



CITY COUNCIL AGENDA

Tuesday, March 25, 2014

Notice is hereby given that the City Council of the City of Big Spring, Texas will meet in Regular Session on Tuesday, March 25, 2014, at 5:30 p.m. in the City Council Chambers located at 307 East 4th Street, Big Spring, Texas.

The City Council may discuss and/or take action on each of the following items before it and may go into Executive Session on any item listed on the agenda in accordance with Chapter 551 of the Texas Government Code.

**As a courtesy to those in attendance, please place your cell phone on "Silent" or "Vibrate"
Thank You!**

Presentations & Public Hearings

1. Invocation & Pledge of Allegiance to the United States Flag and to the Texas State Flag McLellan
"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."

Disposition of Minutes

2. Approval of Minutes of the Regular Meeting of March 11, 2014 4-8 Davis

Consent Items

3. Final Reading of an Ordinance Approving a Negotiated Settlement Agreement Between the Steering Committee of Cities Served by ATMOS West Texas Division Regarding the Company's 2013 Statement of Intent to Increase Rates in All Cities Exercising Rates to be Unreasonable; Adopting Tariffs That Reflect Rate Adjustments Consistent with the Negotiated Settlement and Finding the Rates to be Set by the Tariffs Attached to the Settlement Agreement to be Just and Reasonable; Approving a New Rate Review Mechanism; Requiring the Company to Reimburse Cities' Reasonable Ratemaking Expenses; Repealing Conflicting Resolutions or Ordinances; Determining that This Ordinance was Passed in Accordance with the Requirements of the Texas Open 9-46 Darden

Meetings Act; Adopting a Savings Clause; Declaring an Effective Date; and Requiring Delivery of this Ordinance to the Company and the Cities' Legal Counsel

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| 4. | Final Reading of a Resolution in Support of the Texas Department of Transportation Reducing the Amount of Parking at the Southeast Corner of 3 rd Street and Main Street and Providing an Effective Date | 47 | Womack |
| 5. | Final Reading of an Ordinance Amending Appendix A to the Big Spring Code of Ordinances Entitled "Fee Schedule" by Adding a New Article 2 Entitled "Collection Fees" in Order to Assess a Collection Fee of \$240.00 on Past Due Ambulance Service Accounts and to Assess a Collection Fee of Thirty Percent of the Amount Owned on Other Past Due Accounts Receivable That Are to Be Referred to the Contracted Collection Service, Providing for Severability, Providing for Publication and Providing an Effective Date | 48-49 | Medina |
| 6. | Acceptance of the Convention and Visitors Bureau Committee Minutes for the Meetings of January 8, 2014 and February 5, 2014 | 50-53 | Darden |
| 7. | Acceptance of the McMahon-Wrinkle Airport and Industrial Park Development Board Minutes for the Meeting of February 20, 2014 | 54-55 | Little |

Routine Business

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| 8. | Vouchers for 03/20/14 \$ 2,362,745.16 | | Fernandez |
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New Business

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| 9. | First Reading of a Resolution Authorizing the Mayor to Approve the Use of Funds from the Public Educational and Governmental (PEG) Fees that the City Receives from Cable Subscribers for the Acquisition, Installation or Updating of Materials or Equipment by or on Behalf of Other Boards or Governmental Entities in Order to Facilitate Broadcasting on Channel 17; and Providing an Effective Date | 56 | Sjogren |
| 10. | First Reading of an Ordinance Amending the Big Spring Code of Ordinances Chapter Six Entitled "Cemeteries, Parks and Recreation," Article Three Entitled "Dora Roberts Community Center," Section 6-46 Entitled "Deposits, Rental Fees, and Security" Requiring Rental Fees be Paid Seven (7) Days Prior to Any Event and Adjusting Various Fees; Amending Section 6-47 Entitled "Special Services and Equipment" to Adjust Various Fees; and Revising Other Sections for Clarity; Providing for Severability; and Providing an Effective Date | 57-61 | Sjogren |

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| 11. | Consideration and Approval of Agreeing to Pay the Appraised Value for .054 Acres of Land at the Corner of Gregg and FM 700 to be Acquired from the State of Texas Surplus Property Program and Authorizing the Mayor to Execute Any Necessary Documents | 62-66 | Womack |
| 12. | Consideration and Approval of an Agreement with the YMCA for Operation of the Russ McEwen Family Aquatic Center and Authorizing the City Manager to Execute Any Necessary Documents | 67-71 | Womack |
| 13. | Consideration and Approval of a First Amended Medical Office Lease Between the City of Big Spring and Big Spring Hospital Corporation and Authorizing the Mayor to Execute Any Necessary Documents | 72-83 | Sjogren |
| 14. | Acceptance of the Big Spring Economic Development Corporation Board of Directors Minutes for the Regular Meeting of February 18, 2014 | 84-86 | Sjogren |

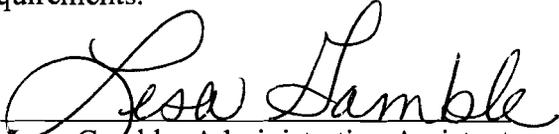
City Manager's Report

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| 15. | Parking Ordinance Update | Darden |
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Council Input

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| 16. | Input | McLellan |
| 17. | Adjourn | |

I hereby certify that this agenda was posted on the official bulletin boards at the Big Spring City Hall Building, 310 Nolan Street, Big Spring, Texas on Friday, March 21, 2014 at 5:00 p.m. In addition this agenda and supporting documents are posted on the City of Big Spring's website, www.mybigspring.com in accordance with legal requirements.


 Lesa Gamble, Administrative Assistant

THE MEETING FACILITY IS ACCESSIBLE TO DISABLED PERSONS. ANY DISABLED PERSON NEEDING SPECIAL ACCOMMODATIONS OR HEARING-IMPAIRED PERSONS WISHING TO HAVE AN INTERPRETER SHOULD CONTACT LESA GAMBLE AT 264-2401. REQUESTS FOR AN INTERPRETER SHOULD BE MADE AT LEAST 48 HOURS IN ADVANCE OF THE MEETING TIME.

Agenda Removal Notice - This public notice was removed from the official posting board at the Big Spring City Hall Building, 310 Nolan Street, Big Spring, Texas on

STATE OF TEXAS :
COUNTY OF HOWARD :
CITY OF BIG SPRING :

The City Council of the City of Big Spring, Texas, met in a regular meeting in the City Council Chambers located at 307 E. 4th, Big Spring, Texas, at 5:30 p.m., March 11, 2014, with the following members present:

LARRY McLELLAN	Mayor
MARCUS FERNANDEZ	Mayor Pro Tem
GLEN CARRIGAN	Councilmember
BOBBY McDONALD	Councilmember
RAUL BENAVIDES	Councilmember
MARVIN BOYD	Councilmember

(Councilmember Harbour was not present at this meeting.)

Same and constituting a quorum; and

TODD DARDEN	City Manager
JOHN MEDINA	Human Resources Director
CRAIG FERGUSON	Fire Chief
JIM LITTLE	Airpark Director
TIM GREEN	Municipal Court Judge
DON MOORE	Finance Director/ City Secretary
JOHNNY WOMACK	Public Works Director

PRESENTATIONS & PUBLIC HEARINGS

INVOCATION & PLEDGE OF ALLEGIANCE

Mayor McLellan gave the invocation and led the Pledge of Allegiance to the American and Texas Flags.

PROCLAMATION “AMERICAN RED CROSS MONTH”

Mayor McLellan presented a proclamation to a Red Cross Representative for “American Red Cross Month”.

PUBLIC HEARING - APPLICATION FROM POWELL PROFESSIONAL SERVICES OF WEST TEXAS, LLC DBA GUARDIAN EMS FOR NON-EMERGENCY AMBULANCE OPERATOR’S PERMIT

Motion was made by Councilmember Carrigan, seconded by Mayor Pro Tem Fernandez, with all members of the Council voting “aye” to open the above listed public hearing.

There were no comments from citizens or the council. Motion was made by Councilmember McDonald, seconded by Councilmember Benavides, with all members of the Council voting "aye" to close the above listed public hearing.

DISPOSITION OF MINUTES

APPROVAL OF MINUTES OF THE REGULAR MEETING OF FEBRUARY 25, 2014

Motion was made by Mayor Pro Tem Fernandez, seconded by Councilmember Carrigan, with all members of the Council voting "aye" approving the minutes of the regular meeting of February 25, 2014.

CONSENT ITEMS

FIRST READING OF AN ORDINANCE AMENDING CHAPTER THIRTEEN OF THE CODE OF ORDINANCES, BY ADDING A NEW ARTICLE FOURTEEN ENTITLED "FIRE AND RESCUE SERVICE FEES;" ESTABLISHING FEES FOR SERVICES RENDERED AT VEHICLE FIRES, VEHICLE ACCIDENTS, HAZARDOUS WASTE SPILLS AND RESCUE INCIDENTS; PROVIDING FOR SEVERABILITY, PROVIDING FOR PUBLICATION AND PROVIDING AN EFFECTIVE DATE

Motion was made by Councilmember Benavides, seconded by Councilmember Carrigan, with all members of the Council voting "aye" approving the second and final reading of the above listed ordinance.

ROUTINE BUSINESS

Councilmember Boyd reviewed the vouchers. Motion was made by Councilmember Boyd, seconded by Councilmember Carrigan, with all members of the Council voting "aye" approving vouchers in the amount of \$281,268.95 (02/27/14) and \$1,107,196.04 (03/06/14).

NEW BUSINESS

CONSIDERATION AND APPROVAL OF A NON-EMERGENCY AMBULANCE OPERATOR'S PERMIT TO POWELL PROFESSIONAL SERVICES OF WEST TEXAS, LLC DBA GUARDIAN EMS AND FINDING THAT APPROVAL OF THE PERMIT WILL SERVE THE PUBLIC CONVENIENCE AND NECESSITY

Motion was made by Councilmember McDonald, seconded by Carrigan, with all members of the Council voting "aye" approving the above captioned permit.

PRESENTATION AND ACCEPTANCE OF BIG SPRING ECONOMIC DEVELOPMENT CORPORATION'S ANNUAL AUDIT FOR YEAR ENDED SEPTEMBER 30, 2013

Dale Newberry, Certified Public Accountant, presented the Big Spring Economic Development Corporation's Annual Audit. Motion was made by Councilmember Benavides, seconded by Councilmember Carrigan, with all members of the Council voting "aye" approving the above captioned audit.

PRESENTATION AND APPROVAL OF COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED SEPTEMBER 30, 2013

David Copeland with Bolinger, Segars, Gilbert & Moss, L.L.P. presented the annual financial report for year ended September 30, 2013. Motion was made by Mayor Pro Tem Fernandez, seconded by Councilmember Benavides, with all members of the Council voting "aye" approving the above captioned report.

FIRST READING OF AN ORDINANCE APPROVING A NEGOTIATED SETTLEMENT AGREEMENT BETWEEN THE STEERING COMMITTEE OF CITIES SERVED BY ATMOS WEST TEXAS DIVISION REGARDING THE COMPANY'S 2013 STATEMENT OF INTENT TO INCREASE RATES IN ALL CITIES EXERCISING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE TARIFFS ATTACHED TO THE SETTLEMENT AGREEMENT TO BE JUST AND REASONABLE; APPROVING A NEW RATE REVIEW MECHANISM; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES; REPEALING CONFLICTING RESOLUTIONS OR ORDINANCES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETING ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE CITIES' LEGAL COUNSEL

Motion was made by Mayor Pro Tem Fernandez, seconded by Councilmember Benavides, with all members of the Council voting "aye" approving the above captioned ordinance.

FIRST READING OF A RESOLUTION IN SUPPORT OF THE TEXAS DEPARTMENT OF TRANSPORTATION REDUCING THE AMOUNT OF PARKING AT THE SOUTHEAST CORNER OF 3RD STREET AND MAIN STREET AND PROVIDING AN EFFECTIVE DATE

Motion was made by Councilmember Carrigan, seconded by Councilmember Boyd, with all members of the Council voting "aye" approving the above captioned resolution.

FIRST READING OF AN ORDINANCE AMENDING APPENDIX A TO THE BIG SPRING CODE OF ORDINANCES ENTITLED "FEE SCHEDULE" BY ADDING A NEW ARTICLE 2 ENTITLED "COLLECTION FEES" IN ORDER TO ASSESS A COLLECTION FEE OF \$240.00 ON PAST DUE AMBULANCE SERVICE ACCOUNTS AND TO ASSESS A COLLECTION FEE OF THIRTY PERCENT OF THE AMOUNT OWNED ON OTHER PAST DUE ACCOUNTS RECEIVABLE THAT ARE TO BE REFERRED TO THE CONTRACTED COLLECTION SERVICE, PROVIDING FOR SEVERABILITY, PROVIDING FOR PUBLICATION AND PROVIDING AN EFFECTIVE DATE

Motion was made by Councilmember McDonald, seconded by Councilmember Benavides, with all members of the Council voting “aye” approving the above captioned ordinance.

CONSIDERATION AND APPROVAL OF A COLLECTION AGREEMENT AND A BUSINESS ASSOCIATE AGREEMENT WITH AMERICAN MUNICIPAL SERVICES AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY NECESSARY DOCUMENTS

Motion was made by Councilmember Carrigan, seconded by Councilmember Benavides, with all members of the Council voting “aye” approving the above captioned agreement.

CONSIDERATION AND APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH PARKHILL, SMITH & COOPER, INC. FOR THE BIG SPRING MUNICIPAL AUDITORIUM 2014 UPGRADES AND AUTHORIZING THE MAYOR TO EXECUTE ANY NECESSARY DOCUMENTS

Motion was made by Councilmember Benavides, seconded by Councilmember Carrigan, with all members of the Council voting “aye” approving the above captioned agreement.

APPROVAL OF AN INTERLOCAL AGREEMENT WITH PERMIAN BASIN REGIONAL PLANNING COMMISSION FOR THE REGIONAL SOLID WASTE GRANT AND AUTHORIZING THE MAYOR TO EXECUTE ANY NECESSARY DOCUMENTS

Motion was made by Councilmember Benavides, seconded by Councilmember Carrigan, with all members of the Council voting “aye” approving the above captioned agreement.

CONSIDERATION AND APPROVAL OF A CHANGE ORDER TO THE AGREEMENT FOR PROFESSIONAL SERVICES WITH FREESE AND NICHOLS, INC. FOR PREPARATION OF AN AIRPORT LAYOUT PLAN AND AUTHORIZING THE CITY MANAGER TO EXECUTE ANY NECESSARY DOCUMENTS

Motion was made by Mayor Pro Tem Fernandez, seconded by Councilmember Benavides, with all members of the Council voting “aye” approving the above captioned change order and agreement.

DISCUSSION AND CONSIDERATION OF NAMING THE PAVILIONS AT THE BERT ANDRIES PARK

Todd Darden, City Manager, said that he received a request from the Northside Movement to name the pavilions at the Bert Andries Park to honor two citizens, Max Webb and Pat Deanda. Motion was made by Councilmember Carrigan, seconded by Mayor Pro Tem Fernandez, with all members of the Council voting “aye” approving the above mentioned request.

APPROVAL OF INVESTMENT REPORT FOR THE QUARTER ENDING
DECEMBER 31, 2013

Motion was made by Mayor Pro Tem Fernandez, seconded by Councilmember Carrigan, with all members of the Council voting “aye” approving the above listed report.

CITY MANAGER’S REPORT

Todd Darden, City Manager, reported :

- The National Weather Service will have a Skywarn Weather Class in the Council Chambers on March 20, 2014 at 7:00 p.m.
- The 2014 Schedule for the Russ McEwen Family Aquatic Center was included in the Councilmember notebooks.
- He would like to schedule a special meeting to be held on April 15, 2014 at 5:30 p.m. in order to present the Condrey and Associates Compensation Survey. Council agreed to the special meeting.

COUNCIL INPUT

Mayor McLellan reported that it was time for some spring cleaning and requested that everyone help support Keep Big Spring Beautiful.

Mayor Pro Tem Fernandez would like to see on the quarterly department reports the number of citations and warnings issued on the front yard parking ordinance and a list of permit requests on new constructions.

Councilmember McDonald announced the Big Spring Annual Trash Off will be held on April 5, 2014.

ADJOURN

Motion was made by Councilmember Boyd, seconded by Mayor Pro Tem Fernandez, with all members of the Council voting “aye” to adjourn at 7:30 p.m.

CITY OF BIG SPRING, TEXAS

Larry McLellan, Mayor

ATTEST:

Tami L. Davis, Assistant City Secretary

MEMORANDUM

TO: Steering Committee of Cities Served by Atmos West Texas

FROM: Geoffrey Gay
Georgia Crump
Eileen McPhee

DATE: February 28, 2014

RE: Atmos West Texas Settlement – **ACTION NEEDED BY MARCH 31, 2014**

The Steering Committee of Cities Served by Atmos West Texas (“Cities” or “Steering Committee”), with advice and input of designated consultants and lawyers, has worked to resolve Atmos West Texas’ pending \$12 million rate increase request without the necessity of a protracted and costly contested case before the Railroad Commission. Attached please find an Ordinance that approves the recommendation of the Executive Committee of the Cities Steering Committee to settle with Atmos West Texas on a system-wide cost of service that increases test year revenues by \$8.3 million and implements a new Rate Review Mechanism (“RRM”) process for 2015.

The negotiated result reduces Atmos West Texas’ requested rate increase by more than 30%. The monthly bill impact for an average residential customer will be \$0.77. In addition, and most importantly, the negotiated result reflects a cost of service for the Company based on its entire system, which means that the West Texas Cities will no longer be subsidizing lower rates of the other cities. The establishment of system-wide rates was a non-negotiable demand of the Steering Committee. The negotiated settlement also includes a new RRM tariff to be used to govern the Company’s ratesetting beginning in 2015. West Texas Cities have benefitted from the implementation of the RRM tariff in the past, as opposed to the statutory GRIP filings in which Cities had no right to participate or influence the outcome. The recommended RRM tariff preserves the ceiling on residential customer charge increases of \$0.50 per month in any annual filing, and requires the Company to forego any increase in the residential customer charge in the first filing under the tariff.

The Executive Committee of the Cities Steering Committee recommends approval of the negotiated resolution because it establishes system-wide rates, eliminates rate subsidization of cities that do not participate with the Steering Committee, maintains cities’ role as regulators of natural gas rates, implements the preferred RRM process, and represents an outcome that is equal to or better than the outcome expected from a lengthy contested case proceeding before the Railroad Commission.

Please schedule consideration of the Ordinance at your next available council meeting. Final council action to approve the Ordinance should take place by March 31, 2014. To assist you, several documents are attached:

- An Ordinance approving a Settlement Agreement and setting new rates.
- A Model Staff Report.
- The Settlement Agreement attached to the Ordinance includes a number of Exhibits including:
 - Exhibit A – New rate tariffs and a new RRM tariff
 - Exhibit B – Proof of Revenues
 - Exhibit C – Factors required by Section 104.301 of the Gas Utility Regulatory Act (GURA)
 - Exhibit D – Pensions and Retiree Medical Benefits Benchmark
 - Exhibit E – West Texas Cities covered by the Settlement Agreement
 - Exhibit F – Baseload and Heat Sensitivity Factors for WNA Billing

Please contact Geoffrey (512/322-5875, ggay@lglawfirm.com), Georgia (512/322-5832, gcrump@lglawfirm.com) or Eileen (512/322-5817, emcphoe@lglawfirm.com) immediately if your city is unable to meet the March 31, 2014 deadline for final action. Once final action has been taken by your city, please forward a copy of the Ordinance to Atmos West Texas and to our paralegal, Holly Whitehurst (fax number: 512/472-0532, hwhitehurst@lglawfirm.com).

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, APPROVING A NEGOTIATED SETTLEMENT AGREEMENT BETWEEN THE STEERING COMMITTEE OF CITIES SERVED BY ATMOS WEST TEXAS (“CITIES”) AND ATMOS ENERGY CORP., WEST TEXAS DIVISION REGARDING THE COMPANY’S 2013 STATEMENT OF INTENT TO INCREASE RATES IN ALL CITIES EXERCISING ORIGINAL JURISDICTION; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE TARIFFS ATTACHED TO THE SETTLEMENT AGREEMENT TO BE JUST AND REASONABLE; APPROVING A NEW RATE REVIEW MECHANISM; REQUIRING THE COMPANY TO REIMBURSE CITIES’ REASONABLE RATEMAKING EXPENSES; REPEALING CONFLICTING RESOLUTIONS OR ORDINANCES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE CITIES’ LEGAL COUNSEL.

WHEREAS, the City of Big Spring, Texas (“City”) is a gas utility customer of Atmos Energy Corp., West Texas Division (“Atmos West Texas” or “Company”), and a regulatory authority with an interest in the rates and charges of Atmos West Texas; and

WHEREAS, the City is a member of the Steering Committee of Cities Served by Atmos West Texas (“Cities”), a coalition of similarly situated cities served by Atmos West Texas that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos West Texas service area; and

WHEREAS, on or about October 18, 2013, the Company filed with the City its Statement of Intent to change rates in all municipalities exercising original jurisdiction within its West Texas Division service area; and

WHEREAS, Cities coordinated a review of Atmos West Texas' Statement of Intent filing through its designated attorneys and consultants, to resolve issues identified by Cities in the Company's filing; and

WHEREAS, Cities have successfully relied upon an annual Rate Review Mechanism ("RRM") as a substitute for the statutory GRIP process prior to the filing of the Company's previous two Statement of Intent rate cases and desire to implement a new RRM process; and

WHEREAS, Cities and Atmos West Texas have negotiated a new RRM process to govern ratesetting in 2015 and beyond; and

WHEREAS, Cities' Executive Committee, legal counsel and consultants recommend that Cities approve the rate tariffs and RRM tariff ("Exhibit A" to the attached Settlement Agreement), which will increase the Company's revenues by \$8.3 million on a system-wide cost of service basis; and

WHEREAS, the Exhibit A rate tariffs implementing the new rates are consistent with the negotiated resolution reached by Cities and are just, reasonable, and in the public interest, and will lead to rates throughout the Company's service territory that are economically equivalent to rates based on a system-wide cost of service; and

WHEREAS, the effective date of new rates is **April 1, 2014**.

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

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

Section 2. That the City Council approves the attached Settlement Agreement as a fair resolution to the Company's 2013 Statement of Intent rate filing.

Section 3. That the City Council finds the existing rates for natural gas service provided by Atmos West Texas are unreasonable and new tariffs which are attached to the Settlement Agreement as Exhibit A and incorporated herein, are just and reasonable, the rates therein established are based on a system-wide cost of service, and are hereby adopted. The new RRM process reflected in the tariff included in Exhibit A is hereby approved.

Section 4. That Atmos West Texas shall reimburse the reasonable ratemaking expenses of the Cities in processing the Company's Statement of Intent filing and negotiating a new RRM process.

Section 5. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 6. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 7. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 8. That this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after April 1, 2014.

Section 9. That a copy of this Ordinance shall be sent to Atmos West Texas, care of Mr. Jeffrey Foley, Vice President, Rates and Regulatory Affairs, 5110 80th Street, P.O. Box

1121, Lubbock, Texas 79408-1121, and to Geoffrey Gay, General Counsel to Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED on first reading at a regular scheduled meeting of the City Council on the 11th day of March, 2014, will all members present voting “aye” for the passage of same.

PASSED AND APPROVED on second and final reading at a regular scheduled meeting of the City Council on the 25th day of March, 2014, will all members present voting “aye” for the passage of same.

Larry McLellan, Mayor

ATTEST:

Tami Davis, Assistant City Secretary

APPROVED AS TO FORM:

Linda Sjogren, City Attorney

SETTLEMENT AGREEMENT BETWEEN ATMOS ENERGY CORPORATION, WEST TEXAS DIVISION AND THE WEST TEXAS CITIES STEERING COMMITTEE

WHEREAS, this settlement agreement (the "Settlement Agreement") is entered into by Atmos Energy Corporation's West Texas Division ("Atmos Energy" or the "Company") and the West Texas Cities Steering Committee ("WTX Cities"), which consists of the cities on Exhibit E (collectively "Signatories");

WHEREAS, Atmos Energy currently has pending before the WTX Cities a Statement of Intent to change rates within the incorporated areas of its West Texas Division ("2013 Rate Filing"); and

WHEREAS, the WTX Cities have hired experts and lawyers to analyze the rates proposed by Atmos Energy in its Rate Filing; and

WHEREAS, the Signatories agree that resolution of this matter by settlement agreement will significantly reduce the amount of reimbursable rate case expenses associated with this matter; and

WHEREAS, the Settlement Agreement resolves all issues between the Signatories regarding the Company's 2013 Rate Filing, which is currently pending before the WTX Cities, in a manner that the Signatories believe is consistent with the public interest, and the Signatories represent diverse interests; and

WHEREAS, the Signatories believe that the resolution of the issues raised in the 2013 Rate Filing can best be accomplished by each WTX City approving this Settlement Agreement and the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A;

NOW, THEREFORE, in consideration of the mutual agreements and covenants established herein, the Signatories, through their undersigned representatives, agree to the following Settlement Terms as a means of fully resolving all issues between the Atmos Energy and the WTX Cities involving the 2013 Rate Filing:

Settlement Terms

1. The Signatories agree to the rates, terms and conditions reflected in the tariffs attached to this Settlement Agreement as Exhibit A. These tariffs should allow Atmos Energy's West Texas Division an additional, system-wide \$8.3 million in annual revenues as illustrated in the proof of revenues attached as part of Exhibit B to this Settlement Agreement. The Signatories agree that the \$8.3 million revenue increase is a "black box" amount and is not tied to any specific expense in Atmos Energy's West Texas Division's underlying cost of service. Signatories further agree that the rates, terms and conditions reflected in Exhibit A to this Settlement Agreement comply with the rate-setting requirements of Chapter 104 of the Gas Utility Regulatory Act ("GURA"). The gas rates, terms and conditions established by this Settlement Agreement shall, subject to municipal approval, be effective for bills rendered on and after April 1, 2014, and should a

municipality not approve this Settlement Agreement in time for Atmos Energy to implement rates on April 1, 2014, the Signatories agree that on April 1, 2014, Atmos Energy's existing rates will be established as temporary rates for service on and after that date and such temporary rates will be subject to reconciliation back to April 1, 2014, through a surcharge to give effect to the rates agreed to in this Settlement Agreement; provided that the surcharge period be no longer than a period of sixty days.

2. The Signatories agree that rates within Atmos Energy's West Texas Division have, under this Settlement Agreement, been established consistent with implementing a system-wide cost of service methodology.
3. The Signatories agree that it is reasonable to include State Institution customers within the Public Authority customer class. The Signatories further agree to the following customer charges and consumption charges for customers residing in the WTX Cities. These rates are reflected in the rate schedules attached as Exhibit A.

West Texas Cities Rate Jurisdiction (Incorporated Areas)

Customer Class	Customer Charge	Consumption Charge per Ccf
Residential	\$15.50	\$0.101624
Commercial	\$35.00	\$0.10094
Industrial/Transportation	\$300.00	\$0.07388
Public Authority	\$100.00	\$0.09023

4. Signatories agree that the September 30, 2013 balance of \$2,881,345.41 related to the Company's regulatory asset under 16 TEX. ADMIN. CODE § 8.209 is reasonable and prudently incurred and shall be included in the Company's rate base.
5. To give effect to Section 104.059 of GURA, Signatories agree that the base year level of pension-related and other post-employment benefits expenses, as shown on the attached Exhibit D and summarized below, shall be as follows:

Description	Total
Shared Services Unit - Pension Account Plan ("PAP")	\$546,158
Shared Services Unit - Post-Retirement Medical Plan ("FAS 106")	\$388,281
West Texas Division - PAP	\$1,843,850
West Texas Division - FAS 106	\$2,732,959
West Texas Supplemental Executive Retirement Plan ("SERP")	\$77,628

6. Signatories agree that the Rider Tax, Rider FF, Rider WNA and Rider GCA, which are attached as Exhibit A, are reasonable and should be approved.

7. Signatories agree that the base load and heat sensitivity factors referenced in the WNA tariff shall be updated to correspond to those identified in Exhibit F to this Settlement Agreement.
8. Signatories agree that in an effort to streamline the regulatory review process a new Rate Review Mechanism ("Rider RRM") should be adopted. The Rider RRM provides for an annual rate adjustment to reflect changes in billing determinants, operating and maintenance expense, depreciation expense, other taxes expense, and revenues as well as changes in capital investment and associated changes in gross revenue related taxes. The revised RRM tariff is included in Exhibit A. Rider RRM will establish rates for the WTX Cities based on the system-wide cost of serving the West Texas Division, which includes the Amarillo, Lubbock and WTX Cities rate jurisdictions.
9. The Signatories agree that the Company's annual RRM filing will reflect an actual capital structure comprised of equity and long-term debt as of the test period end, adjusted for any known and measurable changes that have occurred prior to the file date. Signatories further agree that the equity portion of the capital structure utilized in an annual RRM filing shall not exceed 55% equity. Notwithstanding the preceding sentence, in the event that the Railroad Commission of Texas ("Commission") issues a final rate order adopting a capital structure for Atmos Energy that exceeds 55% equity, the Signatories agree that the annual RRM filing will reflect that Commission-approved capital structure.
10. The Signatories agree that for purposes of interim rate adjustments filed pursuant to Section 104.301 of GURA, Atmos Energy shall use the net plant amount of \$402,630,670 as the beginning plant balance for the first interim rate adjustment ("IRA") filing made pursuant to Section § 104.301. The Signatories agree that any filing made pursuant to Section 104.301 of GURA shall be based on the cost of changes in the investment in the West Texas Division, which includes the Amarillo, Lubbock and WTX Cities rate jurisdictions. The Signatories further agree that Atmos Energy shall use the capital structure and cost of debt and equity established in the Commission's final order in GUD No. 10170 and the additional factors identified on the attached Exhibit C for future IRA filings.
11. The Signatories agree that Atmos Energy shall not create a regulatory asset associated with the over-and-under collection of franchise fees unless specifically authorized to do so by either a municipal authority having original jurisdiction over the Company's gas utility rates or the Railroad Commission of Texas.
12. With regard to rate case expenses, Signatories agree that: (1) WTX Cities' rate case expenses shall be recovered from customers within the incorporated areas of the WTX Cities rate jurisdiction and; (2) Company expenses shall be recovered from customers within the entire incorporated areas of the West Texas Division, which includes the WTX Cities, Amarillo and Lubbock rate jurisdictions. Signatories further agree that the parties' reasonable rate case expenses should be recovered by surcharge over a twelve-month period as shown in the Rider SUR, attached as Exhibit A.
13. The Signatories agree to support and seek municipal approval of this Settlement Agreement.

14. The Signatories agree that neither this Settlement Agreement nor any oral or written statements made during the course of settlement negotiations may be used for any purpose other than as necessary to support the entry by a City of an ordinance or resolution approving this Settlement Agreement. Signatories further expressly agree that this Settlement Agreement and any oral or written statements made during the course of settlement negotiations are privileged, inadmissible, and not relevant to prove any issues associated with Atmos Energy's 2013 Rate Filing.
15. The Signatories agree that the terms of the Settlement Agreement are interdependent and indivisible, and that if a City enters an order that is inconsistent with this Settlement Agreement, then any Signatory may withdraw without being deemed to have waived any procedural right or to have taken any substantive position on any fact or issue by virtue of that Signatory's entry into the Settlement Agreement or its subsequent withdrawal.
16. The Signatories agree that this Settlement Agreement is binding on each Signatory only for the purpose of settling the issues set forth herein and for no other purposes, and except to the extent the Settlement Agreement governs a Signatory's rights and obligations for future periods, this Settlement Agreement shall not be binding or precedential upon a Signatory outside this proceeding.
17. The Signatories agree that this Settlement Agreement may be executed in multiple counterparts and may be filed with facsimile signatures.

Agreed to this ___ day of February, 2014.

ATMOS ENERGY CORP, WEST TEXAS DIVISION

By: _____
David J. Park

STEERING COMMITTEE OF CITIES SERVED BY ATMOS WEST TEXAS

By: _____
Geoffrey M. Gay

RATE SCHEDULE:	RESIDENTIAL GAS SERVICE	
APPLICABLE TO:	WEST TEXAS CITIES SERVICE AREA – Inside City Limits (ICL)	
EFFECTIVE DATE:	Bills Rendered on and after 4/01/2014	PAGE:

Availability

This schedule is applicable to general use by Residential customers for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Charge	Amount
Customer Charge	\$ 15.50
Consumption Charge	\$ 0.10162 per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Rider RRM applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

**WEST TEXAS DIVISION
ATMOS ENERGY CORPORATION**

EXHIBIT A

RATE SCHEDULE:	COMMERCIAL GAS SERVICE	
APPLICABLE TO:	WEST TEXAS CITIES SERVICE AREA – Inside City Limits (ICL)	
EFFECTIVE DATE:	Bills Rendered on and after 4/01/2014	PAGE:

Availability

This schedule is applicable to Commercial customers, including hospitals and churches, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Charge	Amount
Customer Charge	\$ 35.00
Consumption Charge	\$ 0.10094 per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Rider RRM applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

RATE SCHEDULE:	INDUSTRIAL GAS SERVICE	
APPLICABLE TO:	WEST TEXAS CITIES SERVICE AREA – Inside City Limits (ICL)	
EFFECTIVE DATE:	Bills Rendered on and after 4/01/2014	PAGE:

Availability

This schedule is applicable to the sales to any industrial or commercial customer whose predominant use of natural gas is other than space heating, cooking, water heating or other similar type uses. Service under this schedule is available to eligible customers following execution of a contract specifying the maximum hourly load. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Charge	Amount
Customer Charge	\$ 300.00
Consumption Charge	\$ 0.07388 per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Rider RRM applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

**WEST TEXAS DIVISION
ATMOS ENERGY CORPORATION**

EXHIBIT A

RATE SCHEDULE:	PUBLIC AUTHORITY GAS SERVICE	
APPLICABLE TO:	WEST TEXAS CITIES SERVICE AREA – Inside City Limits (ICL)	
EFFECTIVE DATE:	Bills Rendered on and after 4/01/2014	

Availability

This schedule is applicable to general use by Public Authority type customers, including public schools, for heating, cooking, refrigeration, water heating and other similar type uses. This schedule is not available for service to premises with an alternative supply of natural gas.

Monthly Rate

Charge	Amount
Customer Charge	\$ 100.00
Consumption Charge	\$ 0.09023 per Ccf

The West Texas Division Gas Cost Adjustment Rider applies to this schedule.

The West Texas Division Weather Normalization Adjustment Rider applies to this schedule.

The West Texas Division Rider TAX applies to this schedule.

The West Texas Division Rider FF applies to this schedule.

The West Texas Division Rider RRM applies to this schedule.

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

**WEST TEXAS DIVISION
ATMOS ENERGY CORPORATION**

EXHIBIT A

RATE SCHEDULE:	TRANSPORTATION SERVICE	
APPLICABLE TO:	WEST TEXAS CITIES SERVICE AREA - Inside City Limits (ICL)	
EFFECTIVE DATE:	Bills Rendered on or after 4/01/2014	PAGE:

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., West Texas Division Distribution System for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility with an estimated annual usage greater than 100,000 Ccf per meter.

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Meter	\$ 300.00 per month
Consumption Charge	\$ 0.07388 per Ccf

Upstream Transportation Cost Recovery: The customer is responsible for all upstream transportation costs.

Retention Adjustment: Plus a quantity of gas equal to the Company's most recently calculated financial L&U percentage for the twelve months ended September multiplied by the gas received into Atmos Energy Corporation's West Texas Division for transportation to the customer.

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

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

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

Miscellaneous Charges: Plus an amount for miscellaneous charges calculated in accordance with the applicable rider(s).

The West Texas Division Rider RRM applies to this schedule.

Conversions: Units may be converted from Ccf to Mcf or Mmbtu as necessary to comply with the underlying transportation agreement.

RATE SCHEDULE:	TRANSPORTATION SERVICE	
APPLICABLE TO:	WEST TEXAS CITIES SERVICE AREA – Inside City Limits (ICL)	
EFFECTIVE DATE:	Bills Rendered on or after 4/01/2014	PAGE:

Imbalance Fees

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

Monthly Imbalance Fees

Customer shall pay Company a monthly imbalance fee at the end of each month as defined in the applicable Transportation Agreement,

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the "Index" price reported for the month of delivery in Inside FERC's Gas Market Report under the heading "West Texas Waha".

Replacement Index

In the event the "Index" price reported for the month of delivery in Inside FERC's Gas Market Report under the heading "West Texas Waha" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

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

Special Conditions

In order to receive transportation service under this tariff, customer must have the type of meter, instrumentation, and communication required by Company. Customer must pay Company all costs associated with the acquisition and installation of the required equipment.

RATE SCHEDULE:	WEST TEXAS DIVISION GAS COST ADJUSTMENT (GCA) RIDER	
APPLICABLE TO:	ALL SERVICE AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 10/01/2012	PAGE:

Application

Gas bills issued under rate schedules to which this Rider applies will include adjustments to reflect decreases or increases in purchased gas costs or taxes. Accumulated Deferred Gas Costs shall also be adjusted for gas cost amounts which are uncollectible. Any such adjustments shall be filed with the appropriate regulatory authority before the beginning of the month in which the adjustment will be applied to bills. The amount of each adjustment shall be computed as follows:

Gas Cost Adjustment (GCA)

The GCA to be applied to each Ccf billed shall be computed as follows and rounded to the nearest \$0.01:

$$GCA = (G/S + CF)$$

Where:

1. "G", in dollars, is the expected cost of gas for the expected sales billing units.
2. "S", in Ccf as measured at local atmospheric pressure, is the expected sales billing units to be billed to customers in the respective section of the Company's West Texas Division.
3. "CF", in \$/Ccf as measured at local atmospheric pressure, is a correction factor charge per Ccf to adjust for the cumulative monthly differences between the cost of gas purchased by the Company and the amount of gas cost billed the customer plus any gas cost which is uncollectible.

More specifically, CF shall be calculated as follows:

$$CF = (a/b) + (c/b)$$

a = over (under) collection dollar amount for the 12 month period ending September.

b = expected estimated sales volumes for the future 12 month period ending November.

c = net uncollectible gas cost, that is:

(uncollectible gas cost for the previous 12 months ended September) – (subsequently collected gas cost for the previous 12 months ended September)

Once a year, on a 12 months ended September basis, the Company shall review the percentage of lost and unaccounted for gas. If this percentage exceeds 5% of the amount metered in, the correcting account balance will be reduced so that the customer will effectively be charged a maximum of 5% for lost and unaccounted for gas and the Company will absorb the excess.

**ATMOS ENERGY CORPORATION
WEST TEXAS DISTRIBUTION SYSTEM**

EXHIBIT A

RATE SCHEDULE:	WEST TEXAS DIVISION WEATHER NORMALIZATION ADJUSTMENT (WNA) RIDER	
APPLICABLE TO:	ALL AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 10/01/2012	PAGE:

Provisions for Adjustment

The base rate per Ccf (100,000 Btu) for gas service set forth in any Rate Schedules utilized in all cities in the West Texas Division or their environs for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential, commercial, public authority, and state institution bills based on meters read during the revenue months of October through May.

Computation of Weather Normalization Adjustment

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

WNAF _i	$R_i \frac{(HSF_i - (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$
Where	
i	= any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
WNAF _i	= Weather Normalization Adjustment Factor for the i th rate schedule or classification expressed in cents per Ccf
R _i	= base rate of temperature sensitive sales for the i th schedule or classification utilized
HSF _i	= heat sensitive factor for the i th schedule or classification divided by the average bill count in that class
NDD _i	= billing cycle normal heating degree days
ADD _i	= billing cycle actual heating degree days
BL _i	= base load sales for the i th schedule or Classification divided by the average bill count in that class

The Weather Normalization Adjustment for the jth customer in ith rate schedule is computed as:

WNA _i	WNAF _i x q _{ij} Where q _{ij} is the relevant sales quantity for the j th Customer in i th rate schedule
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RIDER:	FF – FRANCHISE FEE ADJUSTMENT	
APPLICABLE TO:	ALL AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 10/01/2012	PAGE:

Application

Applicable to Customers inside the corporate limits of an incorporated municipality that imposes a municipal franchise fee upon Company for the Gas Service provided to Customer. Franchise Fees to be assessed solely to customers within the municipal limits. This does not apply to Environs customers.

Monthly Adjustment

Company will adjust Customer's bill each month in an amount equal to the municipal franchise fees payable for the Gas Service provided to Customer by Company. Municipal franchise fees are determined by each municipality's franchise ordinance. Each municipality's franchise ordinance will specify the percentage and applicability of franchise fees.

From time to time, Company will make further adjustments to Customer's bill to account for any over- or under-recovery of municipal franchise fees by Company.

RIDER:	TAX – TAX ADJUSTMENT	
APPLICABLE TO:	ALL AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 10/01/2012	PAGE:

Application

Applicable to Customers taking service under Residential, Commercial, Industrial, Public Authority, and State Institution customers to the extent of state gross receipts taxes only.

Each monthly bill shall be adjusted for state gross receipts taxes imposed by Sections 182-021 - 182-025 of the Texas Tax Code.

Each monthly bill shall also be adjusted by an amount equivalent to the amount of all applicable taxes and any other governmental impositions, rentals, fees, or charges (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed upon or allocated to Company with respect to the Gas Service provided to Customer by Company, and any associated facilities involved in the performance of such Gas Service. Each monthly bill shall also be adjusted by an amount equivalent to the proportionate part of any increase or decrease of any tax and any other governmental imposition, rental, fee, or charge (except state, county, city, and special district ad valorem taxes and taxes on net income) levied, assessed, or imposed subsequent to the effective date of this tariff, upon or allocated to Company's operations, by any new or amended law, ordinance, or contract.

**ATMOS ENERGY CORPORATION
WEST TEXAS DIVISION**

EXHIBIT A

RATE SCHEDULE:	OTHER SERVICE CHARGES	
APPLICABLE TO:	ALL AREAS IN THE WEST TEXAS DIVISION	
EFFECTIVE DATE:	Bills Rendered on and after 10/01/2012	

The service charges on this tariff will be applied in accordance with Atmos Energy's Quality of Service rules and Commission rule 7.45.

DURING BUSINESS HOURS:

These charges apply to services initiated between 8am and 5pm, Monday through Friday.

Charge	Amount
Turn On New Service With Meter Set	\$ 45.00
Turn On Service (shut-in test required)	\$ 37.00
Turn On Service (meter read only required)	\$ 21.00
Miscellaneous Service Charge Calls	\$ 10.00
Reconnect Delinquent Service or Service Temporarily Off at Customer's Request	\$ 47.00
Return Check Fee	\$ 25.00
Tampering Fee	\$ 150.00

AFTER BUSINESS HOURS:

These charges apply to services initiated between 5pm and 8am, Monday through Friday, and all day Saturday and Sunday.

Charge	Amount
Turn On New Service With Meter Set	\$ 67.50
Turn On Service (shut-in test required)	\$ 55.50
Turn On Service (meter read only required)	\$ 31.50
Miscellaneous Service Charge Calls	\$ 15.00
Reconnect Delinquent Service or Service Temporarily Off at Customer's Request	\$ 70.50
Tampering Fee	\$ 150.00

RATE SCHEDULE:	RRM – Rate Review Mechanism	
APPLICABLE TO:	ALL INCORPORATED CUSTOMERS IN THE WEST TEXAS DIVISION EXCEPT CUSTOMERS IN THE CITIES OF AMARILLO, LUBBOCK, DALHART AND CHANNING.	
EFFECTIVE DATE:	Bills Rendered on and after March 15, 2015	PAGE 1 OF 6

I. Applicability

Applicable to Residential, Commercial, Industrial, Public Authority, and Transportation tariff incorporated areas customers in the West Texas Division of Atmos Energy Corporation (“Company”) with the exception of those customers within the Cities of Amarillo, Lubbock, Dalhart, and Channing. This Rate Review Mechanism (“RRM”) provides for an annual adjustment to the Company’s Residential, Commercial, Industrial, Public Authority, and Transportation Rate Schedules (“Applicable Rate Schedules”). Rate calculations and adjustments required by this tariff shall be determined on a System-Wide cost basis.

II. Definitions

“Test Period” is defined as the twelve months ending September 30th of each preceding calendar year.

The “Effective Date” is the date that adjustments required by this tariff are applied to customer bills. The annual Effective Date is March 15.

Unless otherwise noted in this tariff, the term “Final Order” refers the final order issued by the Railroad Commission of Texas in GUD 10170.

The term “System-Wide” means all incorporated and unincorporated areas served by the Company within the West Texas Division.

“Review Period” is defined as the period from the Filing Date until the Effective Date.

The “Filing Date” is as early as practicable, but no later than December 1 of each year.

III. Calculation

The RRM shall calculate an annual, System-Wide cost of service (“COS”) that will be used to adjust applicable rate schedules prospectively as of the Effective Date. The annual cost of service will be calculated according to the following formula:

$$\text{COS} = \text{OM} + \text{DEP} + \text{RI} + \text{TAX} + \text{CD} - \text{ADJ}$$

Where:

OM = all reasonable and necessary operation and maintenance expenses from the Test Period adjusted for known and measurable items and prepared

RATE SCHEDULE:	RRM – Rate Review Mechanism	
APPLICABLE TO:	ALL INCORPORATED CUSTOMERS IN THE WEST TEXAS DIVISION EXCEPT CUSTOMERS IN THE CITIES OF AMARILLO, LUBBOCK, DALHART AND CHANNING.	
EFFECTIVE DATE:	Bills Rendered on and after March 15, 2015	PAGE 2 OF 6

consistent with the rate making treatments approved in the Final Order. Known and measurable adjustments shall be limited to those changes that have occurred prior to the Filing Date. OM may be adjusted for atypical and non-recurring items. Shared Services allocation factors shall be recalculated each year based on the latest component factors used during the Test Period, but the methodology used will be that approved in the Final Order.

DEP = depreciation expense calculated at depreciation rates approved by the Final Order from GUD 10041 for the West Texas Division direct depreciation rates and the Final Order from GUD 10170 for Shared Services depreciation rates

RI = return on investment calculated as the Company's pretax return multiplied by rate base at Test Period end. Rate base is prepared consistent with the rate making treatments approved in the Final Order, except that no post Test Period adjustments will be permitted. Pretax return is the Company's weighted average cost of capital before income taxes. The Company's weighted average cost of capital is calculated using the methodology from the Final Order including the Company's actual capital structure and long term cost of debt as of the Test Period end (adjusted for any known and measurable changes that have occurred prior to the filing date) and the return on equity from the Final Order. However, in no event will the percentage of equity exceed 55%. Notwithstanding the preceding sentence, in the event that the Commission issues a final rate order adopting a capital structure for Atmos Energy that exceeds 55% equity, the Signatories agree that the annual RRM filing will reflect the Commission-approved capital structure. Regulatory adjustments due to prior regulatory rate base adjustment disallowances will be maintained. Cash working capital will be calculated using the lead/lag days approved in the Final Order. With respect to pension and other postemployment benefits, the Company will record a regulatory asset or liability for these costs until the amounts are included in the next annual rate adjustment implemented under this tariff. Each year, the Company's filing under this Rider RRM will clearly state the level of pension and other postemployment benefits recovered in rates.

TAX = income tax and taxes other than income tax from the Test Period adjusted for known and measurable changes occurring after the Test Period and before the Filing Date, and prepared consistent with the rate making treatments approved in the Final Order.

CD = interest on customer deposits.

RATE SCHEDULE:	RRM – Rate Review Mechanism	
APPLICABLE TO:	ALL INCORPORATED CUSTOMERS IN THE WEST TEXAS DIVISION EXCEPT CUSTOMERS IN THE CITIES OF AMARILLO, LUBBOCK, DALHART AND CHANNING.	
EFFECTIVE DATE:	Bills Rendered on and after March 15, 2015	PAGE 3 OF 6

ADJ = Downward adjustment to the overall, System-Wide test year cost of service in the amount of \$300,000.00, adjusted by a percentage equal to the total percentage increase in base-rate revenue sought pursuant to this tariff.

IV. Annual Rate Adjustment

The Company shall provide schedules and work papers supporting the Filing's revenue deficiency/sufficiency calculations using the methodology accepted in the Final Order. The result shall be reflected in the proposed new rates to be established for the effective period. The Revenue Requirement will be apportioned to customer classes consistent with class revenue distribution resulting from the settlement of the statement of intent filed October 18, 2013. For the Residential Class, 50% of the increase may be recovered in the customer charge. The increase to the Residential customer charge shall not exceed \$0.50 per month in any given year. The remainder of the Residential Class increase not collected in the customer charge will be recovered in the usage charge. The Company will forgo any change in the Residential customer charge with the first proposed rate adjustment pursuant to this tariff. For all other classes, the change in rates will be apportioned between the customer charge and the usage charge, consistent with the Final Order. Test Period billing determinants shall be adjusted and normalized according to the methodology utilized in the Final Order.

V. Filing

The Company shall file schedules annually with the regulatory authority having original jurisdiction over the Company's rates on or before the Filing Date that support the proposed rate adjustments. The schedules shall be in the same general format as the cost of service model and relied-upon files upon which the Final Order was based. A proof of rates and a copy of current and proposed tariffs shall also be included with the filing. The filing shall be made in electronic form where practical. The Company's filing shall conform to Minimum Filing Requirements (to be agreed upon by the parties), which will contain a minimum amount of information that will assist the regulatory authority in its review and analysis of the filing. The Company and regulatory authority will endeavor to hold a technical conference regarding the filing within ten (10) calendar days after the Filing Date.

The 2014 Filing Date will be December 1, 2014.

A sworn statement shall be filed by an Officer of the Company affirming that the filed schedules are in compliance with the provisions of this Rate Review Mechanism and are true and correct to the best of his/her knowledge, information, and belief. No

RATE SCHEDULE:	RRM – Rate Review Mechanism	
APPLICABLE TO:	ALL INCORPORATED CUSTOMERS IN THE WEST TEXAS DIVISION EXCEPT CUSTOMERS IN THE CITIES OF AMARILLO, LUBBOCK, DALHART AND CHANNING.	
EFFECTIVE DATE:	Bills Rendered on and after March 15, 2015	PAGE 4 OF 6

testimony shall be filed, but a brief narrative explanation shall be provided of any changes to corporate structure, accounting methodologies, allocation of common costs, or atypical or non- recurring items included in the filing.

VI. Evaluation Procedures

The regulatory authority having original jurisdiction over the Company's rates shall review and render a decision on the Company's proposed rate adjustment prior to the Effective Date. The Company shall provide all supplemental information requested to ensure an opportunity for adequate review by the relevant regulatory authority. The Company shall not unilaterally impose any limits upon the provision of supplemental information and such information shall be provided within seven (7) working days of the original request. The regulatory authority may propose any adjustments it determines to be required to bring the proposed rate adjustment into compliance with the provisions of this tariff.

The regulatory authority may disallow any net plant investment that is not shown to be prudently incurred. Approval by the regulatory authority of net plant investment pursuant to the provisions of this tariff shall constitute a finding that such net plant investment was prudently incurred. Such finding of prudence shall not be subject to further review in a subsequent RRM or Statement of Intent filing.

During the Review Period, the Company and the regulatory authority will work collaboratively and seek agreement on the level of rate adjustments. If, at the end of the Review Period, the Company and the regulatory authority have not reached agreement, the regulatory authority shall take action to modify or deny the proposed rate adjustments. The Company shall have the right to appeal the regulatory authority's action to the Railroad Commission of Texas. Upon the filing of an appeal of the regulatory authority's order relating to an annual RRM filing with the Railroad Commission of Texas, the regulatory authority having original jurisdiction over the Company's rates shall not oppose the implementation of the Company's proposed rates subject to refund, nor will the regulatory authority advocate for the imposition of a third party surety bond by the Company. Any refund shall be limited to and determined based on the resolution of the disputed adjustment(s) in a final, non-appealable order issued in the appeal filed by the Company at the Railroad Commission of Texas.

In the event that the regulatory authority and Company agree to a rate adjustment(s) that is different from the adjustment(s) requested in the Company's filing, the Company shall file compliance tariffs consistent with the agreement. No action on the part of the regulatory authority shall be required to allow the rate adjustment(s) to become effective on March 15. To the extent that the regulatory authority does not take action on the Company's RRM filing by March 14, the rates proposed in the Company's filing shall be

RATE SCHEDULE:	RRM – Rate Review Mechanism	
APPLICABLE TO:	ALL INCORPORATED CUSTOMERS IN THE WEST TEXAS DIVISION EXCEPT CUSTOMERS IN THE CITIES OF AMARILLO, LUBBOCK, DALHART AND CHANNING.	
EFFECTIVE DATE:	Bills Rendered on and after March 15, 2015	PAGE 5 OF 6

deemed approved effective March 15. (2014 filing RRM rate will be effective March 15, 2015 if no action is taken). Notwithstanding the preceding sentence, a regulatory authority may choose to take affirmative action to approve a rate adjustment under this tariff. In those instances where such approval cannot reasonably occur by March 14, the rates finally approved by the regulatory authority shall be deemed effective as of March 15.

To defray the cost, if any, of regulatory authorities conducting a review of the Company's annual RRM filing, the Company shall reimburse the regulatory authorities on a monthly basis for their reasonable expenses incurred upon submission of invoices for such review. Any reimbursement contemplated hereunder shall be deemed a reasonable and necessary operating expense of the Company in the year in which the reimbursement is made. A regulatory authority seeking reimbursement under this provision shall submit its request for reimbursement to the Company no later than May 15 of the year in which the RRM filing is made and the Company shall reimburse regulatory authorities in accordance with this provision on or before June 15 of the year the RRM filing is made.

To the extent possible, the provisions of the Final Order shall be applied by the regulatory authority in determining whether to approve or disapprove of Company's proposed rate adjustment.

This Rider RRM does not limit the legal rights and duties of a regulatory authority. Nothing herein shall abrogate the jurisdiction of the regulatory authority to initiate a rate proceeding at any time to review whether rates charged are just and reasonable. Similarly, the Company retains its right to utilize the provisions of Texas Utilities Code, Chapter 104, Subchapter C to request a change in rates. The provisions of this Rider RRM are implemented in harmony with the Gas Utility Regulatory Act (Texas Utilities Code, Chapters 101-105).

The annual rate adjustment process set forth in this tariff shall remain in effect during the pendency of any Statement of Intent rate filing.

VII. Reconsideration, Appeal and Unresolved Items

Orders issued pursuant to this mechanism are ratemaking orders and shall be subject to appeal under Sections 102.001(b) and 103.021, et seq., of the Texas Utilities Code (Vernon 2007).

RATE SCHEDULE:	RRM – Rate Review Mechanism	
APPLICABLE TO:	ALL INCORPORATED CUSTOMERS IN THE WEST TEXAS DIVISION EXCEPT CUSTOMERS IN THE CITIES OF AMARILLO, LUBBOCK, DALHART AND CHANNING.	
EFFECTIVE DATE:	Bills Rendered on and after March 15, 2015	PAGE 6 OF 6

VIII. Notice

Notice of each annual RRM filing shall be provided by including the notice, in conspicuous form, in the bill of each directly affected customer no later than forty-five (45) days after the Company makes its annual filing pursuant to this tariff. The notice to customers shall include the following information:

- a) a description of the proposed revision of rates and schedules;
- b) the effect the proposed revision of rates is expected to have on the rates applicable to each customer class and on an average bill for each affected customer;
- c) the service area or areas in which the proposed rates would apply;
- d) the date the annual RRM filing was made with the regulatory authority; and
- e) the Company's address, telephone number and website where information concerning the proposed rate adjustment be obtained.

**WEST TEXAS DIVISION
ATMOS ENERGY CORPORATION**

EXHIBIT A

RIDER:	SURCHARGE 2013 WTX SOI	
APPLICABLE TO:	ALL INCORPORATED AREAS IN THE WEST TEXAS CITIES SERVICE AREA	
EFFECTIVE DATE:	Bills Rendered on and after 4/01/2014	PAGE:

Applicability

The Rate Case Expense Surcharge (RCE) rate as set forth below is pursuant to Settlement Agreement to the Statement of Intent filed with the municipalities in Atmos Energy's West Texas Division on October 18, 2013. This monthly rate shall apply to the residential, commercial, industrial, and public authority / state institution rate schedules of Atmos Energy Corporation's West Texas Division in the rate areas and amounts noted below. The rate will be in effect for approximately 12 months until all approved and expended rate case expenses are recovered from the applicable customer classes. This rider is subject to all applicable laws and orders, and the Company's rules and regulations on file with the regulatory authority.

Rate Schedule: Residential

Rate Area	Monthly Surcharge
WTX Cities Incorporated	\$ 0.00228 per Ccf

Rate Schedule: Commercial

Rate Area	Monthly Surcharge
WTX Cities Incorporated	\$ 0.00154 per Ccf

Rate Schedule: Industrial

Rate Area	Monthly Surcharge
WTX Cities Incorporated	\$ 0.00175 per Ccf

Rate Schedule: Public Authority / State Institution

Rate Area	Monthly Surcharge
WTX Cities Incorporated	\$ 0.00081 per Ccf

OTHER ADJUSTMENTS

The above rate schedules shall be adjusted for all applicable taxes (including franchise fees for incorporated customers) related to the above.

**ATMOS ENERGY CORPORATION
WEST TEXAS SYSTEM STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT CURRENT RATES
TEST YEAR ENDING JUNE 30, 2013**

EXHIBIT B

Line No.	Description	West Texas						Total	Reference
		West Texas ICL	OCL	Amarillo ICL	Amarillo OCL	Lubbock ICL	Lubbock OCL		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Residential									
1	<u>Rate Characteristics:</u>								
2	Customer Charge	\$ 13.50	\$ 13.50	\$ 13.50	\$ 13.50	\$ 13.50	\$ 13.50		Tariff- Rates
3									
4	Consumption Charge (\$/Ccf)								
5	All Consumption	\$ 0.12614	\$ 0.17055	\$ 0.07550	\$ 0.07550	\$ 0.09175	\$ 0.09175		Tariff- Rates
6									
7	<u>Billing Units:</u>								
8	Bills	1,491,886	151,445	786,743	30,450	751,234	54,930	3,266,688	Billing Determinants Study
9	Total Ccf	73,084,407	8,611,518	50,915,223	2,218,827	35,968,592	3,487,952	174,286,519	Billing Determinants Study
10									
11	<u>Present Revenue:</u>								
12	Customer Charge	\$ 20,140,482	\$ 2,044,511	\$ 10,821,035	\$ 411,070	\$ 10,141,656	\$ 741,555	\$ 44,100,288	Ln. 2 times Ln. 8
13	Consumption Charge	9,218,867	1,468,694	3,844,099	187,521	3,300,118	320,020	18,319,320	Ln. 5 times Ln. 9
14	Total Present Base Revenue - Residential	\$ 29,359,329	\$ 3,513,205	\$ 14,465,134	\$ 578,592	\$ 13,441,774	\$ 1,061,575	\$ 62,419,608	Sum of Ln. 12 through Ln. 13
15									
16									
17	Commercial								
18	<u>Rate Characteristics:</u>								
19	Customer Charge	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00		Tariff- Rates
20									
21	Consumption Charge (\$/Ccf)								
22	All Consumption	\$ 0.09317	\$ 0.11330	\$ 0.09794	\$ 0.09794	\$ 0.09045	\$ 0.09045		Tariff- Rates
23									
24	<u>Billing Units:</u>								
25	Bills	125,043	21,215	70,734	2,225	68,374	3,918	291,508	Billing Determinants Study
26	Total Ccf	26,461,500	6,902,348	21,853,008	762,343	15,580,246	597,554	72,156,999	Billing Determinants Study
27									
28	<u>Present Revenue:</u>								
29	Customer Charge	\$ 3,751,300	\$ 636,445	\$ 2,122,015	\$ 66,736	\$ 2,051,212	\$ 117,533	\$ 8,745,240	Ln. 19 times Ln. 25
30	Consumption Charge	2,465,418	782,036	2,140,284	74,664	1,409,233	54,049	6,925,683	Ln. 22 times Ln. 26
31	Total Present Base Revenue - Commercial	\$ 6,216,718	\$ 1,418,481	\$ 4,262,298	\$ 141,400	\$ 3,460,445	\$ 171,582	\$ 15,670,923	Sum of Ln. 29 through Ln. 30
32									
33									
34	Industrial and Transportation (1)								
35	<u>Rate Characteristics:</u>								
36	Customer Charge	\$ 275.00	\$ 275.00	\$ 275.00	\$ 275.00	\$ 275.00	\$ 275.00		Tariff- Rates
37									
38	Consumption Charge (\$/Ccf)								
39	All Consumption	\$ 0.05286	\$ 0.06091	\$ 0.11273	\$ 0.11273	\$ 0.07402	\$ 0.07402		Tariff- Rates
40									
41	<u>Billing Units:</u>								
42	Bills	894	1,317	243	20	530	48	3,052	Billing Determinants Study
43	Total Ccf	2,747,921	5,004,668	2,316,068	78,684	2,968,536	151,292	13,267,170	Billing Determinants Study
44									
45	<u>Present Revenue:</u>								
46	Customer Charge	\$ 245,850	\$ 362,175	\$ 66,825	\$ 5,500	\$ 145,750	\$ 13,200	\$ 839,300	Ln. 36 times Ln. 42

**ATMOS ENERGY CORPORATION
WEST TEXAS SYSTEM STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE AT CURRENT RATES
TEST YEAR ENDING JUNE 30, 2013**

EXHIBIT B

Line No.	Description (a)	West Texas						Total (h)	Reference (i)
		West Texas ICL (b)	OCL (c)	Amarillo ICL (d)	Amarillo OCL (e)	Lubbock ICL (f)	Lubbock OCL (g)		
47	Consumption Charge	145,255	304,834	261,090	8,870	219,731	11,199	950,980	Ln. 39 times Ln. 43
48	Total Present Base Revenue - Industrial & Transportation	\$ 391,105	\$ 667,009	\$ 327,915	\$ 14,370	\$ 365,481	\$ 24,399	\$ 1,790,280	Sum of Ln. 46 through Ln. 47
49									
50									
51	Public Authority								
52	<u>Rate Characteristics:</u>								
53	Customer Charge	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00		Tariff- Rates
54									
55	Consumption Charge (\$/Ccf)								
56	All Consumption	\$ 0.08431	\$ 0.10076	\$ 0.10638	\$ 0.10638	\$ 0.12981	\$ 0.12981		Tariff- Rates
57									
58	<u>Billing Units:</u>								
59	Bills	15,391	1,049	2,148	253	545	152	19,538	Billing Determinants Study
60	Total Ccf	11,017,111	696,969	3,145,163	1,578,428	493,692	345,146	17,276,508	Billing Determinants Study
61									
62	<u>Present Revenue:</u>								
63	Customer Charge	\$ 1,154,336	\$ 78,690	\$ 161,128	\$ 18,948	\$ 40,865	\$ 11,383	\$ 1,465,350	Ln. 53 times Ln. 59
64	Consumption Charge	926,853	70,227	334,582	167,913	64,086	44,803	1,610,464	Ln. 56 times Ln. 60
65	Total Present Base Revenue - Public Authority	\$ 2,083,189	\$ 148,917	\$ 495,710	\$ 186,861	\$ 104,951	\$ 56,186	\$ 3,075,814	Sum of Ln. 63 through Ln. 64
66									
67									
68	State Institution								
69	<u>Rate Characteristics:</u>								
70	Customer Charge	\$ 75.00	\$ 75.00			\$ 75.00	\$ 75.00		Tariff- Rates
71									
72	Consumption Charge (\$/Ccf)								
73	All Consumption	\$ 0.10146	\$ 0.13551			\$ 0.11115	\$ 0.11115		Tariff- Rates
74									
75	<u>Billing Units:</u>								
76	Bills	913	152			513	183	1,762	Billing Determinants Study
77	Total Ccf	808,032	46,249			463,326	312,214	1,629,821	Billing Determinants Study
78									
79	<u>Present Revenue:</u>								
80	Customer Charge	\$ 68,508	\$ 11,405			\$ 38,474	\$ 13,762	\$ 132,150	Ln. 70 times Ln. 76
81	Consumption Charge	81,983	6,267			51,499	34,703	174,451	Ln. 73 times Ln. 77
82	Total Present Base Revenue - State Institution	\$ 150,491	\$ 17,673			\$ 89,973	\$ 48,465	\$ 306,601	Sum of Ln. 80 through Ln. 81
83									
84	Note:								
85	1. The Industrial class includes two tariff Transportation customers with equivalent base rates.								
	present revenues nongas	\$ 38,200,832	\$ 6,765,285	\$ 19,551,058	\$ 921,222	\$ 17,482,624	\$ 1,362,207	\$ 83,263,227	

Data Sources:
West Texas 6_2013 Rates.xlsx
WTX BDS TY Ending 6.30.2013.xlsm

**ATMOS ENERGY CORPORATION
WEST TEXAS SYSTEM STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE - PROSPECTIVE RATES
TEST YEAR ENDING JUNE 30, 2013**

EXHIBIT B

Line No.	Description (a)	West Texas						Total (h)	Reference (i)
		West Texas ICL (b)	OCL (c)	Amarillo ICL (d)	Amarillo OCL (e)	Lubbock ICL (f)	Lubbock OCL (g)		
Residential									
1	<u>Rate Characteristics:</u>								
2	Customer Charge	15.50	13.50	14.75	13.50	14.75	13.50		Rate Design
3									
4	Consumption Charge (\$/Ccf)								
5	All Consumption	0.10162	0.17055	0.09760	0.07550	0.12449	0.09175		Rate Design
6									
7	<u>Billing Units:</u>								
8	Bills	1,491,886	151,445	786,743	30,450	751,234	54,930	3,266,688	WP_J-1
9	Total Ccf	73,084,407	8,611,518	50,915,223	2,218,827	35,968,592	3,487,952	174,286,519	WP_J-1
10									
11	<u>Proposed Revenue:</u>								
12	Customer Charge	\$ 23,124,234	\$ 2,044,511	\$ 11,604,464	\$ 411,070	\$ 11,080,698	\$ 741,555	\$ 49,006,531	Ln. 2 times Ln. 8
13	Consumption Charge	7,427,165	1,468,694	4,969,326	167,521	4,477,730	320,020	18,830,456	Ln. 5 times Ln. 9
14	Total Proposed Base Revenue - Residential	\$ 30,551,399	\$ 3,513,205	\$ 16,573,789	\$ 578,592	\$ 15,558,428	\$ 1,061,575	\$ 67,836,988	Sum of Ln. 12 through Ln. 13
15									
16									
17	Commercial								
18	<u>Rate Characteristics:</u>								
19	Customer Charge	35.00	30.00	33.00	30.00	33.00	30.00		Rate Design
20									
21	Consumption Charge (\$/Ccf)								
22	All Consumption	0.10094	0.11330	0.11866	0.09794	0.11226	0.09045		Rate Design
23									
24	<u>Billing Units:</u>								
25	Bills	125,043	21,215	70,734	2,225	68,374	3,918	291,508	WP_J-1
26	Total Ccf	26,461,500	6,902,348	21,853,008	762,343	15,580,246	597,554	72,156,999	WP_J-1
27									
28	<u>Proposed Revenue:</u>								
29	Customer Charge	\$ 4,376,517	\$ 636,445	\$ 2,334,216	\$ 66,736	\$ 2,256,333	\$ 117,533	\$ 9,787,779	Ln. 19 times Ln. 25
30	Consumption Charge	2,670,992	782,036	2,549,372	74,664	1,749,038	54,049	7,880,151	Ln. 22 times Ln. 26
31	Total Proposed Base Revenue - Commercial	\$ 7,047,508	\$ 1,418,481	\$ 4,883,588	\$ 141,400	\$ 4,005,371	\$ 171,582	\$ 17,667,930	Sum of Ln. 29 through Ln. 30
32									
33									
34	Industrial / Transportation								
35	<u>Rate Characteristics:</u>								
36	Customer Charge	300.00	275.00	300.00	275.00	300.00	275.00		Rate Design
37									
38	Consumption Charge (\$/Ccf)								
39	All Consumption	0.07388	0.06091	0.13075	0.11273	0.08895	0.07402		Rate Design
40									
41	<u>Billing Units:</u>								
42	Bills	894	1,317	243	20	530	48	3,052	WP_J-1
43	Total Ccf	2,747,921	5,004,668	2,316,068	78,684	2,968,536	151,292	13,267,170	WP_J-1
44									
45	<u>Proposed Revenue:</u>								

**ATMOS ENERGY CORPORATION
WEST TEXAS SYSTEM STATEMENT OF INTENT
SUMMARY PROOF OF REVENUE - PROSPECTIVE RATES
TEST YEAR ENDING JUNE 30, 2013**

EXHIBIT B

Line No.	Description	West Texas						Total	Reference
		West Texas ICL	OCL	Amarillo ICL	Amarillo OCL	Lubbock ICL	Lubbock OCL		
46	Customer Charge	\$ 268,200	\$ 362,175	\$ 72,900	\$ 5,500	\$ 159,000	\$ 13,200	\$ 880,975	Ln. 36 times Ln. 42
47	Consumption Charge	203,003	304,834	302,826	8,870	264,051	11,199	1,064,784	Ln. 39 times Ln. 43
48	Total Proposed Base Revenue - Industrial	\$ 471,203	\$ 667,009	\$ 375,726	\$ 14,370	\$ 423,051	\$ 24,399	\$ 1,975,759	Sum of Ln. 46 through Ln. 47
51	Public Authority								
52	<u>Rate Characteristics:</u>								
53	Customer Charge	100.00	75.00	82.00	75.00	82.00	75.00		Rate Design
55	Consumption Charge (\$/Ccf)								
56	All Consumption	0.09023	0.10076	0.12457	0.10638	0.14512	0.12981		Rate Design
58	<u>Billing Units:</u>								
59	Bills	16,305	1,201	2,148	253	1,058	335	21,300	WP_J-1
60	Total Ccf	11,825,144	743,217	3,145,163	1,578,428	957,017	657,360	18,906,329	WP_J-1
62	<u>Proposed Revenue:</u>								
63	Customer Charge	\$ 1,630,459	\$ 90,096	\$ 178,166	\$ 18,948	\$ 86,744	\$ 25,145	\$ 2,027,558	Ln. 53 times Ln. 59
64	Consumption Charge	\$ 1,066,940	\$ 74,887	\$ 391,793	\$ 167,913	\$ 138,882	\$ 85,332	\$ 1,925,747	Ln. 56 times Ln. 60
65	Total Proposed Base Revenue - Public Authority	\$ 2,697,399	\$ 166,589	\$ 567,959	\$ 186,861	\$ 225,627	\$ 104,651	\$ 3,953,305	Sum of Ln. 63 through Ln. 64
	proposed revenues nongas	\$ 40,767,510	\$ 5,765,284	\$ 22,401,063	\$ 921,222	\$ 20,212,477	\$ 1,362,207	\$ 91,433,982	
	present revenues nongas	\$ 38,200,832	\$ 5,765,286	\$ 19,551,058	\$ 921,222	\$ 17,462,624	\$ 1,362,207	\$ 83,263,227	
		\$ 2,566,678	(0)	\$ 2,850,005	\$ -	\$ 2,749,853	(0)	\$ 8,170,755	

EXHIBIT C

Factors Required by Section 104.301 of the Gas Utility Regulatory Act

- The net invested capital amount of \$402,630,670 shall be used as the baseline investment for use in calculating the first interim rate adjustment (“IRA”) adjustment following the issuance of an Ordinance approving new rates pursuant to the Settlement Agreement referencing this Exhibit C.
- The overall depreciation rate shall be calculated based on the West Texas Division direct depreciation rates approved in GUD 10041 and the SSU Depreciation rates approved in GUD 10170.
- A federal income tax factor of 35%;
- Ad Valorem Tax of \$4,133,461 divided by the net invested capital of \$402,630,670 for an Ad Valorem tax rate of 1.03%.
- The average use per month per customer class in order to determine the current and proposed bill information in future IRA filings is as follows: Residential at 52.69 Ccf, Commercial at 239.72 Ccf, Industrial at 3,950.03 Ccf, and Public Authority at 809.72 Ccf; and
- The base rate revenue allocation factors to be used to calculate the cost of changes in investment to be recovered from the appropriate customer classes are as follows: Residential at 75.13%, Commercial at 18.39%, Industrial at 2.16%, and Public Authority at 4.32%.
- The overall return shall be the same as approved by the Railroad Commission of Texas in the Final Order for GUD 10170.

**ATMOS ENERGY CORPORATION
WEST TEXAS SYSTEM STATEMENT OF INTENT
PENSIONS AND RETIREE MEDICAL BENEFITS BENCHMARK
TEST YEAR ENDING JUNE 30, 2013**

Exhibit D

Line No.	Description	Shared Services		WTX			Total
		Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	Pension Account Plan ("PAP")	Post-Retirement Medical Plan ("FAS 106")	Supplemental Executive Retirement Plan ("SERP")	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	FY 2014 Towers Watson Amounts (Excluding Removed Cost Centers)	\$ 6,343,572	\$ 4,509,850	\$ 1,954,888	\$ 2,897,539	\$ 82,303	
2	Texas Division Allocation Factor	8.82%	8.82%	100.00%	100.00%	100.00%	
3	West Texas Allocation Factor	97.62%	97.62%	94.32%	94.32%	94.32%	
	FY 2014 Towers Watson Benefit Costs (Excluding Removed Cost Centers)						
4	Allocated to WTX (Ln 1 x Ln 2 x Ln 3)	\$ 546,158	\$ 388,281	\$ 1,843,850	\$ 2,732,959	\$ 77,628	
5	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
	FY 2014 Towers Watson Benefit Costs To Approve (Excluding Removed						
6	Cost Centers) (Ln 4 x Ln 5)	\$ 546,158	\$ 388,281	\$ 1,843,850	\$ 2,732,959	\$ 77,628	
7							
8							
9	Summary of Costs to Approve:						
10							
11							
12	Total Pension Account Plan ("PAP")	\$ 546,158		\$ 1,843,850			\$ 2,390,009
13	Total Post-Retirement Medical Plan ("FAS 106")		\$ 388,281		\$ 2,732,959		3,121,240
14	Total Supplemental Executive Retirement Plan ("SERP")					\$ 77,628	77,628
15	Total (Ln 12 + Ln 13 + Ln 14)	\$ 546,158	\$ 388,281	\$ 1,843,850	\$ 2,732,959	\$ 77,628	\$ 5,588,877
16							
17							
18	O&M Expense Factor (WP_F-2.3, Ln 2)	87.56%	87.56%	57.87%	57.87%	100.00%	
19							
20	Expense Portion (Ln 15 x Ln 18)	\$ 478,237	\$ 339,994	\$ 1,067,017	\$ 1,581,535	\$ 77,628	\$ 3,544,412
21							
22	Capital Factor (1 - Ln 18)	12.44%	12.44%	42.13%	42.13%	0.00%	
23							
24	Capital Portion (Ln 15 x Ln 22)	\$ 67,921	\$ 48,287	\$ 776,833	\$ 1,151,424	\$ -	\$ 2,044,465
25							
26	Total (Ln 20 + Ln 24)	\$ 546,158	\$ 388,281	\$ 1,843,850	\$ 2,732,959	\$ 77,628	\$ 5,588,877

ATMOS ENERGY CORPORATION
WEST TEXAS SYSTEM STATEMENT OF INTENT
PENSION AND OTHER POST EMPLOYMENT BENEFITS REGULATORY ASSET
AMORTIZATION SCHEDULE *
TEST YEAR ENDING JUNE 30, 2013

Exhibit D

Line No.	Year Ended June 30	Beginning of Year Rate Base Adjustment Amount	Annual Amortization	End of Year Rate Base Adjustment Amount	Balance as of June 30, 2013
(a)	(b)	(c)	(d)	(e)	
1	2013			\$ 1,183,707	\$ 1,183,707
2	2014	\$ 1,183,707	\$ 118,371	1,065,337	
3	2015	1,065,337	118,371	946,966	
4	2016	946,966	118,371	828,595	
5	2017	828,595	118,371	710,224	
6	2018	710,224	118,371	591,854	
7	2019	591,854	118,371	473,483	
8	2020	473,483	118,371	355,112	
9	2021	355,112	118,371	236,741	
10	2022	236,741	118,371	118,371	
11	2023	118,371	118,371	-	

12
13 Notes:

- 14 1. The annual amortization of the Pension and Other Postemployment Benefits Regulatory Asset
15 cost has been included in O&M expense on WP_F-2.8. The annual amortization is based
16 on a ten year amortization period.
17
- 18 2. The Company has included in rate base, as a regulatory asset, the Company's calculated
19 Pension and Other Postemployment Benefits cost in accordance with
20 TEX. UTILITIES CODE, SECTION 104.059.
21
- 22 3. The calculation of the asset on this workpaper represents the fiscal year 2013 Towers Watson report
23 versus the cost level approved in GUD No. 10174 for the period October 1, 2012 to June 30, 2013.
24 Please see the Relied Files for the documentation supporting this calculation.
25
- 26 4. The amortization of this asset will begin when the rates approved in this filing go into effect.
27
- 28 * Totals may vary due to rounding.

Exhibit E

Incorporated Cities Served by the WTX-Cities Rate Division

1. Abernathy
2. Amherst
3. Anton
4. Big Spring
5. Bovina
6. Brownfield
7. Buffalo Springs Lake
8. Canyon
9. Coahoma
10. Crosbyton
11. Dimmitt
12. Earth
13. Edmonson
14. Floydada
15. Forsan
16. Friona
17. Fritch
18. Hale Center
19. Happy
20. Hart
21. Hereford
22. Idalou
23. Kress
24. Lake Tanglewood
25. Lamesa
26. Levelland
27. Littlefield
28. Lockney
29. Lorenzo
30. Los Ybanez
31. Meadow

Exhibit E

Incorporated Cities Served by the WTX-Cities Rate Division

32. Midland
33. Muleshoe
34. Nazareth
35. New Deal
36. New Home
37. Odessa
38. O'Donnell
39. Olton
40. Opdyke
41. Palisades
42. Pampa
43. Panhandle
44. Petersburg
45. Plainview
46. Post
47. Quitaque
48. Ralls
49. Ransom Canyon
50. Ropesville
51. Sanford
52. Seagraves
53. Seminole
54. Shallowater
55. Silverton
56. Slaton
57. Smyer
58. Springlake
59. Stanton
60. Sudan
61. Tahoka
62. Timbercreek Canyon
63. Tulia
64. Turkey
65. Vega
66. Wellman
67. Wilson
68. Wolfforth

Weather Zone	Baseload	Annual Baseload per Customer	Monthly Baseload per Customer for WNA	Normalized Volumes Ccf	Normalized Volumes per Customer	Average Customers	Normal HDD	HSF
Residential								
Amarillo	20,155,155	216.64	18.05	72,120,563	775.19	93,036	3,897	0.1433
Lubbock	19,701,788	188.75	15.73	62,103,916	594.98	104,379	3,132	0.1297
Midland	12,821,859	173.76	14.48	40,062,040	542.90	73,793	2,503	0.1475
Commercial								
Amarillo	9,917,438	1,211.03	100.92	28,022,844	3,421.91	8,189	3,897	0.5673
Lubbock	10,633,279	1,142.43	95.20	23,318,552	2,505.33	9,308	3,132	0.4352
Midland	10,597,749	1,583.76	131.98	20,815,603	3,110.75	6,692	2,503	0.6101
Public Authority / State Agency								
Amarillo	1,876,086	3,561	297	6,755,200	12,822.27	527	3,897	2.3765
Lubbock	1,140,453	1,530	128	4,645,834	6,233.93	745	3,132	1.5018
Midland	2,926,097	4,878	406	7,505,295	12,510.56	600	2,503	3.0496

* City references are to weather zones not rate divisions.

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING IN SUPPORT OF THE TEXAS DEPARTMENT OF TRANSPORTATION REDUCING THE AMOUNT OF PARKING AT THE SOUTHEAST CORNER OF 3RD STREET AND MAIN STREET, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Big Spring has seen an increase in accidents and near accidents at the intersection of 3rd Street and Main Street due to obstructed view of oncoming traffic caused by cars parked too near the intersection; and

WHEREAS, 3rd Street, a state owned roadway that passes through the City of Big Spring has seen an increase in traffic volume in the recent past; and

WHEREAS, the City Council of the City of Big Spring finds that reducing the amount of parking at this intersection will promote public safety,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS THAT:

SECTION 1. The City of Big Spring supports the Texas Department of Transportation in the removal of one or more parking spaces on the southeast corner of 3rd Street and Main Street to provide an unobstructed view of oncoming traffic to allow for traffic to proceed unimpeded.

SECTION 2. This resolution shall take effect immediately upon its adoption and approval.

SECTION 3. Should any section, paragraph, sentence, clause, phrase or word of this resolution be declared unconstitutional or invalid for any purpose, the remainder of this resolution shall not be affected thereby.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the 11th day of March, 2014, with all members present voting “aye” for passage of same.

PASSED AND APPROVED on second reading at a regular meeting of the City Council on the 25th day of March, 2014, with all members present voting “aye” for passage of same.

Larry McLellan, Mayor

Attest:

Tami Davis, Asst. City Secretary

ORDINANCE No _____

AN ORDINANCE OF THE CITY OF BIG SPRING, TEXAS AMENDING APPENDIX A TO THE BIG SPRING CODE OF ORDINANCES ENTITLED "FEE SCHEDULE" BY ADDING A NEW ARTICLE 2 ENTITLED "COLLECTION FEES" IN ORDER TO ASSESS A COLLECTION FEE OF \$240.00 ON PAST DUE AMBULANCE SERVICE ACCOUNTS AND TO ASSESS A COLLECTION FEE OF THIRTY PERCENT OF THE AMOUNT OWED ON OTHER PAST DUE ACCOUNTS RECEIVABLE THAT ARE TO BE REFERRED TO THE CONTRACTED COLLECTION SERVICE; PROVIDING FOR SEVERABILITY, PROVIDING FOR PUBLICATION AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City, from time to time, has a number of past due collection accounts pending; and

WHEREAS, the City is seeking professional assistance in having these cases processed, skip-traced, collected/resolved; and

WHEREAS, to contract with a collection service, the City will have to pay a fee of Thirty Percent (30%) of the amount collected to handle the collection and processing of these pending accounts;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS THAT:

SECTION 1. The City will assess a collection fee of Two Hundred Forty Dollars \$240.00 on ambulance service accounts that are not paid within sixty (60) days of the due date and that are to be referred to the contracted collection agency. The City will also assess a collection fee of Thirty Percent (30%) of the total amount of the account balance for receivable accounts other than ambulance service accounts that are not paid within sixty (60) days of the due date and that are to be referred to the contracted collection agency. The assessed collection fees will be used to compensate the outside agency for their efforts and expenses in collecting and processing the past due accounts. Once an account has been referred to the contracted collection agency, the total amount owed and the collection fee will be collected from the debtor regardless of whether the debtor pays the outside agency or pays the City directly.

SECTION 2. Should any section, paragraph, sentence, clause, phrase or word of this ordinance be declared unconstitutional or invalid for any purpose, the remainder of this ordinance shall not be affected thereby.

SECTION 3. The City Secretary is hereby ordered and directed to cause the descriptive caption of this ordinance to be published as provided by law.

SECTION 4: This ordinance shall become effective immediately upon its passage and publication in accordance with the Charter of the City of Big Spring.

PASSED AND APPROVED on first reading by the City Council of the City of Big Spring, Texas this **11th** day of **March, 2014**, at a regular meeting of the City Council, with all members present voting “aye” for the passage of same.

PASSED AND APPROVED on second reading by the City Council of the City of Big Spring, Texas this **25th** day of **March, 2014**, at a regular meeting of the City Council, with all members present voting “aye” for the passage of same.

Larry McLellan, Mayor

ATTEST:

Tami Davis, Assistant City Secretary

**Convention and Visitors Bureau Committee
Minutes from Wednesday, January 8, 2014
City Council Chambers**

Present: Todd Darden, Jacob Cerda, Troy Tompkins, Don Moore, Bruce Schooler
Staff: Debbie Wegman, Hayley Lewis
Absent: Marcus Fernandez, Carmen Harbour
Guests: Robert and Charlene Ragan; PHS, Sue Ann Damron; PHS, Cindy Roberts;
Lady Steer Softball, Craig Felty; Permian Basin Events

Due to Mr. Marcus Fernandez's absence, Bruce Schooler conducted the meeting.

Mr. Schooler called the meeting to order at 4:32 p.m.

Approval of minutes

The minutes from the meeting of December 12, 2013 were reviewed. Motion was made by Troy Tompkins to approve the minutes as written. Motion was seconded by Jacob Cerda and passed unanimously.

Discussion of Follow-up Reports

- a. Big Spring Super Sprint and Kids Triathlon: Craig Felty was present to answer any questions about the event. Five hotel rooms including the referee's room were used. All receipts were provided.
- b. Permian Historical Society Fall Meeting: Sue Ann Damron was present to answer any questions about the event. 65 people attended the fall meeting, including the 5 speakers; while 10 rooms were utilized at the Hotel Settles. All documentation and receipts were provided.

Consideration of Event Funding Requests

The Funding Events Report was provided to committee members. City Manager, Todd Darden, stated that Council Woman, Carmen Harbour, made a request to put an item on the City Council Agenda for an additional \$5,000 for the CVB Event Funding Budget.

- a. 5th Annual Tournament at the Crossroads & 1st Annual JV Tournament at the Crossroads: Cindy Roberts presented the request for the Lady Steers Softball tournament. They have 35 teams signed up for the tournament. This will be the fifth varsity tournament but the first JV tournament. Teams will be coming from Lubbock, Amarillo, and as far away as Presidio, TX. 23 hotel rooms (most will be a 2-3 night stay) have already been booked, Cindy is expecting around 50 hotel rooms to be booked with an estimated 5,000 people in attendance. Local businesses have the ability to sponsor a banner that will be displayed at the tournament. Flyers for restaurants, shopping, etc are given out to the coaches and spectators. Troy Tompkins made a motion to approve the funding request in

the amount of \$25,160; Todd Darden seconded the motion and the motion passed unanimously.

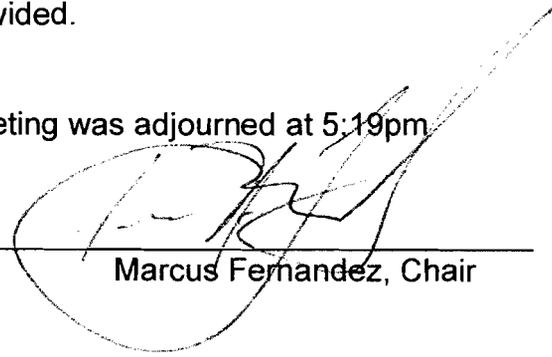
Other

- a. Texas Plains Trail Annual Report for 2013-2014: Debbie Wegman provided the Texas Plains Trail Annual Report to the CVB Committee members. The Texas Plains Trail board meeting will be held at the Hotel Settles in June.

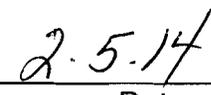
Financials

The finalized financial report for September 2013 was provided along with the un-finalized financial report for October 2013. Hotel Tax Revenue report, comparison report of local hotels, data from the state comptroller, and an occupancy report were also provided.

Meeting was adjourned at 5:19pm



Marcus Fernandez, Chair



Date

**Convention and Visitors Bureau Committee
Minutes from Wednesday, February 5, 2014
City Council Chambers**

Present: Marcus Fernandez, Todd Darden, Carmen Harbour, Jacob Cerda, Troy Tompkins, Don Moore, Amy Jacobs

Staff: Debbie Wegman, Hayley Lewis

Absent:

Guests: Michael Dutchover, ALSA; Christy Bromman, Linda Burtchett, Ramon Holguin, DRA; Nati Saldivar, Ramon Saldivar, Eddlisia Salidvar, NSM; Randy McKinney, PowWow Committee

Mr. Marcus Fernandez called the meeting to order at 4:30 p.m.

Approval of minutes

The minutes from the meeting of January 8, 2014 were reviewed. Motion was made by Troy Tompkins to approve the minutes as written. Motion was seconded by Todd Darden and passed unanimously.

Consideration of Event Funding Requests

The Funding Events Report Budget was provided to committee members.

- a. 12th Annual Funtastic Fourth Festival- Ramon Holguin, Vice President of the DRA presented the request for the 12th Annual Funtastic Fourth Festival. They will continue with the two day event on Friday and Saturday, June 27-28, 2014. Last year they requested \$14,400 and this year they are requesting \$40,500, Mr. Fernandez asked why the larger increase in pricing. Ramon Holguin stated that the bands they are trying to bring in are bigger names so their deposits are bigger and they have to be booked farther in advance. After discussion and deliberation over the remaining special funding event budget Todd Darden made a motion to approve funding for \$19,400, Carmen Harbour seconded the motion and the motion passed unanimously.
- b. 10th Annual Big Spring PowWow- Randy McKinney presented the request for the 10th Annual Big Spring PowWow. The event date is April 5-6, 2014. Dancers, drum groups, and vendors from New Mexico and all around Texas. 15 rooms have already been booked for the event. Todd Darden made a motion to approve the request of \$7,100, Jacob Cerda seconded the motion and the motion passed unanimously.
- c. September 16th Festival- Michael Dutchover presented the request for the September 16th Festival. The date of the event is still pending at the moment. Todd Darden made a motion to approve the request of \$10,000, Carmen Harbour seconded the motion and the motion passed unanimously.

Other

- a. Update on Finish Line- the inflatable archway finish line has been ordered and pictures of the finish line were provided to the committee. The finish line will be able to use for events that the CVB sponsored; the committee suggested having a contract and possibly a deposit for the use of the finish line.
- b. Dora Roberts Community Center Contract- Debbie Wegman provided copies of possible changes to the Dora Roberts Community Center contract. Proposed changes would increase deposit and rental prices as follows: Dining Room from \$50 to \$100 when rented alone but when rented in conjunction with the Lake Room, Ballroom, or kitchen would remain \$50, Class room-from \$75 to \$100, Fireplace room from \$25 to \$50, Kitchen-from \$75 to \$100. The committee approved proposed changes. Change to city ordinance will be submitted to City Council for approval.

Financials

The financial report for November 2013 was provided to the committee. Hotel Tax Revenue report, comparison report of local hotels, data from the state comptroller, and an occupancy report were also provided.

CVB Coordinator Report

Pictures from the Big Spring Area Chamber of Commerce were included for committee members.

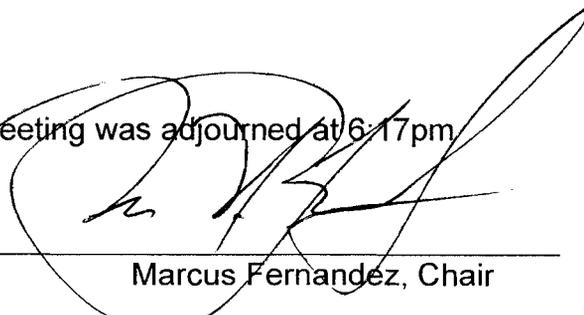
Members Comments

Carmen Harbour asked to revisit the idea of changing the CVB Committee time from 4:30PM to 5PM. The time was discussed and Carmen Harbour made a motion to change the CVB Committee time from 4:30PM to 5PM, Jacob Cerda seconded the motion, the motion was voted on and failed with 4 voting nay and 2 voting yay.

Carmen Harbour also asked if Mrs. Wegman could prepare a checklist for event planning.

New board member, Amy Jacobs, was welcomed to the meeting. She is the President Elect of the Big Spring Area Chamber of Commerce.

Meeting was adjourned at 6:17pm



Marcus Fernandez, Chair

03/05/2014

Date

City of Big Spring
Big Spring McMahon-Wrinkle Airport and Industrial Park
Development Board Meeting Minutes
February 20, 2014

The Big Spring Airport and Industrial Park Development Board met in Regular Session at 5:30 p.m., on Thursday, February 20, 2014 at the Airport Terminal conference room, 3200 Rickabaugh Drive, Big Spring, Texas. Phillip Welch called the meeting to order at 5:30 p.m. with the following members in attendance:

Phillip Welch, Chairman
Ned Crandall
Wayne Dawson, Safety Officer

Paschal Odom, Vice Chair
Jane Armstrong

Absent: Willie Rangel

Jim DeVille - RESIGNED

Also in attendance: Jim Little, Airport Director
Bobby McDonald, Councilman
Danny Webb, Trace Engines
Orville Spradling, Pilot

Kelly Seales, Director's Assistant
EJay Johnson, UST Superintendent
Patrick Pritchard, Trace Engines

Item # 1

Call to Order

Phillip Welch called the meeting to order at 5:30 pm.

Item # 2

Review and approve minutes from January 16, 2013 meeting

Motion to approve made by Paschal Odom, seconded by Ned Crandall, with all members voting "aye" for acceptance of the minutes as written.

Item # 3

Big Spring Economic Development Corporation Update

Terry Wegman was unavailable due to conflicting meeting times. The board discussed a conceptual drawing of the rail yard on the East side of Big Spring that Terry provided. Terry also brought a business representative to the airpark today to discuss available land for a trans-load operation that could bring in as many as 20 new jobs. Much of the anticipated rail use on the airpark will be trans-load operations for oilfield related materials.

Item # 4

Rail Yard Development Activity

Jim stated that the rail yard construction is in full swing with tracks being laid, trucks moving materials in and out of the area. The new spur will serve Western Container. The short line railroad will be responsible for moving the rail cars. Hi Crush recently signed a contract to lease rail yard space at the airpark and has been working with the City to get the area ready for construction of rail. The development of the rail yard at the airpark seems like a big change for the facility but some of the areas were previously used for rail during the Webb era. Even so, the development should be very beneficial for the Airport & Industrial Park.

Item # 5

T-Hangar Project, Status

Jim stated that we have received the final design plans and the project is moving forward. We should be going out for bids very soon, which will give us a better feel for the construction time frame and possible completion dates.

Item # 6

Comprehensive Master Plan

Jim discussed the increased need for a new Master Plan for the airpark at this time, especially with the rail expansion and other projects that will bring in more traffic to the facility. The city is already working with a planner who has done several similar projects in larger metropolitan areas that would have issues related to what we are experiencing. Jim and the City Manager spent several hours touring the facility today in order to assess the activity and volume of traffic and both agree that a master plan is desperately needed. Page 54 of 86

Item # 7

Airport Terminal Apron Upgrade Project, Status

Jim introduced EJay Johnson, Construction Superintendent for UST that is doing the apron project. He gave an overview of the work that has been done and explained some of the issues they are encountering and how they are addressing those issues. The project is moving along well and he is pleased with the progress and feels that the final product will be top quality. Once the current area is complete and new aircraft tie-downs are in and cured, they will open that side and begin demolition on the southern portion of the apron. He anticipates completion around the end of March.

Item # 8

Airport Fuel Tank Farm Project, Status

Mr. Johnson stated that the fuel farm project is being worked in the same time frame and the pad should be completed by the end of March as well.

Item # 8

Airport Directors Update

Jim updated the board on current vacancies, including the ongoing Airpark Board vacancy and Airpark Maintenance Superintendent vacanc, as well as the vacancy and replacement for the Airpark Director's Assistant. Jim discussed the Seismic testing on the airport property being done by Dawson Geophysical. The seismic testing has been completed and that information will be used by drilling companies. The board discussed the various types of drilling that will potentially be used on the airport and related issues. Jim gave an update on the possible developments in the railroad spur expansion. The Truck Reliever Route is still in motion and there will be a ground-breaking ceremony in April on the east side of the airpark. Jim informed the board on the planned asbestos abatement and demolition of the old parachute building on the airpark, stating that we have received an updated proposal from Terracon for the project. The board discussed the need for a master plan and the lack of hangar space on the facility as well. We now have 19 people on the waiting list for a small hangar and we have people requesting larger aircraft accommodations on a regular basis. Upcoming Director's travel includes a trip next week to Austin to discuss airport planning with TxDOT Aviation, an April trip to the 2014 TxDOT Aviation Conference in Dallas with the Airport Board Chairman. For Show & Tell, the board viewed the rail development diagram that Terry Wegman provided, an article from Choate Well Service regarding the positive impacts of oil drilling and gas production on airports, and a photo of a large jet that was in Big Spring last week. Jim also invited the board to a farewell reception for Kelly Seales that will be held on Friday, February 28th at the terminal.

Item # 9

Leased Building Issues

Jim gave a brief overview of ongoing issues including some water leaks that the facility has been experiencing.

Item # 10

Airport Safety Committee Report

There will be a Pilot Safety Meeting immediately following the board meeting. The speaker will be John Boatright of the FAA, with a program titled, "Way to go, Einstein".

Item # 11

Other Events & Activities

Upcoming events include the Annual Fly-In breakfast, and the US Nationals Hang Gliding Competitions.

Item # 12

Board Member Updates

No updates at this time.

Item # 13

Next Meeting Date

March 20, 2014

Adjournment: 6:56 p.m.


Approved by Phillip Welch, Chairman

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, HOWARD COUNTY TEXAS, AUTHORIZING THE MAYOR TO APPROVE THE USE OF FUNDS FROM THE PUBLIC EDUCATIONAL AND GOVERNMENTAL (PEG) FEES THAT THE CITY RECEIVES FROM CABLE SUBSCRIBERS FOR THE ACQUISITION, INSTALLATION OR UPDATING OF MATERIALS OR EQUIPMENT BY OR ON BEHALF OF OTHER BOARDS OR GOVERNMENTAL ENTITIES IN ORDER TO FACILITATE BROADCASTING ON CHANNEL 17; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City receives funds collected from cable subscribers in order to provide and promote public, educational and governmental programming to the area; and

WHEREAS, the City Council finds that it promotes public educational and governmental programming for local boards and entities to have adequate equipment so that recordings of their meetings are of good quality for broadcasting on the PEG Channel; and

WHEREAS, from time to time there are sufficient funds in the City's PEG account for the City to provide funding to other boards or entities to acquire, install or update the recording equipment available to such boards or entities.

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

Section 1. THAT, the Mayor is hereby authorized to approve the use of funds from the Public Educational and Governmental (PEG) fees that the City receives from cable subscribers, for the acquisition, installation or updating of materials or equipment by or on behalf of the Big Spring Economic Development Corporation, Howard County or any other similar local governmental board or entity within the community that makes a written request to the City Manager for funding. The Mayor may allocate available funds in the manner he believes will best serve the community so long as it will facilitate programming on the PEG channel (Channel 17) and so long as any purchases of goods or services using such funds comply with the state and city procurement laws applicable to the entity making the purchase.

Section 2. THAT, this resolution shall become effective upon its passage in accordance with the City Charter of the City of Big Spring.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the 25th day of March 2014, with all City Council Members voting "aye" for passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the 8th day of April 2014, with all City Council Members voting "aye" for passage of same.

Larry McLellan, Mayor

ATTEST:

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS AMENDING THE BIG SPRING CODE OF ORDINANCES CHAPTER SIX ENTITLED "CEMETERIES, PARKS AND RECREATION," ARTICLE THREE ENTITLED "DORA ROBERTS COMMUNITY CENTER," SECTION 6-46 ENTITLED "DEPOSITS, RENTAL FEES, AND SECURITY" REQUIRING RENTAL FEES BE PAID SEVEN (7) DAYS PRIOR TO ANY EVENT AND ADJUSTING VARIOUS FEES; AMENDING SECTION 6-47 ENTITLED "SPECIAL SERVICES AND EQUIPMENT" TO ADJUST VARIOUS FEES; AND REVISING OTHER SECTIONS FOR CLARITY; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Dora Roberts Community Center is a city-owned facility available for rent by individuals, organizations, and groups; and

WHEREAS, the City Council of the City of Big Spring finds it necessary to adjust rental fees to counter increasing operation and maintenance costs and also require rental fees be paid seven (7) days prior to any scheduled event;

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

SECTION 1: The Big Spring Code of Ordinances, Chapter 6 entitled "Cemeteries, Parks, and Recreation," Article 3 entitled "Dora Roberts Community Center," shall be amended to read in its entirety as follows:

Article 3. Dora Roberts Community Center

Sec. 6-41. Definitions.

For the purpose of this article, the term "Center" shall mean the grounds, entire premises, parts or portions of the Dora Roberts Community Center.

Sec. 6-42. Administration.

The administrator in charge of the Center shall be the Convention and Visitors Bureau Coordinator or such other person as may be designated by the City Council, who shall discharge such duties pertaining to the Center as may be prescribed by the City Council, the Convention and Visitors Bureau (CVB) Committee, and by this Article.

Sec. 6-43. Written Contract Required.

A written contract shall be required for rental of the entire Center or any part or portion thereof. Verbal agreements to rent the Center shall not be recognized under any circumstances. The regulations contained in this Article as well as the Facility Use Guidelines shall constitute the entire agreement and may not be varied or altered unless approved by an authorized representative of both parties upon written request. The CVB Coordinator is hereby authorized to execute rental contracts for the Center on behalf of the city.

Sec. 6-44. City's Right to Refuse to Rent.

Acting through the CVB Coordinator, the city hereby reserves the right to refuse to rent or allow the use of the Center to any individual, organization, or group.

Sec. 6-45. Reserving Facilities.

Reservations for use of the Center shall be made at the office of the CVB Coordinator and will be granted on a first-come, first-serve basis. However, the city may designate and specify times or dates for which reservations will not be accepted and the Center will not be used by individuals, organizations, or groups.

Sec. 6-46. Deposits, Rental Fees, and Security.

All deposits shall be paid at the time the Center is reserved. Deposits are intended to protect the City against loss of revenue for cancelled events and to ensure payment for cleaning and/or repair of damages caused by negligence, carelessness, accident, or abuse of the premises, equipment, the center grounds, and/or parking lot which may result from the use of the Center by the renter or any person allowed into the facility by renter whether through renter's action or inaction. In the event repairs and/or cleaning costs exceed the amount of the deposit, renter shall be responsible for the payment of any excess. The amount of the deposit shall be as prescribed below in Sec. 6-46 (A) through (I).

Rental fees are due seven (7) days prior to the scheduled event. A copy of any required permit, including but not limited to, food service, dance, or alcohol, must be submitted to the CVB Coordinator upon final payment of rental fees. There will be no discounts of rental fees for any individual, group, or organization. Rental fees are prescribed below in Sec. 6-46 (A) through (I). An early set-up fee, late clean-up fee, or both, of ten percent (10%) of the rental fee will be required if the renter chooses to set up on the day before the scheduled event or to clean up on the day after the scheduled event. However, these options will only be offered if the individual room(s) or areas in question are not rented to another individual, group, or organization that has paid all rental fees.

Location	Rental Fee	Deposit	Deposit w/ Alcohol	Early Set-up Fee	Late Clean-up Fee
(A) Entire Building	\$ 500.00	\$ 525.00	\$ 1,025.00	\$ 50.00	\$ 50.00
(B) Ballroom	\$ 300.00	\$ 300.00	\$ 600.00	\$ 30.00	\$ 30.00
(C) Lake Room	\$ 200.00	\$ 200.00	\$ 400.00	\$ 20.00	\$ 20.00
(D) Classroom	\$ 100.00	\$ 100.00	\$ 200.00	\$ 20.00	\$ 20.00
(E) Fireplace Room	\$ 50.00	\$ 50.00	\$ 100.00	\$ 5.00	\$ 5.00
(F) Dining Room (only)	\$ 100.00	\$ 100.00	\$ 200.00	\$ 10.00	\$ 10.00
(G) Dining Room (w/ rental of additional room)	\$ 50.00	\$ 50.00	\$ 100.00	\$ 5.00	\$ 5.00
(H) Kitchen	\$ 100.00	\$ 100.00	\$ 200.00	\$ 10.00	\$ 10.00
(I) Pavilion	\$ 50.00	\$ 50.00	\$ 100.00	\$ 5.00	\$ 5.00

*Note: First day – full day rental rate; consecutive days following – ½ price

Sec. 6-47. Special Services and Equipment.

Fees for special services, equipment and conveniences shall be charged to and paid by the renter as part of the Center’s rental fees. Special services and equipment fees are prescribed below. A refundable deposit in the amount of one-half (1/2) of the rental amount of the table linens, skirting, chair covers, table settings, and individual items will be required. If these items are damaged, broken, or lost, the actual replacement cost will be deducted from the deposit. If the deposit does not fully cover the amount of damages or lost or broken items, the deposit will be retained and the renter will be required to pay the difference.

Apparatus	Fee
(A) Public Address System (PA)	Free w/ Ballroom (upon request)
(B) Tables B Set Up	\$ 3.00 Ea.
(C) Chairs B Set Up	\$ 0.50 Ea.
(D) Table Linens (Black or White)	\$ 5.00 Ea.
(E) Table Skirting (14 ft or 21 ft)	\$ 10.00 Ea. 14 ft. or \$ 15.00 Ea. 21 ft
(F) Chair Covers (Black or White)	\$ 2.00 Ea.
(G) Table Settings	\$ 1.00 Ea. (includes: Dinner Plate, Salad Plate, Beverage Glass, Coffee Mug, Wine Glass, Knife, Spoon, Dinner & Salad Forks, and Linen Napkin)
(H) Individual Items (listed above)	\$ 0.25 Ea.

(l) Security. The individual, organization or group hosting an event for which the services of police, guards, or watchmen are required or desired; whether incidental to permit requirements, to handle a large crowd (50 or more), or for the protection of equipment; is responsible for procurement and compensation of individuals providing such services. The services of licensed law enforcement officers or licensed private security officers at scheduled events is required when alcohol is served.

Sec. 6-48. Establishment of Insurance Requirements.

The City Council shall establish all insurance requirements pertaining to the use of the center and its premises.

Sec. 6-49. Renter to Indemnify City.

By executing the Facility Use Guidelines, the renter agrees to indemnify and hold harmless the City of Big Spring from any and all liability, civil, administrative, or otherwise, whether through tort, contract or any other form of claim which may result from or be related to the use of the Center by renter. In the event suit is filed as a result of renter's activities, renter agrees to provide, at renter's sole expense, a defense to such suit through legal counsel acceptable to the City of Big Spring. In the event a judgment is entered finding that the suit or claim was partially the fault of the City of Big Spring, then this indemnity and any resulting payments shall be reduced by the percentage that the fault of the City of Big Spring bears to the total liability. The City of Big Spring shall only be required to comply with this section to the extent allowed by law.

Sec. 6-50. Termination/Cancellations of Agreement: Refunds and Forfeitures.

All rental payments under a rental agreement shall be due and payable to the city seven (7) days prior to the date of the event. Failure of the renter to use the premises during the agreed period shall constitute a breach of contract and the deposit and rental payment shall be forfeited to the city to serve as liquidated damages for breach of the contract. In case of an event cancellation, the following schedule will determine the amount of deposit and rental fees to be refunded, if any:

- | | |
|-------------------------------------------------------------------------|-------------|
| (A) Notice received fourteen (14) days prior to event: | Full Refund |
| (B) Notice received four (4) days to thirteen (13) days prior to event: | ½ Refund |
| (C) Notice received three (3) days or less prior to event: | No Refund |

SECTION 2. Should any section, paragraph, sentence, clause, phrase or word of this ordinance be declared unconstitutional or invalid for any purpose, the remainder of this ordinance shall not be affected thereby.

SECTION 3. This ordinance shall be effective on, from, and after its adoption in accordance with the City Charter.

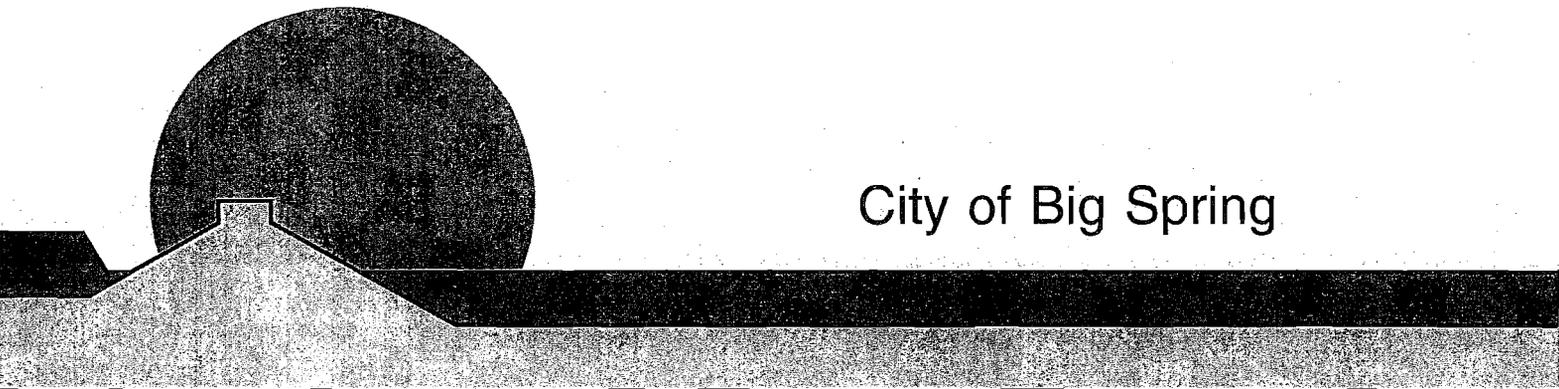
PASSED AND APPROVED on first reading at a regular meeting of the City Council on the **25th** day of **March, 2014**, with all members present voting “aye” for passage of the same.

PASSED AND APPROVED on second reading at a regular meeting of the City Council on the **8th** day of **April, 2014**, with all members present voting “aye” for passage of the same.

Larry McLellan, Mayor

ATTEST:

Tami Davis, Assistant City Secretary



City of Big Spring

310 Nolan Street

Big Spring, Texas 79720-2657

March 26, 2014

Texas Department of Transportation
Attention: Mr. Guy Sledge
Right of Way Agent
4250 N. Clack
Abilene, TX 79601

Re: Agreement to Purchase Surplus Property at U.S. 87 and FM 700 for Appraised Value

Dear Mr. Sledge:

This letter is to confirm the City of Big Spring's agreement to pay to the State of Texas the appraised price of \$2,268 for the surplus property consisting of 0.54 acres of land with no improvements located at U.S. 87 and FM 700 in the City of Big Spring.

Sincerely,

Larry McLellan,
Mayor

**REAL ESTATE VALUE FINDING REPORT
TEXAS DEPARTMENT OF TRANSPORTATION**

Address of Property: Intersection of US 87 & FM 700 District: Abilene
Property Owner: State of Texas ROW CSJ: 0069-01
Address of Property Owner:
Occupant's Name: Vacant Parcel: 1
Whole Taking Partial Taking Highway: US 87 County: Howard

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple title to the real property to be acquired, encumbered by any easements not to be extinguished, less oil, gas and sulphur. If this acquisition is of less than the whole property, then any special benefits and/or damages to the remainder property must be included in accordance with the laws of Texas.

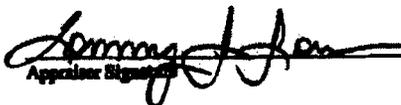
Market Value

Market value is defined as follows: "Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

Certificate of Appraiser

I hereby certify that it is my opinion the total compensation for the acquisition of the herein described property is \$2,268 as of February 12, 2014, based upon my independent appraisal and the exercise of my professional judgment; on February 12, 2014, I personally inspected in the field the property herein appraised; I afforded the State of Texas, the property owner or the representative of the property owner, the opportunity to accompany me at the time of the inspection; the comparables relied upon in making said appraisal were as represented by the photographs contained in the appraisal report and were inspected on February 12, 2014; The comparable sales were provided by Kevin D. Angel. He is a current state certified appraiser recently completing an appraisal assignment on a truck reliever route in Big Spring, Howard County, Texas; I have not revealed and will not reveal the findings and results of such appraisal to anyone other than the proper officials of the Texas Department of Transportation or officials of the Federal Highway Administration until authorized by State officials to do so, or until I am required to do so by due process of law or until I am released from this obligation by having publicly testified to such findings; and my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

I certify to the best of my knowledge and belief that the statements of fact contained in this report are true and correct; the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions; I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved; and my analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the appropriate State laws, regulations, and policies and procedures applicable to the appraisal of right of way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State, and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement other than that due to the physical deterioration within the reasonable control of the owner has been disregarded in estimating the compensation for the property.


Appraiser Signature

2-20-2014
Date

To the best of my knowledge, the value does not include any items which are not compensable under State Law.

 2.3.14
Reviewing Appraiser Date

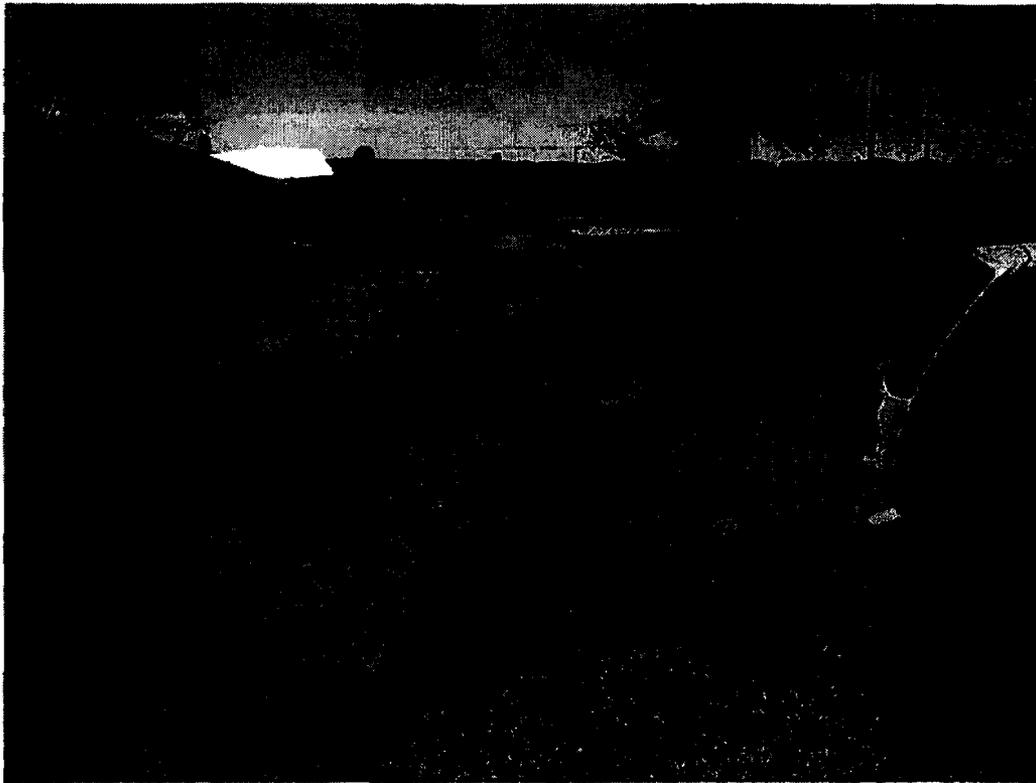
PHOTOGRAPHS OF SUBJECT PROPERTY

Parcel No.: 1
Date Taken:

Local Address: Intersection of US 87 & FM 700
Taken By:

1. Point from which taken:

Looking:



This is a value finding report of a 0.54 acre tract of land acquired by deed in November 21, 1928 for highway purposes. The subject property is situated at the Northeast corner of US Highway 87 and FM Highway 700 in the southern section of the city of Big Spring, Howard County, Texas. The subject property is currently improved with residual asphalt from the original alignment of US highway 87. This roadway was realigned in April 1939 to its existing alignment today.

The highest and best use for this site is to be joined to the adjoining properties due to the configuration. The south end of this tract does not have open access to public right of way. It appears that this site cannot be opened to through traffic without substantial modifications made to the existing FM Highway 700 frontage road on the south end.

The value was derived by utilizing comparable land sales methodology which was considered to be most appropriate. The income approach and the cost approach methodologies were not considered to be applicable, therefore they were not utilized. The comparable land sales used in this value study are in similar market environments to the subject property. Adjustments were made to the selected comparable land sales to compensate for differences relative to the subject property. The comparable sales were provided by Kevin D. Angel. He is a current state certified appraiser recently completing an appraisal assignment on a truck reliever route in Big Spring, Howard County, Texas.

LAND VALUATION

Representative Comparable Sales

	Subject	Comp. No. 1	Comp. No. 2	Comp. No. 3
Grantor		Stripling	Samson Lone Star	Roger Avant
Grantee		Four Seasons Insulation	Price Petro	Danny Avant
Date		June 2008	July 2010	June 2013
Unit Price		\$10,000 Acre	\$10,000 Acre	\$11,800 Acre
Relative Location		2 miles South	2 miles South	5 miles North
Size	0.54 acre	0.996 acre -10%	3.393 acre -20%	5.0 acre -30%
Shape	Curve	Square -20%	Square -20%	Square -20%
Physical Characteristics	US 87 Frontage	Apx. 150 ft US 87 -20%	Apx. 200 ft US 87 -20%	Apx. 275 ft US 87 -20%
Total Adjustment		Negative 50%	Negative 60%	Negative 70%
Indicated Unit Value		\$5,000 acre	\$4,000 acre	\$3,540 acre

Size:

Typically, larger tracts of land sell for a lower per unit value than smaller tracts of land which generally would sell for more per unit value. The subject property is a 0.54 acre tract of land while the comparable sales range from 0.996 acre to 5.0 acres. Sale 1 is a 0.996 acre tract, therefore a negative 10% adjustment was applied. Sale 2 is a 3.393 acre tract, therefore a negative 20% adjustment was applied. Sale 3 is a 5.0 acre tract, therefore a negative 30% adjustment was applied.

Shape:

The subject property is highway right of way and is a curved rectangular shape. It is approximately 80 feet wide by 160.65 feet long on the eastern side and 448.05 feet long on the western side. The subject is curved in shape. The comparable sales are all square in shape therefore a negative 20% downward adjustment was applied to all sales.

Physical Characteristics:

The subject property does not have direct access to the current US Highway 87. The comparable sales properties enjoy ample front footage to US Highway 87 which allows for ingress and egress from the properties. The front footages range from approximately 150 feet to 275 feet. Therefore, a negative 20% adjustment was applied to the comparable sales.

The comparable sales produce an adjusted market value range of \$3,540 per acre to \$5,000 per acre. Given the activity in the local market, particularly for a tract with the characteristics of the subject, this is considered a reasonable value guide. Adjustments have been made for differences in size, shape and physical characteristics. After making the indicated adjustments, it is my opinion that the land value subject property has a market value as follows:

0.54 acre x \$4,200 per acre = \$2,268 Indicated value of Subject property

ESTIMATED VALUE OF ACQUISITION

Land 0.54 acre @ \$4,200 per acre = \$2,268

Improvements: None

TOTAL ESTIMATED VALUE.....	\$ 2,268
Cost to Cure Damages.....	\$ None
Estimated Total Compensation.....	\$ 2,268

**RUSS McEWEN FAMILY AQUATIC CENTER
OPERATION AGREEMENT BETWEEN
THE CITY OF BIG SRING AND THE BIG SPRING YMCA**

This Agreement is made and entered in to as of the _____ day of March, 2014, by and between the City of Big Spring, Texas, hereinafter referred to as the "CITY," and the Big Spring YMCA, Inc., hereinafter referred to as "CONTRACTOR".

WHEREAS, the CITY desires to retain the services of CONTRACTOR for the purpose of providing lifeguards for the Russ McEwen Family Aquatic Center hereinafter referred to as the "Aquatic Center"; and

WHEREAS, CONTRACTOR is competent and qualified to provide the required services according to the terms and conditions stated herein;

NOW THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. TERM

1.01 The term of this Agreement shall be for a period commencing on the 24th day of May 2014 and ending on the 23rd day of August 2014.

2. CONSIDERATION

2.01 CITY shall pay CONTRACTOR hourly rates of pay as follows: certified lifeguards shall be paid \$9.34 per hour and slide crew/maintenance workers shall be paid \$9.03 per hour. These hourly rates of pay are based on actual expenses incurred by the YMCA for base pay, Social Security/Medicare, and unemployment tax, plus a profit margin of fifteen percent (15%). The YMCA will provide detailed records of daily work schedules to the CITY on a monthly basis and the CITY will pay the CONTRACTOR each month for the amount of hours of service provided a consideration for the services more specifically described below. The above stated rates of pay will be the compensation rates for normal working hours, preparation hours before the Aquatic Center is open, and hours worked for special parties or events. During the Term, whenever the Aquatic Center is open the CONTRACTOR will provide eight (8) employees (including: lifeguards, slide crew, and grounds maintenance staff).

3. WARRANTY

3.01 CONTRACTOR warrants and represents that it is qualified to provide lifeguards for the Aquatic Center and will provide a copy of all certifications of each guard who works on the premises.

- 3.02 In performing all services required under this Agreement, CONTRACTOR, its employees and agents shall comply with all applicable federal, state, county, and city statutes, ordinances and regulations. If such compliance is impossible for any reason, CONTRACTOR shall immediately notify the CITY of the fact and the reasons therefore. In such event, CITY shall have the right to take any necessary action to provide services to protect the health and welfare of the citizens and, if necessary, terminate this contract.
- 3.03 CONTRACTOR warrants and represents that it will not cause, suffer, allow or permit the occurrence:
 - a. of any act or omission in the execution and performance of this Agreement that could result in or give rise to any violation of any federal, state or local law, regulation or ordinance;
 - b. of any act or omission that might give rise to any action at law or in equity for personal injury, wrongful death or damage to property.
- 3.04 CONTRACTOR shall strictly prohibit its employees from using or being under the influence of intoxicating substances while on duty at the Aquatic Center. In addition, CONTRACTOR'S employees are prohibited from using cell phones on duty.
- 3.05 Nothing in this Agreement shall be deemed to convey to CONTRACTOR any interest in or title to the Aquatic Center. CONTRACTOR'S employees shall not be considered employees of the City of Big Spring and shall not be entitled to any city benefits.

4. SERVICES PROVIDED

4.01 CONTRACTOR shall supply all labor and supervision necessary to provide the following services. Specifically, CONTRACTOR shall perform the following:

- 1. In accordance with nationally recognized standards, provide eight (8) employees (including lifeguards, slide crew, and grounds maintenance staff) to be on duty at the Aquatic Center at all times during the normal operating hours set forth below and at such additional times as may be arranged for private group rentals.

Normal Operating Hours:

Tuesday - Friday	12:00 noon to 8:00 p.m.
Saturday	11:00 a.m. to 8:00 p.m.
Sunday	1:00 p.m. to 8:00 p.m.

Additional private group rentals

Tuesday through Friday	11:00 a.m. to 12:00 noon
Mondays	as reserved

- 2. Daily clean the skimmers, vacuum the pool, net debris off top of pool, clean grounds, pick up trash from aquatic center trash cans, clean and restock restrooms and dressing rooms, place all trash in provided dumpsters, wax lily pads, wipe

down play structure and any other items as determined necessary. Additionally, wax slides on a weekly basis (at a minimum).

3. Submit any required reports.
4. Report any damages or needed repairs to the Aquatic Center Management Staff.
5. Promptly notify Aquatic Center Management Staff of any incident involving personal injury or property damage.
6. Respond within a reasonable time (not to exceed 48 hours) to any complaint from the CITY.

4.02 In addition to the consideration set forth above, the CITY agrees to:

1. Maintain general liability and property insurance on the Aquatic Center;
2. Provide staff to open and close the Aquatic Center, collect entrance and rental fees and to operate all ticket and concession areas;
3. Perform cleaning and maintenance of the concession, admissions and sand play areas, and perform all mechanical and chemical maintenance on the pool portions of the Aquatic Center.

5. SUPERVISION

5.01 CONTRACTOR shall ensure that all services it provides are properly performed and supervised at all times. CONTRACTOR'S employees and agents shall not identify themselves or in any way represent themselves as employees or agents of the CITY.

6. INDEMNIFICATION

6.01 CONTRACTOR agrees to indemnify, defend, and forever hold harmless the CITY, its officials, agents and employees from all suits, actions, or claims of any character, type, or description brought or made for or on account of any injury or damages received or sustained by any person or persons or property, arising out of, or in any way associated with, any act or omission of CONTRACTOR, its agents or employees. CONTRACTOR shall provide a defense to such claims at its own expense with legal counsel who shall report to the CITY. In the event that a court of competent jurisdiction makes a specific finding that the CITY is at fault in all or a portion of any such suit, action or claim, then the amount of indemnity provided hereunder shall be reduced by the percentage of fault attributable to the CITY.

7. DEFAULT

7.01 If CONTRACTOR shall fail to meet any of the terms and conditions of this Agreement

such failure shall be considered an event of default. If CONTRACTOR fails to cure any event of default within 72 hours after receiving written notice of such default, the CITY may take any or all of the following actions:

- a. Employ any and all means deemed necessary or advisable by the CITY in its sole discretion to provide the services to the public contemplated by this agreement.
- b. Terminate this agreement by delivering to CONTRACTOR written notice of termination by personal service or by certified mail return receipt requested.

7.02 In the event City terminates this Agreement pursuant to Section 7.01, CONTRACTOR will refund any prepaid but unearned funds at the applicable daily rates set forth in Section 2.01.

8. MISCELLANEOUS PROVISIONS

8.01 **Agreement and Amendments.** This Agreement constitutes the entire agreement between the parties hereto and supersedes any commitment, agreement, memorandum or understanding previously made by the parties with respect to the subject matter of this Agreement. No amendment shall be valid unless it is set forth in writing and signed by duly authorized representative of both parties.

8.02 **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any action brought under this Agreement shall be in Howard County, Texas.

8.03 **Survival of Covenants and Conditions.** It is expressly agreed that all covenants and conditions relating to the rights and obligations of the parties hereto subsequent to the termination of this Agreement shall survive the termination and shall continue in full force and effect in accordance with the terms of the specific provisions.

8.04 **Assignment.** This Agreement and any rights, duties and obligations hereunder may not be assigned without the prior written consent of all of the parties hereto and, in the event of an attempted assignment by one party to this Agreement without the express prior written consent of all other parties, such attempted assignment shall be void and without effect.

8.05 **Binding Effect.** This Agreement shall be binding upon and inure solely to the benefit of the parties hereto, and their respective successors, employees, legal representatives, and permitted assigns, and no other person shall have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provision herein contained.

8.06 **Remedies.** The remedies provided to the parties by this Agreement are not exclusive or exhaustive, but are cumulative of each other and in addition to any other remedies the parties may have at law or in equity.

8.07 **Attorney's Fees and Costs.** If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

8.08 **Notices.** All notices contemplated and/or required herein shall be in writing and shall be delivered in person or sent via certified mail, unless specifically provided otherwise.

Notices to CONTRACTOR shall be sent to:

Dathan Jones, Director
Big Spring YMCA, Inc.
801 Owens
Big Spring, Texas 79720

Notices to the CITY shall be sent to:

Todd Darden, City Manager
City of Big Spring
310 Nolan Street
Big Spring, TX 79720-1390

The parties may consent to a different address for notices from time to time in writing signed by both parties hereto.

Executed in multiple copies, each of which shall be deemed to be an original

CITY OF BIG SPRING

Todd Darden, City Manager

Attest:

Tami Davis, City Secretary

BIG SPRING YMCA, INC.

By: Dathan Jones

Attest:

FIRST AMENDED MEDICAL OFFICE LEASE
BETWEEN THE CITY OF BIG SPRING
AND BIG SPRING HOSPITAL CORPORATION

This First Amended Medical Office Lease (the "Lease") is effective as of ~~September~~April 1, ~~2013, 2014, and is~~ by and between the City of Big Spring, Texas, a Texas home rule municipal corporation ("Landlord") and Big Spring Hospital Corporation, a Texas corporation, dba Scenic Mountain Medical Center ("Tenant") and amends the terms and conditions set forth in that certain Medical Office Lease Between Landlord and Tenant effective as of September 1, 2013. In consideration of the mutual covenants and representations set forth in the Lease and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows.

1. DEMISE AND TERM. Upon the terms and conditions hereinafter set forth, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord approximately ~~6,000~~6,821 square feet of medical office space, further defined in the attached Exhibit A, in the Malone Hogan Clinic located at 1501 West 11th Place, Big Spring, Texas (the "Leased Premises") for ten (10) years (the "Term") unless otherwise terminated as provided herein.

From and after the second anniversary of the Lease (9/1/2015), Landlord or Tenant shall have the right to terminate this Lease (the "Termination Option") by delivering written notice to the other party not less than sixty (60) days prior to the desired termination date. Tenant's right to terminate is conditioned upon satisfaction of the following: (i) Tenant is not in default under the terms and conditions of the Lease, at the time the required notice is delivered to Landlord or at any time prior to the actual termination of the Lease, and (ii) Payment of all Base Rental and all other amounts owed by Tenant under the Lease, up to and including the termination date, has been received by Landlord.

2. RENT. The Monthly Rental Installments for the Lease of the Leased Premises shall be payable in advance on the first day of each and every month during the Term. Rent shall commence on April 1, 2014, and is due and payable in accordance with the following Monthly Rental Installments Table:

Monthly Rental Installments Table

<u>Lease Year</u>	<u>Annual Rate per sf</u>	<u>Monthly Rental Installments</u>
9/1/2013 – 3/31/2014	\$0.00	\$0.00
4/1/2014 – 8/31/2015	\$12.00	\$6,000 <u>3821.00</u>
9/1/2015 – 8/31/2016	\$12.48	\$6,240.00 <u>3973.84</u>
9/1/2016 – 8/31/2017	\$12.98	\$6,490.00 <u>4133.05</u>
9/1/2017 – 8/31/2018	\$13.50	\$6,750.00 <u>4298.63</u>
9/1/2018 – 8/31/2019	\$14.04	\$7,020.00 <u>4470.57</u>
9/1/2019 – 8/31/2020	\$14.60	\$7,300.00 <u>4648.88</u>
9/1/2020 – 8/31/2021	\$15.18	\$7,590.00 <u>4833.57</u>
9/1/2021 – 8/31/2022	\$15.79	\$7,895.00 <u>5027.80</u>
9/1/2022 – 8/31/2023	\$16.42	\$8,210.00 <u>5228.40</u>

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LANDLORD'S OBLIGATIONS.

Utilities:

Landlord shall, at Landlord's expense, furnish utilities to the Leased Premises, including electrical, water and sewer, heat, ventilation, and air conditioning, however, Tenant shall be responsible for the payment of telephone and data services.

B. Maintenance

Landlord shall maintain, repair and replace all exterior walls and other features of the exterior including but not limited to the roof and all mechanical systems, including but not limited to air conditioning, heating, plumbing, wiring and piping.

C. Insurance

Landlord shall maintain fire and extended coverage insurance on the building in which the Leased Premises are located, in an amount not less than the full replacement cost of the building. Tenant shall maintain fire and extended coverage insurance on all property and fixtures located on the Leased Premises. Landlord will not provide insurance coverage for such items and will not be liable for their damage or destruction.

D. Taxes

Landlord shall be responsible for payment of all real estate taxes assessed against the building or property other than the taxes to be paid by Tenant as referenced below.

E. Tenant Finish Improvements

Tenant has agreed to make certain interior improvements to the Leased Premises, (the "Tenant Improvements") at Tenant's cost and expense. Landlord hereby grants consent for Tenant and Tenant's contractors, agents, invitees and related parties, to enter the Premises upon the execution of the Lease to construct the Tenant Improvements.

Tenant will not make any such Tenant Improvements without first providing written plans and specifications and obtaining the written authorization of the City's Building Official. Any improvements must comply with all local, state and federal codes.

4. TENANT'S OBLIGATIONS. In addition to the said rent to be paid, Tenant also agrees to pay directly during the Term of the Lease, the following items of expense as the same become due and payable:

Taxes.

All ad valorem or other property taxes, personal and intangible taxes payable in connection with the use, occupancy or conduct of business on any part of the Leased Premises, including but not limited to personal property, business, privilege, license, excise, sales, use and occupation taxes (but excluding local, state and federal income taxes payable by Landlord). Tenant shall be responsible for all taxes which are assessed against the leasehold estate, its stock and inventory, tangible personal property or its business and/or business operations.

B. Maintenance and Modifications.

The following charges for maintaining and operating the Leased Premises in good repair and operating condition:

- 1) Tenant shall, at its own cost and expense, keep the interior clean, maintaining suitable receptacles for trash and refuse, and removing from the interior all accumulations of trash and refuse.
- 2) Tenant shall service, keep and maintain the interior, including fixtures, doors, interior walls and appurtenances in good condition, repair and working order.
- 3) Tenant agrees to deliver to Landlord, upon the expiration date or upon earlier termination in accordance with the provisions hereof, physical possession of the Leased Premises in good condition, reasonable wear and tear and damage by fire or other casualty excepted.
- 4) Tenant shall be responsible for all service costs and installations of all telephone or data services and Landlord shall have no responsibility or liability with respect thereto or the failure of operation of any such services.

5. IMPROVEMENTS. Tenant shall not make any structural changes, alterations, additions or improvements to the Leased Premises without the written consent of Landlord, which shall not be unreasonably withheld. Landlord shall not be responsible for, either in the performance or payment, any improvements to the Leased Premises.

6. USE OF LEASED PREMISES. Tenant shall use the Leased Premises for the purpose of operation of a medical clinic and any other health care service.

7. ASSIGNMENT; SUBLETTING. Tenant shall not, without the prior consent of Landlord, which consent may be withheld in Landlord's sole discretion, sublease, license or assign its interest under the Lease to any other person or entity, provided that it is expressly agreed that Tenant may, without Landlord's consent, sublease all or a portion of the Premises to West Texas Centers provided that such sublease requires said subtenant to comply with all of the terms and conditions of this Lease. Notwithstanding the foregoing, Tenant shall have the right to assign or sublet its interest under this Lease to any affiliate of Tenant which is controlled by, controls, or is under common control with, Tenant, or if the assignment is in connection with a corporate transaction involving all or substantially all of the assets and properties of the parent entity of Tenant.

8. INSURANCE.

A. Tenant shall keep and maintain at all times during the Term the following insurance coverage on the Leased Premises: (a) comprehensive general liability insurance coverage on the Leased Premises in the sum of One Million Dollars (\$1,000,000) for any single claim and Three Million Dollars (\$3,000,000) for annual aggregate claims for bodily injury and death resulting therefrom, (b) insurance coverage in the sum of One Hundred Thousand Dollars (\$100,000.00) per occurrence against liability for damage to property, arising out of the maintenance or use of the Leased Premises by the Tenant, and (c) casualty insurance insuring Tenant against loss or damage to its equipment and other personal property in the Leased Premises by fire and all other casualties usually covered under an "all risk" policy of casualty

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Contract #075-2013

insurance. The policies described in this Section 9 shall name both Tenant and Landlord as additional insureds. Annually, Tenant shall furnish Landlord with a certificate of such coverage which shall provide that thirty (30) days' advance written notice be given to Landlord in the event of cancellation or material change in the insurance policy.

B. Tenant shall not do or permit any act which will increase premiums for any casualty, fire, liability or other insurance maintained by Landlord on the Building or any other property therein or which shall render such insurance void or voidable.

C. Landlord shall, during the term of this Lease, keep in full force and effect fire and extended coverage insurance on the Building in an amount not less than the full replacement cost of the Building, and comprehensive general liability insurance coverage in the sum of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate against any and all liability, loss or damage arising from any injury or damage to any person or property occurring in or about the Leased Premises or Building resulting from Landlord's negligence or matters arising for reasons beyond Tenant's control.

9. DAMAGE TO PROPERTY/INJURY TO PERSON. Tenant shall and hereby does indemnify and hold Landlord harmless from and against any and all claims to the extent they arise from (i) Tenant's or any sub-tenant's use of the Leased Premises or the conduct of its business, (ii) any activity, work or thing done, permitted or suffered by the Tenant in or about the Leased Premises, (iii) any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of the Lease, or (iv) any act of negligence of Tenant or its agents, sub-tenants or employees. Landlord shall indemnify and hold harmless Tenant against and from any claims or causes arising out of any damage to persons or property resulting from the willful or negligent acts or omissions of Landlord or its employees or agents.

10. ENVIRONMENTAL PROVISIONS. Following due inquiry, Landlord represents that there are no hazardous substances or hazardous wastes as defined by the Comprehensive Environmental Response and Liability Act or any hazardous wastes as defined by the Resource Conservation and Recovery Act, or any PCB's, radon or asbestos containing materials, located on, in or about the Leased Premises to be occupied by Tenant. Landlord agrees that should any hazardous wastes, hazardous substances, PCB's, radon or asbestos containing materials be determined to be present as a result of the acts or missions or negligence of any person or legal entity, other than Tenant, Landlord shall indemnify, hold harmless and defend Tenant from all claims, damages, expenses or litigation resulting from the presence of such materials. If Tenant has a reasonable belief that hazardous substances may be present in the Leased Premises or Building, Landlord will hire a qualified third party engineer, at its expense, to conduct an appropriate environmental survey. If hazardous substances are found or such survey indicates a risk of such hazardous substances being present in the Leased Premises or Building, then Landlord, at its expense, will make all necessary changes and/or corrections so that the Building and/or the Leased Premises are in compliance with all environmental laws and regulations.

11. DEFAULT. Tenant shall be in default of the terms of the Lease if Tenant shall fail to make a payment of any rent or additional rent, and such rent or additional rent is not paid within thirty (30) days of written notice by Landlord to Tenant of non-payment of same, or in the event that Tenant shall otherwise commit an act of default under the terms hereof, and shall not cure such default within thirty (30) days of written notice by Landlord to Tenant of such default, or, if it is not possible to complete the cure by such time, Tenant has commenced the cure within such 30 day period and diligently pursues the same within a reasonable time thereafter. In the event of default:

- A. Landlord may continue the Lease in full force and effect and shall have the right to collect rent when due. During the term Tenant is in default, Landlord may re-enter the Leased Premises with legal process and relet same, or any part thereof, to third parties for Tenant's account. Tenant shall be liable for all reasonable costs Landlord incurred for reletting the Leased Premises, including without limitation broker's commissions, expenses associated with repairing and / or remodeling the Leased Premises in order to return the Leased Premises to the same condition as when received by Tenant from Landlord-and similar costs. Reletting can be done for a period shorter or longer than the remaining term of the Lease. Tenant shall pay to Landlord the rent due under the Lease on the date such rent is due, less the rent Landlord receives from any reletting. Landlord shall make its best efforts to relet the Leased Premises at a reasonable price. Under this paragraph, Tenant's obligations shall not exceed the total rent due for the remainder of the term.
- B. Landlord may terminate the Lease pursuant to the terms of this Section 12. Upon termination, Landlord shall have the right to collect an amount equal to all expenses, if any, including reasonable attorneys' fees, incurred by Landlord in recovering possession of the Leased Premises and all reasonable costs and charges for the care of the Leased Premises while vacated by Tenant.
- C. Should any of these remedies or any portion thereof not be permitted by the laws of the state where the Building is located, then such remedy or portion thereof shall be considered deleted and unenforceable, and the remaining remedies or portions thereof shall be and remain in full force and effect, and Landlord may avail itself of these as well as any other remedies or damages allowed by law.

12. RIGHT OF ACCESS. Landlord and its agents shall have reasonable access to the Leased Premises during all reasonable business hours for the purpose of examining same to ascertain if they are in good repair and to make reasonable repairs which Landlord may be required to make hereunder. The making of repairs by Landlord or its agents shall be coordinated with Tenant to minimize disruptions of Tenant's conduct of business in the Leased Premises. In the event that Landlord or its agents or subcontractors shall incidentally access any patient information or other information which they know or should know is confidential or proprietary to Tenant, Landlord shall, and shall cause its agents and subcontractors, to return such information to Tenant and to hold any such information in complete confidence.

13. END OF TERM. At the termination of this Lease, Tenant shall surrender its interest in the Leased Premises to Landlord in as good condition and repair as reasonable use thereof will permit, ordinary wear and tear excepted, and will leave the Leased Premises broom clean. Tenant shall have the right, prior to said termination, to remove any non structural items including equipment, furniture, trade fixtures or other personal property in the Leased Premises owned by Tenant, provided that Tenant promptly repairs any damage to the Leased Premises caused by such removal. All structural improvements shall become the property of Landlord and shall remain in the Leased Premises at the end of the Term or upon termination of the Lease. In the event of holding over by Tenant after the expiration or termination of the Term of this Lease, Tenant shall pay rent at the then-current rate for Monthly Rental Installments as set forth in the Medical Office Space Lease, on a monthly basis and the Term of this Lease shall be automatically extended for successive periods of one (1) year each; provided that during any automatically extended period following the expiration of the Term of this Lease, Landlord and Tenant shall each have the right

to terminate this Lease by delivering written notice to the other at least ninety (90) days prior to the desired expiration date.

14. ATTORNEYS' FEES. In the event that suit is brought by either party against the other for breach or default under the terms of the Lease, the prevailing party shall be entitled to reasonable attorneys' fees, expenses (including expert witness fees) and court costs equal to the sum established by the court.

15. HEADINGS. The article captions contained in the Lease are for the convenience of the parties only and shall not be considered in the construction or interpretation of any provision hereof.

16. ENTIRE AGREEMENT. The Lease contains the entire agreement between the parties and supersedes any and all other prior oral and written agreements between the parties regarding the subject matter contained herein and may not be changed or terminated orally but only by agreement in writing and signed by all parties.

17. DAMAGE OR DESTRUCTION. If the Leased Premises are damaged by fire or other casualty, the damage shall be repaired by and at the expense of Landlord (excluding any equipment which is owned by Tenant), provided that such repairs can, in Landlord's opinion, be made within sixty (60) days after the occurrence of such damage. Landlord shall notify Tenant within fifteen (15) days of the event of casualty of its determination. Until such repairs are completed, the rent shall be abated in proportion to the part of the Leased Premises rendered unusable, but there shall be no abatement of rent for a period equal to one (1) day or less. If such repairs cannot, in Landlord's opinion, be made within sixty (60) days and Landlord nonetheless chooses to repair, then Tenant may, at its option, continue as Tenant under the Lease until such repairs are completed, during which time all rent shall abate, or Tenant may terminate the Lease. A total destruction of the building in which the Leased Premises are located shall automatically terminate the Lease. Total destruction of the building shall be defined as damage greater than fifty percent (50%) of the then replacement value thereof.

18. EMINENT DOMAIN. If the whole of the Leased Premises or so much thereof as to render the balance unusable by Tenant shall be taken under power of eminent domain, the Lease shall automatically terminate as of the effective date of the taking. In the event of a partial taking which does not result in a termination of the Lease, the rent reserved hereunder shall remain unaffected. Landlord may, without any obligation or liability to Tenant, stipulate with any condemning authority for a judgment of condemnation without the necessity of a formal suit or judgment of condemnation, and the date of taking under this clause shall then be deemed the date agreed to under the terms of said agreement for stipulation and the Lease shall terminate as of the stipulated date.

19. WAIVER. No waiver by either party shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary the obtaining of Landlord's consent to or approval of any subsequent act of Tenant, whether or not similar to the act so consented to or approved.

20. NOTICES. Any notice required or permitted to be given hereunder may be given by mail and shall be sufficiently given if personally served or sent by registered or certified mail or by special courier, addressed to the relevant party at the addresses specified in the Lease.

For any notice given to Tenant, a copy shall be provided to the Tenant's counsel as follows: General Counsel, Legal Department, 4000 Meridian Blvd., Franklin, TN 37067.

For any notice given to Landlord, notice shall be sent to City Manager, City of Big Spring, 310 Nolan St., Big Spring, Texas 79720.

21. **BINDING EFFECT.** The Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, assigns, executors and administrators. Nothing in this article shall be deemed to amend the provisions herein concerning assignment and subletting.

22. **APPLICABLE LAW.** The laws of the state where the Building is located shall be employed in and govern the interpretation of all of the covenants, terms and conditions of the Lease. Venue for any cause of action shall be in Howard County, Texas.

23. **NO PARTNERSHIP RELATIONSHIP.** Notwithstanding any agreement herein contained, Landlord shall not be construed or held to be a partner or associate of Tenant in the conduct of its business, it being expressly understood and agreed that the relationship between the parties is and at all times shall remain that of Landlord and Tenant.

24. **NO WAIVER.** No Waiver by Landlord of any violation or breach of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default.

25. **QUIET ENJOYMENT.** Landlord warrants and shall defend Tenant in the quiet enjoyment and possession of the Leased Premises during the term and any extension or renewal thereof.

26. **SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE.**

A. Tenant agrees that the Lease and all rights of Tenant hereunder are and shall be subject and subordinate to any ground or underlying lease which may now or hereafter be in effect regarding the Building or any component thereof, to any mortgage now or hereafter encumbering the Leased Premises or the Building or any component thereof, to all advances made or hereafter to be made upon the security of such mortgage, to all amendments, modifications, renewals, consolidations, extensions and restatements of such mortgage, and to any replacements and substitutions for such mortgage. The terms of this provision shall be self-operative and no further instrument of subordination shall be required. Tenant, however, upon request of any party in interest, shall execute promptly such instrument or certificates as may be reasonably required to carry out the intent of this provision.

B. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, or in the event of a deed in lieu of foreclosure with respect to any mortgage covering the Leased Premises or the Building, or in the event of termination of any Lease under which Landlord may hold title, Tenant shall, at the option of transferee, attorn to such transferee and shall recognize and be bound and obligated hereunder to such person as the Landlord under the Lease. Tenant agrees to execute any attornment agreement not in conflict with this provision.

C. Notwithstanding anything contained herein to the contrary, so long as Tenant is not in default in the payment of Rentals or other charges, or in the performance of any of the other terms, covenants or conditions of the Lease, mortgagee or such person shall not disturb Tenant in its occupancy of the Leased Premises during the original or any renewal term of the Lease notwithstanding any event or proceedings described in this section.

27. ONGOING REPRESENTATION. Both as a material condition to this Lease and as a continuing representation and warranty for the duration of this Lease, Landlord represents and warrants that neither it nor any of its owners, officers, directors, employees, agents, subcontractors, etc. have been suspended, excluded, or debarred from any government payer program.

28. APPROVALS. Neither this Lease nor any amendment or modification hereto shall be effective or legally binding upon Tenant, or any officer, director, employee or agent thereof, unless and until it has been reviewed and approved electronically (or in writing) by a Division President and the Real Estate Department of Community Health Systems Professional Services Corporation, Tenant's Management Company.

29. ADA COMPLIANCE. Tenant shall be responsible for insuring that the Leased Premises complies with the provisions of the Americans with Disabilities Act in all material respects. If any structural elements of the building or the Leased Premises other than those portions altered by Tenant are found to be not in compliance with ADA, then Landlord will make such repairs as are necessary to reach compliance within a reasonable time after it receives written notice from Tenant of such deficiency.

30. FORCE MAJEURE. With the exception of the obligation of Tenant to pay Rent and all other amounts that may be due from time to time under this Lease, if either party shall be delayed or hindered in or prevented from doing or performing any act or thing required hereunder by reason of any matters beyond the reasonable control of such party, then such party shall not be liable or responsible for any such delays and the doing or performing of such act or thing shall be extended for a period equivalent to the period of such delay. In such event, this Lease and the obligations of both parties to perform and comply with all of the other terms and provisions of this Lease shall in no way be affected, impaired, or excused.

31. WAIVER OF JURY TRIAL

LANDLORD AND TENANT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION, ACTION, PROCEEDING OR COUNTERCLAIM BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE OR THE OBLIGATIONS EVIDENCED HEREBY, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OF OR OCCUPANCY OF THE PREMISES, ANY CLAIM OF INJURY OR DAMAGE, OR ANY EMERGENCY OR OTHER STATUTORY REMEDY OR ANY OTHER DOCUMENT OR INSTRUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF LANDLORD AND TENANT IN ENTERING INTO THIS LEASE

32. RULES AND REGULATIONS. Tenant shall faithfully observe and comply strictly with the following rules and regulations, adopted for the safety, care and cleanliness of the Building or the

preservation of good order therein. Landlord shall not be liable to Tenant for a violation of such rules and regulations, or for the breach of any covenant or condition in a lease by any other tenant in the Building. Landlord may, from time to time and upon notice to Tenant, adopt additional or substitute rules and regulations of the Building.

- A. Conduct. Tenant shall not conduct its practice or business, or advertise such business, profession or activities of Tenant conducted in the Premises in any manner which violates local, state or federal laws or regulations.
- B. Hallways and Stairways. Tenant shall not obstruct or use for storage, or for any purpose other than ingress and egress, the sidewalks, entrance, passages, courts, corridors, vestibules, halls, elevators and stairways of the Building.
- C. Nuisances. Tenant shall not make or permit any noise, odor or act that is objectionable to other occupants of the Building to emanate from the Premises, and shall not create or maintain a nuisance thereon.
- D. Musical Instruments, Etc. Tenant shall not install or operate any phonograph, musical instrument, radio receiver or similar device in the Building in such manner as to disturb or annoy other tenants of the Building or the neighborhood. Tenant shall not install any antennae, aerial wires or other equipment outside the Building without the prior written approval of Landlord.
- E. Locks. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made in existing locks or the mechanism thereof. Tenant must upon the termination of its tenancy restore to Landlord all keys to the Premises and toilet rooms either furnished to or otherwise produced by Tenant, and in the event of loss of any keys so furnished, Tenant shall pay to Landlord the cost thereof.
- F. Obstructing Light, Damage. The doors, window glass, lights and skylights that reflect or admit light into the halls or other places of the Building shall not be covered or obstructed. The toilets and urinals shall not be used for any purpose other than those for which they were intended and constructed, and no rubbish, newspapers or other substance of any kind shall be thrown into them. Waste and excessive or unusual use of water shall not be allowed. Tenant shall not mark, drive nails, screw or drill into, paint, nor in any way deface the walls, ceilings, partitions, floors, wood, stone or iron work. The expense of any breakage, stoppage or damage resulting from a violation of this rule by Tenant shall be borne by Tenant. Tenant shall be permitted to hang pictures on office walls, but it must be done in a workmanlike manner and in such a way as not to damage or deface such walls.
- G. Wiring. Electrical wiring of every kind shall be introduced and connected only as directed by Landlord, and no boring or cutting of wires will be allowed except with the consent of Landlord. The location of the telephone, call boxes, etc., shall be subject to the approval of Landlord.
- H. Equipment, Moving, Furniture, Etc. Landlord shall approve the weight, size and position of all fixtures, equipment and other property brought into the Building, and the times of moving which must be done under the supervision of Landlord. Landlord will not be responsible for

any loss of or damage to any such equipment or property from any cause, and all damage done in the Building by moving or maintaining any such property shall be repaired at the expense of Tenant. All equipment shall be installed as required by law.

- I. Requirements of Tenant. The requirements of Tenant will be attended to only upon application at the office of Landlord. Employees shall not perform any work nor do anything outside their regular duties unless under special instructions from Landlord. No employees shall admit any person, Tenant or otherwise, to any other office without instruction from the office of Landlord. All janitorial services personnel, guards or any outside contractors employed by Tenant shall be subject to the regulations and control of Landlord, but shall not act as an agent or servant of Landlord.
- J. Medical and Hazardous Wastes. Tenant shall comply with all policies established from time to time by Landlord regarding the storage and disposal of hazardous substances, wastes and materials, and medical, special or infectious wastes.
- K. Access to Building. Any person entering or leaving the Building may be questioned by Building security regarding his/her business in the Building and may be required to sign in and out. Anyone who fails to provide a satisfactory reason for being in the Building may be excluded.
- L. Vehicles, Animals, Refuse. Tenant shall not allow anything to be placed on the outside window ledges of the Premises or to be thrown out of the windows of the Building. No bicycle or other vehicle, and no animal, except for service animal, shall be brought into the offices, halls, corridors, elevators or any other parts of the Building by Tenant or the agents, employees or invitees of Tenant, and Tenant shall not place or permit to be placed any obstruction or refuse in any public part of the Building.
- M. Equipment Defects. Tenant shall give Landlord prompt notice of any accidents to or defects in the water pipes, gas pipes, electric lights and fixtures, heating apparatus, or any other service equipment.
- N. Parking. Unless otherwise specified by Landlord, Tenant and its employees may park automobiles only in spaces designated by Landlord for such purpose and shall in no event park in spaces reserved for public parking. Tenant agrees that Landlord assumes no responsibility of any kind whatsoever in reference to such automobile parking area or the use thereof by Tenant or its agents or employees.
- O. Conservation and Security. Tenant will see that all windows and doors are securely locked, and that all faucets and electric light switches are turned off before leaving the Building.
- P. Signage. Tenant shall not place any sign upon the Leased Premises or the Building without Landlord's prior written consent.

Signature Pages follow:

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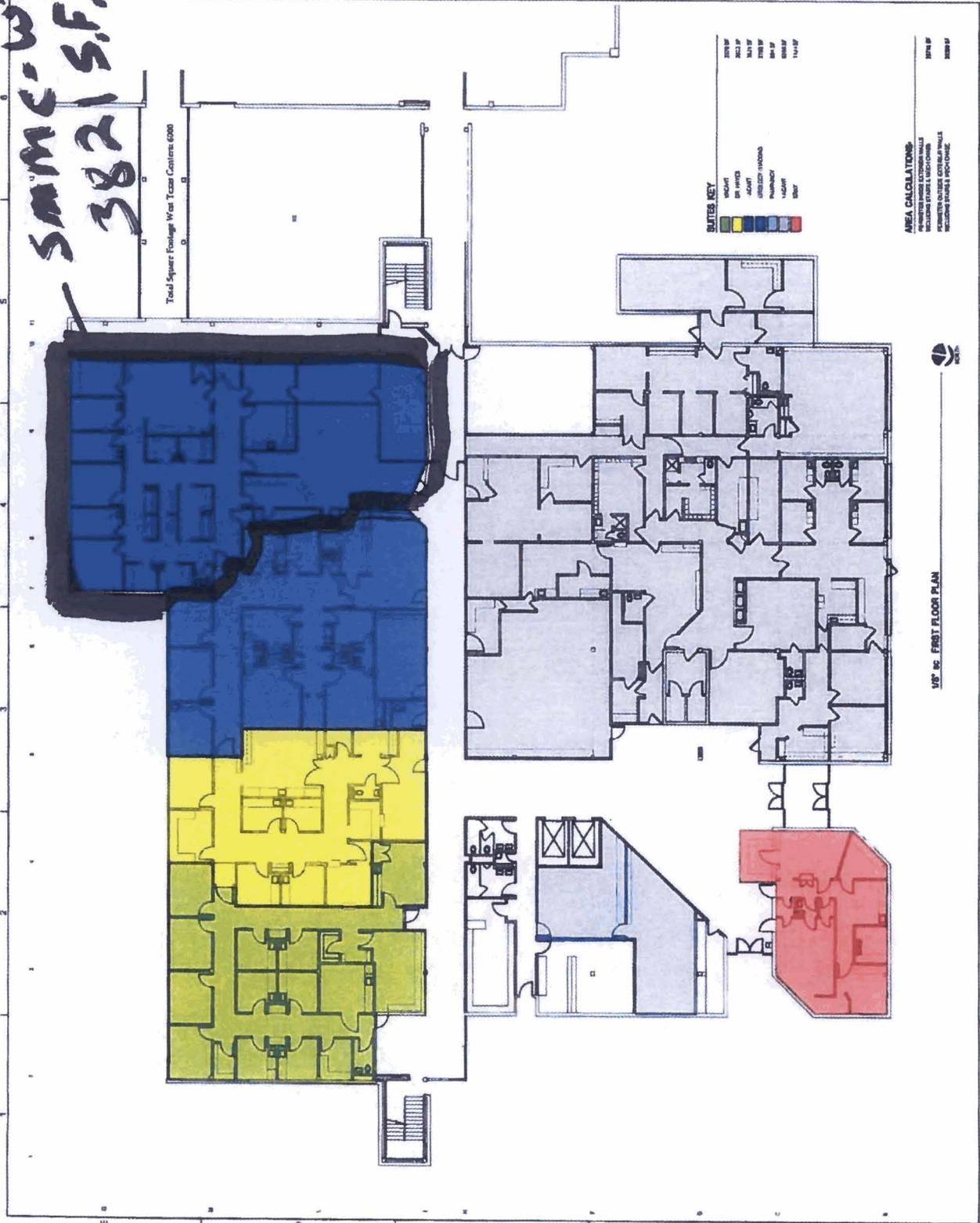
COVENANT
MALONE & HOGAN
CLINIC

RENOVATIONS
TO 1ST, 2ND, & 3RD FLOORS
800 SPRING, TEXAS

FIRST FLOOR PLAN

A-101

*SMC-WTC
3821 S.F.*



*Exhibit A to
First Amended Lease*

Minutes of the Board of Director's Regular Meeting
BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
Tuesday, February 18, 2014
5:15 p.m.
Offices of the Big Spring Economic Development Corporation
215 West Third Street
Big Spring, Texas

The Regular Meeting of the Board of Directors of the Big Spring Economic Development Corporation was called to order at 5:15 p.m. Tuesday, February 18, 2014 in the offices of the Big Spring Economic Development Corporation with Mr. Avant, presiding. The following notice was sent on February 14, 2014 to all Directors, the news media, and duly posted on February 14, 2014, by Teresa Darden in compliance with the Open Meeting's Act by posting it on the outside door of the Big Spring Economic Development Corporation and on the inside and outside of City Hall.

"The Board of Directors of the Big Spring Economic Development Corporation will hold a Regular Board Meeting on Tuesday, January 21, 2014 at 5:15 p.m. in the offices of the Big Spring Economic Development Corporation, 215 West Third Street, Big Spring, Texas. The purpose of the meeting is: Approval of the 2012-2013 Annual Audit, Action on Minutes of the January 21, 2014, Regular Meeting, Action on January Financials, Action on January Investment Reports, Discussion/Action to approve audio, visual quote from Lubbock Audio Visual Inc, Discussion/Action to approve BSEDC Policy and Procedures, Directors Report, Public Comment, Board Comment, and Adjourn".

Directors Present:

Mr. Scott MacKenzie
Mr. Jim DePauw
Mrs. Frances Hobbs
Mr. Don Avant
Mrs. Nati Saldivar

Directors Absent:

Staff Present:

Mr. Terry Wegman
Mrs. Teresa Darden

Guests that signed in: Pat DeAnda, Michelle Garcia, Mary Frances Malone, Ramon Saldivar, Eddilisa Saldivar, Adolph Granato, Pat Simmons, TJ Stewart, Bobby McDonald, Georgie Newsom, Steve Campbell, Andria Medlin, Norma Garcia, Dr. Keith Ledford, Andrew Boven, Maricela Rodriguez, Tammy DePauw, Dale Avant, Mark Morgan, Terry Hansen, Jan Hansen, Willia Ledford, Justin Myers, Aubrey Weaver, Alex Huddleston, Andrea Medlin

AGENDA ITEM # 1 – Call to Order/Invocation and Pledge:

Mr. Avant called the meeting to order at 5:15 p.m. Mr. Avant led the invocation and pledge.

ACTION ITEM #2- Approval of the 2012-2013 Annual Audit:

Mr. Newberry presented the 2012-2013 Annual Audit. Motion to approve the 2012-2013 Annual Audit was made by Mr. DePauw seconded by Mrs. Saldivar. The motion passed 5 to 0 with all members present voting "aye" in favor of the motion.

ACTION ITEM #3- Action on Minutes of the January 21, 2014 Regular Board:

Mr. Avant presented the minutes of the January 21, 2014 Regular Meeting. Motion to accept the minutes were made by Mr. DePauw, seconded by Mr. MacKenzie. The motion passed 5 to 0 with all members present voting "aye" in favor of the motion.

ACTION ITEM #4- Action on January Financials Report:

Mr. MacKenzie presented the January Financial report. Motion to approve the January Financial Report was made by Mr. DePauw seconded by Mrs. Saldivar. The motion passed 5 to 0 with all members present voting "aye" in favor of the motion.

ACTION ITEM #5- Action on January Investment Report:

Mr. MacKenzie presented the January Investment report. Motion to approve the January Investment Report was made by Mrs. Saldivar seconded by Mrs. Hobbs. The motion passed 5 to 0 with all members present voting "aye" in favor of the motion.

AGENDA ITEM #6- Discussion/Action to approve audio/visual quote form Lubbock Audio Visual Inc.:

Two quotes were sent regarding the audio/visual: 1- sound only \$11,799.00 2- sound and video \$16,278.00. After some discussion, the Board authorized Mr. Wegman to go to the City and see what the process would be, if there is discretionary spending on funding the audio/visual equipment for the EDC Board room or if it will need to go through City Council. No vote was taken

AGENDA ITEM #7- Discussion/Action to approve BSEDC Policy and Procedures:

After much discussion on the draft Policy and Procedures, Mr. DePauw made a motion to amend the ByLaws by removing Policy and Procedures, seconded by Mr. MacKenzie. The motion failed 2 to 3 with Mr. Avant, Mrs. Saldivar and Mrs. Hobbs voting against the motion. After more discussion Mr. Avant suggested that all Board members submit changes to him and Mr. Avant and Mr. Wegman will meet and come up with a new draft of Policy and Procedures to bring back to the Board. Motion to pass on the approval of the Policy and Procedures and that Mr. Avant and Mr. Wegman will get together and at a later determined date, schedule a meeting for approval or denial, was made by Mrs. Hobbs and seconded by Mr. MacKenzie. The motion passed 5 to 0 with all members present voting "aye" in favor of the motion.

AGENDA ITEM #8- Directors Report:

Mr. Wegman gave an update on the EDC property rail project. Union Pacific site visit is scheduled for 2-21-14. UP will also visit with the EDC 2-21-14 at 8:00am. Mr. Wegman updated the board on upcoming meetings: Southwest Association of Rail Shippers (SWARS) is February 26-27 in San Antonio, TEDC will be March 5-7 in Dallas and the next Regular Board meeting will be March 18th.

AGENDA ITEM #9- Public Comments

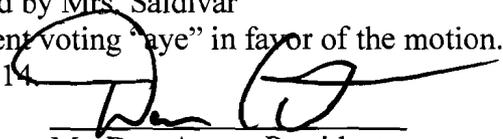
The public comments included different issues regarding Policy and Procedures and concerns about the future of Big Spring. Terry Hansen spoke about the current success of the EDC and hotel expenditures. Dale Avant discussed the importance of working together. Mary Frances Malone spoke on several issues concerning policies and the direction the community is going. Aubrey Weaver Jr. spoke about the hotel expenditures, and asked what the cost benefit of the EDC was, as well as possibly contacting County for use of Commissioner Court facility for EDC meetings. Pat DeAnda discussed the need for Policy and Procedures and lack of local retail causing tax dollars to go to other communities. Maricella Rodriguez discussed several issues regarding EDC performance, purchasing, as well as community direction and having to go out of town to shop. Andrea Medlin commented that many new business have come the Big Spring and inquired if all businesses come through the EDC. Mr. DePauw explained that the EDC cannot incentive retail businesses, only businesses that produce primary jobs can receive assistance from the EDC and went on to give examples of the businesses the EDC has incentivized. Alex Huddleston questioned the hotel charge as well as made notice that there have been several new businesses incentivized by the EDC.

AGENDA ITEM # 10- Board Comments

Mr. MacKenzie stated that there are a lot of positive things going on in Big Spring. Mrs. Hobbs stated that she wants the EDC to operate in a spirit of excellence and not a spirit of lack and the Policy and Procedures will help accomplish that. Mr. DePauw stated that positive things are happening in Big Spring. Mrs. Saldivar stated that she wants to move forward with Policy and Procedures and encouraged everyone to use the open records act to get information for themselves to make their own opinion as well as looking forward to the audio visual outcome. Mr. Avant appreciated all the public comments and stated that he wants the community to grow.

AGENDA ITEM # 11- Adjourn

Mr. DePauw made a motion to adjourn, seconded by Mrs. Saldivar
The motion passed 5 to 0 with all members present voting "aye" in favor of the motion.
Meeting adjourned at 7:30 pm on January 21, 2014.


Mr. Don Avant, President

ATTEST: 

Mr. Scott MacKenzie, Secretary/Treasurer