui said that sounded good to him.

Councilmember Grant stated that a side note was if Council met in an all-day meeting, the City would only have to pay the Councilmembers \$50 for the day instead of each time for the additional meetings.

Councilmember Bradley explained that the concerns he had were that staff would get quite a bit of guidance in that single meeting and follow up meetings would have to come after that. He stated that you would have to give staff all of this time to develop their budget with no sort of guidance from Council, then staff would present their first draft. The meeting would be held and Council would give staff a lot of feedback based on the discussions. A couple of follow-up meetings would be set up. Staff would only receive guidance after they submitted their draft. If there is a lot of disagreement, Council might run into a calendar issue.

Mayor Pro Tem Siddiqui suggested that perhaps the discussion on the budget expenses be held before the all-day budget session, so Council could determine priorities.

Councilmember Bradley said that Council needed a strategy conversation, look through the expenses and then come into a budget draft conversation. The budget draft conversation could possibly generate a lot of questions and recommendations that would come prior to the follow up meetings. He stated that it was similar to Councilmember Grant's recommendation of an all-day meeting, but Councilmember Bradley felt that some kind of conversation was needed ahead of time to give staff some guidance.

Councilmember Grant explained that he was afraid that Council would get too far into the line item sort of situation if they did what Councilmember Bradley proposed. He went on to say that staff to some degree base budgets off the previous year experience. He didn't disagree that giving staff strategic direction was valuable.

Councilmember Bradley stated that he had some very specific issues or recommendations that he would like to have conversations about.

Mayor Barna suggested that Council have a budget discussion in May as part of one of the regularly scheduled Council meetings, probably the second one. He told the Council that if anyone had any concerns to pass them on to City staff. Then after the initial discussion, an all-day session on expenditures could be scheduled. Then Council would look at revenues.

The City Manager announced that staff could pencil in the May 20th regularly scheduled meeting and not put anything on that agenda except the FY 15 budget discussion. At that same meeting, the all-day session could be set for some time in June.

Councilmember Grant reminded Mr. Fisher that Council would also have the swearing-in of the newly elected members of City Council at the May 20th meeting.

The Mayor and Council agreed to this.

City Manager Fisher stated that he would compile all of the suggestions and recommendations if Council would get them to him before May 1st if possible. He reported that City staff would be meeting in early May and could review this list. He asked the Council if they already knew of any dates set for vacation to please let him know so he could start compiling a budget calendar.

COUNCIL ACTION (7.D.):

NON-ACTION ITEM

No action was taken on this item.

- E. Consider and take action, if any, on the proposed contract agreement for concession facility located at Central Park between PSA and the City of Murphy.

Mayor Barna stated that there was one public comment on this item.

Mr. Yanni Garmiris, 170 E. FM 544 – He thanked the Council for the opportunity to talk to them. He wanted to submit an application for when the tribute to the Beatles comes next month and when Emerald City comes. He was informed that local vendors might not be allowed to sell food because of this proposed agreement with PSA. It was his opinion that it would be better to have local vendors because people from other areas will be coming for these events and they could see what Murphy has to offer besides the new amphitheater. Maybe they would come back and spend money. Mr. Garmiris told Council that the South Fork Ranch is also in the vending business and a lot of local mom and pop restaurants have a lot of experience in the vending business.

Councilmember Bradley asked Mr. Garmiris if he was looking to use the concession building itself or was he looking to have a booth or a tent. Mr. Garmiris reported it would just be a booth and that most vendors would not want to use that facility. They would bring in their own trailer or tent and their own equipment.

City Manager Fisher recommended that no action be taken on this item because he has had many conversations with PSA on how to make this work. He stated that the last thing the City wanted to do was get in the concession stand business. On the flip side, PSA is making an investment in this and they want the ability to be exclusive so that people will buy from them. What happens with that is exactly what the Council just heard. This agreement does not allow local vendors to participate. He would like to have a little more time to work on this agreement to let PSA run the concession stand where the City does not have anything to do with it. That would be a win-win for the City. But at the same time, we don't want to exclude our local businesses or any non-profit groups that want to help us.

Mayor Barna stated that this issue was going to be his big point of contention on this item tonight and he thanked Mr. Fisher for his recommendation that no action be taken. He couldn't approve the agreement as an exclusive arrangement because of the fact of the matter is that he wants Yanni's Café and South Fork at every one of Murphy's events. These local vendors have certainly made their investment in Murphy, just like the residents have made their investments in their homes. The City needs to support these businesses.

COUNCIL ACTION (7.E.):

NO ACTION

No action was taken on this item.

F. Update and discuss the utility rate study by NewGen Strategies & Solutions.

City Manager Fisher stated this item was on the agenda because there had been a lot of questions on this rate study and he had requested NewGen come in and give Council an update. City staff got the final pieces of information they were needing to them last week. Staff went back through capital projects and capital improvements that would be required over the next 5-7 years.

Mr. Chris Ekrut addressed the City Council on the rate study update. He stated they wanted to engage the Council tonight on discussion of the City's policy. They had made an initial review of the City's rate design and would give some of his observations on the current rate design. He reported that when the recommendations come back to Council they wanted to hit the Council's goals and objectives. They anticipate being back on May 6th with their draft recommendations for Council's consideration.

They are looking at revenue projections under the current utility rates.

Mr. Ekrut showed the Council a regional comparison of water and sewer rates on an average residential customer basis. The average used for water customers is 8,900 gallons and 6,600 gallons for sewer customers. Cities included in the regional comparison are all customers of the North Texas Municipal Water District as well as those that are similar demographically or geographically. He explained that this is not an apples-to-apples comparison. Every utility is different. It was determined that a good portion of the City of Murphy's water is going to irrigation.

Mr. Ekrut stated that NewGen had one meeting with Council and one meeting with City staff. He discussed the four points regarding policy that they had received:

- 1) Consider reduction in the General Fund transfer and in doing so potentially reflect payment by the General Fund of its water use.
- 2) Council would like to see the North Texas Municipal Water District charges as a separate charge within the rate design.
- 3) Review equity of current base rate levels.
- 4) Assure rates reflect sufficient funding of capital investments.

Mr. Ekrut asked Council if there was anything they had missed.

Mayor Barna asked about the General Fund paying for actual water use. He stated that for the last several years, the City of Murphy has not hit the contract minimum owed to North Texas and he would like to know if the water that the City is using would be in that contract window. He didn't think it made sense to charge the City for water it was using that the City was already paying for.

Finance Director Truitt explained that if the City paid for water it used, the General Fund would be paying money into the Utility Fund.

Councilmember Grant asked if point #2 was the idea of making the rate structure to pass through whatever the increase would be from North Texas Municipal Water District so there wouldn't have to be an additional vote and the rates would automatically be raised.

Mr. Ekrut explained that the volumetric rate structure would be broken into two components – the City component and the North Texas component. The City Council could adopt a policy that stated the North Texas component would automatically pass through to the customer and would not take Council action.

Mayor Barna said that these two components should be very apparent but he wanted to vote on every water rate. He didn't want it to be an automatic pass through whenever North Texas increased their rates.

Mr. Ekrut explained that he would bring the two components to Council and how Council chose to manage the two components is a policy decision.

Mayor Barna said this was really no different than the M&O tax rate and the debt service tax rate. He explained that in the past when the City was receiving a lot of building fees and a lot of impact fees, it was easier for the City to absorb the increases from North Texas than it is now. He wanted there to always be a conversation about any increase in water rates.

Councilmember Grant said he thought that was a valid point but he wanted to make this the most transparent way possible for the citizens to understand the things the City can control and what the City cannot control.

Mayor Barna stated that when the City increased the fixed rate, he didn't even notice it; however, many people on a fixed income were extremely affected. Mr. Ekrut told Council that was an issue for lower volume customers who were almost always your fixed income customers. It was important to know who will be impacted by the rate design.

The current water rate was discussed and recommendations for changes were listed by Mr. Ekrut.

Standard demand for water meters was reviewed in detail. Everything was based on the current charge of a ¾" meter of \$25.00. He recommended that the City go back to industry standards and adjust the rates proportionally.

Mr. Ekrut estimated that currently 39% of the City's revenue comes from that fixed charge. He stated that the minimum revenue the City should recover through the base rate should at least

cover the City's debt. There is not an industry standard but a generally accepted metric of revenue recovery from the base rate is 30%. He reported that it looks like there might be some room to bring the base rate down and stay in a relatively stable revenue situation.

He reviewed the volumetric side of the residential utility rate and the percentage of change between the blocks.

Mr. Ekrut discussed wastewater costs. Wastewater is a service whereas water is a commodity. All wastewater in Murphy is domestic strength. He recommended the same rate structure apply to everyone across the board.

Councilmember Grant stated that he wanted to see that the customers impacting the system are the ones paying for the system.

Another policy of the City of Murphy that NewGen has reviewed is the Leak Adjustment Policy. Mr. Ekrut explained this policy to Council and compared other cities' policies. He recommended changes to this policy.

Councilmember Grant questioned City staff about the number of leak adjustment requests on an annual basis. Finance Director Truitt pointed out that it was an administrative headache.

Councilmember Grant requested NewGen's assistance in helping customer service compute the leak adjustment. Mr. Ekrut stated that a module could be built into the rate model.

City Manager Fisher reminded Council that a meter technician was included in the current budget and should come on board in the next month or so.

Mr. Ekrut thanked the Council for their time and discussion.

COUNCIL ACTION (7.F.):

No action was taken on this item.

NON-ACTION ITEM

8. CITY MANAGER/STAFF REPORTS

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

City Holiday – April 18th

Drug Take Back Day – April 26th

Joint P&Z and Council meeting – April 21st

Traffic Signal Construction at 544 & Maxwell Creek

Medians on Heritage

9. ADJOURNMENT

With no further business, the meeting was adjourned at 8:29 p.m.

APPROVED BY:

Eric Barna, Mayor

ATTEST:

Kristi Gilbert, City Secretary

MURPHY PLANNING AND ZONING COMMISSION AND
MURPHY CITY COUNCIL MINUTES
APRIL 22, 2014 JOINT MEETING

CALL TO ORDER

Mayor Barna called the meeting to order at 6:30 p.m.

ROLL CALL & CERTIFICATION OF A QUORUM

PLANNING & ZONING COMMISSION and CITY COUNCIL

Interim City Secretary Terri Johnson certified a quorum with the following persons present:

City Council Members Present:

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

Councilmembers absent: Councilmember Bernard Grant

Planning & Zoning Commissioners Present:

Chairman Steve Levy
Vice Chair Jon King
Secretary Ty Holcomb
Commissioner Camille Hooper (*arrived at 6:31*)
Commissioner John Johnson
Commissioner Eric Hemphill
Commissioner Thekkil
Commissioner Mersch

P&Z Commissioners Absent: Vice Chair Jon King
 Commissioner John Johnson
 Alternate Commissioner Lloyd Jones

City Staff Present:

James Fisher, City Manager
Brenda McDonald, Assistant City Attorney
Kristen Roberts, Director of Community & Economic Development
Lori C. Knight, Administrative Assistant
Terri Johnson, Interim City Secretary

SEAT PLANNING & ZONING COMMISSION ALTERNATES AS NEEDED

INDIVIDUAL CONSIDERATION

1. Hold a public hearing on the request to amend Ord. No. 09-02-785 to consider additional uses and revised development standards on approximately 6.43 acres of property zoned PD (Planned Development) District No. 09-02-785 located on FM 544 approximately 800' west of Heritage Parkway.

PUBLIC HEARING OPENED AT 6:32 P.M.

The following persons addressed the City Council and the Planning & Zoning Commission:

1. Mark Daglish – Opposed
2. Les Tingle – Opposed
3. Sara Sammon – For
4. Gus De La Loye – Neutral
5. Dennis Richmond- For
6. Dana Johnson – For
7. Mary Quilantan – For
8. Pamela Gilleland – For
9. Connie Mathes- For
10. Kurt Avery – For
11. Hector Carbonell – For
12. Don Grubbs – For
13. Greg Yearsley – For
14. David Bottlinger – For
15. Jeff Hanson – For
16. Diane Tingle – For

PUBLIC HEARING CLOSED AT 7:26 P.M.

2. Hold a public hearing on the request to approve a Concept Plan for approximately 6.43 acres of property zoned PD (Planned Development) District No. 09-02-785, as amended, located on FM 544 approximately 800' west of Heritage Parkway.

PUBLIC HEARING OPENED AT 7:27 P.M.

No one spoke in favor of or in opposition to the concept plan.

PUBLIC HEARING CLOSED AT 7:27 P.M.

3. Planning & Zoning Commission consider and/or act on the request to amend Ord. No. 09-02-785 to consider additional uses and revised development standards on approximately 6.43 acres of property zoned PD (Planned Development) District No. 09-02-785 located on FM 544 approximately 800' west of Heritage Parkway.

Staff Discussion

City Manager James Fisher stated that staff recommended approval of amending the PD (Planned Development) to allow vet use without outdoor kennels and to include the verbiage, *“that all development must be at a minimum of 100 feet setback from the creek”*.

Commissioner Thekkil stated that once the development of the vet clinic was approved, he would not support any future development along FM 544 due to the fact that the green belt was diminishing. Mr. Fisher stated that later in the agenda, after the site plan and landscape plan, any future development would have to come back for Planning and Zoning approval.

Commissioner Hemphill stated that on the PD it references screening and fences which are not allowed in the PD. Mr. Fisher stated that a Planned Development allows the flexibility to create a special project for that property. Mr. Fisher stated that if the Commission wanted, they could allow fences and screening.

COMMISSION ACTION

Commissioner Hemphill made a motion revise the Planned Development to allow veterinary clinics with no outside kennels, to provide verbiage that the 100 ft. setback is from the top of the creek bank and amend Section V(E) to allow a wooden fence at the rear of the veterinary use. Secretary Holcomb seconded the motion. The motion carried unanimously.

4. Planning & Zoning Commission consider and/or act on the request to approve a Concept Plan for approximately 6.43 acres of property zoned PD (Planned Development) District No. 09-02-785, as amended, located on FM 544 approximately 800' west of Heritage Parkway.

Staff Discussion

Commissioner Hemphill stated that his concern, for the last three months, has been the left turn lane plans. Mr. Fisher stated that unless the concept plan is approved, TXDOT would not look at the left hand turn plans but he stated that the City Engineer had reviewed and approved them. Commissioner Hemphill also stated his concerns for the sidewalk and the safety of it. Mr. Fisher stated that they have put money in escrow which they have done many times for other projects because of the fact that one doesn't really know where the sidewalk is going to go until everything has been built on a project. Mr. Fisher stated he would not want to put a sidewalk in at this time only to have to have it moved several feet later. Mr. Fisher stated that the developer can take the sidewalk off the concept plan since it is really not known where that sidewalk is going to go.

COMMISSION ACTION

Commissioner Hemphill made a motion to recommend approval of the concept plan subject to the following conditions: remove the sidewalk along FM 544 from the concept plan, add a note requiring escrow of the funds for construction of the sidewalk with such escrow amount to be determined by the City, and requiring that a future 10 foot sidewalk easement will be dedicated at no cost to the City as such time as the sidewalk location is determined – the sidewalk easement will be located outside of proposed building sites shown on the Concept Plan. Secretary Holcomb seconded the motion. The motion carried unanimously.

5. Planning & Zoning Commission consider and/or act on the application of **Lloyd M. Nelson** requesting approval of a site plan, landscape plan, and building elevations for Carbonell Veterinary Hospital on property zoned PD (Planned Development) District No. 09-02-785 on property located on the proposed Lot 1, Block 1, Nelson Addition, approximately 800' west of Heritage Parkway. *This item was tabled at the January 27, 2014 Planning & Zoning meeting.*

Commission Action

Commissioner Hemphill made a motion to remove this item from the table. Commissioner Thekkil seconded motion. The motion carried unanimously.

Staff Discussion

Mr. Fisher stated that staff recommended approval of the proposed Site Plan, Landscape and Tree Replacement Plans, and Building Elevation Plan as submitted. The left turn land approval will have to come from TXDOT.

Commissioner Hemphill stated that a member of the HOA made a reference to the buffer of trees. Mr. Hemphill wondered if perhaps some berms could be placed there with the trees. Mr. Fisher stated that the City would work with Dr. Carbonell and his engineers to see when and if berms would be needed.

COMMISSION ACTION

Commissioner Hemphill made a motion to approve the site plan, landscape plan and building elevations for Carbonell Veterinary Hospital with the following conditions: remove the sidewalk along FM 544 as shown on the site plan, add a note requiring escrow of the funds for construction of the sidewalk with such escrow amount to be determined by the City, and require that a future 10 foot sidewalk easement will be dedicated at no cost to the City at such time as the sidewalk location is determined – the sidewalk easement will be located outside of proposed building show on the site plan. Secretary Holcomb seconded the motion. The motion carried unanimously.

6. Planning & Zoning Commission consider and/or act on the application of **Lloyd M. Nelson** requesting approval of a construction plat for Carbonell Veterinary Hospital on property zoned PD (Planned Development) District No. 09-02-785 on property located on the proposed Lot 1, Block 1, Nelson Addition, approximately 800' west of Heritage Parkway. *This item was tabled at the January 27, 2014 Planning & Zoning meeting.*

Commission Action

Commissioner Hooper made a motion to remove the item from the table. Commissioner Mersch seconded the motion. The motion carried unanimously.

Staff Discussion

James Fisher stated that staff recommended approval of the proposed Construction Plat as submitted. Mr. Fisher stated that staff has addressed all of the Commissions' concerns and outstanding issues.

COMMISSION ACTION

Commissioner Hemphill made a motion to approve the construction plat subject to revising Note 3 to reflect the current zoning on the property. Commissioner Hooper seconded the motion. The motion carried unanimously.

7. City Council consider and/or act on the request to amend Ord. No. 09-02-785 to consider additional uses and revised development standards on approximately 6.43 acres of property zoned PD (Planned Development) District No. 09-02-785 located on FM 544 approximately 800' west of Heritage Parkway.

City Manager James Fisher reported that the Planning & Zoning Commission recommended approval to amend Ord. No. 09-02-785 to allow the list of Permitted Uses to include Veterinary Clinic (no outdoor kennels) and included verbiage regarding 100' setback from the top of the creek bank. The P&Z's recommendation also include revising Section V(E) to allow a wooden fence at the rear of the clinic for veterinary use.

COUNCIL ACTION (Item 7):

APPROVED

Councilmember Thomas moved to approve amendments to Ord. No. 09-02-785 to add veterinary clinic (no outdoor kennels) as a permitted use, to amend Section V(E) to allow a wood fence at the rear of a veterinary clinic use and to require a minimum building setback line of 100 feet from the top of the creek bank. Mayor Pro Tem Siddiqui seconded the motion. For: Unanimous. The motion carried by a vote of 6 to 0. *(Reconsidered with new motion after Item 8)*

8. City Council consider and/or act on the request to approve a Concept Plan for approximately 6.43 acres of property zoned PD (Planned Development) District No. 09-02-785, as amended, located on FM 544 approximately 800' west of Heritage Parkway.

City Manager Fisher reported that this item had been approved by the Planning & Zoning Commission at tonight's meeting. The motion approved by P&Z was read by Assistant City Attorney McDonald.

Mayor Pro Tem Siddiqui questioned the current setbacks and the proposed setback from the creek bank. Councilmember Bradley reminded everyone that if any additional development is proposed, it will have to come back to the P&Z and City Council.

A question was raised from the audience about the required wooden fence to be built at the north property line and that person asked that a berm with trees be considered rather than a wooden fence. This required fencing would be constructed behind 120 Collin Court, 121 Sarah Drive, 628 John Close Drive and 632 John Close Drive.

COUNCIL ACTION (Item 8.):

APPROVED

Following discussion of this fence requirement, Councilmember Bradley moved to reconsider the amendments to Ord. No. 09-02-785 (item 7). The motion was seconded by Deputy Mayor Pro Tem St. Clair and passed with the unanimous vote of the City Council.

RECONSIDERATION OF ITEM 7:

City Council consider and/or act on the request to amend Ord. No. 09-02-785 to consider additional uses and revised development standards on approximately 6.43 acres of property zoned PD (Planned Development) District No. 09-02-785 located on FM 544 approximately 800' west of Heritage Parkway.

City Manager Fisher said that the subject at hand was the question about what to do about the 8' board-on-board fence required at the north property line.

Attorney McDonald stated that it would be appropriate for Council to consider the following motion for item 7:

Approve amendments to Ord. No. 09-02-785 to (1) add veterinary clinic (no outside kennels) as a permitted use; (2) to amend Section V(E) to remove the requirement for screening between the north property line and the single family subdivision to the north via construction of an eight (8) foot high board-on-board fence at grade behind 120 Collin Court, 121 Sarah Drive, 628 John Close Drive and 632 John Close Drive, and to allow a wood fence at the rear of the veterinary clinic use; and (3) to require a minimum building setback line of 100 feet from the top of the creek bank. *(Ordinance No. 14-04-975)*

COUNCIL ACTION (Item 7.):

APPROVED

Councilmember Thomas moved to approve said motion presented by the attorney for item 7. Councilmember Bradley seconded the motion. For: Unanimous. The motion carried by a vote of 6 to 0.

RESUME DISCUSSION OF ITEM 8:

City Council consider and/or act on the request to approve a Concept Plan for approximately 6.43 acres of property zoned PD (Planned Development) District No. 09-02-785, as amended, located on FM 544 approximately 800' west of Heritage Parkway.

City Manager Fisher reported that the P&Z Commission had considered this item and recommended it for approval.

Attorney McDonald proposed a motion for Council's consideration.

COUNCIL ACTION (Item 8.):

APPROVED

Mayor Pro Tem Siddiqui moved to approve the Concept Plan subject to the following conditions: (1) remove the sidewalk along FM 544 from the plan; (2) add a note requiring escrow of the funds for construction of the sidewalk with such escrow amount to be determined by the City, and requiring that a future 10 foot sidewalk easement will be dedicated at no cost to the City at such time as the sidewalk location is determined - the sidewalk easement will be located outside of proposed building sites shown on the Concept Plan. Councilmember Bradley seconded the motion. For: Unanimous. The motion carried by a vote of 6 to 0.

9. City Council consider and/or act on the application of Lloyd M. Nelson requesting approval of a site plan, landscape plan, and building elevations for Carbonell Veterinary Hospital on property zoned PD (Planned Development) District No. 09-02-785 on property located on the proposed Lot 1, Block 1, Nelson Addition, approximately 800' west of Heritage Parkway.

City Manager Fisher reported that the P&Z Commission had considered this item and recommended it for approval.

Attorney McDonald proposed a motion for Council's consideration.

COUNCIL ACTION (Item 9.):

APPROVED

Mayor Pro Tem Siddiqui moved to approve the site plan, landscape plan and building elevations subject to the following conditions: (1) remove the sidewalk along FM 544 from the plan; (2) add a note requiring escrow of the funds for construction of the sidewalk with such escrow amount to be determined by the City, and requiring that a future 10 foot sidewalk easement will be dedicated at no cost to the City as such time as the sidewalk location is determined - the sidewalk easement will be located outside of proposed building site shown on the Site Plan. Councilmember Bradley seconded the motion. For: Unanimous. The motion carried by a vote of 6 to 0.

10. City Council consider and/or act on the application of Lloyd M. Nelson requesting approval of a construction plat for Carbonell Veterinary Hospital on property zoned PD (Planned Development) District No. 09-02-785 on property located on the proposed Lot 1, Block 1, Nelson Addition, approximately 800' west of Heritage Parkway.

The City Manager reported that the Planning & Zoning Commission recommended approval of this item and it was presented for City Council's review and consideration.

COUNCIL ACTION (Item 10.):

APPROVED

Mayor Pro Tem Siddiqui moved to approve the construction plat for Carbonell Veterinary Hospital as recommended by the Planning & Zoning. Deputy Mayor Pro Tem St. Clair seconded the motion. For: Unanimous. The motion carried by a vote of 6 to 0.

ADJOURNMENT

With no further business, both the City Council and the Planning & Zoning Commission adjourned the joint meeting at 8:39 p.m.

APPROVED BY:

Eric Barna, Mayor

Steve Levy, P&Z Chair

ATTEST:

Kristi Gilbert, City Secretary

Ty Holcomb, P&Z Secretary

Issue

Consider and take action, if any, on the approval of an resolution denying the rate increase requested by Atmos Energy Corp., Mid-Tex Division under the company's 2014 annual rate review mechanism filing in all cities exercising original jurisdiction; requiring the company to reimburse cities' reasonable ratemaking expensed pertaining to review of the RRM; authorizing the city's participation with Atmos Cities Steering Committee in any appeal filed at the Railroad Commission of Texas by the company; requiring the company to reimburse cities' reasonable ratemaking expenses in any such appeal to the Railroad Commission; determining that this resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; and requiring delivery of this resolution to the company and the steering committee's legal counsel.

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 February 28, 2014, 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 second annual RRM filing under the renewed RRM tariff.

The Atmos Mid-Tex RRM filing sought a \$45.7 million rate increase system-wide based on an alleged test-year cost of service revenue deficiency of \$49 million. Of the total amount requested, almost \$37 million is attributable to the affected cities. The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its request to increase rates. Although a good faith attempt was made by ACSC to reach a compromise with Atmos Mid-Tex, an agreement was not reached. In the absence of an agreement, the ACSC Executive Committee and ACSC's legal counsel have recommended that ACSC members adopt the attached Resolution denying the rate increase request.

The RRM tariff was adopted by the City as an alternative to the Gas Reliability Infrastructure Program ("GRIP"), the statutory provision that allows Atmos to bypass the City's rate regulatory authority to increase its rates annually to recover capital investments. In past years, cities have been able to reach a compromise with Atmos to reduce the rate impact from the requested RRM increases, and these compromises have also been lower than the rates that Atmos would have been entitled to under the GRIP filing. In this case, the Company would have been entitled to an increase from GRIP of no more than \$31.5 million. The magnitude of the requested increase under the 2014 RRM filing, and the wide differences between it and the ACSC consultants' recommendations made a compromise much more difficult and ultimately impossible. The Company demanded more than it would be entitled to if it had filed a GRIP case. For this reason, the ACSC Executive Committee and ACSC legal counsel recommend that all ACSC Cities adopt the Resolution denying the requested rate change.

RRM Background:

The RRM tariff was originally approved by ACSC Cities as part of the settlement agreement to resolve the Atmos Mid-Tex 2007 system-wide rate filing at the Railroad Commission. In early 2013, the City adopted a renewed RRM tariff for an additional five years. This is the second RRM filing under the renewed tariff. This filing was made by agreement less than one year after the first filing in order for the RRM rate-setting process to hereafter use a calendar year as the test period.

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 of approximately \$31.5 million.

Purpose of the Resolution:

Rates cannot change without the adoption of rate ordinances by cities. No related matter is pending at the Railroad Commission. The purpose of the Resolution is to deny the rate increase requested by Atmos. Under the RRM tariff, Atmos may appeal the rate decision of the cities to the Railroad Commission; such appeal must be filed within thirty (30) days of the City action.

The RRM tariff also allows Atmos to implement its requested rates effective June 1 while any appeal at the Commission is pending, subject to refunds based upon the outcome of the appeal. This would represent a monthly increase of approximately \$2.02 for the average residential customer, subject to any refund if the Commission reduces the rates implemented by Atmos. The actual impact will be slightly less than \$2.02 for most residential customers because the Company has indicated it will not appeal and thus concedes several of the issues raised by Cities. The Resolution also authorizes the City to participate as a party to the appeal in conjunction with the ACSC, and requires the Company to reimburse the City for its rate case expenses associated with the City's review of the RRM filing, and with the appeal of the City's denial of the rate increase.

Reasons Justifying Approval of the Resolution:

Consultants working on behalf of ACSC Cities have investigated the Company's requested rate increase. While the evidence does not support the \$45.7 million increase requested by the Company, ACSC's consultants agree that the Company can justify an increase in revenues of a much lesser amount—namely, an increase of only \$19 million. The Executive Committee authorized a settlement value considerably above the consultants' recommendation but it was insufficient to meet the Company's expectation. The Company and ACSC Cities were too far apart in their positions to reach a compromise, and rather than granting a partial increase that the Company will not accept, the option remaining is to deny the rate increase request in its entirety, and participate in the Company's appeal of this decision at the Railroad Commission.

Rate Impact of Appeal by Atmos Effective June 1:

The RRM tariff constrains the annual increase in the residential customer charge to no more than \$0.50. The current \$17.70 customer charge will be increased to \$18.22 per month with the addition of an energy conservation program surcharge of \$0.02. The current \$17.70 customer charge for unincorporated area customers will become \$20.32 per month because all of the increase associated with a GRIP filing, which is applicable to all customers not covered by a RRM tariff, is placed on the customer charge. However, the commodity charge for unincorporated residential service will be less than one-half of the commodity charge for residents of incorporated areas—\$0.04172 per Ccf vs. \$0.08998 per Ccf.

A comparison of rates and rate impact of what Atmos initially proposed in its RRM filing is reflected in the following chart:

Customer Class	Current Bill	New Bill	Difference	New Customer Charge	New Commodity Charge	Base Rate Increase
Residential	48.09	50.11	2.02	\$ 18.22	\$0.08998 Ccf	9.41%
Commercial	254.85	260.91	6.06	\$ 38.85	\$0.07678 Ccf	9.59%
Industrial	4,680.30	4,837.10	156.80	\$675.00	declining block	9.70%
Transportation	2,836.84	2,993.64	156.80	\$675.00	declining block	9.70%

However, Atmos has indicated that it will not appeal all issues raised by Cities and thus the impact should be slightly less than what is reflected in the above chart. A precise impact statement cannot be presented until after the Company's appeal is filed.

Financial Considerations

N/A

Staff Recommendation

Approval of the resolution as presented.

Attachments

- 1) Resolution
- 2) Memo from Atmos Cities Steering Committee (ACSC) – Under Separate Cover

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, DENYING THE RATE INCREASE REQUESTED BY ATMOS ENERGY CORP., MID-TEX DIVISION UNDER THE COMPANY'S 2014 ANNUAL RATE REVIEW MECHANISM FILING IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES PERTAINING TO REVIEW OF THE RRM; AUTHORIZING THE CITY'S PARTICIPATION WITH ATMOS CITIES STEERING COMMITTEE IN ANY APPEAL FILED AT THE RAILROAD COMMISSION OF TEXAS BY THE COMPANY; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES IN ANY SUCH APPEAL TO THE RAILROAD COMMISSION; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; AND REQUIRING DELIVERY OF THIS RESOLUTION 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 February 28, 2014, the Company filed with the City its second annual RRM filing under the renewed RRM tariff, requesting to increase natural gas base rates by \$45.7 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 investigate issues identified by ACSC in the Company's RRM filing; and

WHEREAS, ACSC attorneys and consultants have concluded that the Company is unable to justify a rate increase of the magnitude requested in the RRM filing; and

WHEREAS, ACSC's consultants determined the Company is only entitled to a \$19 million increase, approximately 42% of the Company's request under the 2014 RRM filing; and

WHEREAS, the Company would only be entitled to approximately \$31 million if it had a GRIP case; and

WHEREAS, the Company's levels of operating and maintenance expense have dramatically risen without sufficient justification; and

WHEREAS, the Company has awarded its executives and upper management increasing and unreasonable levels of incentives and bonuses, expenses which should be borne by shareholders who received a 23% total return on investment in 2013; and

WHEREAS, the Company requested a drastically high level of medical expense that is unreasonable and speculatively based upon estimates; and

WHEREAS, ACSC and the Company were unable to reach a compromise on the amount of additional revenues that the Company should recover under the 2014 RRM filing; and

WHEREAS, the ACSC Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities deny the requested rate increase; and

WHEREAS, the Company's current rates are determined to be just, reasonable, and in the public interest.

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

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

Section 2. That the City Council finds that Atmos Mid-Tex was unable to justify the appropriateness or the need for the increased revenues requested in the 2014 RRM filing, and that existing rates for natural gas service provided by Atmos Mid-Tex are just and reasonable.

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 in the event the Company files an appeal of this denial of rate increase to the Railroad Commission of Texas, the City is hereby authorized to intervene in such appeal, and shall participate in such appeal in conjunction with the ACSC membership. Further, in such event Atmos Mid-Tex shall reimburse the reasonable expenses of the ACSC Cities in participating in the appeal of this and other ACSC City rate actions resulting from the 2014 RRM filing.

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

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

Section 7. That a copy of this Resolution 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.

RESOLVED this 6th day of May, 2014.

Eric Barna, Mayor
City of Murphy

ATTEST:

APPROVED AS TO FORM:

Kristi Gilbert, City Secretary
City of Murphy

City Attorney

City Council Meeting May 6, 2014

Issue

Consider and/or act on the City of Murphy Water Conservation and Drought Management Ordinance (Ordinance 11-10-897).

Background

On April 25, 2014, the North Texas Municipal Water District (NTMWD) approved the continuation of Stage 3 landscape water once every two weeks for the month of May. The City of Murphy is currently in Stage 3 condition according to Ordinance No. 11-10-897, our Water Conservation and Drought Management Ordinance.

The City Council adopted changes to the Water Conservation and Drought Management Ordinance at their March 18, 2014 Council meeting.

The Council will be considering the 2014 Water Conservation Plan and the 2014 Water Resource and Emergency Management Plan at their May 20th meeting.

Considerations

This item is provided as an update on current drought restrictions. Consideration is included should the Council desire to take any action

Attachments

Ordinance 11-10-897 Water Conservation and Drought Management Plan
Ordinance 14-03-973 Amending Ordinance 11-10-897
Ordinance 13-11-961 Amending Ordinance 11-10-897
NTMWD News Release Dated April 25, 2014

ORDINANCE NO. 11-10-897

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, AMENDING 11-08-890 TO INCLUDE NOVEMBER 1 TO MARCH 31 STAGE 3 WATERING SCHEDULE; REPEALING ORDINANCE NO. 06-07-699 IN ITS ENTIRETY; REPEALING ORDINANCE NO. 06-08-703 IN ITS ENTIRETY; REPEALING ORDINANCE NO. 11-03-875 IN ITS ENTIRETY; REPEALING CHAPTER 82, ARTICLE IX., SECTIONS 82-371 THROUGH 82-377 OF THE CITY OF MURPHY CODE OF ORDINANCES IN ITS ENTIRETY; AMENDING THE CITY OF MURPHY CODE OF ORDINANCES BY AMENDING CHAPTER 82, ARTICLE IX, TO ESTABLISH A NEW DROUGHT CONTINGENCY AND WATER EMERGENCY RESPONSE PLAN; ESTABLISHING MANDATORY WATERING SCHEDULE FOR STAGE 2, INCLUDING PROHIBITED WATERING HOURS; ESTABLISHING MANDATORY WATERING SCHEDULE FOR STAGE 3, INCLUDING PROHIBITED WATERING HOURS; ESTABLISHING A WATER RATE SURCHARGE FOR STAGE 4; ESTABLISHING PROCEDURES FOR GRANTING VARIANCES; ESTABLISHING PENALTIES FOR VIOLATING THE RESTRICTIONS AND PROVISIONS FOR ENFORCEMENT OF THESE RESTRICTIONS; PROVIDING FOR MANDATORY PROVISIONS IN WHOLESALE WATER CONTRACTS; PROVIDING FOR FILING OF THE PLAN WITH THE TCEQ; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A CUMULATIVE/REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Murphy, Texas (the "City"), recognizes that the amount of water available to its water customers is limited; and

WHEREAS, the City recognizes that due to natural limitations, drought conditions, system failures and other acts of God which may occur, the City cannot guarantee an uninterrupted water supply for all purposes at all times; and

WHEREAS, the Water Code and the regulations of the Texas Commission on Environmental Quality (the "Commission") require that the City adopt a Drought Contingency and Water Emergency Response Plan; and

WHEREAS, the City has determined an urgent need in the best interest of the public to adopt a Drought Contingency and Water Emergency Response Plan; and

WHEREAS, pursuant to Chapter 54 of the Local Government Code, the City is authorized to adopt such Ordinances necessary to preserve and conserve its water resources; and

WHEREAS, the City Council of the City of Murphy desires to adopt the North Texas Municipal Water District (the “NTMWD”) Model Drought Contingency and Water Emergency Response Plan as official City policy for the conservation of water.

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

SECTION 1. FINDINGS INCORPORATED.

The findings set forth above are incorporated into the body of this ordinance as if fully set forth herein.

SECTION 2. AMENDMENT OF CHAPTER 82, ARTICLE IX., CODE OF ORDINANCES.

That Chapter 82, Article IX., Sections 82-371 through 82-377 of the Code of Ordinances of the City of Murphy, Texas are hereby repealed and Chapter 82, Article IX., is hereby amended to adopt a new Drought Contingency and Water Emergency Response Plan to read as follows:

“Sec. 82-371. Adoption of Plan.

The City Council hereby approves and adopts the NTMWD Model Drought Contingency and Water Emergency Response Plan, as modified for the City of Murphy (the “Plan”), attached hereto as Addendum A, as if recited verbatim herein. The City commits to implement the requirements and procedures set forth in the adopted Plan.

Sec. 82-372. Mandatory Watering Schedule for Stage 2; Prohibited Hours.

In the event the City Manager declares Stage 2, customers shall comply with the following schedule for irrigation of existing landscape areas with hose-end sprinklers or irrigation systems:

- A. Schedule:
 - a) Residential Street addresses ending in odd numbers (1,3,5,7,9) may water on Mondays and Thursdays only.
 - b) Residential Street addresses ending in even numbers (0,2,4,6,8) may water on Wednesdays and Saturdays only.
 - c) Public Schools, All Non-Residential Businesses, City and HOA entries/medians may water on Fridays and Tuesdays only.
- B. Prohibited Watering Hours. All watering is prohibited during the hours of 10:00 a.m. – 6:00 p.m.

Sec. 82-373. Mandatory Watering Schedule for Stage 3; Prohibited Hours.

In the event the City Manager declares Stage 3, all of the requirements of Stages 1 and 2 remain in effect during Stage 3, except customers shall comply with the following

schedule for irrigation of existing landscape areas with hose-end sprinklers or irrigation systems:

- A. Schedule between April 1 and October 31:
 - a) Residential Street addresses ending in odd numbers (1,3,5,7,9) may water on Mondays only.
 - b) Residential Street addresses ending in even numbers (0,2,4,6,8) may water on Wednesdays only.
 - c) Public Schools, All Non-Residential Businesses, City and HOA entries/medians may water on Fridays only.
- B. Schedule between November 1 and March 31:
 - a) Limit landscape watering with sprinklers or irrigation systems between November 1 and March 31 to once every two weeks. All water customers using sprinklers or irrigation systems may only operate those systems on Thursdays, if needed. Specific dates will be published on the city website of designated watering days for designated service zones and water customers.
- C. Prohibited Watering Hours. All watering is prohibited during the hours of 10:00 a.m. – 6:00 p.m.

Sec. 82-374. Water Rate Surcharge.

In the event the City Manager declares Stage 4, all of the requirements of Stages 2 and 3 remain in effect during Stage 4 with the same mandatory irrigation schedule listed in Stage 3 and, in addition, a customer will be charged a water rate surcharge for water usage as follows:

<u>Gallons</u>	<u>Rate</u>
0 – 15,000	1.25 times the regular rate
15,001-30,000	2 times the regular rate
30,001 – 45,000	2.5 times the regular rate
45,001 +	3 times the regular rate

The regular rate shall be established pursuant to the City's fee ordinance on an annual basis.

Sec. 82-375. Variances to the Plan.

- (a) Customers may water new planting of grass within the first thirty (30) days up to four (4) hours a day by any means. Watering is prohibited from 10:00 a.m. to 6:00 p.m.
 - (1) Prior to the first day of the thirty (30) day watering period, residents or businesses must provide the following information to the City:
 - i. Address;
 - ii. Company name;
 - iii. Superintendent name;
 - iv. Superintendent contact number;

- v. First day of thirty (30) day watering period;
- vi. Expiration date of thirty (30) day watering period; and
- vii. Starting and ending time of watering period.

(2) Customers are required to have a weather proof sign, capable of lasting the full thirty (30) day watering period, posted in the front yard. The sign shall be separate and not attached to any other signs. In addition, a window sign shall be posted on the inside of a window, on the front of the building. The sign shall be legible from the street on neon colored paper with black print. Window signs shall include the following information:

- i. Company name;
- ii. Address;
- iii. Approved thirty (30) day watering period;
- iv. Approved day of the week, as specified in Stage 3 Restrictions;
- v. Starting date and ending date of thirty (30) day water period; and
- vi. Starting and ending time of watering period.

(b) The City Manager or his/her designee may, in writing, grant a temporary variance of existing water uses otherwise prohibited under the Plan if the City Manager or his/her designee determines that the failure to grant such a variance would cause an emergency condition adversely affecting the public health, safety or welfare, or the person requesting the variance would suffer an undue hardship and the person demonstrates that:

- (1) Compliance with the Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect; or
- (2) Alternative methods can be implemented which will achieve a similar level of compliance.

(c) Plan or a particular drought response stage has been initiated. A petition for a variance must include the following:

- (1) The name and address of petitioners;
- (2) The purpose of the intended water use;
- (3) The specific requirement of the Plan from which the petitioner is requesting relief;
- (4) A detailed statement as to how the specific requirement creates a hardship unique to the petitioner or adversely affects the petitioner, and a statement as to what damage or harm will occur to the petitioner or others if the petitioner complies with this article;
- (5) A description of the relief requested;
- (6) The period of time for which the variance is sought; and
- (7) A description of what alternative water use restrictions or other measures the petitioner is taking or proposes to take in order to meet the intent of this Plan.

- (d) Unless waived or modified in writing by the City Manager or his/her designee, a variance granted under this section shall include a timetable for compliance and shall contain a condition terminating the variance if the petitioner fails to meet a specified requirement of the variance.
- (e) A variance expires when a particular Drought Response Stage is no longer in effect. No variance will be retroactive or otherwise justify any violation of this Plan that occurs prior to the issuance of the variance.

Sec. 82-376. Penalty; Enforcement of Restrictions.

(a) Any customer, defined pursuant to 30 Tex. Admin. Code Chapter 291, failing to comply with the provisions of the Plan and/or this ordinance shall be subject to a fine of up to two thousand dollars (\$2,000.00) and/or discontinuance of water service by the City. Proof of a culpable mental state is not required for a conviction of an offense under this section. Each day a customer fails to comply with the Plan is a separate violation. The City's authority to seek injunctive or other civil relief available under the law is not limited by this section.

(b) Each day that one or more of the provisions in the Plan and/or this ordinance are violated shall constitute a separate offense. If a customer is convicted of three (3) or more distinct violations of the Plan and/or this ordinance, the City Manager or his/her designee shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, hereby established at \$50, and any other costs incurred by the City in discontinuing service. In addition, suitable assurance must be given to the City Manager or his/her designee that the same action shall not be repeated while the Plan and/or this ordinance is in effect. Compliance with this Plan and/or this ordinance may also be sought through injunctive relief in the district court.

(c) Any person, including a person classified as a customer of the City, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of the Plan and that the parent could not have reasonably known of the violation.

(d) Any employee of the city, police officer, or other employee designated by the City Manager, may issue a citation to a person he/she reasonably believes to be in violation of the Plan and/or this ordinance. The citation shall be prepared in duplicate and shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in the municipal court on the date shown on the citation for

which the date shall not be less than three (3) days nor more than five (5) days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over eighteen (18) years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in municipal court to enter a plea of guilty or not guilty for the violation of the Plan. If the alleged violator fails to appear in municipal court, a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in municipal court before all other cases.

Sec. 82-377. Mandatory Provisions in Wholesale Water Contracts.

All wholesale water contracts entered into or renewed after adoption of the Plan and/or this ordinance, including contract extensions, shall include a provision that requires all wholesale water customers of the City to comply with the provisions of the Plan and/or this ordinance."

SECTION 3. Filing of Plan.

The City Manager or his designee is hereby directed to file a copy of the Plan and this Ordinance with the Commission in accordance with Title 30, Chapter 288 of the Texas Administrative Code.

SECTION 4. Severability Clause.

If any word, section, article, phrase, paragraph, sentence, clause or portion of this Ordinance is held to be invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect, for any reason, the validity of the remaining portions of this ordinance and the remaining portions shall remain in full force and effect.

SECTION 5. Cumulative/Repealer Clause.

This ordinance shall be cumulative of all provisions of State or Federal law and other ordinances of the City of Murphy, Texas, including the Plan attached hereto as Addendum A, whether codified or uncoded, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed to the extent of such conflict. Notwithstanding the foregoing, this ordinance repeals, in their entirety, Ordinance Nos. 06-07-699, 06-08-703 and 11-03-875.

SECTION 6. Savings Clause.

All rights and remedies of the City of Murphy, Texas, are expressly saved as to any and all violations of the provisions of this ordinance or any other ordinance which have accrued at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or

not, under such ordinances, same shall not be affected by this ordinance but may be prosecuted until final disposition by the courts.

SECTION 7. Effective Date.

This ordinance shall become effective immediately upon its passage and publication as required by law.

DULY PASSED, APPROVED AND ADOPTED by the City Council of the City of Murphy, Texas, on this the 18th day of October, 2011.


Bret M. Baldwin, Mayor
City of Murphy

ATTEST:


Aimee Nemer, City Secretary
City of Murphy



APPROVED AS TO FORM:

Wm. Andrew Messer, City Attorney

ADDENDUM A

**City of Murphy
Drought Contingency and
Water Emergency Response Plan
AS A North Texas Municipal Water District Customer**

**City of Murphy
Drought Contingency and
Water Emergency Response Plan
AS A North Texas Municipal Water District Customer**

1. INTRODUCTION AND OBJECTIVES

This plan addresses all of the current TCEQ requirements for a drought contingency plan. .

The measures included in this drought contingency and water emergency response plan are intended to provide short-term water savings during drought or emergency conditions. Water savings associated with ongoing, long-term strategies are discussed in the *Model Water Conservation Plan for North Texas Municipal Water District Member Cities and Customers*.²

The purpose of this drought contingency and water emergency response plan is as follows:

- To conserve the available water supply in times of drought and emergency
- To maintain supplies for domestic water use, sanitation, and fire protection
- To protect and preserve public health, welfare, and safety
- To minimize the adverse impacts of water supply shortages
- To minimize the adverse impacts of emergency water supply conditions.

The NTMWD supplies treated water to its Customers. This plan was developed by NTMWD in consultation with its Member Cities. In order to adopt this plan, each NTMWD Customer will need to adopt ordinance(s) or regulation(s) implementing the plan, including the determination of fines and enforcement procedures. The plan calls for Customers to adopt drought stages initiated by NTMWD during a drought or water supply emergency. NTMWD Customers may also adopt more stringent drought or water emergency response stages than NTMWD if conditions warrant.

A drought is defined as an extended period of time when an area receives insufficient amounts of rainfall to replenish the water supply, causing water supply sources, in this case reservoirs, to be depleted. In the absence of drought response measures, water demands tend to increase during a drought due to the need for additional outdoor irrigation. The severity of a drought depends on the degree of depletion of supplies and on the relationship of demand to available supplies. The NTMWD considers a drought to end when all of its supply reservoirs refill to the conservation storage pool.

2. TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES

The TCEQ rules governing development of drought contingency plans for public water suppliers are contained in Title 30, Part 1, Chapter 288, Subchapter B, Rule 288.20 of the

Texas Administrative Code, a current copy of which is included in Appendix B. For the purpose of these rules, a drought contingency plan is defined as “a strategy or combination of strategies for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies.”¹

Minimum Requirements

TCEQ’s minimum requirements for drought contingency plans are addressed in the following subsections of this report:

- 288.20(a)(1)(A) – Provisions to Inform the Public and Provide Opportunity for Public Input – Section 3.1
- 288.20(a)(1)(B) – Provisions for Continuing Public Education and Information – Section 3.2
- 288.20(a)(1)(C) – Coordination with the Regional Water Planning Group – Section 3.7
- 288.20(a)(1)(D) – Criteria for Initiation and Termination of Drought Stages – Section 3.3
- 288.20(a)(1)(E) – Drought and Emergency Response Stages – Section 3.4
- 288.20(a)(1)(F) – Specific, Quantified Targets for Water Use Reductions – Section 3.4
- 288.20(a)(1)(G) – Water Supply and Demand Management Measures for Each Stage – Section 3.4
- 288.20(a)(1)(H) – Procedures for Initiation and Termination of Drought Stages – Section 3.3
- 288.20(a)(1)(I) - Procedures for Granting Variances – Section 3.5
- 288.20(a)(1)(J) - Procedures for Enforcement of Mandatory Restrictions – Section 3.6
- 288.20(a)(3) – Consultation with Wholesale Supplier – Sections 1, 3.3, and 3.4
- 288.20(b) – Notification of Implementation of Mandatory Measures – Section 3.3
- 288.20(c)– Review and Update of Plan – Section 3.8

3. DROUGHT CONTINGENCY AND WATER EMERGENCY RESPONSE PLAN

3.1 Provisions to Inform the Public and Opportunity for Public Input

City of Murphy will provide opportunity for public input in the development of this drought contingency and water emergency response plan by the following means:

- Providing written notice of the proposed plan and the opportunity to comment on the plan by newspaper, posted notice, and notice on the City’s web site.
- Making the draft plan available on the City’s web site.
- Providing the draft plan to anyone requesting a copy.
- Holding a public meeting.

3.2 Provisions for Continuing Public Education and Information

City of Murphy will inform and educate the public about the drought contingency and water emergency response plan by the following means:

- Preparing a bulletin describing the plan and making it available at city hall and other appropriate locations.
- Making the plan available to the public through the City's web site.
- Including information about the drought contingency and water emergency response plan on the City's web site.
- Notifying local organizations, schools, and civic groups that staff are available to make presentations on the drought contingency and water emergency response plan (usually in conjunction with presentations on water conservation programs).

At any time that the drought contingency and water emergency response plan is activated or the drought stage or water emergency response stage changes, City of Murphy will notify local media of the issues, the drought response stage or water emergency response stage (if applicable), and the specific actions required of the public. The information will also be publicized on the City's web site. Billing inserts will also be used as appropriate.

3.3 Initiation and Termination of Drought or Water Emergency Response Stages

Initiation of a Drought or Water Emergency Response Stage

The City Manager, or official designee may order the implementation of a drought or water emergency response stage when one or more of the trigger conditions for that stage is met. The following actions will be taken when a drought or water emergency response stage is initiated:

- The public will be notified through local media and the City's web site as described in Section 3.2.
- The NTMWD will be notified by e-mail with a follow-up letter or fax that provides details of the reasons for initiation of the drought/water emergency response stage.
- If any mandatory provisions of the drought contingency and water emergency response plan are activated, City of Murphy will notify the Executive Director of the TCEQ and the Executive Director of the NTMWD within 5 business days.

Drought contingency and water emergency response stages imposed by NTMWD action must be initiated by Member Cities and Customers. For other trigger conditions internal to City of Murphy, the City Manager, or official designee may decide not to order the implementation of a drought response stage or water emergency even though one or more of the trigger criteria for the stage are met. Factors which could influence such a decision include, but are not limited to, the time of the year, weather conditions, the anticipation of replenished water supplies, or the anticipation that additional facilities will become available to meet needs. The reason for this decision should be documented.

Termination of a Drought or Water Emergency Response Stage

The City Manager or official designee may order the termination of a drought or water emergency response stage when the conditions for termination are met or at their discretion. The following actions will be taken when a drought or emergency response stage is terminated:

- The public will be notified through local media and the City's web site as described in Section 3.2.

- The NTMWD will be notified by e-mail with a follow-up letter or fax. If any mandatory provisions of the drought contingency and water emergency response plan that have been activated are terminated, City of Murphy will notify the Executive Director of the TCEQ and the Executive Director of the NTMWD within 5 business days. The City Manager or official designee may decide not to order the termination of a drought or water emergency response stage even though the conditions for termination of the stage are met. Factors which could influence such a decision include, but are not limited to, the time of the year, weather conditions, or the anticipation of potential changed conditions that warrant the continuation of the drought stage. The reason for this decision should be documented.

3.4 DROUGHT CONTINGENCY AND WATER EMERGENCY RESPONSE STAGES AND MEASURES

STAGE 1

Initiation and Termination Conditions for Stage 1

- The NTMWD has initiated Stage 1, which may be initiated due to one or more of the following:
 - The NTMWD Executive Director, with the concurrence of the NTMWD Board of Directors, finds that conditions warrant the declaration of Stage 1.
 - Water demand is projected to approach the limit of the permitted supply.
 - The storage in Lavon Lake is less than 65 percent of the total conservation pool capacity.
 - NTMWD's storage in Jim Chapman Lake is less than 65 percent of NTMWD's total conservation pool capacity.
 - The Sabine River Authority has indicated that its Upper Basin water supplies used by NTMWD (Lake Tawakoni and/or Lake Fork) are in a Mild drought.
 - NTMWD has concern that Lake Texoma, the East Fork Raw Water Supply Project, or some other NTMWD source may be limited in availability in the next 6 months.
 - NTMWD water demand exceeds 90 percent of the amount that can be delivered to customers for three consecutive days.
 - Water demand for all or part of NTMWD's delivery system approaches delivery capacity because delivery capacity is inadequate.
 - NTMWD's supply source becomes contaminated.
 - NTMWD's water supply system is unable to deliver water due to the failure or damage of major water system components.
- City's water demand exceeds 90 percent of the amount that can be delivered to customers for three consecutive days.
- City's water demand for all or part of the delivery system approaches delivery capacity because delivery capacity is inadequate.
- Supply source becomes contaminated.
- City's water supply system is unable to deliver water due to the failure or damage of major water system components.
- City's individual plan may be implemented if other criteria dictate.

Stage 1 may terminate when NTMWD terminates its Stage 1 condition or when the circumstances that caused the initiation of Stage 1 no longer prevail.

Goal for Use Reduction and Actions Available under Stage 1

Stage 1 is intended to raise public awareness of potential drought or water emergency problems. The goal for water use reduction under Stage 1 is a two percent reduction in the amount of water produced by NTMWD. The City Manager or official designee may order the implementation of any of the actions listed below, as deemed necessary:

- Request voluntary reductions in water use by the public.
- Increase public education efforts on ways to reduce water use.
- Review the problems that caused the initiation of Stage 1.
- Intensify efforts on leak detection and repair.
- Reduce non-essential city government water use. (Examples include street cleaning, vehicle washing, operation of ornamental fountains, etc.)
- Notify major water users and work with them to achieve voluntary water use reductions.
- Reduce city government water use for landscape irrigation.
- Ask the public to follow voluntary landscape watering schedules.

STAGE 2

Initiation and Termination Conditions for Stage 2

- The NTMWD has initiated Stage 2, which may be initiated due to one or more of the following:
 - The NTMWD Executive Director, with the concurrence of the NTMWD Board of Directors, finds that conditions warrant the declaration of Stage 2.
 - Water demand is projected to approach the limit of the permitted supply.
 - The storage in Lavon Lake is less than 55 percent of the total conservation pool capacity.
 - NTMWD's storage in Jim Chapman Lake is less than 55 percent of NTMWD's total conservation pool capacity.
 - The Sabine River Authority has indicated that its Upper Basin water supplies used by NTMWD (Lake Tawakoni and/or Lake Fork) are in a Mild drought.
 - NTMWD has concern that Lake Texoma, the East Fork Raw Water Supply Project, or some other NTMWD source may be limited in availability in the next 3 months.
 - NTMWD water demand exceeds 95 percent of the amount that can be delivered to customers for three consecutive days.
 - NTMWD water demand for all or part of the delivery system equals delivery capacity because delivery capacity is inadequate.
 - NTMWD's supply source becomes contaminated.
 - NTMWD's water supply system is unable to deliver water due to the failure or damage of major water system components.
- City's water demand exceeds 95 percent of the amount that can be delivered to customers for three consecutive days.

- City's water demand for all or part of the delivery system equals delivery capacity because delivery capacity is inadequate.
- Supply source becomes contaminated.
- City's water supply system is unable to deliver water due to the failure or damage of major water system components.
- City's individual plan may be implemented if other criteria dictate.

Stage 2 may terminate when NTMWD terminates its Stage 2 condition or when the circumstances that caused the initiation of Stage 2 no longer prevail.

Goal for Use Reduction and Actions Available under Stage 2

The goal for water use reduction under Stage 2 is a five percent reduction in the amount of water produced by NTMWD. If circumstances warrant or if required by NTMWD, the City Manager, or official designee can set a goal for greater water use reduction. The City Manager, or official designee may order the implementation of any of the actions listed below, as deemed necessary. Measures described as "requires notification to TCEQ" impose mandatory requirements on customers. The City must notify TCEQ and NTMWD within five business days if these measures are implemented:

- Continue or initiate any actions available under Stage 1.
- Initiate engineering studies to evaluate alternatives should conditions worsen.
- Further accelerate public education efforts on ways to reduce water use.
- Halt non-essential city government water use. (Examples include street cleaning, vehicle washing, operation of ornamental fountains, etc.)
- Encourage the public to wait until the current drought or emergency situation has passed before establishing new landscaping.
- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems to no more than two days per week. An exception is allowed for landscape associated with new construction that may be watered as necessary for 30 days from the date of the certificate of occupancy. An exemption is also allowed for registered and properly functioning ET/Smart irrigation systems and drip irrigation systems, which do not have restrictions to the number of days per week of operation.
- **Requires Notification to TCEQ** – Restrict landscape and lawn irrigation from 10 AM to 6 PM beginning April 1 through October 31 of each year.
- **Requires Notification to TCEQ** – Prohibit planting of cool season grasses (such as rye grass or other similar grasses) that intensify cool season water requirements.

STAGE 3

Initiation and Termination Conditions for Stage 3

- The NTMWD has initiated Stage 3, which may be initiated due to one or more of the following:
 - The NTMWD Executive Director, with the concurrence of the NTMWD Board of Directors, finds that conditions warrant the declaration of Stage 3.
 - Water demand is projected to approach or exceed the limit of the permitted supply.
 - The storage in Lavon Lake is less than 45 percent of the total conservation pool capacity.

- NTMWD's storage in Jim Chapman Lake is less than 45 percent of NTMWD's total conservation pool capacity.
- The Sabine River Authority has indicated that its Upper Basin water supplies used by NTMWD (Lake Tawakoni and/or Lake Fork) are in a Moderate drought. (Measures required by SRA under a Moderate drought designation are similar to those under NTMWD's Stage 3.)
- The supply from Lake Texoma, the East Fork Raw Water Supply Project, or some other NTMWD source has become limited in availability.
- NTMWD water demand exceeds 98 percent of the amount that can be delivered to customers for three consecutive days.
- NTMWD water demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate.
- NTMWD's supply source becomes contaminated.
- NTMWD's water supply system is unable to deliver water due to the failure or damage of major water system components.
- City's water demand exceeds 98 percent of the amount that can be delivered to customers for three consecutive days.
- City's water demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate.
- Supply source becomes contaminated.
- City's water supply system is unable to deliver water due to the failure or damage of major water system components.
- City's individual plan may be implemented if other criteria dictate.

Stage 3 may terminate when NTMWD terminates its Stage 3 condition or when the circumstances that caused the initiation of Stage 3 no longer prevail.

Goals for Use Reduction and Actions Available under Stage 3

The goal for water use reduction under Stage 3 is a reduction of ten percent in the amount of water obtained from NTMWD. If circumstances warrant or if required by NTMWD, the City Manager, or official designee can set a goal for a greater water use reduction.

The City Manager or official designee must implement any action(s) required by NTMWD. In addition, the City Manager, or official designee may order the implementation of any of the actions listed below, as deemed necessary. Measures described as "requires notification to TCEQ" impose mandatory requirements on customers. The City must notify TCEQ and NTMWD within five business days if these measures are implemented:

- Continue or initiate any actions available under Stages 1 and 2.
- Implement viable alternative water supply strategies.
- **Requires Notification to TCEQ** – Initiate mandatory water use restrictions as follows:
 - Prohibit hosing of paved areas, buildings, or windows. (Pressure washing of impervious surfaces is allowed.)
 - Prohibit operation of all ornamental fountains or other amenity impoundments to the extent they use treated water.
 - Prohibit washing or rinsing of vehicles by hose except with a hose end cutoff nozzle.
 - Prohibit using water in such a manner as to allow runoff or other waste.

- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems at each service address to once every seven days. Exceptions are as follows:
 - Foundations, new landscaping, new plantings (first year) of shrubs, and trees may be watered for up to 2 hours on any day by a hand-held hose, a soaker hose, or a dedicated zone using a drip irrigation system.
 - Golf courses may water greens and tee boxes without restrictions.
 - Public athletic fields used for competition may be watered twice per week.
 - Locations using other sources of water supply for irrigation may irrigate without restrictions.
 - Registered and properly functioning ET/Smart irrigation systems and drip irrigation systems may irrigate without restrictions.
- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems between November 1 and March 31 to once every two weeks. An exception is allowed for landscape associated with new construction that may be watered as necessary for 30 days from the date of the certificate of occupancy, temporary certificate of occupancy, or certificate of completion.
- **Requires Notification to TCEQ** – Prohibit hydroseeding, hydromulching, and sprigging.
- **Requires Notification to TCEQ** – Existing swimming pools may not be drained and refilled (except to replace normal water loss).
- **Requires Notification to TCEQ** - Initiate a rate surcharge as requested by NTMWD.
- **Requires Notification to TCEQ** - Initiate a rate surcharge for all water use over a certain level.
- **Requires Notification to TCEQ** – Prohibit watering of golf courses using treated water, except as needed to keep greens and tee boxes alive.

STAGE 4

Initiation and Termination Conditions for Stage 4

- The NTMWD has initiated Stage 4, which may be initiated due to one or more of the following:
 - The NTMWD Executive Director, with the concurrence of the NTMWD Board of Directors, finds that conditions warrant the declaration of Stage 4.
 - Water demand is projected to approach or exceed the limit of the permitted supply.
 - The storage in Lavon Lake is less than 35 percent of the total conservation pool capacity.
 - NTMWD's storage in Jim Chapman Lake is less than 35 percent of NTMWD's total conservation pool capacity.
 - The Sabine River Authority has indicated that its Upper Basin water supplies used by NTMWD (Lake Tawakoni and/or Lake Fork) are in a severe drought or emergency.
 - The supply from Lake Texoma, the East Fork Raw Water Supply Project, or some other NTMWD source has become severely limited in availability.

- NTMWD water demand exceeds the amount that can be delivered to customers.
- NTMWD water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate.
- NTMWD's supply source becomes contaminated.
- NTMWD's water supply system is unable to deliver water due to the failure or damage of major water system components.
- City's water demand exceeds the amount that can be delivered to customers.
- City's water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate.
- Supply source becomes contaminated.
- City's water supply system is unable to deliver water due to the failure or damage of major water system components.
- City's individual plan may be implemented if other criteria dictate.

Stage 4 may terminate when NTMWD terminates its Stage 4 condition or when the circumstances that caused the initiation of Stage 4 no longer prevail.

Goals for Use Reduction and Actions Available under Stage 4

The goal for water use reduction under Stage 4 is a reduction of whatever amount is necessary in the amount of water obtained from NTMWD. If circumstances warrant or if required by NTMWD, the City Manager, or official designee can set a goal for a greater water use reduction.

The City Manager or official designee must implement any action(s) required by NTMWD. In addition, the City Manager, or official designee may order the implementation of any of the actions listed below, as deemed necessary. Measures described as "requires notification to TCEQ" impose mandatory requirements on member cities and customers. The City must notify TCEQ and NTMWD within five business days if these measures are implemented.

- Continue or initiate any actions available under Stages 1, 2, and 3.
- Implement viable alternative water supply strategies.
- **Requires Notification to TCEQ** – Prohibit the irrigation of new landscaping using treated water.
- **Requires Notification to TCEQ** – Prohibit washing of vehicles except as necessary for health, sanitation, or safety reasons.
- **Requires Notification to TCEQ** – Prohibit commercial and residential landscape watering, except that foundations and trees may be watered for 2 hours on any day with a hand-held hose, a soaker hose, or a dedicated zone using a drip irrigation system. ET/Smart controllers and drip irrigation systems are not exempt from this requirement..
- **Requires Notification to TCEQ** – Prohibit golf course watering with treated water except for greens and tee boxes.
- **Requires Notification to TCEQ** – Prohibit the permitting of private pools. Pools already permitted may be completed and filled with water. Existing private and public pools may add water to maintain pool levels but may not be drained and refilled.
- **Requires Notification to TCEQ** – Require all commercial water users to reduce water use by a percentage established by the City Manager, or official designee.

- **Requires Notification to TCEQ** - Initiate a rate surcharge for all water use over normal rates for all water use.

3.5 Procedures for Granting Variances to the Plan

The City Manager or official designee may grant temporary variances for existing water uses otherwise prohibited under this drought contingency and water emergency response plan if one or more of the following conditions are met:

- Failure to grant such a variance would cause an emergency condition adversely affecting health, sanitation, or fire safety for the public or the person or entity requesting the variance.
- Compliance with this plan cannot be accomplished due to technical or other limitations.
- Alternative methods that achieve the same level of reduction in water use can be implemented.

Variances shall be granted or denied at the discretion of the City Manager or official designee. All petitions for variances should be in writing and should include the following information:

- Name and address of the petitioners
- Purpose of water use
- Specific provisions from which relief is requested
- Detailed statement of the adverse effect of the provision from which relief is requested
- Description of the relief requested
- Period of time for which the variance is sought
- Alternative measures that will be taken to reduce water use
- Other pertinent information.

3.6 Procedures for Enforcing Mandatory Water Use Restrictions

Mandatory water use restrictions may be imposed in Stage 2, Stage 3 and Stage 4 drought contingency and water emergency response stages. The penalties associated with the mandatory water use restrictions will be determined by City Ordinance.

3.7 Coordination with the Regional Water Planning Group and NTMWD

The City will send a draft of its ordinance(s) or other regulation(s) implementing this plan to NTMWD for their review and comment. The City will also send the final ordinance(s) or other regulation(s) to NTMWD.

3.8 Review and Update of Drought Contingency and Water Emergency Response Plan

As required by TCEQ rules, the City of Murphy must review the drought contingency and water emergency response plan every five (5) years. The plan will be updated as appropriate based on new or updated information.

APPENDIX A
LIST OF REFERENCES

APPENDIX A LIST OF REFERENCES

- (1) Title 30 of the Texas Administrative Code, Part 1, Chapter 288, Subchapter B, Rule 288.20, downloaded from <http://www.tnrcc.state.tx.us/oprd/rules/pdflib/288a.pdf>, July 2007.
- (2) Freese and Nichols, Inc.: North Texas Municipal Water District Water Conservation and Drought Contingency and Water Emergency Response Plan, prepared for the North Texas Municipal Water District, Fort Worth, March 2008.

The following conservation and drought contingency plans and related documents were reviewed in the development of this plan. References marked with a * were used heavily in the development of this plan.

- (3) City of Austin Water Conservation Division: "City of Austin Water Drought Contingency Plan, Developed to Meet Senate Bill 1 Regulatory Requirements," Austin, August 1999.
- (4) City of Austin Water Conservation Division: "City of Austin Water Conservation Plan, Developed to Meet Senate Bill 1 Regulatory Requirements," Austin, August 1999.
- (5) Upper Trinity Regional Water District: "Water Conservation Plan and Emergency Water Demand Management Plan," adopted by the Board of Directors, Lewisville, August 5, 1999.
- (6) Upper Trinity Regional Water District: "Water Conservation Plan and Emergency Water Demand Management Plan (2002 Amended)," adopted by the Board of Directors, Lewisville, February 2002.
- (7) *City of Dallas Water Utilities Department: "City of Dallas Water Management Plan," adopted by the City Council, Dallas, September 1999.
- (8) Updates to City of Dallas Water Management Plan found at <http://www.dallascityhall.com> in September 2003.
- (9) *City of Dallas Water Utilities Department: "City of Dallas Water Conservation Plan," adopted by the City Council, Dallas, September 1999.
- (10) *City of Fort Worth: "Water Conservation plan for the City of Fort Worth," Fort Worth, August 1999.
- (11) Updates to the City of Fort Worth water conservation plan found at <http://ci.fort-worth.tx.us> in September 2003.
- (12) *City of Fort Worth: "Emergency Water Management Plan for the City of Fort Worth," Fort Worth, August 19, 2003.
- (13) HDR Engineering, Inc.: "Water Conservation and Emergency Demand Management Plan," prepared for the Tarrant Regional Water District, Austin, February 2000.
- (14) Freese and Nichols, Inc.: "Water Conservation and Drought Contingency Plan," prepared for Brown County Water Improvement District No. 1, Fort Worth, August 1999.
- (15) Freese and Nichols, Inc.: "Water Conservation and Drought Contingency Plan," prepared for the Sabine River Authority of Texas, Fort Worth, September 1994.
- (16) HDR Engineering, Inc.: "Water Conservation and Emergency Demand Management Plan," prepared for the Tarrant Regional Water District, Austin, June 1998.
- (17) HDR Engineering, Inc.: "Water Conservation Plan for the City of Corpus Christi," adopted by the City of Corpus Christi City Council, August 24, 1999.
- (18) City of Houston's water conservation plan downloaded September 2003 from <http://www.cityofhouston.gov>
- (19) City of Houston: "Ordinance N. 2001-753, Amending Chapter 47 of the Code of Ordinances Relating to Water Emergencies," Houston, August 2001.
- (20) City of Houston: "Ordinance No. 98-764, Relating to Water Conservation," Houston, September 1998.

- (21) City of Houston: "Water Conservation Plan," 1998.
- (22) City of Houston: "Water Emergency Response Plan," Houston, July 15, 1998.
- (23) City of Lubbock: "Water Conservation Plan," ordinance number 10177 adopted by the City Council in August 1999.
- (24) City of El Paso Water Conservation Ordinance downloaded August 14, 2003 from <http://www.epwu.org/ordinance.html>
- (25) San Antonio Water System: "Water Conservation and Reuse Plan," San Antonio, November 1998 with June 2002 updates.
- (26) North Texas Municipal Water District: "District Policy No. 24 Water Conservation Plan Containing Drought Contingency Plan," adopted August 1999.
- (27) GDS Associates, Inc.: "Water Conservation Study," prepared for the Texas Water Development Board, Fort Worth, 2002.
- (28) A & N Technical Services, Inc.: "BMP Costs & Savings Study: A Guide to Data and Methods for Cost-Effectiveness Analysis of Urban Water Conservation Best Management Practices," prepared for The California Urban Water Conservation Council, Santa Monica, California, July 2000.
- (29) *City of Dallas: "City of Dallas Ordinances, Chapter 49, Section 21.1," Dallas, October 1, 2001.

APPENDIX B

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES ON
DROUGHT CONTINGENCY PLANS**

APPENDIX B
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES ON
DROUGHT CONTINGENCY PLANS

Texas Administrative Code

<u>TITLE 30</u>	ENVIRONMENTAL QUALITY
<u>PART 1</u>	TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
<u>CHAPTER 288</u>	WATER CONSERVATION PLANS, DROUGHT CONTINGENCY PLANS, GUIDELINES AND REQUIREMENTS
<u>SUBCHAPTER B</u>	DROUGHT CONTINGENCY PLANS
RULE §288.20	Drought Contingency Plans for Municipal Uses by Public Water Suppliers

-
- (a) A drought contingency plan for a retail public water supplier, where applicable, must include the following minimum elements.
- (1) Minimum requirements. Drought contingency plans must include the following minimum elements.
- (A) Preparation of the plan shall include provisions to actively inform the public and affirmatively provide opportunity for public input. Such acts may include, but are not limited to, having a public meeting at a time and location convenient to the public and providing written notice to the public concerning the proposed plan and meeting.
- (B) Provisions shall be made for a program of continuing public education and information regarding the drought contingency plan.
- (C) The drought contingency plan must document coordination with the regional water planning groups for the service area of the retail public water supplier to ensure consistency with the appropriate approved regional water plans.
- (D) The drought contingency plan must include a description of the information to be monitored by the water supplier, and specific criteria for the initiation and termination of drought response stages, accompanied by an explanation of the rationale or basis for such triggering criteria.
- (E) The drought contingency plan must include drought or emergency response stages providing for the implementation of measures in response to at least the following situations:
- (i) reduction in available water supply up to a repeat of the drought of record;
 - (ii) water production or distribution system limitations;
 - (iii) supply source contamination; or
 - (iv) system outage due to the failure or damage of major water system components (e.g., pumps).

- (F) The drought contingency plan must include the specific, quantified targets for water use reductions to be achieved during periods of water shortage and drought. The entity preparing the plan shall establish the targets. The goals established by the entity under this subparagraph are not enforceable.
 - (G) The drought contingency plan must include the specific water supply or water demand management measures to be implemented during each stage of the plan including, but not limited to, the following:
 - (i) curtailment of non-essential water uses; and
 - (ii) utilization of alternative water sources and/or alternative delivery mechanisms with the prior approval of the executive director as appropriate (e.g., interconnection with another water system, temporary use of a non-municipal water supply, use of reclaimed water for non-potable purposes, etc.).
 - (H) The drought contingency plan must include the procedures to be followed for the initiation or termination of each drought response stage, including procedures for notification of the public.
 - (I) The drought contingency plan must include procedures for granting variances to the plan.
 - (J) The drought contingency plan must include procedures for the enforcement of any mandatory water use restrictions, including specification of penalties (e.g., fines, water rate surcharges, discontinuation of service) for violations of such restrictions.
- (2) Privately-owned water utilities. Privately-owned water utilities shall prepare a drought contingency plan in accordance with this section and incorporate such plan into their tariff.
 - (3) Wholesale water customers. Any water supplier that receives all or a portion of its water supply from another water supplier shall consult with that supplier and shall include in the drought contingency plan appropriate provisions for responding to reductions in that water supply.
- (b) A wholesale or retail water supplier shall notify the executive director within five business days of the implementation of any mandatory provisions of the drought contingency plan.
 - (c) The retail public water supplier shall review and update, as appropriate, the drought contingency plan, at least every five years, based on new or updated information, such as the adoption or revision of the regional water plan.

Source Note: The provisions of this §288.20 adopted to be effective February 21, 1999, 24 TexReg 949; amended to be effective April 27, 2000, 25 TexReg 3544; amended to be effective October 7, 2004, 29 TexReg 9384.

APPENDIX C

**LETTERS TO REGION C AND REGION D
WATER PLANNING GROUPS**

Sample letter to

Date

Region C Water Planning Group
c/o North Texas Municipal Water District
P.O. Box 2408
Wylie, TX 75098

Dear Sir:

Enclosed please find a copy of the updated Drought Contingency and Water Emergency Response Plan for City of Murphy of the North Texas Municipal Water District. I am submitting a copy of this plan to the Region C Water Planning Group in accordance with the Texas Water Development Board and Texas Commission on Environmental Quality rules. The Board of the North Texas Municipal Water District adopted the updated model plan on March 2008.

Sincerely,

James Fisher, City Manager
City of Murphy

Sample letter by NTMWD

Date

Mr. Jim Thompson
Chair, Region D Water Planning Group
P.O. Box 1107
Atlanta, TX 75551

Dear Mr. Thompson:

Enclosed please find a copy of the recently updated Drought Contingency and Water Emergency Response Plan for City of Murphy of the North Texas Municipal Water District. I am submitting a copy of this plan to the Region C Water Planning Group in accordance with the Texas Water Development Board and Texas Commission on Environmental Quality rules. The Board of the North Texas Municipal Water District adopted the updated model plan on -----date.

Sincerely,

James M. Parks, Executive Director
North Texas Municipal Water District

APPENDIX D
ORDINANCE ADOPTING DROUGHT CONTINGENCY
AND WATER EMERGENCY RESPONSE PLAN

ORDINANCE NO. 13-11-961

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, AMENDING ORDINANCE 11-10-897 CODIFIED AS CHAPTER 82, SECTION 82-373 OF THE CODE OF ORDINANCES OF THE CITY OF MURPHY, TEXAS; BY AMENDING THE MANDATORY WATERING SCHEDULE FOR STAGE 3, PROHIBITED HOURS AND PROVIDING FOR SAID ORDINANCE TO TAKE EFFECT FROM AND AFTER ITS DATE OF PUBLICATION.

WHEREAS, the City Council adopted Ordinance 11-10-897 on October 18, 2011, providing for a drought contingency plan; and

WHEREAS, pursuant to Chapter 54 of the Local Government Code, the City is authorized to adopt such Ordinances necessary to preserve and conserve its water resources.

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

Section 1. FINDINGS INCORPORATED

The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

Section 2. That Ordinance 11-10-897, Codified as Section 82-373. Mandatory watering schedule for Stage 3; prohibited hours of the Code of Ordinances of the City of Murphy, Texas, is hereby amended, which shall now read as follows:

“Section 82-373. Mandatory watering schedule for Stage 3; prohibited hours.

.....

B. Schedule between November 1 and March 31:

- a) Limit landscape watering with sprinklers or irrigations systems between November 1 and March 31 to once every two weeks. Specific dates will be published on the city website of designated watering days for designated service zones and water customers.

...”

Section 3. SEVERABILITY CLAUSE

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the

incorporation of this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

Section 4. REPEALER CLAUSE

Any provision of any prior ordinance of the City whether codified or uncoded, which are in conflict with any provision of this Ordinance, is hereby repealed to the extent of the conflict, but all other provisions of the ordinances of the City whether codified or uncoded, which are not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

Section 5. EFFECTIVE DATE

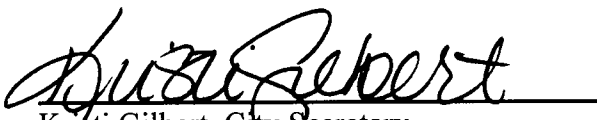
This Ordinance shall become effective immediately upon its passage and publication as required by law.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Murphy, Texas, on this the 5th day of November, 2013.



Eric Barna, Mayor
City of Murphy

ATTEST:



Kristi Gilbert, City Secretary
City of Murphy



ORDINANCE NO. 14-03-973

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, AMENDING CHAPTER 82, ARTICLE IX OF THE CODE OF ORDINANCES OF THE CITY OF MURPHY, TEXAS, BY ALTERING THE MAXIMUM FINE AMOUNT FOR FIRST-TIME OFFENDERS; AMENDING THE DROUGHT CONTINGENCY PLAN TO PROVIDE AN ADDITIONAL EXCEPTION FOR LIMITED WATERING OF AREAS AROUND SWIMMING POOLS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A CUMULATIVE/REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Murphy ("City Council") enacted Ordinance 11-10-897 on October 18, 2011 adopting a drought contingency plan, attached thereto as Addendum "A," regulating the irrigation use by water customers within City limits, which was codified in Chapter 82, Article IX of the Code of Ordinances of the City of Murphy; and

WHEREAS, the City Council desires to amend Chapter 82, Article IX, to alter the penalty provisions providing a maximum fine amount for first-time offenders; and

WHEREAS, the City Council further desires to amend its Drought Contingency Plan, attached thereto as Addendum "A," to include exceptions for the limited use of hand-held and soaker hoses around swimming pools during Stage 3 and Stage 4 Restrictions; and

WHEREAS, the City Council finds that this amendment is in the best interests of the City of Murphy and will promote the health, safety and welfare of the citizens of the City of Murphy and the general public.

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

Section 1. Findings Incorporated.

The findings set forth above are incorporated into the body of this ordinance as if fully set forth herein.

Section 2. Amendment to Section 82-376

That Section 82-376. Penalties and Enforcement of Chapter 82 of the Code of Ordinances of the City of Murphy, Texas, is hereby amended, which shall now read as follows:

Section 82-376. Penalty; enforcement of restrictions

(a) Any customer, defined pursuant to 30 Tex. Admin. Code Chapter 291, failing to comply with the provisions of the plan and/or this ordinance shall be prosecuted in municipal court as a Class C Misdemeanor.

(1) Upon a showing that the customer has committed no prior violations in a twelve month period under this Chapter, customer shall be subject to a fine of not more than one-hundred dollars

(\$100.00). Proof of a culpable mental state is not required and a violation of this Chapter shall constitute a strict liability offense.

(2) Proof that a customer has committed one or more violations in a twelve month period under this Chapter shall constitute prima facie evidence that the customer's actions present a threat to the health, safety, and welfare of the City of Murphy and its resources. Any customer who commits a subsequent violation under this Chapter with criminal negligence shall be subject to a fine not to exceed two-thousand dollars (\$2,000.00). Proof of a higher degree of culpability than criminal negligence constitutes proof of criminal negligence.

(b) Each day that one or more of the provisions in the plan and/or this ordinance are violated shall constitute a separate offense. If a customer is convicted of three or more distinct violations of the plan and/or this ordinance, the city manager or his/her designee shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, hereby established at \$50.00, and any other costs incurred by the city in discontinuing service. In addition, suitable assurance must be given to the city manager or his/her designee that the same action shall not be repeated while the plan and/or this ordinance is in effect. Compliance with this plan and/or this ordinance may also be sought through injunctive relief in district court.

(c) Any person, including a person classified as a customer of the city, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parent(s) shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation.

(d) It shall constitute a valid affirmative defense if the alleged violator presents proof that the automatic irrigation system was in disrepair at the time of the alleged violation and provides proof that he/she has satisfactorily remedied the disrepair within thirty (30) days of the date of the violation. This affirmative defense does not apply to alleged violators with more than one outstanding violation pending in municipal court.

(e) Any employee of the city, police officer, or other employee designated by the city manager, may issue a citation to a person he/she reasonably believes to be in violation of the plan and/or this ordinance. The citation shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in the municipal court not later than either the date shown on the citation or within twenty days of the issuance of the citation. The alleged violator shall be served a copy of the citation in person or by certified mail return receipt. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over eighteen (18) years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in municipal court within twenty days to enter a plea of guilty or not guilty for the violation of the plan. If the alleged violator fails to appear in municipal court, a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant.

Section 3. Amendment to Addendum “A,” City of Murphy Drought Contingency and Water Response Plan

That Stage 3 and Stage 4 of Section 3.4 “Drought Contingency and Water Emergency Response Stages and Measures” of Addendum “A” adopted in Section 82-371 of the Code of Ordinances of the City of Murphy, Texas, is hereby amended, which shall now read as follows:

Stage 3

Initiation and Termination of Conditions for Stage 3

- The NTMWD has initiated Stage 3, which may be initiated due to one or more of the following:
 - The NTMWD Executive Director, with the concurrence of the NTMWD Board of Directors, finds that conditions warrant the declaration of Stage 3.
 - Water demand is projected to approach or exceed the limit of the permitted supply.
 - The storage in Lavon Lake is less than 45 percent of the total conservation pool capacity.
 - NTMWD’s storage in Jim Chapman Lake is less than 45 percent of NTMWD’s total conservation pool capacity.
 - The Sabine River Authority has indicated that its Upper Basin water supplies used by NTMWD (Lake Tawakoni and/or Lake Fork) are in a Moderate drought. (Measures required by SRA under a Moderate drought designation are similar to those under NTMWD’s Stage 3.)
 - The supply from Lake Texoma, the East Fork Raw Water Supply Project, or some other NTMWD source has become limited in availability.
 - NTMWD water demand exceeds 98 percent of the amount that can be delivered to customers for three consecutive days.
 - NTMWD water demand for all or part of the delivery system exceeds delivery because delivery capacity is inadequate.
 - NTMWD’s supply source becomes contaminated.
 - NTMWD’s water supply system is unable to deliver water due to the failure or damage of major water system components.
- City’s water demand exceeds 98 percent of the amount that can be delivered to customers for three consecutive days.
- City’s water demand for all or part of the delivery system exceeds delivery capacity because delivery capacity is inadequate.
- Supply source becomes contaminated.
- City’s water supply system is unable to deliver water due to the failure or damage of major water system components.
- City’s individual plan may be implemented if other criteria dictate.

Stage 3 may terminate when NTMWD terminates its Stage 3 condition or when the circumstances that caused the initiation of Stage 3 no longer prevail.

Goals for Use Reduction and Actions Available under Stage 3

The goal for water use reduction under Stage 3 is a reduction of ten percent in the amount of water obtained from NTMWD. If circumstances warrant or if required by NTMWD, the City Manager, or official designee can set a goal for a greater water use reduction.

The City Manager or official designee must implement any action(s) required by NTMWD. In addition, the City Manager, or official designee may order the implementation of any of the

actions listed below, as deemed necessary: Measures described as “requires notification to TCEQ” impose mandatory requirements on customers. The City must notify TCEQ and NTMWD within five business days if these measures are implemented:

- Continue or initiate any actions available under Stages 1 and 2.
- Implement viable alternative water supply strategies.
- **Requires Notification to TCEQ** – Initiate mandatory water use restrictions as follows:
 - Prohibit hosing of paved areas, buildings, or windows. (Pressure washing of impervious surfaces is allowed.)
 - Prohibit operation of all ornamental fountains or other amenity impoundments to the extent they use treated water.
 - Prohibit washing or rinsing of vehicle by hose except with a hose end cutoff nozzle.
 - Prohibit using water in such a manner as to allow runoff or other waste.
- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems at each service address to once every seven days. Exceptions are as follows:
 - Foundations, new landscaping, new plantings (first year) of shrubs, areas within a reasonable proximity around swimming pools, and trees may be watered for up to 2 hours on any day by a hand-held hose, a soaker hose, or a dedicated zone using a drip irrigation system.
 - Golf courses may water greens and tee boxes without restrictions.
 - Public athletic fields used for competition may be watered twice per week.
 - Locations using other sources of water supply for irrigation may irrigate without restrictions.
 - Registered and properly functioning ET/Smart irrigation systems and drip irrigation systems may irrigate without restrictions.
- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems between November 1 and March 31 to once every two weeks. An exception is allowed for landscape associated with new construction that may be watered as necessary for 30 days from the date of the certificate of occupancy, temporary certificate of occupancy, or certificate of completion.
- **Requires Notification to TCEQ** – Prohibit hydroseeding, hydromulching, and sprigging.
- **Requires Notification to TCEQ** – Existing swimming pools may not be drained and refilled (except to replace normal water loss).
- **Requires Notification to TCEQ** – Initiate a rate surcharge as requested by NTMWD.
- **Requires Notification to TCEQ** – Initiate a rate surcharge for all water use over a certain level.
- **Requires Notification to TCEQ** – Prohibit watering of golf courses using treated water, except as needed to keep greens and tee boxes alive.

Stage 4

Initiation and Termination Conditions for Stage 4

- The NTMWD has initiated Stage 4, which may be initiated due to one or more of the following:
 - The NTMWD Executive Director, with the concurrence of the NTMWD Board of Directors, finds that the conditions warrant the declaration of Stage 4.
 - Water demand is projected to approach or exceed the limit of the permitted supply.
 - The storage in Lavon Lake is less than 35 percent of the total conservation pool capacity.

- NTMWD's storage in Jim Chapman Lake is less than 35 percent of NTMWD's total conservation pool capacity.
- The Sabine River Authority has indicated that its Upper Basin water supplies used by NTMWD (Lake Tawakoni and/or Lake Fork) are in a severe drought or emergency.
- The supply from Lake Texhoma, the East Fork Raw Water Supply Project, or some other NTMWD source has become severely limited in availability.
- NTMWD water demand exceeds the amount that can be delivered to customers.
- NTMWD water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate.
- NTMWD's supply source becomes contaminated.
- NTMWD's water supply is unable to deliver water due to the failure or damage of major water system components.
- City's water demand exceeds the amount that can be delivered to customers.
- City's water demand for all or part of the delivery system seriously exceeds delivery capacity because the delivery capacity is inadequate.
- Supply source becomes contaminated.
- City's water supply is unable to deliver water due to the failure or damage of major water system components.
- City's individual plan may be implemented if other criteria dictate.

Stage 4 may terminate when NTMWD terminates its Stage 4 condition or when the circumstances that caused the initiation of Stage 4 no longer prevail.

Goals for Use Reduction and Actions Available under Stage 4

The goal for water use reduction under Stage 4 is a reduction of whatever amount is necessary in the amount of water obtained from NTMWD. If circumstances warrant or if required by NTMWD, the City Manager, or official designee can set a goal for a greater water use reduction.

The City Manager or official designee must implement any action(s) required by NTMWD. In addition, the City Manager, or official designee may order the implementation of any of the actions listed below, as deemed necessary. Measures described as "requires notification to TCEQ" impose mandatory requirements on member cities and customers. The City must notify TCEQ and NTMWD within five business days if these measures are implemented.

- Continue or initiate any actions available under Stages 1, 2, and 3.
- Implement viable alternative water supply strategies.
- **Requires Notification to TCEQ** – Prohibit the irrigation of new landscaping using treated water.
- **Requires Notification to TCEQ** – Prohibit washing of vehicles except as necessary for health, sanitation, or safety reasons.
- **Requires Notification to TCEQ** – Prohibit commercial and residential landscape watering except that foundations, areas within a reasonable proximity around swimming pools, and trees may be watered for 2 hours on any day with a hand-held hose, a soaker hose, or a dedicated zone using a drip irrigation system. ET/Smart controllers and drip irrigation systems are not exempt from this requirement.
- **Requires Notification to TCEQ** – Prohibit of golf course watering with treated water except for greens and tee boxes.
- **Requires Notification to TCEQ** – Prohibit the permitting of private pools. Pools already permitted may be completed and filled with water. Existing private and

public pools may add water to maintain pool levels but may not be drained and refilled.

- **Requires Notification to TCEQ** – Require all commercial water users to reduce water use by a percentage established by the City Manager, or official designee.
- **Requires Notification to TCEQ** – Initiate a rate surcharge for all water use over normal rates for all water use.

Section 4. Severability Clause.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation of this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

Section 5. Cumulative/Repealer Clause.

This ordinance shall be cumulative of all provisions of State or Federal law and other ordinances of the City of Murphy, Texas, whether codified or uncoded, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed to the extent of such conflict..

Section 6. Savings Clause.

All rights and remedies of the City of Murphy, Texas, are expressly saved as to any and all violations of the provisions of this ordinance or any other ordinance which have accrued at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this ordinance but may be prosecuted until final disposition by the courts.

Section 7. Effective Date.

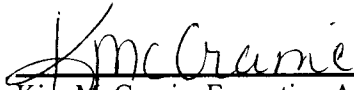
This ordinance shall become effective immediately upon its passage and publication as required by law.

DULY PASSED, APPROVED AND ADOPTED by the City Council of the City of Murphy, Texas, on this the 18th day of March, 2014.



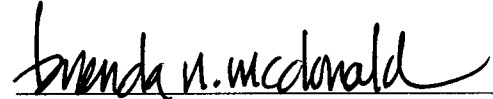

Eric Barna, Mayor
City of Murphy

ATTEST:



Kim McCranie, Executive Administrative Assistant
City of Murphy

APPROVED AS TO FORM:



for Wm. Andrew Messer, City Attorney



NEWS RELEASE

North Texas
Municipal Water District

For Immediate Release
Contact:
Rick Ericson-214.706.6000

North Texas Municipal Water District Continues month-to-month Stage 3 water restrictions allowing once every two weeks landscape watering

*Recent rains have not significantly impacted lake levels
but have reduced the need for landscape watering*

(Wylie, Texas-April 25, 2014) The North Texas Municipal Water District (NTMWD) Board of Directors has approved continuation of Stage 3 landscape watering of once every two weeks for the month of May 2014. Customers should check with their city for specific details.

Despite recent rainfall, Stage 3 water restrictions are necessary due to below average rainfall, lower than normal water levels of NTMWD reservoirs, and the temporary loss of the Lake Texoma raw water supply due to the zebra mussel infestation.

"Recent rainfall has not significantly impacted lake levels but has temporarily reduced the need this week for landscape watering," said Jim Parks, executive director of NTMWD. "Our customers can help us conserve our water supplies by using rain sensors or temporarily turning off automatic sprinkler systems during periods of rainfall," Parks added.

NTMWD, in partnership with Texas A&M Agrilife Extension is offering residential and business water customers a new tool, Water My Yard, that computes proper landscape watering needs based on recent weather conditions. Water My Yard, found at <http://watermyyard.org> takes into account the type of irrigation system and weather conditions. By signing up for a weekly email, residential and business water customers receive a notification of how long to run their irrigation system.

"It's important to remember that when watering your landscape that your sprinkler system is meant to supplement rainfall and not the other way around" States Clint Wolfe, Texas A&M AgriLife Research, Urban Water Program Manager. "With moderate daytime temperatures and recent rains you may not need to be irrigating at all. Take advantage of the weather and let's save that water for our drier summer months. If you do need to provide supplemental water to your landscape remember to utilize the cycle and soak method of irrigation. This is where you run each zone for shorter periods of time to prevent runoff and to allow water to more easily penetrate and absorb into our heavy clay soils," Wolfe added.

Lavon Lake, the NTMWD's primary water supply, is currently 11.68 feet below conservation pool level; Jim Chapman Lake is 10.61 feet low; Lake Tawakoni is 9.79 feet low; and Lake Texoma is 8.22 feet low.

For water conservation tips, visit www.northtexaswateriq.org or www.ntmwd.com

City Council Meeting
May 6, 2014

Agenda Item

Consider and/or act, on the study request by the City of Murphy to the North Texas Municipal Water District to address the future wastewater needs for the Cities of Murphy and Wylie and authorize the City Manager to participate in the study and proceed with the request.

Staff Resource

James Fisher, City Manager

Summary

The City of Murphy and the City of Wylie share a wastewater treatment plant called the Muddy Creek Wastewater Treatment Plant. The contract was executed on May 27, 1999 and the term extends until all debt is paid and throughout the useful life of the system. The cost to the City of Murphy is based on the percentage of annual flow or a minimum annual flow of 200,000 gallons per day. Murphy's current annual flow is approximately 28%, which is also a factor in determining operating cost.

During the past couple of months, representatives of the involved entities have been meeting to discuss the development of an engineering scope of services for an evaluation of the Muddy Creek Interceptor Systems, the Maxwell Creek Interceptor System, the City of Wylie WWTP and the Muddy Creek Wastewater Treatment Plant. The average daily flow at the Muddy Creek Regional Wastewater Treatment Plant (RWWTP) is approaching 75% of the treatment plant's design capacity. Texas Commission on Environmental Quality (TCEQ) regulations require that planning activities for providing adequate capacity for future anticipated flows commence once the plant flow has reached 75% of the plant's design capacity. Therefore, this evaluation is recommended based on the TCEQ regulations and the TCEQ issued permit for the Muddy Creek RWWTP. Additionally, peak flows to the treatment plant have, on occasion, exceeded the 2-hour peak capacity allowed in the permit. Therefore, part of this recommended evaluation will be to review the historical peak flows received at the treatment plant, and develop recommendations for adequately treating the peak flows. The project will also consist of studying the impact on the Muddy Creek and Maxwell Creek Regional Interceptor Systems (MC/MCRIS) and the Muddy Creek RWWTP if the existing Wylie Wastewater Treatment Plant (Wylie WWTP) were placed back into service. The project will also include a feasibility analysis related to the Muddy Creek Regional Wastewater System (MCRWWS) of acquiring the existing Wylie WWTP. The study area is generally defined as the current City limits and ETJ of Wylie and Murphy.

NTMWD wants to prepare an Administrative Memorandum to the Board of Directors for the May Board meeting recommending proceeding with the Muddy Creek Wastewater Systems Study. In order to proceed, NTMWD has asked for request letters from Wylie and Murphy to authorize funding to proceed with the study. NTMWD has met with the City of Wylie and they have indicated they were agreeable to funding the study through the budget. A copy of the draft letter is enclosed for your review.

Action Requested

Authorize the City Manager to proceed with the request and to participate in the study to address the future wastewater needs for the Cities of Murphy and Wylie.

Enclosures

Letter to NTMWD



May 7, 2014

Mr. James M. Parks
Executive Director
North Texas Municipal Water District
Wylie, Texas 75098

Re: Study Request for Addressing Future Wastewater Needs of the Cities of Murphy and Wylie

Dear Mr. Parks:

The purpose of this letter is to request a study be performed by Perkins Engineering Consultants, Inc. (Perkins) evaluating future wastewater needs for the cities of Wylie and Murphy. It is requested that the cost of the study be funded by Murphy and Wylie partially through the current FY 14 Budget and the balance funded through the FY 15 Budget.

On March 19, 2014, representatives from North Texas Municipal Water District (NTMWD) met with me to discuss having a study performed evaluating future wastewater needs for Murphy and Wylie. Subsequent to the initial meeting, NTMWD has provided the City with an Engineering Services Agreement, Scope of Services from Perkins. A copy of the Scope of Services for the study is enclosed. The total cost of the study to be funded by Murphy and Wylie is \$141,483.

FUNDING THE STUDY

In conversations with NTMWD Staff, it has been indicated that the proposed study may be funded through the Muddy Creek WWTP operating budget. It has also been indicated that a portion of the study may be funded through the FY 14 Muddy Creek WWTP operating budget with the balance being funded through the FY 15 budget. The City of Murphy understands that funds are not budgeted in the Muddy Creek WWTP FY 14 operating budget, and there is the possibility that the FY 14 budget may be exceeded if part of the study's funding is added to the budget. It is understood that if the FY 14 Budget is exceeded at the end of the year, Murphy and Wylie are responsible for providing any additional funding requirements.

NTMWD has suggested that of the \$141, 483 total for the study, \$41,483 can be funded through the Muddy Creek WWTP FY 14 budget, and \$100,000 can be included and funded though the FY 15 budget.

In summary, Murphy requests the following actions be taken by NTMWD related to the proposed study by Perkins that evaluates the future wastewater needs of Murphy and Wylie:

James Fisher
City Manager
jfisher@murphytx.org

206 North Murphy Road
Murphy, TX 75094
www.murphytx.org
972-468-4007

- Add \$41,483 in the FY 14 Muddy Creek WWTP budget to fund a portion of the study
- Include \$100,000 in the Muddy Creek WWTP FY 15 to fund the balance of the study

Murphy will continue to work with your staff through the course of the study to assure successful completion of this study. If you have any questions or require additional information, please contact me at (972)771-4601.

Sincerely,

James Fisher
City Manager

CC: Mindy Manson, City Manager, Wylie

Enclosures

ATTACHMENT A
SCOPE OF SERVICES
NORTH TEXAS MUNICIPAL WATER DISTRICT
MUDDY CREEK REGIONAL WASTEWATER SYSTEMS EVALUATION FOR
THE CITIES OF WYLIE AND MURPHY

The average daily flow at the Muddy Creek Regional Wastewater Treatment Plant (RWWTP) is approaching 75% of the treatment plant's design capacity. Texas Commission on Environmental Quality (TCEQ) regulations require that planning activities for providing adequate capacity for future anticipated flows commence once the plant flow has reached 75% of the plant's design capacity. Therefore, this evaluation is recommended based on the TCEQ regulations and the TCEQ issued permit for the Muddy Creek RWWTP. Additionally, peak flows to the treatment plant have on occasion exceeded the 2-hour peak capacity allowed in the permit. Therefore, part of this recommended evaluation will be to review the historical peak flows received at the treatment plant, and develop recommendations for adequately treating the peak flows. The project will also consist of studying the impact on the Muddy Creek and Maxwell Creek Regional Interceptor Systems (MC/MCRIS) and the Muddy Creek RWWTP if the existing Wylie Wastewater Treatment Plant (Wylie WWTP) were placed back into service. The project will also include a feasibility analysis related to the Muddy Creek Regional Wastewater System (MCRWWS) of acquiring the existing Wylie WWTP. The study area is generally defined as the current City limits and ETJ of Wylie and Murphy. The tasks to be performed are as follows:

1. Review Available Data: Perkins Engineering Consultants, Inc. (Engineer) will review and utilize the most recent wastewater studies performed for Wylie and Murphy and the NTMWD MC/PMCRIS and MCRWWS contracts.
2. Kick-off Meeting: Engineer will conduct a kick-off meeting with NTMWD, Wylie, and Murphy staff to present the proposed approach that will be taken in conducting the Study and to solicit input on the proposed approach to be taken. Engineer will solicit existing and projected population and wastewater flow information or assumptions the Cities would like to utilize in the Study. During the kickoff meeting, Engineer will summarize the existing MC/MCRIS and MCRWWS contracts and the requirements for the system to acquire additional infrastructure. NTMWD will host the meeting.
3. Review and Document Wastewater Projections: Engineer will coordinate with NTMWD and the cities to obtain, review, and document population and wastewater flow projections for the next twenty (20) years. Projections will be provided for the first five years and in five year increments thereafter for a total of twenty years. Flows should be identified by basin and pipeline interceptor system for Wylie, Murphy, the MCRWWP and the Wylie WWTP. Engineer will utilize data from the most recent wastewater studies performed for the cities as a starting point. Engineer will submit draft projections to Wylie, Murphy and NTMWD, and based on comments received, revise projections as necessary. Engineer will send

revised projections to the Cities and NTMWD for final approval for use in the Study.

4. Document and Map Existing Infrastructure: Engineer will document and evaluate information on existing infrastructure. Engineer will prepare mapping showing the City limits, ETJ, and wastewater facilities in the study area, including:
 - a. Existing and/or proposed connection points for reinstating the Wylie WWTP.
 - b. Wylie WWTP.
 - c. Location of meters and data.
 - d. Wastewater drainage basins.
 - e. MC/MCRIS pipelines to the Muddy Creek RWWTP
 - e.f. Maxwell Creek Parallel Trunk Sewer currently under design.
5. Feasibility Study: Engineer will determine the feasibility of adding additional infrastructure to the MCRWWS including:
 - a. Perform an evaluation of the existing Muddy Creek RWWTP including but not limited to the following:
 - Hydraulic analysis of the plants trains to identify any existing bottlenecks.
 - Cost analysis to relieve any bottlenecks that are identified.
 - Analysis of the plants trains to identify any existing deficiencies in the process that affect the plants ability to meet current regulatory standards.
 - Cost analysis to relieve any deficiencies in the process as identified above.
 - Cost analysis to add components to the plant required to insure that the plant is capable of meeting current regulatory standards.
 - Install a minimum of three (3) meters in the Muddy Creek Interceptor and one (1) meter in the Maxwell Creek Interceptor, for a minimum 60 day monitoring period, located near key pipeline intersections as directed by the owner to determine average day dry flow ADDF and two hour peak wet weather flow PWWF for each interceptor. Develop a minimum of two options to handle and treat the PWWF into the MCRWWS.
 - Provide costs for each city for both proposed PWWF options. Costs should be divided according to the percentage of PWWF attributed to each city based on the flow monitoring.
 - **Option 1 - Based on the updated wastewater projections** identify the proposed date the next plant expansion needs to be on line.
 - Option 1 - Provide planning level cost projections for the next projected plant expansion.
 - Option 1 - Provide planning level cost projections for the next projected pipeline parallel of the Maxwell Creek Interceptor and Muddy Creek Interceptors.

- **Option 2 - Based on the interceptor metering efforts update the wastewater projections** and identify the proposed date the next plant expansion needs to be on line.
 - Option 2 - Provide planning level cost projections for the next projected plant expansion.
 - Option 1 - Provide planning level cost projections for the next projected pipeline parallel of the Maxwell Creek Interceptor and Muddy Creek Interceptors.
- b. Perform an evaluation of the existing Wylie WWTP including but not limited to the following:
- Hydraulic analysis including diverting flow back into the plant and splitting flow between the two plants.
 - Mechanical evaluation with NTMWD personnel to determine repairs and/or upgrades needed to place the plant into service. Include costs and installation schedule for any needed repairs and/or upgrades.
 - Develop a budget for plant O&M going forward and a projected annual budget for plant O&M.
 - Identify existing plant capital costs, remaining debt service and the effects of incorporating these into the MCRWWS.
 - Calculate the replacement costs less depreciation (RCLD) of the Wylie WWTP and develop a minimum of two options to calculate Murphy's proposed infrastructure cost, if any, to Wylie for incorporating the WWTP into the MCRWWS
 - Identify the benefits to Wylie of only Wylie flows being treated at the Wylie WWTP including the cost of plant O&M and the effects on the MCIS and the MCRWWTP
- c. Potential changes to current planned plant upgrades as developed in the options above and or expansions based on projected average daily flow, peak flows and additional treatment capacity from the Wylie WWTP
- d. Determine and identify benefits of adding the Wylie WWTP capacity to the MCRWWS including but not limited to the following:
- Benefits of deferring planned expansions at the MCRWWTP
 - Identify existing plant capital costs, remaining debt service and the effects of incorporating the Wylie WWTP into the MCRWWS.
 - Additional partners sharing O & M costs of the Wylie WWTP
 - Potential reuse benefits
 - Any additional benefits
- e. Prepare construction cost estimates detailing cost for projected upgrades or expansions to the MCRWWTP that may be required with and without the addition of the Wylie WWTP to the MCRWWS.
- f. Provide costs for each task listed above in a tabular form for each city based on the percentages outlined in the MCRWWS contract.
- g. Provide costs for each task listed above in a tabular form for each city based on the percentages developed from the Interceptor system monitoring.

6. Draft Report: Engineer will summarize findings in a draft report and present one (1) electronic copy of the draft report to the NTMWD, Wylie and Murphy for review and comment.
7. Review Meeting: Engineer will meet with NTMWD, Wylie and Murphy staff to discuss results of the study. NTMWD will host the meeting.
8. Final Report: Engineer will incorporate comments received from NTMWD, Wylie and Murphy and provide fifteen (15) hardcopies and one (1) electronic copy of the final report to the NTMWD, Wylie and Murphy.

The estimated time to complete the Study is approximately eight months. Assistance from NTMWD and the cities in obtaining pertinent data on the existing wastewater systems, population studies and other existing studies is a portion of this Study.

END OF ATTACHMENT A

City Council Meeting May 6, 2014

Issue

Consider and/or act upon authorizing the City Manager to execute an Agreement for Video Streaming Services with Swagit Productions, LLC, to provide video recordings and streaming of City Council Meetings.

Staff Resource/Department

Wendle Medford, Manager of Information Technology

Summary

City staff has worked aggressively toward developing a digital transparency plan to assist with promoting public awareness and citizen engagement. Part of the digital transparency plan includes providing citizens the ability to remotely view City Council meetings using video streaming technology.

Background/History

The Murphy Chamber of Commerce has expressed interest in video recording Council meetings for the benefit of the Murphy business community.

After careful research and evaluation, staff is recommending that the city partner with Swagit Productions, LLC, to assist with the online streaming of City Council meetings. Swagit's video production technology will allow staff to capture both video and audio from Council meetings and index the content according to the respective agenda item. The video stream will also be available for viewing on all devices that support FLASH and HTML 5 web programming languages.

Swagit Productions, LLC. has partnered with several municipalities in North Texas to include: Plano, Allen, Wylie, Dallas, Richardson, Addison, Burleson, Mesquite, etc.

Financial Considerations

The Agreement, as detailed in Exhibit "A", includes: \$5,965.00 for video recording and streaming equipment and \$21,878.00 for the Cosmos Broadcast System in which \$10,209.58 will be funded via Public, Education, and Government (PEG) fees that have been collected. In addition, there will be a monthly fee of \$995.00 (\$11,940.00 per year; 30 Council meetings only) for on-demand, live video streaming and remote-switching to be funded through the General Fund. Additional meetings can be added for a cost as stated in Exhibit A.

Action Requested

Staff recommends that City Council authorize the City Manager to execute an Agreement for Video Streaming Services with Swagit Productions, LLC, in the amount of \$ 36,000.00 for capital equipment purchase. This includes five months of prepaid services for on-demand, live video streaming, remote switching and ten percent (10%) contingency for any unforeseen circumstances that may increase the original scope of work.

Attachments

- 1) Swagit Productions, LLC Video Streaming Proposal
- 2) Sole Source Letter
- 3) Scope of Services – Exhibit A
- 4) Agreement for Video Streaming Services

April 24, 2014

Wendle Medford
Manager of Information Technology
City of Murphy, TX

BEST AND FINAL
This special pricing is good
for 90 days only.

Wendle,

Swagit Productions began in 2003 with a mission to supply jurisdictions an affordable solution to stream content in an overpriced, complicated and hands-on video industry. We strive to bring our clients convenience and transparency without adding an extra work-load on behalf of the jurisdiction. A company that first specialized in turnaround streams for television stations and newspapers, Swagit has grown significantly to a diverse client list which includes a variety of government entities, including: cities, counties, states, school districts, newspapers, television stations, etc.

- Swagit is unique. It is the only in the field that has a complete video production facility, allowing for services and support of all your video capturing, indexing, agenda integration and publishing needs.
- Swagit is **hands-free**. All video uploading, archiving and indexing is done by Swagit engineers, which means no extra work for jurisdictions. Swagit is the only vendor that gives you the option to let our staff do the work for you.
- Swagit is always there, 24/7. With Swagit, audio/video disk storage, system management and bandwidth intensive delivery tasks can be offloaded to our content network, which actively manages and monitors 24 hours a day, 7 days a week.
- Swagit has an open API. Swagit's open architecture means that we can integrate with your choice or existing agenda management solution.

Swagit would like to sincerely thank you for your time and consideration. We look forward to working with you on this important project and are 100% dedicated in meeting your streaming needs. If you have any questions regarding this proposal or would like any further information, please do not hesitate to contact us.

Respectfully,

Michael Osuna
Director of Sales
Swagit Productions, LLC
214.432.5905 (Office)
214.957.5401 (Cell)
michael@swagit.com

COMPANY HISTORY

Swagit Productions, LLC is a privately held company in Plano, Texas. Founded in 2003, Swagit is a progressive company that is pioneering the broadband multimedia communication service industry by providing clients a hands-free approach to always being connected to end-users' information needs.

Swagit specializes in providing streaming media solutions to cities, counties, and school districts. Furthermore, Swagit is a complete video production entity: including services such as post-production, studio and recording booth sessions.

Swagit began with a mission to supply clients an affordable solution to stream their own content in an overpriced, complicated, hands-on video industry. What began as a company that specialized in turnaround streams for cities, counties, and school districts, Swagit has grown significantly and provides an open API which allows for integrations with all Agenda/Document Management Solutions. Allowing our clients to choose the 'best of breed' Agenda Management Solution for their unique needs.

As Swagit has grown, the need for a facility to comprise all aspects of its business in one place was foreseen. In early 2006 Swagit moved all of its operations into its current facility located in Plano, Texas, thus bringing a team of professionals highly experienced in Internet solutions, business development, audio/visual production, advertising and other broadband technologies into one place.

Swagit is headquartered in Texas; the Swagit network stretches across North America guaranteeing that you and your constituents are always connected. Our network insures fast connect times from the closest point-of-presence (POP) to an end-user's location. In addition, Swagit's network is fully redundant giving clients the peace of mind of redundancy and keeping with the Swagit motto of "Always Connected."

POINTS OF DIFFERENCE

- Swagit's EASE solution is completely hands-free and requires no staff time or resources
- Larger video with Swagit's solution (up to 70% larger) and FLASH video format, the most commonly viewed format on the web, Swagit also utilizes HTML5 for streaming to mobile devices such as the iPhone and iPad.
- Open API, which allows integrations with any agenda management solution
- Swagit is the only government streaming provider which has developed its own content delivery network ensuring quick and reliable connections for your constituents
- Unlimited storage for specialty content
- Swagit's unique "hands-free" solution typically qualifies as a sole sourced solution allowing for quick deployments
- **100% Client Retention**

Confidential Documentation

EASE – Robust Hands-Free Streaming

Built upon years of industry experience, Extensible Automated Streaming Engine (EASE) is a software framework comprised of foundation and extension modules that work together to automate many otherwise manually intensive tasks. This completely hands-off solution meets the current and future needs of your entity without creating any additional work for the city's clerks or webmasters.

- **Video Capture and Encoding**

EASE Encoder records content according to your broadcast schedule and transfer the recorded audio/video to the Swagit Content Network via a secure Virtual Private Network (VPN) connection, making it available for live and/or on-demand streaming.

- **Indexing and Cross Linking**

Using your published meeting agendas as a guide, Swagit's Managed Service Division (SMSD) index's the meetings without any work from the city. SMSD will annotate your content by adding jump-to points with specific item headings, giving users the greatest flexibility to find the specific content they need. With these jump-to points, users can step through video by searching for or clicking specific items.

- **Agenda Management Integration**

If meeting packets or other related information is available online, SMSD will link them directly to the video player for easy access.

Swagit's EASE solution integrates with all Document/Agenda Management solutions.

- **Archiving**

Client audio/video can be stored securely on the Swagit Content Network indefinitely. Fault tolerance and high availability is assured through replication of audio/video content to multiple, geographically redundant, Storage Area Networks (SAN). Our standard packages include 80GB of storage, enough for approximately three full years of city council meetings.

- **Presentation**

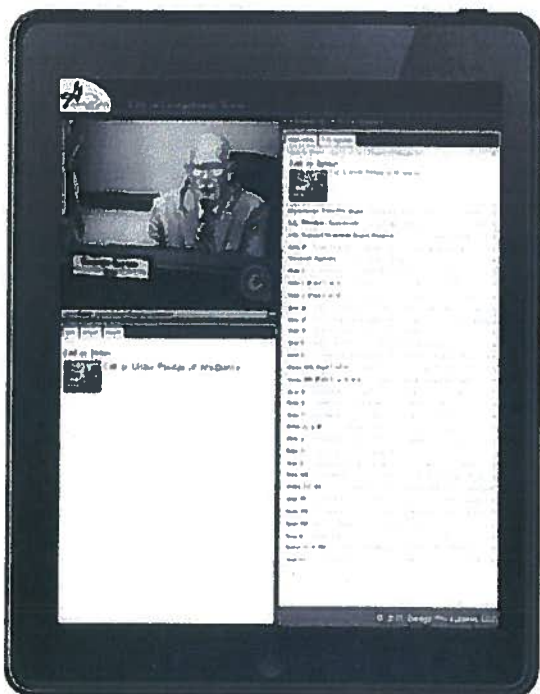
By navigating through the video library, users can view a list of meetings chronologically and once in a selected meeting you can unleash the power of the jump-to markers to search for specific points within individual audio/video clips.

- **Delivery**

In order to deliver on-demand content to end users in a format that is native to their computer's operating system, Swagit can deliver content in all major streaming video formats: Flash, Windows Media, QuickTime and Real. Swagit is proud to support Flash as its default format, which has proven itself as the format of choice from such vendors as YouTube, Google Video, ABC and NBC/Universal.

EASE – Robust Hands-Free Streaming

Swagit also streams in HTML5 providing content to mobile devices such as the iPhone, iPad and other mobile devices.



- **Monitoring**

Swagit is monitoring all aspects of the Swagit Content Network to ensure its health and availability. This monitoring extends to cover remote Swagit EASE Encoders deployed on client premises. In the rare event of trouble our engineers are promptly notified so that they may dispatch a swift response in accordance with our support procedures.

- **Statistics**

Swagit collates log files from our streaming servers monthly and processes them with the industry recognized Google Analytics. Google Analytics generates reports ranging from high-level, executive overviews to in depth quality of service statistics. These reports help to highlight growth trends and identify popular content.

- **Support**

Beyond our proactive monitoring and response, Swagit offers ongoing, 24/7 technical support for any issues our clients may encounter. While our choice of quality hardware vendors and a thorough pre-installation testing phase go a long way toward ensuring trouble free operation of our EASE Encoders, we do recognize that occasionally unforeseen issues arise. In the event that our engineers detect a fault, they will work to diagnose the issue. If necessary, next business day replacement of parts will be completed. Swagit offers continual software updates and feature enhancements to our services and products for the life of your managed services contract.

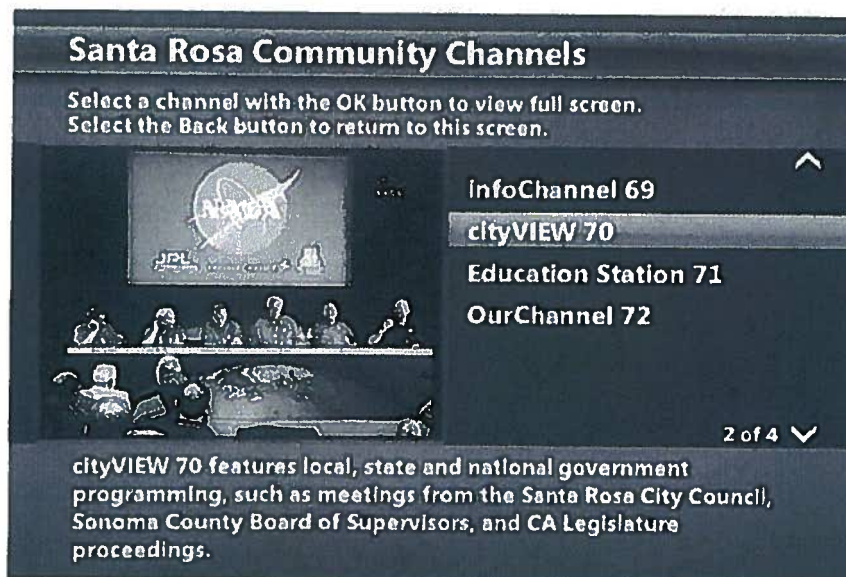
EASE – Robust Hands-Free Streaming

AT&T U-verse® Integration

Many Public Access, Educational and Government (PEG) channels now have the opportunity to reach a new group of broadcast subscribers via AT&T U-Verse TV service. To reach these subscribers, U-Verse requires a 480x480 pixel Windows Media VC-1 stream at 1.25Mbps. Our EASE encoder is not only capable of creating a live U-Verse compatible stream, but it can also simultaneously encode a video stream, of your choosing (i.e. Flash, Windows Media, QuickTime, Real, etc.), for Internet distribution.

AT&T U-Verse and Swagit Productions, LLC both have headquarters located within the Dallas, Texas area. This allows the two companies to work together seamlessly for the betterment of government transparency. The partnership combined with Swagit's 'hands-free' streaming solutions, helps increase accessibility of government programming. Additionally, adding another form of distribution for content using a single solution not only saves money, but also makes things easy.

The City of Allen was able to deploy their content to AT&T U-Verse TV by leveraging their existing partnership with Swagit. "We have been using Swagit for on-line video on-demand since 2004 and have been very happy not only with the integrity of the product, but also with the quality of customer service," said ACTV Executive Producer Mark Kaufmann. "With the recent addition of Live streaming services, the opportunity opened to connect to AT&T's U-Verse TV network. We knew it was the right decision as we are constantly trying to find creative, cost-effective ways to reach more viewers."



PRICING – EASE (Streaming Video)

Swagit's EASE encoders offer broadcasters and other administrators the ability to stream live events to cable television providers (i.e. AT&T U-verse), over the Internet through a high speed connection, or to mobile devices such as iPhones, iPads or Androids. Furthermore, the unit can record and archive all media for on-demand viewing as well.

Item Description	Type	Costs (Up-Front)
Hardware/Software (Not RAIDED)	Workstation	\$ 3,985.00
• Tower-Based unit or Server, Encoder Software Installation, System Burn-In		
• Branded Video Library Design, Branded Player Design		
• Remote Install (Typically 3 hours)		
• Licenses for Software/Tools (Flash Media, EASE, WOWZA, HTML5, Microsoft OS)		
Viewcast Osprey Video Capture Card w/Simulstream Software	260-e	\$ 950.00

– OR –

Item Description	Type	Costs (Up-Front)
Hardware/Software/Provisioning (RAIDED)	1UServer	\$ 5,785.00
• 1U Rackmount Server, Encoder Software Installation, System Burn-In, Rackmount Kit (4 posts-universal), Includes up to 9 internal users		
• Branded Video Library Design, Branded Player Design		
• Remote Install (Typically 3 hours)		
• Licenses for Software/Tools (Flash Media, EASE, WOWZA, HTML5, Microsoft OS)		
Viewcast Osprey Video Capture Card w/Simulstream Software	260-e	\$ 950.00

	Total Costs (Up-Front)
Tower or 1U Server Encoder Hardware/Software (Non Raided) + Viewcast Osprey	\$ 4,935.00

- OR -

1U Rackmount Server Hardware/Software/Provisioning (Raided) + Viewcast Osprey	\$ 6,735.00 *
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*If the City engages the Swagit solution within 2 weeks from the date of this proposal Swagit will reduce the raided encoder option to \$5,965.00.

* Price and hardware model are subject to change after 90 days without prior notice.

MONTHLY MANAGED SERVICES – EASE

Swagit's Extensible Automated Streaming Engine (EASE) solution meets all current and future needs for government without creating any additional work for staff. EASE is a hands-free tool that eliminates the need for client staff members to spend time on indexing, editing or time-stamping video content. Each EASE package includes *On-demand* archiving, a 24/7 LIVE Stream via Internet and PEG, video podcasting through iTunes, streaming to Apple devices (ex: iPad & iPhone) and up to 120 hours of additional specialty content each year. Client also has the ability to upload media via FTP as an option if live streaming is not applicable.

	Service Description	Costs (Monthly)
Package 1	(EASE) Up to 30 Indexed meetings a year	\$ 695.00
Package 2	(EASE) Up to 50 indexed meetings a year	\$ 950.00

(OPTIONAL) Services/Upgrades – Individual Pricing	Costs
• Additional Edited and On-Demand indexed meetings (Per additional meeting)	\$ 150.00/meeting
• Remote Switching (Approved Broadcast Systems Only) *	\$ 120.00/event
• Storage per additional year (if beyond 36 month window)	\$ 180.00/year
• Programming, Development or Design Implementation	\$ 120.00/hour

We offer a Price Match Guarantee for all "apples-to-apples" services.

* Must have *approved broadcast system(s)* and *reliable Internet Connection*. (Up to 3hr event)

** Service is priced on per event hour, including any breaks/executive session time, and requires proper closed captioning hardware. Event hour is rounded up to the nearest half hour.

BROADCAST SYSTEM – Cosmos

Built upon years of industry experience, Cosmos is a complete package of cameras and pro video-switching equipment that enables any client to fully outsource the production and operation of a multiple camera broadcast system to Swagit.

During the meetings or events, Swagit personnel will operate the Cosmos system remotely from their facility in Plano, Texas. The Cosmos system enables Swagit to control and switch from camera to camera depending on events taking place. When bundled with Swagit EASE, Cosmos can offer a full end-to-end "hands-free" solution that requires no client staff involvement for the operation, broadcast and streaming of an event or meeting content.



Cosmos enables detailed direct camera positioning (pan, tilt, zoom, focus, and more), preset-positions, and video settings (white balance, backlight, brightness) for the robotic cameras. Additionally, Cosmos communicates with the switcher to allow direct operation of the 'wipe' function from the camera control GUI. With this powerful package you or Swagit can control all your cameras individually and switch video sources on a video switcher locally or remotely. Cosmos is an invaluable integration of camera-control with switcher operations for use with live production setups like city chambers, churches, meeting rooms, and more.

Cosmos includes 2-4+ robotic (computer-controllable pan/tilt/zoom) cameras and you can choose from two main types: either single-chip (Sony EVI-D70) or 3-chip (Sony BRC-300) depending on your needs and budget. These popular Sony robotic cameras have excellent video quality and performance. The EVI-D70 and BRC-300 has the ability for panning through wide angles of motion, tilting through large ranges with superb optical zoom, and dual video output of Y/C and composite. They also support both RS232 and RS422 (long distance over 1000 meters) control signals. In addition the EVI-D70 cameras can be mounted either 'up' or 'hanging upside down' for your convenience (they have built-in reversal of the picture and left/right/up/down motion controls).



COSMOS CASE STUDIES

Cosmos Case Study 1: Addison, Texas

Addison's unique solution for a challenging problem was Cosmos. Addison faced three key problems; 1) the town did not have the staff resources to operate broadcasting and streaming equipment, 2) the town doesn't have a PEG or any other broadcasting station, and 3) the town wanted a complete hands-free end-to-end solution for displaying town meetings online.

Swagit's solution for the town provides complete hands-free remote operation of a multiple camera broadcast system, including a video switcher and audio mixer. In addition to the remote broadcast system (Cosmos) and with the inclusion of Swagit's Extensible Automated Streaming Engine (EASE), Swagit is able to control, broadcast and stream town meetings without the need for any Addison staff. It is all done from Swagit's headquarters in Plano, Texas.

Addison citizens expect the best and latest technology on their town's website. Adding the on-demand feature will improve citizens' accessibility to videos of town council and planning commission meetings and improve access to agenda information for these public meetings.

Cosmos Case Study 2: Richardson, Texas

The City of Richardson began live broadcasting of City Council meetings and work sessions as part of a wide-ranging transparency in government initiative that is included in the City Council's 2009-2011 Statement of Goals. The live broadcast is available to Time Warner Cable subscribers on channel 16 and streamed on the City's Web site, www.cor.net.

The City contracted with Swagit Productions, LLC as the video streaming service provider according to Richardson's Chief Information Officer Steve Graves. "We have installed two wall-mounted cameras in the City Council Chamber and the work session room," Graves said. "During the meetings, Swagit personnel will operate them remotely from their facility and can zoom in and switch from camera to camera depending on who is speaking. The broadcast signal goes through a switch that sends it to Swagit and also to our cable television channel."

Graves explained that the live Web cast is routed through a City computer server and is recorded as it is being sent to Swagit. "If for some reason the live Internet connection is lost, we have a saved copy that can be posted on our site," he said.

Testimonial from City of Richardson, TX: (<http://richardson.tx.swagit.com/play/09222009-48/0/>)

As a work session or Council meeting is streaming live on the Web, Swagit employees tag each agenda item. At the conclusion of the meeting, they create an index on the City's Web site and visitors can choose to view individual agenda items rather than watch the entire video. Council and work session meetings will be archived on the site for up to two years. The City's cable channel 16 will replay taped broadcasts.

INVESTMENT – BROADCAST SYSTEM – Cosmos

QTY	Item Description	Costs
3	Sony- EVI-D80- high quality CCD cameras (48 degree view, 65 degree view option with D100) *	
3	Sony- WM-30B- Wall Mount for Sony EVI-D80	
4	Sony- EVI DS-Cable- to daisy chain cameras	
1	Dell Vostro 270 with Windows 7, Intel Core i3 CPU (3.30GHz 3MB Cache), 4GB Ram	
1	S-Video + Audio extender via CAT5	
1	Datavideo SE-600 NTSC Video Switcher with Monitor and Firewire card	
2	Osprey 260e Without Simulstream	
1	Cosmos 5.4 software	
1	APC UPS Remote Power Switch and Management	
1	Control Monitor	
1	All Cable, Connectors and Hardware necessary for installation	
1	Labor required to install, hook-up and provisioning	
Total Costs for Camera System <u>and</u> Installation **		\$ 24,647.00 ****

* Different camera types are available with different horizontal resolution – D80, D100 and BRC-300

**A 50% Deposit Upfront is required on any Cosmos purchase

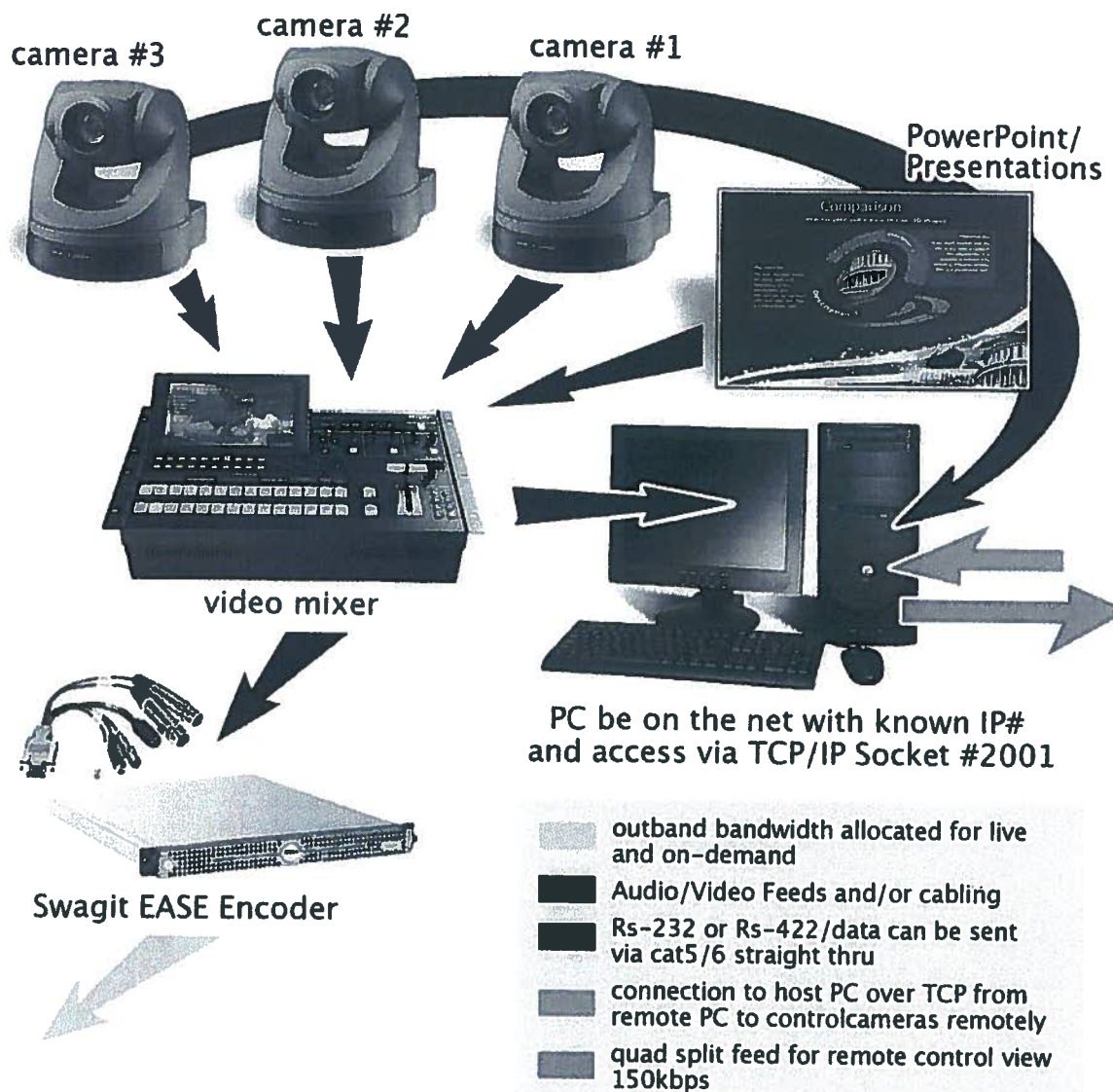
*** There may be additional installation costs incurred based on the building/fire code for the jurisdiction, any unknown cabling requirements or impediments to the installation such as fire walls, lack of a drop ceiling, conduit requirements, etc., along with other accessibility issues. For final installation costs we would need to engage in further discussions, receive a detailed site plan of rooms involved along with pictures or possibly conduct a physical site visit.

****Swagit Best and Final pricing for the above Cosmos system is \$21,878.00. This price is good for 90 days from the date of this proposal.

Cameras can be controlled locally by the client or remotely by Swagit's staff.

View how everything comes together: Richardson Streaming Solution

BROADCAST SYSTEM – Cosmos Diagram





City of Concord, CA Streaming Video - Windows Internet Explorer

Concord

Agenda Report Share

1. **Study Session** - Update on the status of the community process to develop a Reuse Plan for the Concord Naval Weapons Station. Report by Michael Wright, Reuse Project Director.

ADJOURNMENT - To reconvene at 6:30 p.m. (or as soon thereafter as possible) in regular meeting at the Council Chamber.

**6:30 p.m. - Regular Meeting
Council Chamber**

ROLL CALL

PLEDGE TO THE FLAG - Councilmember Hoffmeister

PUBLIC COMMENT PERIOD
MAYOR: I will now open the Public Comment Period. Members of the audience may address the Council on any matter that is not on tonight's agenda.

Study Session

PUBLIC COMMENT PERIOD
Study Session - Update on the status of the community process to develop a Reuse Plan for the Concord Naval Weapons Station. Report by Michael Wright, Reuse Project Director.

[Need help?](#)

Duration: 60 min. 34 sec.

Powered by: [Gigamon.com](#) © 2008

Done Internet 100%

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If you desire additional information on any products or services, don't hesitate to contact my or any member of our sales staff for a consultation.

Regards,

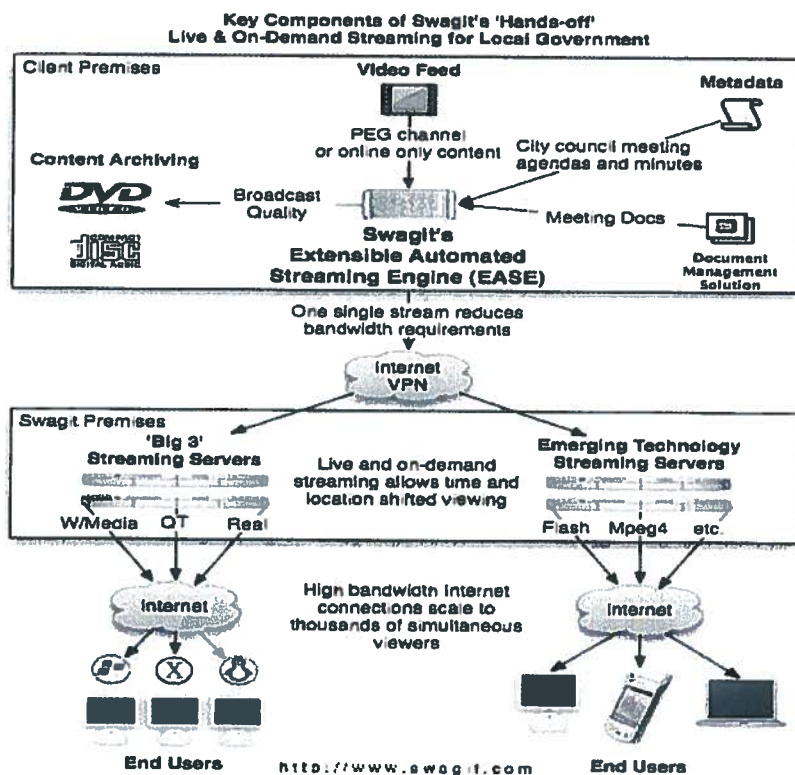
Michael Osuna
Swagit Productions, LLC
michael@swagit.com
(214) 432-5905
www.swagit.com



January 13, 2014

ATTN: Wendle Medford
 Manager of Information Technology
 City of Murphy, Texas

This letter is to provide notification that Swagit Productions, LLC, a Texas Limited Liability Company, with offices at 850 Central Parkway East., Ste. 100, Plano, Texas 75075, is the sole source provider of Swagit's Extensible Automated Streaming Engine (EASE) software framework. The EASE application is manufactured, leased and distributed by Swagit alone. No other company offers a competing service and all in one solution that combines an automated editing and indexing tool (EASE) in combination with a "hands-free" broadcast system, agenda integration, and the ability to stream video live or on-demand via the Internet. What sets Swagit's solution apart from other vendors is the ability of Swagit's system to require no city staff involvement for the operation, service and running of any equipment from Broadcast to Streaming, offering a true "hands-free" solution.



AGREEMENT FOR VIDEO STREAMING SERVICES

CITY OF MURPHY
and
SWAGIT PRODUCTIONS, LLC

This Agreement for Video Streaming Services ("Agreement") is made by and between the City of Murphy, Texas ("City"), a municipal corporation with offices at 206 N. Murphy Rd., Murphy, Texas 75094, and Swagit Productions, LLC, ("Provider") a Texas Limited Liability Company, with offices at 850 Central Parkway E., Suite 100, Plano, Texas 75074 effective as of the date written below.

RECITALS

- A. The City desires to enter into this Agreement in order to obtain video streaming services for scheduled Council meetings as outlined in the Scope of Services attached as Exhibit "A"; and
- B. Provider has available and offers to provide the personnel necessary to provide said services in accordance with the Scope of Services included in this Agreement (see Exhibit A attached hereto and incorporated herein); and
- C. Provider is in the business of providing video streaming services for businesses and governmental entities, and represents and warrants that it has the skills, qualifications, expertise and experience necessary to perform the work and services to provide and implement video streaming services as described herein in an efficient, cost-effective manner with a high degree of quality and responsiveness and has performed and continues to perform the same and similar services for other buyers; and
- D. On the basis of and in reliance upon such representations by Provider and others made herein and in Provider's proposal, the City desires to engage Provider to provide the work and services described herein under the terms and conditions of this Agreement.

For the reasons recited above, and in consideration of the mutual covenants contained in this Agreement, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Provider agree as follows:

1. SERVICES TO BE PERFORMED BY PROVIDER

Provider agrees to perform the following work and services for the City:

- 1.1 Provider agrees to provide the work and services as set forth in the Scope of Services.

- 1.2 Without limiting the foregoing provisions of Section 1.1, the services to be provided by the Provider include the installation ("Installation") by Provider of all hardware, software, cameras, wiring, and related equipment and materials identified and described in the Scope of Services (collectively, the "Equipment") within the City of Murphy City Council Chambers located at Murphy City Hall, 206 N. Murphy Rd., Murphy, Texas 75094 (the "Site"). Before installing the same, Provider shall deliver to the City's Information Technology Manager (the "Director"), for review and consideration of approval, drawings or plans and specifications for such Installation. The City's approval of any Installation or related plans does not and shall not constitute a representation or warranty by the City that the Installation or related plans comply with any specifications therefor or with any applicable governmental laws, rules, codes, standards, or regulations.

2. COMPENSATION OF PROVIDER

- 2.1 Provider agrees to provide all of the services and Equipment set forth in the Scope of Services and as described herein for the following amounts:

- (a) A one-time charge not to exceed:
 - (i) **Five Thousand Nine Hundred Sixty-Five and No/100 Dollars (\$5,965.00)** for Swagit EASE hardware/software and other related (including, without limitation, Installation) costs (as identified and detailed on the attached Exhibit "A", page 3, "Streaming Video Hardware"); and
 - (ii) **Twenty-One Thousand Eight Hundred Seventy-Eight and No/100 Dollars (\$21,878.00)** for broadcast system hardware/software and other related (including, without limitation, Installation) costs (as identified and detailed on the attached Exhibit "A", page 5, "Cosmos Broadcast System"); and
 - (b) Following the Installation at the Site of all Equipment by Provider and the acceptance thereof by the City, the City shall pay to provider a monthly fee in the amount of **Nine Hundred Ninety-Five and No/100 Dollars (\$995.00)** for on-demand, live video streaming and remote switching (as identified and described on the attached Exhibit "A", page 3, "*Streaming Video Monthly Managed Services*").
- 2.2 (a) Payment for the work, services, and Equipment described in Section 2.1(a)(i) and 2.1(a)(ii), above, shall be due and payable following the completion of the Installation of the Equipment by Provider, the acceptance thereof by the Director, and the receipt by the City of an invoice from Provider for such work, service and Equipment; provided, however that with respect to the work, service and Equipment described in Section 2.1(a)(ii), fifty percent (50%) of the not-to-exceed amount set forth therein (or \$10,939.00) shall be due and payable not later than ten (10) days following the date Agreement has been signed by both parties.
- (b) Payment balance for the work, services, and Equipment described in

Section 2.1(a)(ii) shall be due and payable following the completion of the Installation of the Equipment by Provider and the acceptance thereof by the Director.

- (c) Except as set forth herein, payments will be processed on a monthly basis with payment available within 30 days after receipt of an invoice for the previous month's service. All payments pursuant to this Agreement shall be paid in accordance with the Texas Prompt Payment Act, Texas Gov't Code Chapter 2251.
- (d) Should the City fail to pay any invoice that is outstanding more than 60 days, a 5% service fee will be applied to the total amount of that invoice, not including any shipping or sales tax.

3. RIGHTS, OBLIGATIONS AND REPRESENTATIONS OF PROVIDER

3.1 Independent Contractor. The parties agree that Provider performs specialized services and that Provider enters into this Agreement with the City as an independent contractor. Nothing in this Agreement shall be construed to constitute Provider or any of Provider's agents or employees as an agent, employee or representative of the City. Further, nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, a joint enterprise, or to allow the City to exercise discretion or control over the manner in which Provider performs the work and services, which are the subject matter of this Agreement. As an independent contractor, Provider is solely responsible for all labor and expenses in connection with this Agreement and for any and all damages arising out of Provider's performance under this Agreement.

3.2 Provider's Control of Work. All services to be provided by Provider shall be performed in accordance with the Scope of Services. Provider shall furnish the qualified personnel, materials, equipment and other items necessary to carry out the terms of this Agreement. Provider shall be responsible for and in full control of the work of all such personnel. Provider warrants and represents that all Equipment and other goods and materials provided by Provider shall be safe, fully operational, and will not cause injury or damage to any person or property, and that all persons provided by Provider to perform the work and services under this Agreement shall be adequately trained and capable of performing the work and services.

3.3 Reports to the City. Although Provider is responsible for control and supervision of work and services performed under this Agreement, the work and services provided shall be acceptable to the City and shall be subject to a general right of inspection and supervision to ensure satisfactory completion. This right of inspection and supervision shall include, but not be limited to, all reports to be provided by Provider to the City and the right of the City, as set forth in the Scope of Services.

3.4 Compliance with All Laws. Provider shall comply with all applicable laws, statutes, ordinances, rules, regulations, standards, codes, and executive orders of the federal, state

and local government, which may affect the performance of this Agreement.

3.5 Organization and Authorization. Provider warrants and represents that: (i) it is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas, and which shall remain in good standing throughout the term of this Agreement; (ii) it has the requisite power and authority to carry on its business as it is now being conducted; (iii) it has the legal capacity to enter into this Agreement; (iv) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been authorized and approved by all action required on the part of Provider; (v) has the right and authority to sell the hardware and software to the City; (vi) all hardware and software shall be in good working order; and, (vii) all licenses and warranties regarding the software and hardware shall be conveyed to the City.

3.6 No Conflict. Provider warrants and represents that the execution and delivery of this Agreement and ancillary agreements hereto by Provider does and will not: (i) conflict with, or result in any violation or breach of, any provision of Provider's charter documents; (ii) result in any violation or breach of, or constitute a default under, or require a consent or waiver under, any of the terms, conditions or provisions of any license, contract or other agreement to which Provider is a party; or (iii) conflict with or violate any franchise, license, judgment, order, statute, law, rule or regulation applicable to Provider.

3.7 Camera and Broadcast Operations. Although Provider is responsible for control and supervision of work and services performed under this Agreement, the City understands that the operation of the camera and broadcast system can be done remotely. Such remote operation requires access via inbound TCP port [REDACTED]. The City will need to supply the Provider with access to such TCP and UDP ports with respect to the City's Internet connection. If, such access is not given or the City's Internet connection fails during operations, the Provider will not be held responsible for remote camera operations. Additionally, in the event the Provider decides to operate such system manually, the City shall provide access to the equipment (as identified and described in the Scope of Services, page 5, "*Cosmos Broadcast System*") at the Site described in Section 1.2, above.

3.8 Warranty. Provider warrants that: (i) any streaming server hardware provided by Swagit not in good working order and used under normal operating conditions, will be fully replaced for a period of three (3) years; (ii) thereafter, all costs of streaming server hardware replacement due to any failure or caused by normal wear and tear, shall be at the City's expense; (iii) all operating and proprietary software for any streaming server shall be fully replaced or upgraded, at no cost to the City, for the life of the contract; and, (iv) all hardware and software for the broadcasting equipment (as identified and described in the Scope of Services, page 5, "*Cosmos Broadcast System*"), shall be replaced or fixed with respect to each components manufacturer's warranties.

3.9 Provider's Service Network. Provider's content delivery network and service level represents that: (i) it maintains full N+1 redundancy on all service critical-infrastructure in order to protect against outages. Multiple mirror facilities provide diverse geographic

redundancy. Within each facility servers have multiple power supplies, network interfaces and RAID protected storage. Provider is connected to upstream bandwidth providers by multiple gigabit uplinks, transitioning to gigabit and ten-gigabit connections to multiple "tier 1" bandwidth providers, offering route diversity and redundancy. These bandwidth providers maintain 24/7 staffs familiar with mitigating Denial of Service attacks, should the need arise, which they have sufficient capacity to absorb-and-filter; (ii) Provider utilizes external, 3rd party monitoring services to track server availability metrics. This service tracks availability from approximately 30 international points which helps isolate regional networking issues, in addition to any centralized failures; (iii) Content is stored and viewable to the public on the Provider's networks for a period of three years or as defined by the managed services agreement. All Content is stored and backed up offline indefinitely for the life of the Agreement. Content can also be stored locally on the City's network for an indefinite period of time limited only by storage capacity, with the added benefit of cached delivery to local users. City is consulted before they exceed any storage horizon and may extend the window for additional years; (iv) Content is stored in widely accessible formats and is available for export at any time. Exported data will include multimedia content and associated documents in their native format as well as any structured metadata in XML format. Access to exported content can be via FTP but in such an event the City is encouraged to provide a portable hard drive to ease the transition of storage and bandwidth intensive content; and (v) the City may verify compliance with these policies at any time in consultation with Provider engineers and officers.

4. NOTICE PROVISIONS

Notice. Any notice concerning this Agreement shall be in writing and (i) sent by certified or registered mail, return receipt requested, postage prepaid, (ii) delivered personally, or (iii) placed in the custody of Federal Express Corporation or other nationally recognized carrier to be delivered overnight; and addresses for such notice are as follows:

To the City's Authorized Representative: To Provider:

Wendle Medford
Information Technology Manager
City of Murphy
206 N. Murphy Rd.
Murphy, TX 75094
972/468-4027

David Owusu
Director of Streaming
Swagit Productions, LLC
850 Central Parkway E., Ste 100
Plano, Texas 75074
800/573-3160

Notice shall be deemed given upon receipt by the party to whom it is sent.

5. INDEMNIFICATION

PROVIDER'S INDEMNITY OBLIGATION. PROVIDER COVENANTS, AGREES TO, AND SHALL DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO

THE CITY), INDEMNIFY, AND HOLD HARMLESS THE CITY OF MURPHY, TEXAS AND THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, REPRESENTATIVES, AND VOLUNTEERS OF THE CITY OF MURPHY, TEXAS, INDIVIDUALLY OR COLLECTIVELY, IN BOTH THEIR OFFICIAL AND PRIVATE CAPACITIES (THE CITY OF MURPHY, TEXAS, AND THE ELECTED OFFICIALS, THE OFFICERS, EMPLOYEES, REPRESENTATIVES, AND VOLUNTEERS OF THE CITY OF MURPHY, TEXAS EACH BEING A "MURPHY PERSON" AND COLLECTIVELY THE "MURPHY PERSONS"), FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, JUDGMENTS, LAWSUITS, DEMANDS, HARM, LOSSES, DAMAGES, PROCEEDINGS, SUITS, ACTIONS, CAUSES OF ACTION, LIENS, FEES, FINES, PENALTIES, EXPENSES, OR COSTS, OF ANY KIND AND NATURE WHATSOEVER MADE UPON OR INCURRED BY THE CITY OF MURPHY, TEXAS AND/OR ANY OTHER MURPHY PERSON, WHETHER DIRECTLY OR INDIRECTLY, (THE "CLAIMS"), THAT ARISE OUT OF, RESULT FROM, OR RELATE TO: (I) ANY OF THE WORK AND SERVICES OF THE PROVIDER AS DESCRIBED IN SECTION 1 OF THIS AGREEMENT, (II) ANY REPRESENTATIONS AND/OR WARRANTIES BY PROVIDER UNDER THIS AGREEMENT, AND/OR (III) ANY ACT OR OMISSION UNDER, IN PERFORMANCE OF, OR IN CONNECTION WITH THIS AGREEMENT BY PROVIDER, OR BY ANY OF PROVIDER'S OWNERS, DIRECTORS, OFFICERS, SHAREHOLDERS, MANAGERS, PARTNERS, EMPLOYEES, AGENTS, ENGINEERS, ARCHITECTS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, INVITEES, PATRONS, GUESTS, CUSTOMERS, TENANTS, SUBTENANTS, LICENSEE, SUBLICENSEE, CONCESSIONAIRES, OR ANY OTHER PERSON OR ENTITY FOR WHOM PROVIDER IS LEGALLY RESPONSIBLE, AND THEIR RESPECTIVE OWNERS, DIRECTORS, OFFICERS, SHAREHOLDERS, MANAGERS, PARTNERS, EMPLOYEES, AGENTS, ENGINEERS, ARCHITECTS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, INVITEES, PATRONS, GUESTS, CUSTOMERS, PROVIDERS, AND CONCESSIONAIRES. SUCH DEFENSE, INDEMNITY AND HOLD HARMLESS SHALL AND DOES INCLUDE CLAIMS ALLEGED OR FOUND TO HAVE BEEN CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF ANY MURPHY PERSON, OR CONDUCT BY ANY MURPHY PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND.

PROVIDER SHALL PROMPTLY ADVISE THE CITY IN WRITING OF ANY CLAIM OR DEMAND AGAINST ANY MURPHY PERSON RELATED TO OR ARISING OUT OF PROVIDER'S ACTIVITIES UNDER THIS AGREEMENT AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT PROVIDER'S SOLE COST AND EXPENSE. THE MURPHY PERSONS SHALL HAVE THE RIGHT, AT THE MURPHY PERSONS' OPTION AND OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING PROVIDER OF ANY OF ITS OBLIGATIONS HEREUNDER. THE DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATIONS SET FORTH HEREIN SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

6. INSURANCE

Provider and its subcontractors shall procure and maintain in a company or companies lawfully authorized to do business in Texas and until all of their obligations have been discharged and satisfied (and including during any warranty periods under this Agreement), insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the services and work hereunder by Provider, its agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits contained herein are sufficient to protect Provider from liabilities that may arise out of the performance of the services and work under this Agreement by Provider, its agents, representatives, employees or subcontractors and Provider is free to purchase additional insurance as may be determined necessary.

A. Minimum Scope and Limits of Insurance. Provider shall provide coverage at least as broad and with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**
(Form CG 0001, ed. 10/93 or any replacements thereof)

General Aggregate	\$2,000,000
Products-Completed Operations Aggregate	\$1,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (Any one fire)	\$ 50,000
Medical Expense (Any one person)	Optional

 (This coverage must be amended to provide for an each-project aggregate limit of insurance)

2. **Workers' Compensation and Employer's Liability**

Workers' Compensation	Statutory
Employer's Liability: Each Accident	\$ 500,000
Disease-Each Employee	\$ 500,000
Disease-Policy Limit	\$ 500,000

3. **Professional Liability** \$1,000,000

B. OTHER INSURANCE REQUIREMENTS: The foregoing insurance policies shall be endorsed to contain the following provisions:

1. The City of Murphy, its officers, officials, agents, employees and volunteers shall be named as additional insureds with respect to general liability, including liability arising out of activities performed by, or on behalf of, the Provider; products and completed operations of the Provider, and automobiles owned, leased, hired or borrowed by the Provider.

2. The Provider's insurance shall contain broad form contractual liability coverage.
 3. The City of Murphy, its, officers, officials, agents, employees and volunteers shall be additional named insureds to the full limits of liability purchased by the Provider even if those limits of liability are in excess of those required by this Agreement.
 4. The Provider's insurance coverage shall be primary insurance with respect to the City, its, officers, officials, agents, and employees (and must be endorsed to read as primary coverage regardless of the application of other insurance). Any insurance or self-insurance maintained by the City, its officers, officials, agents, employees, or volunteers shall be in excess to the coverage of the Provider's insurance and shall not contribute to it.
 5. The Provider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 6. Coverage provided by the Provider shall not be limited to the liability assumed under the indemnification provisions of this Agreement.
 7. The policies shall contain a waiver of subrogation in favor of the City, its officers, officials, agents, and employees.
 8. All liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the City of Murphy.
 9. All insurance policies shall be endorsed to require the insurer to immediately notify the City of Murphy, Texas of any material change in the insurance coverage.
 10. Provider may maintain reasonable and customary deductibles, subject to approval of the City.
 11. Insurance must be purchased from insurers that are financially acceptable to the City and licensed to do business in the State of Texas.
- 6.1 Notice of Cancellation. Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided or canceled, or not renewed, except after sixty (60) days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then at least ten (10) days prior notice shall be given to the City. Such notice shall be sent directly to:

**Wendle Medford, Information Technology Manager
City of Murphy
206 N. Murphy Rd.
Murphy, TX 75094**

- 6.2 Acceptability of Insurers. Insurance shall be placed with insurers duly licensed or authorized to do business in the State of Texas and with an "A.M. Best" rating of not less than A- VII, or receiving prior approval by the City. The City in no way warrants that the above-required minimum insurer rating is sufficient to protect Provider from potential insurer insolvency. All insurance must be written on forms filed with and approved by the Texas Department of Insurance.
- 6.3 Verification of Coverage. Prior to commencing work or services, Provider shall furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) as required by this Agreement (and update the same as needed to comply with this Agreement). The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf.

Certificates of Insurance shall:

1. List each insurance coverage described and required herein. Such certificates will also include a copy of the endorsements necessary to meet the requirements and instructions contained herein.
2. Specifically set forth the notice-of-cancellation or termination provisions to the City of Murphy.

All certificates and any required endorsements shall be received and approved by the City before work commences. Each insurance policy required by this Agreement shall be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of this Agreement. Failure to maintain the insurance policies as required by this Agreement or to provide evidence of renewal shall constitute a material breach of contract.

All certificates required by this Agreement shall be sent directly to **Wendle Medford, Information Technology Manager, City of Murphy, 206 N. Murphy Rd., Murphy, TX 75094**. The City reserves the right to request and receive within ten (10) days, complete copies of all insurance policies (certified to be true and correct by the insurance carrier) required by this Agreement at any time. The City shall not be obligated, however, to review same or to advise Provider of any deficiencies in such policies and endorsements, and such receipt shall not relieve Provider from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Provider's obligations under this Agreement.

- 6.4 Subcontractors. Providers' certificate(s) shall include all subcontractors as additional insureds under its policies or Provider shall furnish to the City separate

certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements and all provisions identified above.

- 6.5 Approval. Any modification or variation from the insurance requirements in this Agreement shall be made by the City's risk manager, whose decision shall be final. Such action shall not require a formal amendment to this Agreement, but may be made by administrative action.

7. DEFAULT AND TERMINATION

Events of Default Defined. The following shall be Events of Default under this Agreement:

7.1.1 Any material misrepresentation made by Provider to the City;

7.1.2 Any failure by Provider to perform its obligations under this Agreement including, but not limited to, the following:

7.1.2.1 Failure to commence work at the time(s) specified in this Agreement due to a reason or circumstance within Provider's reasonable control;

7.1.2.2 Failure to perform the work with sufficient personnel and equipment or with sufficient equipment to ensure completion of the work within the specified time due to a reason or circumstance within Provider's reasonable control;

7.1.2.3 Failure to perform the work in a manner reasonably satisfactory to the City;

7.1.2.4 Failure to promptly correct or re-perform within a reasonable time work that was rejected by the City as unsatisfactory or erroneous;

7.1.2.5 Discontinuance of the work for reasons not beyond Provider's reasonable control;

7.1.2.6 Failure to comply with a material term of this Agreement, including, but not limited to, the provision of insurance; and

7.1.2.7 Any other acts specifically stated in this Agreement as constituting a default or a breach of this Agreement.

7.2 Remedies. The following shall be remedies under this agreement.

7.2.1 Upon the occurrence of any Event of Default, the City may declare Provider in default under this Agreement. The City shall provide written notification of the

Event of Default and any intention of the City to terminate this Agreement. Upon the giving of notice, the City may invoke any or all of the following remedies:

- 7.2.1.1 The right to cancel this Agreement as to any or all of the services yet to be performed;
- 7.2.1.2 The right of specific performance, an injunction or any other appropriate equitable remedy;
- 7.2.1.3 The right to monetary damages;
- 7.2.1.4 The right to withhold all or any part of Provider's compensation under this Agreement;
- 7.2.1.5 The right to deem Provider non-responsive in future contracts to be awarded by the City; and
- 7.2.1.6 The right to seek recoupment of public funds spent for impermissible purposes.

7.2.2 The City may elect not to declare an Event of Default or default under this Agreement or to terminate this Agreement upon the occurrence of an Event of Default. The parties acknowledge that this provision is solely for the benefit of the City, and that if the City allows Provider to continue to provide the Services despite the occurrence of one or more Events of Default, Provider shall in no way be relieved of any of its responsibilities or obligations under this Agreement, nor shall the City be deemed to waive or relinquish any of its rights under this Agreement.

7.3 Right to Offset. Any excess costs incurred by the City in the event of termination of this Agreement for default, or in the event the City exercises any of the remedies available to it under this Agreement, may be offset by use of any payment due for services completed before termination of this Agreement for default or the exercise of any remedies. If the offset amount is insufficient to cover excess costs, Provider shall be liable for and shall remit promptly to the City the balance upon written demand from the City.

8. GENERAL PROVISIONS

8.1 Headings. The section and subsection headings contained herein are for convenience only and shall not be used in interpretation of this Agreement and are not intended to define or limit the scope of any provision of this Agreement.

8.2 Governing Law and Venue. This Agreement shall be governed by and administered and interpreted under the laws of the State of Texas, without regard to any conflict of laws provisions. Venue for any action, cause or action or proceeding under this Agreement lies exclusively in the State District Court of Collin County, Texas, and the parties agree to submit to the personal and subject matter jurisdiction of said court.

8.3 Severability. The sections, paragraphs, sentences, phrases, words, and all other provisions of this Agreement are severable, and if any part of this Agreement is determined by a court of competent jurisdiction to be illegal, unlawful, unconstitutional, or void for any reason, the parties intend that the remaining provisions of this Agreement shall remain in full force and effect unless the stricken provision leaves the remaining Agreement unenforceable.

8.4 Attorney's Fees. If suit or action is initiated in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in event of appeal as allowed by the appellate court.

8.5 Assignment. This Agreement is binding on the heirs, successors and assigns of the parties hereto. This Agreement may not be sold, assigned, pledged, subcontracted, transferred or otherwise conveyed by any means whatsoever by either the City or Provider without prior written consent of the other, and any sale, assignment, pledge, subcontract, transfer or other conveyance by either party without the other party's prior written consent shall be null and void.

8.6 Conflict of Interest. Provider covenants that Provider presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of the work and services required to be performed under this Agreement. Provider further covenants that in the performance of this Agreement, Provider shall not engage any employee or apprentice having any such interest.

8.7 Authority to Contract. The undersigned officers and/or representatives of the parties hereto are the properly authorized persons and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that it has taken all actions necessary to authorize entering into this Agreement.

8.8 Integration; Modification. This Agreement represents the entire understanding of City and Provider as to those matters contained in this Agreement, and no prior oral or written understanding shall be of any force or effect with respect to those matters. This Agreement may not be modified or altered except in writing signed by duly authorized representatives of the parties.

8.9 Non-appropriation. If the City Council does not appropriate funds to continue this Contract and pay for charges hereunder, the City may terminate this Agreement at the end of the then current fiscal year, or at the time that funds are no longer available to meet the City's payment obligations hereunder. The City agrees to give written notice of termination to the Provider at least sixty (60) days prior to any termination for non-appropriation of funds and will pay the Provider in accordance with this Agreement through the date of termination of this Agreement.

8.10 Subcontractors. This Agreement or any portion hereof shall not be sub-contracted without the prior approval of the City. No subcontractor shall, under any circumstances, relieve Provider of its liability and obligation under this Agreement. The City shall deal through Provider and any subcontractor shall be dealt with as a worker and

representative of Provider. Provider assumes responsibility to the City for the proper performance of the work and service of all subcontractors and any acts and omissions in connection with such performance. Nothing in this Agreement shall, or is intended or deemed to, create any legal, contractual or other relationship between the City and any subcontractor or sub-subcontractor.

8.11 No Waiver. The failure by the City to exercise any right, power, or option given to it by this Agreement, or to insist upon strict compliance with the terms of this Agreement, shall not constitute a waiver of the terms and conditions of this Agreement for any reason whatsoever, including with respect to any such right, power or option or to such compliance or to any other or subsequent default or breach hereof, nor a waiver by the City of its rights at any time to exercise any such right, power or option or to require exact and strict compliance with all the terms hereof. Any rights and remedies the City may have arising out of this Agreement shall survive the cancellation, expiration or termination of this Agreement.

8.12 No Third Party Beneficiaries. This Agreement and all of its provisions are solely for the benefit of Provider and the City and are not intended to and shall not create or grant any rights, contractual or otherwise, to any third person or entity.

8.13 "Includes". For purposes of this Agreement, "includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

8.14 Incorporation of Recitals and Exhibits. The Exhibits and Recitals to this Agreement are incorporated herein and made a part hereof for all purposes.

9. DISCLOSURE OF AGREEMENT; INTERLOCAL ARRANGEMENTS.

9.1 Disclosure of Agreement Terms. The terms and conditions of this Agreement may be disclosed by either party to other public agencies for the purpose of such other agencies purchasing services under this Agreement pursuant to an interlocal or cooperative arrangement with the City. In addition, Provider may disclose the terms and conditions of this Agreement in an effort to show that the terms offered to another public agency are fair and reasonable or to determine the best value. It is understood that the Provider shall not be precluded from disclosing the terms and conditions of its form of Service Agreement to any other third party at Swagit's sole discretion and for any reason.

9.2 Included Parties: Interlocal Agreement. Pursuant to any interlocal, intergovernmental, or other such cooperative agreement with the City, Provider will accept orders from, and will furnish the Provider's Software, Hardware, Professional Services, and Managed Services as outlined in the Proposal to any governmental agency or other public entity authorized by the City to use the Proposal, based upon substantially the same terms and conditions of this Agreement, with the exception of price schedules.

9.3 Political Subdivision Participation. The Provider agrees to supply, sell, and contract separately with other similar or related political subdivisions (i.e., colleges, school districts, counties, cities, etc.) of the City, based upon substantially the same terms and conditions of this Agreement, with the exception of price schedules, in an effort to establish the terms and conditions as fair and reasonable.

10. DURATION

This Agreement shall become effective on the last day of execution by the parties, and shall continue in force for an initial term of twelve (12) months, unless sooner terminated as provided above. All pricing is to remain firm during the contract period. This Agreement will automatically renew for additional one-year terms unless this Agreement is terminated by either party providing written notice of its intent to terminate the Agreement to the other party not less than sixty (60) days prior to the end of the then current term.

11. SURVIVAL OF COVENANTS

Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

12. COUNTERPARTS

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

City of Murphy

Swagit Productions, LLC

James Fisher, City Manager

Bryan R. Halley, President

Attest:

City Secretary

Approved as to form:

City Attorney

Date of Execution:

EXHIBIT A
SCOPE OF SERVICES

City Council Meeting
May 6, 2014

Issue

Consider and/or act upon approval of an ordinance amending the FY 2013-2014 revenue, expenditure budgets and fund balances for the General Fund, Utility Fund, Murphy Municipal Development District and the Debt Service Fund.

Background/History

The original FY 2013-2014 budgets were adopted at the departmental level and may be amended throughout the fiscal year. During the course of the fiscal year, there were changes in the needs of the City which require increases in some revenues and departmental expenditures. Also the beginning fund balances for the General Fund, Murphy Municipal Development District and Debt Service Fund have been amended to the audited FY 2013 year end balances which provides a more realistic view of the projected ending fund balance for FY 2014.

General Fund:

Revenues – requesting an increase to revenues of \$150,000 from the 2014 Tax Notes to assist with the funding of the animal shelter.

The following increases to Public Works and Animal Control Departments are included in this budget amendment:

Public Works – requesting \$20,000 for the closure of Grant Street as approved by City Council on February 18, 2014.

Animal Control – requesting \$811,000 for the construction of the animal shelter. City Council had approved \$500,000 in the FY 2013 budget; however, these funds were not rolled over into the FY 2014 budget. An additional \$161,000 was approved by City Council on February 4, 2014. The \$500,000 and \$161,000 total \$661,000 which will reduce fund balance. The additional \$150,000 required to construct the animal shelter will be funded by the \$150,000 tax notes approved in December 2013 and funded in January 2014.

The funds for the closure of Grant Street and the additional funding for the animal shelter will decrease the fund balance by \$681,000.

Fund Balance – amended the FY 2014 beginning fund balance by \$1,027,487 to reflect the actual FY 2013 audited fund balance of \$3,556,706. The amended projected fund balance at September 30, 2014 is \$2,741,757 or 21.16% of FY 2014 budget expenditures.

Utility Fund:

Customer Service – requesting an increase of \$30,700 for the utility rate study approved by City Council on February 18, 2014.

Murphy Municipal Development District:

Revenues - requesting an increase of \$850,000 to the revenues from the 2014 Tax Notes received in January 2014.

Expenditures – requesting an increase of \$32,000 for consulting services to be provided by Retail Coach, \$8,500 for a traffic study, \$21,600 for the issuance costs of the 2014 Tax Notes, \$500 for Chamber of Commerce banquet, \$110,000 for incentive for Murphy Market Place, \$1,000 to repair and restore the Hogge Cemetery, \$850,000 for the construction of Murphy Central Park and \$128,700 for the principal and interest payments due in August 2014 for the 2014 Tax Notes. A total of \$302,300 will be funded by fund balance.

Fund Balance – amended the FY 2014 beginning fund balance by \$512,942 to reflect the actual FY 2013 audited fund balance of \$871,797. The amended projected fund balance at September 30, 2014 is \$1,204,167.

Debt Service:

Expenditures – requesting an increase of \$21,600 for the principal and interest due in August 2014 for the 2014 Tax Notes. This increase will be funded by fund balance.

Fund Balance – amended the FY 2014 beginning fund balance by \$50,507 to reflect the actual FY 2013 audited fund balance of \$844,034. The amended projected fund balance at September 30, 2014 is \$846,934.

Other Considerations

Section 7.09 Amending the Budget of the Murphy City Charter states the following:

“Under conditions which may arise, and for municipal purposes, the City Council may, by the affirmative vote of a majority of the full membership of the City Council, amend or change the budget to provide for any additional expense in which the general welfare of the citizenry is involved. These amendments shall be by ordinance, and shall become an attachment to the original budget.”

Action Requested

Approval of an ordinance amending the FY 2013-2014 revenue, expenditure budgets and fund balance for the General Fund, Utility Fund, Murphy Municipal Development District and the Debt Service Fund.

Attachments

- 1) Budget Amendment Ordinance
- 2) Exhibit A

ORDINANCE NO. 14-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, AUTHORIZING CERTAIN BUDGET AMENDMENTS PERTAINING TO THE FISCAL YEAR 2013-2014 BUDGET; AND PROVIDING FOR SAID ORDINANCE TO TAKE IMMEDIATE EFFECT.

WHEREAS, chapter 102 of the Texas Local Government Code, as amended, governs municipal budgets and provides that the chapter does not prevent the City Council of the City of Murphy, Texas, from making changes in the budget for municipal purposes; and

WHEREAS, section 7.09 of the City of Murphy Home-Rule Charter authorizes the amending of the fiscal year 2012-2013 budget; and

WHEREAS, as required by the City Charter, the City Manager has prepared an amendment to certain revenues, expenditures and fund balances in the fiscal year 2013-2014 budget and submitted same to the City Council for its approval and a true and correct copy is attached as *Exhibit A*.

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

Section 1. FINDINGS INCORPORATED

The findings set forth above are incorporated into the body of this Ordinance as if fully set herein.

Section 2. That pursuant to the City Charter requirements of the City of Murphy, Texas, the budget amendment for fiscal year 2013-2014 attached as *Exhibit A* is hereby authorized and approved.

Section 3. That pursuant to the City Charter requirements this Ordinance and budget amendment shall become an attachment to the original budget.

Section 4. That this Ordinance shall become effective from and after its passage and it is so ordained.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Murphy, Texas, on this 6th day of May, 2014.

Eric Barna, Mayor
City of Murphy

ATTEST:

Kristi Gilbert, City Secretary
City of Murphy

APPROVED AS TO FORM AND LEGALITY:

Wm. Andrew Messer, City Attorney

Exhibit A

City of Murphy
General Fund
FY 2014 Amended Budget Summary

General Fund	FY12 Actual	FY13 Budget	FY13 Projected	FY14 Budget	FY14 Adjustment	FY14 Amended
Beginning Fund Balance	3,054,395	2,622,459	3,060,919	2,529,219	1,027,487	3,556,706
Revenues						
Total Property Taxes	4,646,021	5,064,400	5,169,000	5,614,000	-	5,614,000
Total Sales Tax	1,048,827	1,150,000	1,174,000	1,724,000	-	1,724,000
Total Franchise Tax	924,686	919,600	846,300	882,200	-	882,201
Total Permits & Licenses	818,603	866,200	980,000	753,000	-	753,000
Total Other Revenue	782,599	850,400	1,007,300	906,500	-	906,500
Total Court Revenue	490,697	450,000	371,000	375,000	-	375,000
Total Solid Waste	833,046	883,000	888,500	859,100	-	859,100
Total Revenues	9,544,479	10,183,600	10,436,100	11,113,800	-	11,113,801
Transfer from Utility Fund	850,000	850,000	850,000	850,000	-	850,000
Transfer from Reserves - Capital	-					
Transfer from Reserves - Animal Control		500,000	500,000			
Transfer from Court Restricted Juvenile Case Manage - 50% of salary & b		29,700	29,700	30,000	-	30,000
Transfer from Reserves - Vehicles		151,500	151,500	-	-	-
Tax Notes			-	-	150,000	150,000
Total Other Sources	850,000	1,531,200	1,531,200	880,000	150,000	1,030,000
Revenues & Other Sources	10,394,479	11,714,800	11,967,300	11,993,800	150,000	12,143,801
Category Expenses						
Total Personnel Services	5,986,998	6,764,000	6,625,600	7,209,800	-	7,209,800
Total Materials & Supplies	594,568	703,700	725,050	654,050	-	654,050
Total Contractual Services	3,338,277	3,290,600	3,441,650	3,610,300	20,000	3,630,300
Total Capital Outlay	468,111	1,011,500	1,055,200	653,600	811,000	1,464,600
Total Expenses	10,387,955	11,769,800	11,847,500	12,127,750	831,000	12,958,750
Transfer Out		651,500	651,500			
Revenues less Expenses	6,524	(706,500)	(531,700)	(133,950)	(681,000)	(814,949)
Ending Fund Balance	3,060,918	1,915,959	2,529,219	2,395,269	346,487	2,741,757
Departmental Expenses						
Total Administration	393,784	431,800	435,600	423,200	-	423,200
Total Human Resources	137,145	137,600	133,200	139,400	-	139,400
Total Information Technology	457,576	782,800	773,300	799,600	-	799,600
Total City Council	362,200	255,400	317,200	304,200	-	304,200
Total City Secretary	124,427	150,300	127,000	148,500	-	148,500
Total Finance	396,207	395,200	395,900	412,100	-	412,100
Total Fire	2,244,528	2,343,200	2,269,400	2,633,500	-	2,633,500
Total Public Works	261,055	258,600	258,800	398,300	20,000	418,300
Total Facilities	410,091	477,800	465,900	496,000	-	496,000
Total Community Services	636,077	494,800	737,250	575,350	-	575,350
Total Economic Development	83,321	166,700	137,400	144,800	-	144,800
Total Police	2,712,579	3,004,300	2,973,800	3,234,000	-	3,234,000
Total Animal Control	62,189	628,000	611,900	127,800	811,000	938,800
Total Recreation	350,773	361,500	384,500	310,600	-	310,600
Total Parks	761,095	824,600	808,000	912,600	-	912,600

**City of Murphy
General Fund
FY 2014 Amended Budget Summary**

General Fund	FY12 Actual	FY13 Budget	FY13 Projected	FY14 Budget	FY14 Adjustment	FY14 Amended
Total Municipal Court	318,989	356,000	319,350	359,300	-	359,300
Total Solid Waste	675,918	701,200	699,000	708,500	-	708,500
Total Expenses	10,387,954	11,769,800	11,847,500	12,127,750	831,000	12,958,750
Revenue Less Expenses	6,525	(55,000)	119,800	(133,950)	(681,000)	(814,949)
Transfer Out		651,500	651,500			
Ending Fund Balance	3,060,919	1,915,959	2,529,219	2,395,269	346,487	2,741,757

Projected Fund Balance - percentage of expenditures	21.16%
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City of Murphy
FY 2014 Amended Budget

	FY12	FY13	FY13	FY14	FY14	FY14
	Actual	Budget	Projected	Budget	Adjustment	Amended
REVENUES						
10 -GENERAL FUND						
PROPERTY TAXES						
4000-4000-0000 CURRENT PROPERTY TAXES	4,621,002	5,029,100	5,060,000	5,576,000		5,576,000
4000-4005-0000 DELINQUENT PROPERTY TAXES	8,249	18,100	82,000	20,000		20,000
4000-4010-0000 PENALTY & INTEREST	16,770	17,200	27,000	18,000		18,000
TOTAL PROPERTY TAXES	4,646,021	5,064,400	5,169,000	5,614,000	-	5,614,000
NON-PROPERTY TAXES						
4000-4060-0000 SALES & USE TAX	1,048,827	1,150,000	1,174,000	1,724,000		1,724,000
TOTAL NON-PROPERTY TAXES	1,048,827	1,150,000	1,174,000	1,724,000	-	1,724,000
FRANCHISE TAXES						
4000-4100-0000 GAS FRANCHISE TAX	103,799	100,000	81,900	84,000		84,000
4000-4105-0000 ELECTRIC FRANCHISE TAX	530,469	530,000	447,600	450,000		450,000
4000-4110-0000 TELEPHONE	237,046	234,700	251,900	258,200		258,200
4000-4111-0000 CABLE TV	39,198	41,800	29,900	30,000		30,000
4000-4113-0000 GARBAGE FRANCHISE TAX	14,174	13,100	35,000	60,000		60,000
TOTAL FRANCHISE TAXES	924,686	919,600	846,300	882,200	-	882,200
PERMITS & LICENSES						
4000-4200-0000 BUILDING PERMIT	484,491	575,000	600,000	450,000		450,000
4000-4201-0000 PLAN REVIEW	22,062	25,000	15,000	10,000		10,000
4000-4203-0000 REINSPECTION FEES	15,970	20,000	32,000	25,000		25,000
4000-4204-0000 ZONING/PLATTING	24,893	5,000	16,200	5,000		5,000
4000-4205-0000 ALARM PERMIT	32,388	34,700	37,000	35,000		35,000
4000-4206-0000 ANIMAL CONTROL	21,188	22,500	23,000	21,000		21,000
4000-4207-0000 CONTRACTOR REGISTRATION	35,075	34,000	37,800	32,000		32,000
4000-4209-0000 MISCELLANEOUS PERMITS	182,536	150,000	219,000	175,000		175,000
TOTAL PERMITS & LICENSES	818,603	866,200	980,000	753,000	-	753,000
OTHER REVENUE						
4000-4300-0000 MISCELLANEOUS REVENUE	22,743	14,000	82,300	20,000		20,000
4000-4301-0000 OPEN RECORDS FEES	40	100	100	100		100
4000-4305-0000 INTEREST INCOME	6,799	6,000	7,000	6,500		6,500
4000-4306-0000 POLICE REVENUES	63,971	48,800	57,400	95,600		95,600
4000-4307-0000 RECREATIONAL PROGRAMS	52,000	51,500	81,000	85,000		85,000
4000-4315-0000 RENTALS - FACILITIES	10,497	20,000	12,000	12,000		12,000
4000-4330-0000 DRAINAGE FEES	204,242	209,200	210,900	211,000		211,000
4000-4341-0000 DRAINAGE PENALTIES	2,347	2,400	2,400	2,000		2,000
4000-4342-0000 4B SUPPORT	25,000	286,400	79,700	86,600		86,600
4000-4342-0000 MDD SUPPORT	160,802		206,700	189,800		189,800
4000-4343-0000 TCLEOSE FUNDS	2,588					-
4000-4345-0000 POLICE DONATIONS	500		500			-

City of Murphy
FY 2014 Amended Budget

	FY12 Actual	FY13 Budget	FY13 Projected	FY14 Budget	FY14 Adjustment	FY14 Amended
REVENUES						
4000-4346-0000 FIRE DONATIONS	1,200		500			-
4000-4347-0000 FIRE GRANTS			3,100			-
4000-4350-0000 EMS REVENUES	184,520	200,000	180,000	180,000		180,000
4000-4360-0000 ANIMAL CONTROL DONATIONS	1,546		100			-
4000-4370-0000 CITY CELEBRATION DONATIONS	23,950					-
4000-4380-0000 RECYCLE REBATES	14,974	12,000	13,500	15,000		15,000
4000-4385-0000 GRANT ANIMAL CONTROL	2,045					-
4000-4390-0000 SIGN REVENUE	2,835		2,900	2,900		2,900
Grants			67,200			-
TOTAL OTHER REVENUE	782,599	850,400	1,007,300	906,500	-	906,500
MUNICIPAL COURT REVENUE						
4000-4600-0000 MUNICIPAL COURT FINES	490,697	450,000	371,000	375,000		375,000
TOTAL MUNICIPAL COURT REVENUE	490,697	450,000	371,000	375,000	-	375,000
SOLID WASTE REVENUES						
4000-4325-0000 SOLID WASTE	823,392	872,500	878,000	849,100		849,100
4000-4340-0000 SOLID WASTE PENALTIES	9,654	10,500	10,500	10,000		10,000
TOTAL SOLID WASTE REVENUES	833,046	883,000	888,500	859,100	-	859,100
TOTAL REVENUES	9,544,479	10,183,600	10,436,100	11,113,800	-	11,113,800
OTHER SOURCES						
TRANSFER FROM U/F	850,000	850,000	850,000	850,000		850,000
TRANSFER RESERVES		500,000	500,000			-
TRANSFER FROM COURT RESTRICTED - JUVINILE CASE MANAGER		29,700	29,700	30,000		30,000
TRANFSER FROM RESERVES - VEHICLES		151,500	151,500			-
TAX NOTES					150,000	150,000
TOTAL OTHER SOURCES	850,000	1,531,200	1,531,200	880,000	150,000	1,030,000
TOTAL REVENUE & OTHER SOURCES	10,394,479	11,714,800	11,967,300	11,993,800	150,000	12,143,800

City of Murphy
FY 2014 Amended Budget

	FY12 Actual	FY13 Budget	FY13 Projected	FY14 Budget	FY14 Adjustment	FY14 Amended
PUBLIC WORKS						
MATERIALS & SUPPLIES						
5450-2232-0000 SIGNS AND MARKERS	20,285	8,000	8,000	19,000		19,000
5450-2301-0000 BUILDINGS/GROUNDS SUPPLIES	750		0	0		0
5450-2302-0000 STREET AND BRIDGES SUP.	182	10,300	2,500	20,500		20,500
5450-2314-0000 SIGNAL SYSTEMS	150	4,900	0	4,900		4,900
5450-2401-0000 MINOR TOOLS & EQPT.	179	2,500	0	2,000		2,000
TOTAL MATERIALS & SUPPLIES	21,546	25,700	10,500	46,400	0	46,400
CONTRACTUAL SERVICES						
5450-3105-0000 ENGINEERING SERVICES	22,949	5,000	10,000	9,500		9,500
5450-3302-0000 PRINTING AND BINDING				2,000		2,000
5450-3501-0000 ELECTRICITY	154,800	159,300	150,300	157,900		157,900
5450-3616-0000 DRAINAGE IMPROVEMENTS	6,853	32,400	50,000	41,500		41,500
5450-3617-0000 STREET REPAIRS	49,777	32,500	30,000	30,000	20,000	50,000
5450-3704-0000 RENTAL MACHINERY & EQPT.		3,700	8,000	16,000		16,000
TOTAL CONTRACTUAL SERVICES	234,379	232,900	248,300	256,900	20,000	276,900
CAPITAL OUTLAY						
5450-4206-0000 STORM SEWERS	5,130			-		-
5450-4209-0000 SIDEWALKS				25,000		25,000
5450-4304-0000 MOBILE EQUIPMENT				70,000		70,000
TOTAL CAPITAL OUTLAY	5,130	-	-	95,000	-	95,000
TOTAL PUBLIC WORKS	261,055	258,600	258,800	398,300	20,000	418,300

City of Murphy
FY 2014 Amended Budget

	FY12 Actual	FY13 Budget	FY13 Projected	FY14 Budget	FY14 Adjustment	FY14 Amended
ANIMAL CONTROL						
PERSONNEL SERVICES						
5465-1001-0000 SALARIES	36,383	74,300	64,300	74,200		74,200
5465-1005-0000 OVERTIME	2,549	1,700	3,900	2,000		2,000
5465-1006-0000 LONGEVITY	148	200	200	400		400
5465-1009-0000 TMRS	4,329	8,500	7,700	8,400		8,400
5465-1011-0000 SOCIAL SECURITY	571	1,200	2,100	1,300		1,300
5465-1012-0000 GROUP INSURANCE	6,273	18,300	11,700	16,900		16,900
5465-1016-0000 CERTIFICATION		300	-	300		300
TOTAL PERSONNEL SERVICES	50,253	104,500	89,900	103,500	-	103,500
MATERIALS & SUPPLIES						
5465-2101-0000 GENERAL OFFICE SUPPLIES	138	400	400	500		500
5465-2108-0000 ANIMAL SUPPLIES	1,583	1,900	1,000	1,900		1,900
5465-2203-0000 MEDICAL SUPPLIES	615	1,600	1,600	1,600		1,600
5465-2204-0000 MOTOR VEHICLE FUEL	2,311	3,900	3,100	4,000		4,000
5465-2205-0000 JANITORIAL SUPPLIES	655	700	400	1,000		1,000
5465-2209-0000 UNIFORMS	257	1,200	1,200	1,200		1,200
5465-2312-0000 MOTOR VEHICLE SUPPLIES		400	200	500		500
5465-2401-0000 MINOR TOOLS & EQPT.	298	600	500	1,300		1,300
TOTAL MATERIALS & SUPPLIES	5,857	10,700	8,400	12,000	-	12,000
CONTRACTUAL SERVICES						
5465-3102-0000 CONSULTANT SERVICES	1,980	2,100	5,000	3,500		3,500
5465-3104-0000 MEDICAL SERVICES	-	300	-	300		300
5465-3111-0000 SOFTWARE MAINTENANCE	595			-		-
5465-3114-0000 LABORATORY TESTING	229	500	100	400		400
5465-3202-0000 POSTAGE & FREIGHT	665	800	800	1,000		1,000
5465-3203-0000 TRAVEL AND TRAINING		1,300	1,300	1,300		1,300
5465-3302-0000 PRINTING/REPRODUCTION	536	500	300	600		600
5465-3405-0000 WORKERS COMPENSATION	942	900	1,300	2,100		2,100
5465-3604-0000 MOTOR VEHICLE REPAIRS	772	1,600	500	1,600		1,600
5465-3703-0000 CELL/PAGERS/RADIOS	360	4,300	4,000	1,200		1,200
5465-3901-0000 DUES & MEMBERSHIP		500	300	300		300
TOTAL CONTRACTUAL SERVICES	6,079	12,800	13,600	12,300	-	12,300
CAPITAL OUTLAY						
10-5465-4201-0000 BLDGS & GROUNDS		500,000	500,000		811,000	811,000
TOTAL CAPITAL OUTLAY	-	500,000	500,000	-	811,000	811,000
SUBTOTAL (END-USER BUDGETED LINE ITEMS)	14,485	525,200	525,900	26,300	811,000	837,300
TOTAL ANIMAL CONTROL	62,189	628,000	611,900	127,800	811,000	938,800

City of Murphy
Utility Fund
FY 2014 Amended Budget Summary

	FY12 Actual	FY13 Budget	FY13 Projected	FY14 Approved	FY14 Adjustment	FY14 Amended
WATER/SEWER FUND						
REVENUES						
TOTAL OTHER REVENUE	178,305	140,400	205,900	174,700	-	174,700
TOTAL WATER REVENUE	4,228,889	4,950,000	4,520,000	5,037,700	-	5,037,700
TOTAL SEWER REVENUE	1,312,829	1,330,000	1,435,000	2,502,000	-	2,502,000
TOTAL REVENUES	5,720,023	6,420,400	6,160,900	7,714,400	-	7,714,400
EXPENSES						
TOTAL PERSONNEL SERVICES	870,215	939,700	878,100	999,100	-	999,100
TOTAL MATERIALS & SUPPLIES	1,097,376	260,500	331,350	460,300	-	460,300
TOTAL CONTRACTUAL SERVICES	2,992,062	3,512,400	3,580,150	3,951,400	30,700	3,982,100
TOTAL CAPITAL OUTLAY	11,304	59,500	140,900	243,500	-	243,500
TOTAL DEBT SERVICE	661,226	825,600	825,600	834,100	-	834,100
Total Water & Sewer Fund	5,632,183	5,597,700	5,756,100	6,488,400	30,700	6,519,100
Transfer to General Fund	850,000	850,000	850,000	850,000		850,000
Total Expenses & Transfers	6,482,183	6,447,700	6,606,100	7,338,400	30,700	7,369,100
Revenues less Expenses	(762,160)	(27,300)	(445,200)	376,000	(30,700)	345,300
DEPARTMENT						
TOTAL WATER DISTRIBUTION	4,130,192	3,738,300	3,627,750	4,223,400	-	4,223,400
TOTAL WASTEWATER COLLECTION	1,108,676	1,391,400	1,657,750	1,762,200	-	1,762,200
TOTAL CUSTOMER SERVICE	393,315	468,000	470,600	502,800	30,700	533,500
Total Department	5,632,183	5,597,700	5,756,100	6,488,400	30,700	6,519,100
Transfer to General Fund	850,000	850,000	850,000	850,000		850,000
Total Expenses	6,482,183	6,447,700	6,606,100	7,338,400	30,700	7,369,100
Revenues less Expenses	(762,160)	(27,300)	(445,200)	376,000	(30,700)	345,300

City of Murphy
Utility Fund
FY 2014 Amended Budget

	FY12 Actual	FY13 Budget	FY13 Projected	FY14 Budget	FY14 Adjustment	FY14 Amended
CUSTOMER SERVICE						
PERSONNEL SERVICES						
5730-1001-0000 SALARIES	193,091	217,500	213,000	244,500		244,500
5730-1005-0000 OVERTIME	4,574	3,200	6,200	3,300		3,300
5730-1006-0000 LONGEVITY	1,180	1,500	1,400	1,700		1,700
5730-1007-0000 PART TIME	9,030					0
5730-1009-0000 TMRS	21,481	24,500	24,100	26,800		26,800
5730-1011-0000 SOCIAL SECURITY	3,535	3,300	3,300	3,700		3,700
5730-1012-0000 GROUP INSURANCE	26,789	32,400	31,800	58,700		58,700
TOTAL PERSONNEL SERVICES	259,680	282,400	279,800	338,700	-	338,700
MATERIALS & SUPPLIES						
5730-2101-0000 GENERAL OFFICE SUPPLIES	3,229	4,900	4,500	5,500		5,500
5730-2209-0000 UNIFORMS	0	200		300		300
TOTAL MATERIALS & SUPPLIES	3,229	5,100	4,500	5,800	-	5,800
CONTRACTUAL SERVICES						
5730-3101-0000 AUDITING AND ACCOUNTING	10,500	12,500	10,500	12,500		12,500
5730-3102-0000 CONSULTANT SERVICES	0	0		0	30,700	30,700
5730-3111-0000 SOFTWARE MAINTENANCE	22,734	21,300	25,000	23,400		23,400
5730-3115-0000 BANK SERVICE FEES	721	1,800	0	1,800		1,800
5730-3116-0000 CREDIT CARD FEES	38,842	37,200	42,900	43,800		43,800
5730-3202-0000 POSTAGE & FREIGHT	31,939	31,000	32,400	32,000		32,000
5730-3203-0000 TRAVEL AND TRAINING	4,719	5,000	4,500	8,500		8,500
5730-3302-0000 PRINTING AND BINDING	13,690	21,900	21,900	23,500		23,500
5730-3405-0000 WORKERS COMPENSATION	498	600	400	1,600		1,600
5730-3702-0000 RENTAL OFFICE EQPT.	6,037	6,100	6,100	6,100		6,100
5730-3703-0000 CELL/PAGERS/RADIOS	360	1,000	500	1,000		1,000
5730-3901-0000 DUES & MEMBERSHIP	366	600	600	600		600
TOTAL CONTRACTUAL SERVICES	130,406	139,000	144,800	154,800	30,700	185,500
CAPITAL OUTLAY						
5730-4301-00000 FURNITURE & FIXTURES				1,000		1,000
5730-4305-00000 SPECIAL EQUIPMENT	0	29,300	29,300	0		-
5730-4321-0000 SOFTWARE APPLICATIONS		12,200	12,200	0		-
5730-4390-0000 HARDWARE AND SOFTWARE				2,500		2,500
TOTAL CAPITAL OUTLAY	-	41,500	41,500	3,500	-	3,500
SUBTOTAL (END-USER BUDGETED LINE ITEMS)	138,209	188,800	197,000	167,400	30,700	198,100
TOTAL CUSTOMER SERVICE	393,315	468,000	470,600	502,800	30,700	533,500

City of Murphy
Murphy Municipal Development District
FY 2014 Amended Budget

	FY12 Actual	FY13 Budget	FY13 Projected	FY14 Budget	FY14 Adjustment	FY14 Amended
MDD						
REVENUES						
NON-PROPERTY TAXES						
4000-4060-0000 SALES TAX	257,038	575,000	587,000	862,000		862,000
TOTAL NON-PROPERTY TAXES	257,038	575,000	587,000	862,000	-	862,000
OTHER REVENUE						
4000-4305-0000 INTEREST INCOME	742	400	500	500		500
4000-4330-0000 MISC INCOME	20,000					-
Tax Notes					850,000	850,000
TOTAL OTHER REVENUE	20,742	400	500	500	850,000	850,500
38-9000-0000-0000 TRANSFER	907,638					
TOTAL REVENUES	1,185,418	575,400	587,500	862,500	850,000	1,712,500
EXPENDITURES						
CONTRACTUAL SERVICES						
5000-3101-0000 AUDITING AND ACCOUNTING	-	2,500	2,500	3,000	-	3,000
5000-3102-0000 CONSULTANT SERVICES	-	-		-	32,000	32,000
5000-3103-0000 LEGAL SERVICES	1,204	2,500	5,000	4,000	-	4,000
5000-3105-0000 ENGINEERING SERVICES					8,500	8,500
5000-3112-0000 ISSUANCE COSTS	-			-	21,600	21,600
5000-3115-0000 BANK CHARGES	3	-	-	-	-	-
5000-3203-0000 TRAVEL AND TRAINING	-	5,000	-	5,000	-	5,000
5000-3301-0000 AD. AND PUBLIC NOTICES	-	1,000	-	1,000	-	1,000
5000-3901-0000 DUES & MEMBERSHIP	-	-		-	500	500
5000-3910-0000 ADMINISTRATIVE COSTS	147,802	206,700	206,700	189,800	-	189,800
5000-3996-0000 MURPHY MARKETPLACE INC	-	-			110,000	110,000
5000-3999-0000 PROMOTIONAL EXPENSE	-	25,000	25,000	25,000	-	25,000
TOTAL CONTRACTUAL SERVICES	149,009	242,700	239,200	227,800	172,600	400,400
CAPITAL OUTLAY						
5000-4305-0000 SPECIAL EQUIPMENT		-		-	1,000	1,000
5000-4601-1XXX MUNICIPAL COMPLEX PARK		-		-	850,000	850,000
TOTAL CAPITAL OUTLAY	-	-	-	-	851,000	851,000
DEBT SERVICE						
5000-5001-0000 PRINCIPAL		-		-	120,000	120,000
5000-5002-0000 INTEREST		-		-	8,700	8,700
TOTAL DEBT SERVICE		-	-	-	128,700	128,700
TOTAL EXPENDITURES	149,009	242,700	239,200	227,800	1,152,300	1,380,100
REVENUE & OTHER SOURCES OVER/ (UNDER) EXPENDITURES & OTHER (USES)	1,036,409	332,700	348,300	634,700	(302,300)	332,400
BEGINNING FUND BALANCE 10-01		1,130,800	1,036,409	1,384,709	(512,942)	871,767
ENDING FUND BALANCE 09-30	1,036,409	1,463,500	1,384,709	2,019,409	(815,242)	1,204,167

City of Murphy
Debt Service
FY 2014 Amended Budget

	FY12 Actual	FY13 Budget	FY13 Projected	FY14 Budget	FY14 Adjustment	FY14 Amended
BEGINNING FUND BALANCE	902,315	734,815	755,541	894,541	(50,507)	844,034
40 -DEBT SERVICE FUND						
REVENUES						
PROPERTY TAXES						
4000-4000-0000 CURRENT PROPERTY TAXES	3,801,637	3,717,000	3,717,000	3,740,200		3,740,200
4000-4005-0000 DELINQUENT PROPERTY TAXES	6,370	10,000	93,000	10,000		10,000
4000-4010-0000 PENALTY & INTEREST	11,833	15,000	16,500	15,000		15,000
TOTAL PROPERTY TAXES	3,819,840	3,742,000	3,826,500	3,765,200	-	3,765,200
OTHER REVENUE						
4000-4305-0000 INTEREST INCOME	5,224	2,000	2,100	2,500		2,500
4000-4800-0000 BOND PROCEEDS	11,695,000					-
Misc Revenue	862,803		27,800			-
TOTAL OTHER REVENUE	12,563,027	2,000	29,900	2,500	-	2,500
TOTAL REVENUES	16,382,867	3,744,000	3,856,400	3,767,700	-	3,767,700
EXPENDITURES						
CONTRACTUAL SERVICES						
5000-3112-0000 ISSUANCE COSTS	188,355					
TOTAL CONSTRUCTUAL SERVICES	188,355	-				
DEBT SERVICE						
5000-5001-0000 PRINCIPAL	14,755,000	2,400,000	2,400,000	2,500,000	20,000	2,520,000
5000-5002-0000 INTEREST	1,583,516	1,314,400	1,314,400	1,240,200	1,600	1,241,800
5000-5003-0000 AGENTS FEES	2,770	2,600	3,000	3,000		3,000
TOTAL DEBT SERVICE	16,341,286	3,717,000	3,717,400	3,743,200	21,600	3,764,800
TOTAL EXPENDITURES	16,529,641	3,717,000	3,717,400	3,743,200	21,600	3,764,800
(UNDER) EXPENDITURES & OTHER (USES)	(146,774)	27,000	139,000	24,500	(21,600)	2,900
ENDING FUND BALANCE	755,541	761,815	894,541	919,041		846,934

**City Council Meeting
May 6, 2014**

Issue

Discuss, consider and/or act upon the Utility Rate Study as presented by NewGen Strategies & Solutions.

Background

On February 18, 2014 the City Council approved a contract with NewGen Strategies & Solutions to perform a utility rate study.

Chris Ekrut of NewGen Strategies & Solutions presented a preliminary report regarding the utility rate study at the April 15, 2014 meeting. At that meeting, several items were reviewed and discussed. At the direction of the City Council, Chris Ekrut of NewGen Strategies & Solutions will present the findings and recommendations of the study at the May 6, 2014 city council meeting. The presentation will be sent to council under separate cover and will be posted on the website.

Action Requested

If Council wishes to change the utility rates based on the study and presentation discussion, then staff will need to prepare an ordinance that will reflect your intentions. This ordinance can be brought back on May 20th for your consideration of action.

Attachment(s):

NewGen Strategies & Solutions presentation (*under separate cover*)

City Council
May 6, 2014

Issue

Consider and/or act on proposed guidelines and application for a MCDC Community Enhancement Grant Program.

Background

Over the past year, MCDC has discussed a program that offered possible grant allocations for various community projects that fit into the mission of MCDC. The intent was that Murphy Community Development Corporation and City of Murphy could develop a community enhancement program utilizing 4B funding.

A few months ago, MCDC discussed a draft program and the Board offered edits to staff. Additionally, MCDC and MDD held a joint meeting to discuss the proposed program and ensure there was no overlap of efforts for community project funding opportunities.

At the January 2014 MCDC Meeting, the Board approved the MCDC Mission, Goals and Projects for 2014. At the April 2014 MCDC Meeting, the Murphy Community Development Corporation Board finalized and approved a community enhancement program utilizing 4B funding with guidelines and procedures to establish application and proposal procedures, timelines, etc...

Considerations

Following City Council approval, staff will begin various marketing avenues to share information on the program opportunity with non-profits, community organizations, etc...

Financial Considerations

In the FY 13-14 MCDC Budget, 5000-4601-0000 PARK IMPROVEMENTS, \$20,000 was set aside for possible projects. The Board is not limited to this amount of funding for potential projects; however, additional expenditures would require relative funding appropriations. The Board plans on including similar funding in their FY 14-15 MCDC Budget.

Board Recommendation/Consideration

On April 21, 2014, the MCDC board unanimously approved the MCDC Community Grant Program Guidelines and Program Application following discussion and requested edits.

Staff Recommendation

Approve MCDC Community Grant Program Guidelines and Application.

Attachments

MCDC Community Grant Program Guidelines

MCDC Community Grant Program Application

MCDC Mission, Goals and Projects for 2014 as approved by MCDC, January 2014

4B (MCDC) Ballot Proposition No. 2 as approved



Murphy Community Development Corporation Community Enhancement Grant Program **GUIDELINES 2014**

Community Development • City of Murphy, Texas
206 North Murphy Road, Murphy, Texas 75094 • 972-468-4014 • www.murphytx.org

I. Program Overview

The Murphy Community Development Corporation strives to enhance the quality of life for the residents of the City of Murphy by participating in the development of parks, open spaces, community facilities, city beautification, and developing a vibrant economic base. MCDC seeks to maintain Murphy as a family oriented community that partners with the City administration to promote transparent operations, citizen involvement, and fiscal responsibility.

MCDC receives revenue from a half-cent sales tax and awards grant funds for projects, promotional activities and community events that benefit the community, support economic development and promote the City of Murphy.

The Murphy Community Development Corporation and the City of Murphy City Council intends to grant funds, up to \$2500.00 per grant, to a broad range of organizations each year. Possible recipients include community service organization projects and community enhancement projects that enhance the quality of life for the residents of the City of Murphy. Some projects could be eligible for a larger grant with the approval of the MCDC and City Council. The Board reserves the right offer a matching grant to a worthy project if the applicant can demonstrate a percentage of funds acquired in advance.

II. Eligibility

Community service organization projects and community enhancement projects are eligible for consideration in addition to projects as deemed eligible by the Murphy Community Development Corporation and the Murphy City Council.

III. Guidelines

“Project” refers to community service organization project, community enhancement project, promotional activity, community event or a project/program deemed eligible by the Murphy Community Development Corporation and the Murphy City Council.

- a. “Project” must advance the goals of MCDC and City Council.
- b. “Project” must be open to the public.
- c. “Project” must be well-planned with stated goals, objectives and evaluation measures that demonstrate impact to the community.
- d. The Applicant must own the land or facility where the proposed project will be located. If the Applicant does not own the land, written acknowledgement/approval from the property owner must be included with the application. The letter must document the property owner is aware of the proposed use of the property or facility; and the

property owner has reviewed the project plan and application, approves and supports the efforts of the Applicant.

- e. "Project" must be in Murphy.
- f. Preference may be given to Applicants who have not received funding from MCDC within the previous 12-month period.
- g. Preference may be given to Applicants who develop and demonstrate additional revenue sources and/or in kind resources to support "Project" for which grant funds are requested.
- h. Performance agreements will be required for all approved grants. Funds from grant must be spent in Murphy.
- i. Approved "Project" must be completed within one year, or consistent with Performance Agreement.

IV. **Submittals**

In addition to the details as described in the Guidelines Section above, applicants must submit a completed application that also includes:

- 1. "Project" Summary with fund grant request amount and describing project goals, objectives and all applicable details. State if the project needs to be funded up front or if it can be invoiced after.
- 2. Include project budget including total project cost as well as identifying any additional funding sources and/or in kind resources.
- 3. Include details such as local involvement, volunteers, etc., and how this project impacts and enhances the City of Murphy community while continuing to develop a vibrant economic base.
- 4. Any additional information as requested by the Murphy Community Development Corporation and the Murphy City Council.

Submittals must be delivered to City Hall, 2nd Floor, Community Development and consist of (2) hard copies and a CD using PDF format.



Murphy Community Development Corporation
*Community **Enhancement** Grant Program Program*
Application - 2014

Community Development • City of Murphy Texas
 206 North Murphy Road, Murphy, Texas 75094 • 972-
 468-4014 • www.murphytx.org

Note: Please clearly identify any information you deem to be confidential or proprietary. The City will attempt to protect any information marked confidential or proprietary and will notify the applicant of any requests for disclosure.

Applicant Information

Applicant Full Name: _____
 Applicant Organization Name: _____
 Company's Representative(s): _____
 Mailing Address: _____
 Phone Number: _____ Cell: _____
 Email Address: _____
 Website: _____

Project Information

Project Address/

Location: _____

Please describe the proposed project and goals in detail (attach additional pages as necessary):

Has any of the above mentioned work begun? Yes No

Will project need to be funded to start? Yes No

Please detail the estimated project costs as well as any additional funding sources. Attach any written estimates or other applicable documentation. Include details such as local involvement, volunteers, etc., and how this project impacts and enhances the City of Murphy community while continuing to develop a vibrant economic base. (Attach additional pages as necessary). Also, include project budget including total project cost as well as identifying any additional funding sources and/or in kind resources:

Application and Review Process

Note: while the deadlines are set, the consideration months are subject to change. If approved, applicant must be prepared to do a short presentation, no more than 10 minutes, to the MCDC Board following project completion.

Cycle 1

Application Deadline	1/31/2015
Applicant/MCDC Board Scheduled Presentation/Vote	February-March 2015
City Council Vote	April 2015

Cycle 2

Application Deadline	4/30/2015
Applicant/MCDC Board Scheduled Presentation/Vote	May-June 2015
City Council Vote	July 2015

Cycle 3

Application Deadline	7/30/2015
Applicant/MCDC Board Scheduled Presentation/Vote	August - September 2015
City Council Vote	October 2015

Cycle 4

Application Deadline	10/30/2015
Applicant/MCDC Board Scheduled Presentation/Vote	November-December 2015
City Council Vote	January 2016

By my signature, I certify that all information submitted on this application is true and correct. I also certify that I have reviewed the eligibility requirements and that the project described above meets those requirements. I further certify that I have reviewed the application and review process and agree to comply with its requirements.

Applicant Signature

Date

Grant Payment

A one-time grant payment may be made to applicant to commence project or payments will be made to applicant based on receipts, construction costs or other applicable documentation at the discretion of the Director of Community Development, MCDC or City Council. A *Community Enhancement Grant* purchase (or project number) order will be issued if payments are to be disbursed and a log will be kept in file to track all expenses with copies of all said receipts.

The applicant also understands that if project is selected, photographs along with a short blog regarding said project will be presented to MCDC and subsequently posted on the Murphy Community Development Corporation's website.

Applicant Signature

Date

Project Approved: ☐ Yes ☐ No

Director of Community Development or designee

Date

Community Enhancement Grant Program Number: _____

MCDC Mission Statement, Goals and Projects 2014

Murphy Community Development Corporation Mission Statement:

“The mission of the Murphy Community Development Corporation (MCDC) is to enhance the quality of life for the residents of the City of Murphy by facilitation the development of parks, open spaces, community facilities, City beautification and a vibrant economic base. The MCDC will seek to maintain Murphy as a family oriented community that partners with the City administration to promote transparent operations, citizen involvement and fiscal responsibility.”

Facilitate the development of community assets such as parks, recreation/community facilities, and open spaces.

- Park development
- Trail development
- Land acquisition

Promote efforts to enhance the attractiveness of the City.

- a. Community Grant Program
- b. Murphy Road Enhancements
- c. Park Support
- d. Community Event Support
- e. Green Initiatives
- f. Community Beautification

Support community programs and events that serve the interests of our residents.

- Maintain and expand current Community Special Events

Assist in the expansion of the local tax base through the creation of jobs with efforts to attract new businesses and retain existing businesses.

- Enhancements
- Business retention
- Business development

*As approved at the January 13, 2014 MCDC meeting.

ORDINANCE NO. 02-12-558

AN ORDINANCE OF THE CITY OF MURPHY TEXAS, ORDERING A SPECIAL ELECTION TO BE HELD ON THE FIRST SATURDAY IN MAY 2003 FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED VOTERS OF THE CITY A PROPOSITION RELATING TO WHETHER THE CITY SHALL BE AUTHORIZED TO IMPOSE A ONE-HALF OF ONE PERCENT SALES AND USE TAX PURSUANT TO SECTION 4B OF ARTICLE 5190.6 TEXAS REVISED CIVIL STATUTES (THE DEVELOPMENT CORPORATION ACT OF 1979); DESIGNATING THE POLLING PLACE AND APPOINTING ELECTION OFFICIALS FOR SUCH ELECTION; PROVIDING THE FORM OF THE BALLOTS FOR SUCH ELECTION; DIRECTING THE GIVING OF NOTICE OF SUCH ELECTION; AND PROVIDING DETAILS RELATING TO THE HOLDING OF SUCH ELECTION.

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

Section 1. In accordance with the general laws and Constitution of the State of Texas, a Special Election is hereby called and ordered for the first Saturday in May 2003, at which time there shall be submitted to the qualified voters of the City, for their action thereon, the following proposition regarding the authority of the City to levy and collect additional sales and use taxes within the City pursuant to the provisions of Section 4B of Tex. Rev. Civ. Stat. An. Art. 5190.6 as amended, the Development Corporation Act of 1979. The official ballot for said Special Election shall be prepared in accordance with the Texas Election Code so as to permit electors to vote "FOR" or "AGAINST" the proposition. The proposition shall be stated as follows:

PROPOSITION NO. 2

The adoption of an additional sales and use tax authorized by Section 4B of Article 5190.6, Vernon's Ann. Civ. Stat., as amended, to pay costs of projects, as now or hereafter defined in said Section 4B, including, but not limited to, (i) projects suitable for use for professional and amateur (including children's) sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, learning centers, parks and park facilities, open space improvements, municipal buildings, museums, exhibition facilities and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities and related roads, streets, and water and sewer facilities, or (ii) projects to promote or develop new or expanded business enterprises, including public safety facilities, streets and roads, drainage, and related improvements, demolition of existing structures, general municipally owned improvements, as well as any related improvements or facilities and any project determined by the board to promote or develop new or expanded business enterprises; and to pay maintenance and operating costs of

publicly owned and operated projects purchased or constructed under said Section 4B.

Section 2. The present boundaries of the City constitute two election precincts which shall be designated Election Precinct "A" and includes portions of Collin County election precinct Nos. 25 and 144 that lie within the city limits of the City of Murphy. The poles shall be open for voting from seven o'clock (7:00) a.m. to seven o'clock (7:00) p.m. at the following polling place, and the following are hereby appointed officers to conduct the elections at said polling place:

POLLING PLACE

City of Murphy City Hall
205 North Murphy Road
Murphy, Texas

ELECTION OFFICERS

Presiding Judge
Alternate Judge

The City Secretary is hereby authorized and directed to provide a copy of the ordinance and/or resolution as written notice of their appointment to each Judge as required by Section 32.009 of the TEXAS ELECTION CODE.

The Presiding Judge shall have the authority to appoint no more than two (2) clerks to assist in the holding of such election, but in no event shall the Presiding Judge appoint less than one (1) clerk. Unless otherwise required to act in the capacity of Presiding Judge, the Alternate Presiding Judge shall also serve as clerk of the election.

Each election official shall be compensated at a rate of \$10.00 for each hour and each clerk shall be compensated at a rate of \$8.00 for each hour worked at such election. The individual responsible for delivering the election returns after such election shall receive an additional sum of \$25.00.

Section 3. Linda B. Marley, City Secretary, is hereby appointed clerk for early voting: the appointment of a deputy clerk or clerks for early voting by the City Secretary shall be in accordance with Section 83.031 et seq. of the TEXAS ELECTION CODE. The City of Murphy City Hall, 205 North Murphy Road, Murphy, Texas is hereby designated as the place for early voting for such elections. Said clerks shall keep said office open during the hours that the City Secretary's main office is regularly open for business, that is from eight o'clock (8:00) a.m. until five (5:00) p.m. Monday through Friday for early voting which is not an official state or federal holiday, beginning on the seventeenth (17th) day and continuing through the 4th day preceding the date of such election. Said clerks shall not permit anyone to vote early by personal appearance at any time when such office is not open to the public. The above described place for early voting is also the clerk's mailing address to which ballot applications and ballots voted by mail may be sent. The early voting clerk, in accordance with the provision of the TEXAS ELECTION CODE, shall maintain a roster

listing each person who votes early by personal appearance and each person to whom a ballot to be voted by mail is sent. The roster shall be maintained in a form approved by the Secretary of State.

Section 4. In accordance with Section 87.001 et seq., TEXAS ELECTION CODE, said Presiding Judge shall appoint at least two (2) other members to said Board, and shall process early voting results in accordance with said TEXAS ELECTION CODE.

Section 5. All ballots shall be prepared in accordance with the TEXAS ELECTION CODE. Paper ballots shall be used for early voting and for voting on Election Day. All expenditures necessary for the conduct of the election and the purchase of materials therefore are hereby authorized.

Section 6. The City Secretary is hereby authorized and directed to furnish all necessary election supplies to conduct such election.

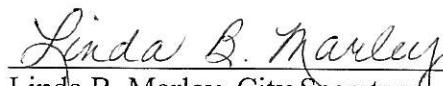
Section 7. Notice of this election shall be given in accordance with the provision of the TEXAS ELECTION CODE and returns of such notice shall be given in accordance with the provisions of the TEXAS ELECTION CODE and returns of such notice shall be made as provided for in said Code. The Mayor shall issue all necessary orders and writs for such elections, and returns of such election shall be made to the City Secretary immediately after the closing of the polls.

Section 8. Such election shall be held in accordance with the TEXAS ELECTION CODE and the Federal Voting Rights Act of 1965, as amended.

PASSED AND APPROVED, AND ADOPTED on December 16, 2002.


 Roy W. Bentle, Mayor

ATTEST:


 Linda B. Marley, City Secretary