

**FARMERSVILLE CITY COUNCIL  
SPECIAL SESSION AGENDA  
December 2, 2014, 6:00 P.M.  
Council Chambers, City Hall  
205 S. Main Street**

**I. PRELIMINARY MATTERS**

- Call to Order, Roll Call, Prayer and Pledge of Allegiance
- Welcome guests and visitors: Anyone wanting to speak on any items that are not the subject of a Public Hearing on this agenda is asked to speak at this time, with an individual time limit of 3 minutes. This forum is limited to a total of 30 minutes. Please note that the City Council cannot comment or take any action on this item.
- Announcements relating to items of public interest: Announcements regarding local or regional civic and charitable events, staff recognition, commendation of citizens, traffic issues, upcoming meetings, awards, acknowledgement of meeting attendees, birthdays, and condolences.
  - City offices will be closed December 24<sup>th</sup> – December 26<sup>th</sup> for the Christmas Holiday
  - Due to the upcoming holidays, the next Council Meeting will be **December 16<sup>th</sup>** (Monthly Reports will be presented on 12/16/14)
  - The next Council will meet on January 13, 2015 and back on our regular schedule

**II. READING OF ORDINANCES**

- A. First Reading – Consider, discuss and act upon an ordinance regarding dumpster use regulations
- B. First Reading – Consider, discuss and act upon an ordinance renaming the East/West portion of Jackson Street to Sycamore Street

**III. REGULAR AGENDA**

- A. Consider, discuss and act upon future water/sewer tap agreements
- B. Consider, discuss and act upon issues with stop signs and offset intersections
- C. Consider, discuss and act upon an agreement with JD Russell regarding electric rates and demand charges
- D. Discuss, consider, and act upon an amendment to the Qualified Scheduling Entity Services Agreement between the City of Garland and the City of Farmersville
- E. Consider, discuss and act upon a Request for Qualifications for an auditor
- F. Consider, discuss and act upon a resolution awarding the professional service providers for the CDBG sewer grant #7214160
- G. Consider, discuss and act upon a resolution designating signatories for the CDBG sewer grant #7214160

H. Consider, discuss and act upon a resolution adopting a complaint grievance procedure regarding the CDBG sewer grant #7214160

**IV. REQUEST FOR CONSIDERATION OF PLACING ITEMS ON FUTURE AGENDAS**

**V. ADJOURNMENT**

**Dated this the 26<sup>th</sup> day of November, 2014.**

Joseph E. Helmberger, P.E., Mayor

*The City Council reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any matters listed on the agenda, as authorized by the Texas Government Code, including, but not limited to, Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development), 418.175-183 (Deliberations about Homeland Security Issues) and as authorized by the Texas Tax Code, including, but not limited to, Section 321.3022 (Sales Tax Information).*

*Persons with disabilities who plan to attend this meeting and who may need assistance should contact the City Secretary at 972-782-6151 or Fax 972-782-6604 at least two (2) working days prior to the meeting so that appropriate arrangements can be made. Handicap Parking is available in the front and rear parking lot of the building.*

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted in the regular posting place of the City Hall building for Farmersville, Texas, in a place and manner convenient and readily accessible to the general public at all times, and said Notice was posted November 26, 2014 by 5:00 P.M. and remained so posted continuously at least 72 hours proceeding the scheduled time of said meeting.



Edie Sims, City Secretary





**TO:** Mayor and Councilmembers

**FROM:** Ben White, City Manager

**DATE:** December 2, 2014

**SUBJECT:** First Reading – Consider, discuss and act upon an ordinance regarding dumpster use regulations

- An ordinance is attached for review.

**ACTION:** Approve or disapprove Ordinance.

**CITY OF FARMERSVILLE  
ORDINANCE # O-2014-1216-002**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE, TEXAS, AMENDING THE CODE OF ORDINANCES, CITY OF FARMERSVILLE, TEXAS, AS HERETOFORE AMENDED THROUGH THE AMENDMENT OF CHAPTER 59, "SOLID WASTE," BY AMENDING SECTION 59-19, "DEFINITIONS," BY AMENDING THE DEFINITION OF THE TERM "DUMPSTER" AND ADDING A NEW DEFINITION FOR THE TERM "ROLL-OFF," IN ALPHABETICAL ORDER, BY DELETING SECTION 59-25, "COMMERCIAL DUMPSTER USE REGULATIONS," IN ITS ENTIRETY AND REPLACING SAID SECTION WITH A NEW SECTION 59-25 ENTITLED "DUMPSTER USE REGULATIONS," TO INCLUDE REGULATIONS THAT WILL PLACE DUMPSTERS OUTSIDE OF RIGHTS-OF-WAY AND SIDEWALKS AND MINIMIZE POTENTIAL NEGATIVE IMPACTS OFTEN ASSOCIATED WITH DUMPSTERS, BY AMENDING SECTION 59-26, "PLACEMENT OF POLYCARTS AND RECYCLING BINS," BY DELETING SUBPARAGRAPH (A) IN ITS ENTIRETY AND REPLACING SAID SUBPARAGRAPH WITH A NEW SUBPARAGRAPH (A) CLARIFYING THAT CARTS AND BINS PLACED FOR COLLECTION AFTER 7:00 A.M. MAY BE MISSED, AND BY AMENDING SECTION 59-31, "COMMERCIAL REFUSE/DUMPSTER REGULATIONS; UNAUTHORIZED USE OF DUMPSTERS PROHIBITED," BY DELETING SAID SECTION IN ITS ENTIRETY AND REPLACING SAID SECTION WITH A NEW SECTION 59-31, ENTITLED "REFUSE/DUMPSTER REGULATIONS; UNAUTHORIZED USE OF POLYCARTS, RECYCLING BINS AND/OR DUMPSTERS PROHIBITED"; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; PROVIDING FOR INJUNCTIVE RELIEF; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City desires to modify certain parts of the Solid Waste ordinance as it pertains to the placement and use of dumpsters, polycarts and recycling bins; and

**WHEREAS**, the City Council of the City of Farmersville, Texas, finds and determines that amending the Solid Waste ordinance as it pertains to the placement and use of dumpsters, polycarts and recycling bins is in the best interest and public health, safety, and welfare of the citizens of the City of Farmersville, Texas.

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

**SECTION 1: INCORPORATION OF FINDINGS**

The findings set forth above are found to be true and correct and are hereby incorporated into the body of this Ordinance and made a part hereof for all purposes as if fully set forth herein.

**SECTION 2: AMENDMENT OF CHAPTER 59, "SOLID WASTE," BY AMENDING SECTION 59-19, "DEFINITIONS," BY AMENDING THE DEFINITION OF THE TERM "DUMPSTER" AND ADDING A NEW DEFINITION FOR THE TERM "ROLL-OFF," IN ALPHABETICAL ORDER**

From and after the effective date of this Ordinance, Chapter 59, "Solid Waste," is hereby amended by amending Section 59-19, "Definitions," by amending the definition of the term "Dumpster" and adding a new definition for the term "Roll-off," in alphabetical order, to read as follows:

*"Dumpster means a metal solid waste receptacle designed to be lifted and emptied mechanically for use primarily at commercial and industrial businesses and construction sites. The term dumpster means and includes a "roll-off" or "roll-off dumpster."*

*"Roll-off or Roll-off Dumpster means a rectangular dumpster that usually has an open top, but not always, and utilizes wheels to facilitate rolling the dumpster into place. Roll-off dumpsters are designed to be transported by special roll-off trucks. Some roll-offs, which are not open top are used with large-scale trash compactors."*

**SECTION 3: AMENDMENT OF CHAPTER 59, "SOLID WASTE," BY DELETING SECTION 59-25, "COMMERCIAL DUMPSTER USE REGULATIONS," IN ITS ENTIRETY AND REPLACING SAID SECTION WITH A NEW SECTION 59-25 ENTITLED "DUMPSTER USE REGULATIONS"**

From and after the effective date of this Ordinance, Chapter 59, "Solid Waste," is hereby amended by deleting Section 59-25, "Commercial Dumpster Use Regulations," in its entirety and replacing said section with a new Section 59-25 entitled "Dumpster Use Regulations" to read as follows:

**"Sec. 59-25. Dumpster use regulations.**

- (a) The following regulations apply to dumpsters, whether such dumpsters are used for nonresidential uses, multi-family uses or residential uses:
- (1) Dumpsters shall be maintained in safe, clean, painted and sound condition by the independent contractor granted the exclusive franchise for solid waste collection or such third-party as may own the dumpster being used.
  - (2) Dumpsters shall be placed on a concrete pad that is at least as large as the footprint of the dumpster and capable of holding the weight of such dumpster in a fully-loaded condition. Lifting aprons from which the dumpster may be lifted and replaced by front-end loading waste collection vehicles shall extend at least ten feet (10') from the front of each dumpster location to accommodate the wheels and weight of the sanitation truck. In the case of two or more dumpsters located side-by-side, a minimum of four feet of maneuvering space shall be left between the dumpsters.
  - (3) Driveways to dumpsters shall be designed to accommodate the weight of a 56,000 pound gross vehicular weight (GVW) sanitation truck.

- (4) Dumpster customers should not place liquid waste of any type in dumpsters. Notwithstanding the foregoing, dumpster customers shall ensure that no liquid waste of any type that is placed in a dumpster is permitted or allowed to seep, pour, escape, leak or otherwise fall from the dumpster into which liquid waste is placed and that no solid waste is placed outside the dumpster.
  - (5) Dumpsters placed into service on or after January 1, 2015, shall be enclosed within a minimum six-foot tall enclosure or be screened from public view, and be provided with an opening of at least 12 feet for collection access (collectively "Dumpster Enclosures"). A three-sided dumpster enclosure is preferred, and if gates are used, they must be kept closed and in good repair.
  - (6) Dumpster lids shall be kept closed at all times. Dumpsters and roll-off style containers that do not have lids affixed or attached shall at all times be covered or enclosed in a manner that will prevent solid waste from falling out of, escaping from, or otherwise resulting in litter around and about the location of the "Dumpster Improvements" (defined below).
  - (7) The maintenance and upkeep of concrete pads, lifting aprons, screening enclosures and gates shall be the responsibility of the property owner.
  - (8) Dumpsters and related concrete pads, lifting aprons, and screening enclosures and gates (collectively "Dumpster Improvements") should be located to the rear of the buildings with proper access.
  - (9) Dumpster Improvements shall be placed behind the building lines on all sides of the property on which the Dumpster Improvements are situated.
  - (10) Dumpster Improvements shall not encroach upon or be placed in, upon, over or across any sidewalks, curbs, bar ditches, streets, alleys or rights-of-way of the City.
  - (11) Dumpster Enclosures shall not be placed in, upon, over or across any easement save and except to the extent only that the placement of such Dumpster Enclosures is approved in advance and in writing by the City Manager.
  - (12) Dumpster Improvements shall not be located beneath any overhead utility line.
- (b) Dumpsters that were in place and in active and constant use prior to October 1, 2014, which do not comply with all of the provisions of this Section, may remain in their October 1, 2014 location so long as said Dumpsters do not violate subparagraphs (a)(4), (a)(6), and (a)(8) through (a)(12) of this Section 59-25, and provided further that such

Dumpsters are not removed from said location or increased in size and the location of such Dumpsters while being used or emptied does not interfere with the passage of vehicular traffic or pedestrians."

**SECTION 4: AMENDING SECTION 59-26, "PLACEMENT OF POLYCARTS AND RECYCLING BINS," BY DELETING SUBPARAGRAPH (A) IN ITS ENTIRETY AND REPLACING SAID SUBPARAGRAPH WITH A NEW SUBPARAGRAPH (A) CLARIFYING THAT CARTS AND BINS PLACED FOR COLLECTION AFTER 7:00 A.M. MAY BE MISSED**

From and after the effective date of this Ordinance, Section 59-26, "Placement of Polycarts and Recycling Bins," by deleting subparagraph (a) in its entirety and replacing said subparagraph with a new subparagraph (a) to read as follows:

"(a) All polycarts and recycling bins shall be placed for collection not earlier than 6:00 p.m. prior to the day of scheduled collection. Polycarts and recycling bins that are placed for collection after 7:00 a.m. on the day of scheduled collection may be missed as collection begins at 7:00 a.m. No polycarts or recycling bins shall be allowed to remain at the street side collection point after 12:00 midnight on the scheduled pickup day."

**SECTION 5: AMENDING SECTION 59-31, "COMMERCIAL REFUSE/DUMPSTER REGULATIONS; UNAUTHORIZED USE OF DUMPSTERS PROHIBITED," BY DELETING SAID SECTION IN ITS ENTIRETY AND REPLACING SAID SECTION WITH A NEW SECTION 59-31, ENTITLED "REFUSE/DUMPSTER REGULATIONS; UNAUTHORIZED USE OF POLYCARTS, RECYCLING BINS AND/OR DUMPSTERS PROHIBITED"**

From and after the effective date of this Ordinance, Chapter 59, "Solid Waste," is hereby amended by deleting Section 59-31, "Commercial Refuse/Dumpster Regulations; Unauthorized Use of Dumpsters Prohibited," in its entirety and replacing said section with a new Section 59-31 entitled "Refuse/Dumpster Regulations; Unauthorized Use of Polycarts, Recycling Bins and/or Dumpsters Prohibited" to read as follows:

**"Sec. 59-31. Refuse/Dumpster Regulations; Unauthorized Use of Polycarts, Recycling Bins and/or Dumpsters Prohibited.**

(a) The placement of a polycart, recycling bin and/or dumpster, at any location on a particular lot or tract of land ("Property"), by the owner or occupant of said Property or such person's or entity's authorized agent, and the payment of monthly charges related thereto, shall constitute a contractual arrangement granting the owner or occupant of such Property the exclusive right to dispose of refuse and/or recyclables through use of its polycart, recycling bin and/or designated dumpster.

(b) Pilfering, scattering contents or meddling with garbage, recyclables, rubbish, brush or collection containers or receptacles by any person other than the owner or occupant (or the authorized representative thereof) of the Property on which the polycart, recycling bin and/or dumpster is situated is prohibited.

(c) It shall be unlawful for any person to deposit any burning match, charcoal, ember or other burning material in any collection container or receptacle used for the disposal of garbage, recyclable material, rubbish, or brush.

(d) It shall be unlawful for any person to deposit any materials not included in the definitions of garbage, recyclable material, rubbish and brush in any collection container or receptacle used for the disposal of garbage, recyclable material, rubbish or brush.

(e) It shall be unlawful for any unauthorized person, other than the commercial customer or its employees or agents, to deposit any materials in a commercial collection container or receptacle.

(f) It shall be unlawful to store or place in a screening enclosure that is provided for garbage and/or recycling containers and/or receptacles any debris, solid waste or any other item for storage that is not a solid waste and/or a recycling container and/or receptacle."

#### **SECTION 6: REPEALER**

This Ordinance shall be cumulative of all other Ordinances, resolutions, and/or policies of the City, whether written or otherwise, and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance. Any and all Ordinances, resolutions, and/or policies of the City, whether written or otherwise, which are in any manner in conflict with or inconsistent with this Ordinance shall be and are hereby repealed to the extent of such conflict and/or inconsistency.

#### **SECTION 7: SEVERABILITY**

It is hereby declared to be the intent of the City Council that the several provisions of this Ordinance are severable. In the event that any court of competent jurisdiction shall judge any provisions of this Ordinance to be illegal, invalid, or unenforceable, such judgment shall not affect any other provisions of this Ordinance which are not specifically designated as being illegal, invalid, or unenforceable.

#### **SECTION 8: PENALTIES FOR VIOLATION OF THE ORDINANCE**

Any person, firm or corporation who violates any provision of this Ordinance, upon conviction, shall be guilty of a misdemeanor and shall be fined up to \$2,000.00 per violation for a violation of a provision of this Ordinance governing fire safety, zoning, or public health and sanitation, including dumping or refuse, and up to \$500.00 for all other violations of this Ordinance. Each occurrence and each day that a violation continues shall be considered a separate offense and punished accordingly.

#### **SECTION 9: INJUNCTIVE RELIEF**

Any violation of this ordinance can be enjoined by a suit filed in the name of the City of Farmersville in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the City of Farmersville.

**SECTION 10: PUBLICATION**

The City Secretary is hereby directed to publish in the Official Newspaper of the City of Farmersville the Caption, Penalty, and Effective Date Clause of this Ordinance as required by Section 52.011 of the Local Government Code.

**SECTION 11: ENGROSSMENT AND ENROLLMENT**

The City Secretary of the City of Farmersville is hereby directed to engross and enroll this Ordinance by copying the exact Caption and the Effective Date Clause in the minutes of the City Council of the City of Farmersville, and by filing this Ordinance in the Ordinance records of the City.

**SECTION 12: SAVINGS**

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

**SECTION 13: EFFECTIVE DATE**

This Ordinance shall take effect immediately from and after its passage and publication as required by law.

**PASSED** on first reading on the 2<sup>nd</sup> day of December, 2014, and second reading on the 16<sup>th</sup> day of December, 2014 at properly scheduled meetings of the City Council of the City of Farmersville, Texas, there being a quorum present, and approved by the Mayor on the date set out below.

**APPROVED THIS 19<sup>th</sup> DAY OF DECEMBER, 2014.**

**BY: \_\_\_\_\_**  
**Joseph E. Helmberger, P.E., Mayor**

**ATTEST:**

**BY: \_\_\_\_\_**  
**Edie Sims, City Secretary**



**TO:** Mayor and Councilmembers

**FROM:** Ben White, City Manager

**DATE:** December 2, 2014

**SUBJECT:** First Reading – Consider, discuss and act upon an ordinance renaming the East/West portion of Jackson Street to Sycamore Street

- An ordinance is attached for review.

**ACTION:** Approve or disapprove Ordinance.

**CITY OF FARMERSVILLE  
ORDINANCE # O-2014 -1216-001**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE, TEXAS, CHANGING THE NAME OF A PORTION OF JACKSON STREET TO SYCAMORE STREET AS SHOWN ON EXHIBIT "A"; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Jackson Street is a primarily north-south roadway that extends in a northerly direction from its intersection with Murchison Street, makes a hard westerly turn north of 9<sup>th</sup> Street, and continues a short distance in a westerly direction until Jackson Street becomes Sycamore Street at the intersection of Sycamore Street and Main Street; and

**WHEREAS**, Sycamore Street is a primary east-west roadway that extends between Texas Highway 78 and Main Street as described above; and

**WHEREAS**, it has been determined no residences face that portion of Jackson Street between the curve where Jackson Street begins running in an east-west direction and Main Street (the "Jackson Street Section") attached Exhibit "A"; and

**WHEREAS**, the Jackson Street Section appears to be an extension of Sycamore Street and the naming of the Jackson Street Section as Jackson Street may cause confusion between Sycamore Street and Jackson Street for emergency responders; and

**WHEREAS**, the City Council of the City of Farmersville, Texas has determined it is in the best interest of the citizens and emergency responders to change the name of the Jackson Street Section to Sycamore Street to avoid confusion with Jackson Street.

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

**SECTION 1.** The findings set forth above are found to be true and correct and are hereby incorporated into the body of this Ordinance and made a part hereof for all purposes as if fully set forth herein.

**SECTION 2.** The name of the Jackson Street Section, as shown on Exhibit "A" attached hereto and incorporated herein by reference for all purposes allowed by law is hereby changed from Jackson Street to Sycamore Street.

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

Exhibit "A"





**TO:** Mayor and Councilmembers

**FROM:** City Manager Ben White

**DATE:** December 2, 2014

**SUBJECT:** Consider, discuss and act upon future water/sewer tap agreements

- A generic water/sewer tap agreement is attached for review.

**ACTION:** Approve or disapprove the agreement as presented.

**AGREEMENT BETWEEN \_\_\_\_\_ AND  
THE CITY OF FARMERSVILLE  
WATER/SEWER TAP AGREEMENT**

This Agreement is entered into by and between the City of Farmersville, Texas ("City") and \_\_\_\_\_ ("Property Owner(s)"), effective on the day signed by both parties, for a water/sewer tap.

WHEREAS, upon purchase of the property, described in Collin County deed records as # \_\_\_\_\_ and also known as \_\_\_\_\_ Addition, Block \_\_\_\_\_, Lot \_\_\_\_\_, in the City Limits of Farmersville, Texas, a water/sewer tap existed; and

WHEREAS, \_\_\_\_\_ (detail circumstances of water / sewer tap)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

WHEREAS, Property Owner(s) is/are requesting the City install/re-install a water/sewer tap.

NOW, THEREFORE,

For and in consideration of the mutual promises and covenants contained herein, the sufficiency of which is acknowledged by each party hereto, the parties agree as follows:

1. The premises hereof are true and correct.
2. City agrees to install a 5/8" x 3/4" single water tap with meter on the property within one month of need AND/OR a single sewer tap on the property within one month of need. Here "need" is defined as a structure needing service or the property needing irrigation.
3. The tap(s) will be installed free of charge.
4. Property owner agrees to provide a written notice requesting a water and/or sewer tap be installed.
5. The City will provide the Property Owner(s) written notice within 30 days of installing the water and/or sewer tap(s). This documentation will provide indication that the terms of this agreement have been fulfilled.
6. This Agreement has been duly authorized by the respective governing bodies of the parties hereto and the undersigned officer is the duly authorized officer of each entity to execute this Agreement.
7. This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives and successors.

8. This Agreement constitutes the sole and only agreement of the parties and supersedes any prior understandings or oral agreements between the parties respecting the subject matter.

Agreed this the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Property Owners:

\_\_\_\_\_

STATE OF TEXAS        )(

COUNTY OF COLLIN    )(

This instrument was acknowledged before me by \_\_\_\_\_  
personally known to me or who has produced a driver's license as identification on this  
\_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Notary Seal

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires: \_\_\_\_\_

Property Owners:

\_\_\_\_\_

STATE OF TEXAS        )(

COUNTY OF COLLIN    )(

This instrument was acknowledged before me by \_\_\_\_\_  
personally known to me or who has produced a driver's license as identification on this  
\_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Notary Seal

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:\_\_\_\_\_

In witness whereof, I have hereunto subscribed my name this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**Grantee:**

\_\_\_\_\_  
City of Farmersville  
Joseph E. Helmberger, P.E., Mayor

**STATE OF TEXAS        )(**

**COUNTY OF COLLIN     )(**

This instrument was acknowledged before me by **Joseph E. Helmberger, P.E.**, personally known to me or who has produced a driver's license as identification on this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Notary Seal

\_\_\_\_\_  
Notary Public, State of Texas  
My Commission Expires:\_\_\_\_\_

Return to:  
City of Farmersville  
205 S. Main Street  
Farmersville, TX 75442



**TO:** Mayor and Councilmembers

**FROM:** City Manager Ben White

**DATE:** December 2, 2014

**SUBJECT:** Consider, discuss and act upon issues with stop signs and offset intersections

- City Manager Ben White will discuss this topic

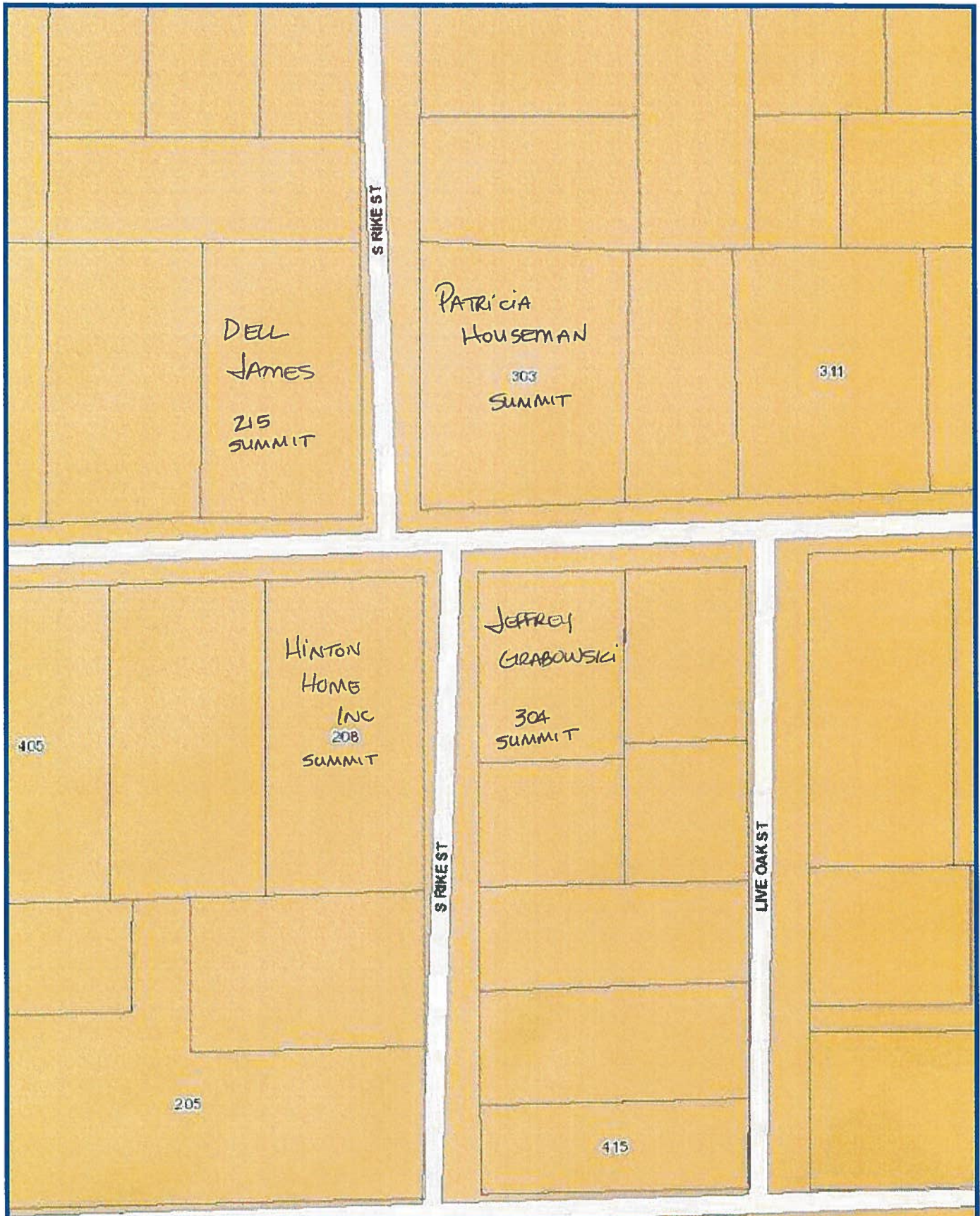
**ACTION:** Council to act as deemed necessary.



Google earth

feet  
meters





**Collin County Interactive**  
[www.collincountytx.gov](http://www.collincountytx.gov)



**DISCLAIMER**

Source data compiled from Collin County database. This map is a graphic representation and should only be used for illustrative purposes. In no way should this map be used for boundary dispute or locational conflict.

Intersection of Rike & Hill

Audie Murphy, Neathery, Washington

Southbound Main St at Old Josephine Rd

Intersection of Woodard & Houston

4 way on Fville Pkwy at S Main, S Washington, S

Johnson & S Hamilton

Houston and Woodard

4 way at Pendleton and Windom

4 way on Fville Pkwy and South Johnson St

3 way at Pendleton and Windom

Railroad St (now Fville Pkwy) stopping e/w traffic at S

Washington, S Johnson, S Hamilton and S Main

Intersection of Washington & Gotcher

**Sec. 71-219. - Authority to post traffic control devices.**

The city manager, or his designee, is hereby authorized to cause to be erected appropriate stop or yield signs, as applicable, setting forth the regulations established by the city council.

**ARTICLE VII. - STOP AND YIELD INTERSECTIONS****Sec. 71-218. - Traffic control devices.**

The following locations shall be controlled by a traffic control device, as provided by state law, as indicated:

- (1) Stop signs shall be erected and shall require the northbound and southbound traffic on Washington Street to stop for the traffic on Neathery Street.
- (2) Stop signs shall be erected and shall require the northbound and southbound traffic on Washington Street to stop for the traffic on Gotcher Street.
- (3) A yield sign shall be erected and shall require traffic turning from Gotcher Street onto Washington Street to yield to traffic turning off Neathery Street.
- (4) A stop sign shall be erected and shall require the southbound traffic at the intersection of Main Street at Old Josephine Road to stop.
- (5) Stop signs shall be erected and shall require the northbound, southbound, eastbound and westbound traffic at the intersection of Pendleton and Windom to stop.
- (6) Stop signs shall be erected and shall require the northbound, southbound, eastbound and westbound traffic at the intersection of Hill Street and Rike Street to stop.
- (7) Stop signs shall be erected and shall require the northbound, southbound, eastbound and westbound traffic at the intersection of Farmersville Parkway and South Washington Street to stop.
- (8) Stop signs shall be erected and shall require the northbound and, southbound traffic at the intersection of Farmersville Parkway and South Johnson Street to stop.
- (9) Stop signs shall be erected and shall require the northbound and southbound traffic at the intersection of Farmersville Parkway and South Hamilton Street to stop.
- (10) Stop signs shall be erected and shall require the eastbound traffic at the intersection of Farmersville Parkway and South Main Street to stop.
- (11) Stop signs shall be erected and shall require the northbound, southbound, eastbound and westbound traffic at the intersection of Woodard Street and Houston Street to stop.

*(Ord. No. O-2012-0626-003, § 2, 6-26-2012)*

**Sec. 71-219. - Authority to post traffic control devices.**

The city manager, or his designee, is hereby authorized to cause to be erected appropriate stop or yield signs, as applicable, setting forth the regulations established by the city council.

**Secs. 71-220—71-246. - Reserved.**



**TO:** Mayor and Councilmembers  
**FROM:** City Manager Ben White  
**DATE:** December 2, 2014  
**SUBJECT:** Consider, discuss and act upon an agreement with JD Russell regarding electric rates and demand charges

- Billing information is attached for review
- An agreement with JD Russell is attached for review
- Historical documentation reflecting past agreements with JD Russell is attached for review
- Rate ordinance is attached for review
- Excerpt of the Master Fee Schedule pertaining to electric rates is attached for review

**ACTION:** Approve or disapprove the agreement.

To report power outages or after hours emergencies please call (972) 782-6151



City of Farmersville - Utilities  
Phone: (972) 782-6151 Fax: (972) 782-6604

Account Name: PENVESCO  
Account Number: 02-0161-00  
Service Address: 420 WELCH DR  
Statement Date: 06/01/2014

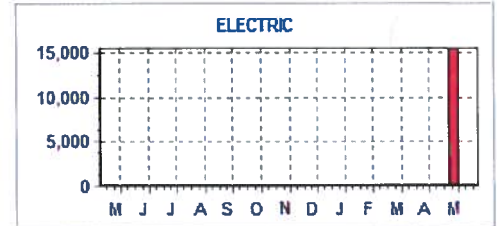


Make an online payment at <https://www.municipalonlinepayments.com/farmersvilletx>

Service Dates: 04/20/2014 thru 05/21/2014

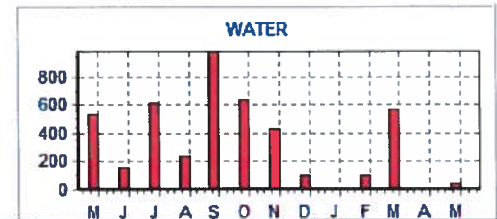
**ELECTRIC**

Current Read 14377  
Previous Read 14351  
Consumption 15600  
Energy Charge 7,196.18  
Demand Charge 564 3,344.80  
PCA @ 0.003 per kWhr 340.20  
Energy Surcharge @.005/kWhr 567.00  
Total Electric Charges 11,448.18



**WATER**

Current Read 39398  
Previous Read 39356  
Consumption 42  
Water Charges 79.32



**OTHER**

**TOTAL AMOUNT DUE \$11,527.50**

**Important News and Information**

PLEASE CONTINUE TO CONSERVE WATER  
YOU CAN NOW PAY YOUR BILL ONLINE!!  
PLEASE UPDATE YOUR PHONE NUMBER!!

VISIT OUR WEBSITE  
[www.farmersvilletx.com](http://www.farmersvilletx.com) FOR CITY INFORMATION

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DETACH ALONG PERFORATION AND RETURN THIS PORTION WITH YOUR PAYMENT. KEEP TOP PORTION FOR YOUR RECORDS.



City of Farmersville - Utilities  
205 S. Main St.  
Farmersville, Texas 75442



Account No: 02-0161-00 Statement Date: 06/01/2014

Previous Balance 0.00  
Due on or before 06/10/2014 \$11,527.50  
**TOTAL AMOUNT DUE \$11,527.50**

Penalty Amount after the 10th

**AMOUNT  
ENCLOSED**

\$

\*\*\* AUTO - CRRT B016  
C/O THE J D RUSSELL CO  
PENVESCO  
PO BOX 36795  
TUCSON AZ 85740-6795

City of Farmersville  
205 S. Main St.  
Farmersville, TX 75442

To report power outages or after hours emergencies please call (972) 782-6151



City of Farmersville - Utilities  
Phone: (972) 782-6151 Fax: (972) 782-6604

Account Name: PENVESCO  
Account Number: 02-0161-00  
Service Address: 420 WELCH DR  
Statement Date: 07/01/2014

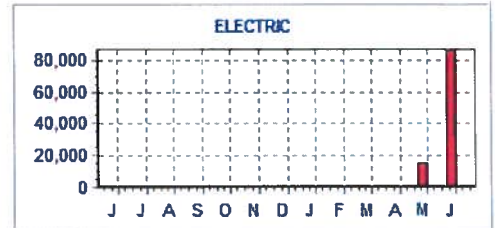


Make an online payment at <https://www.municipalonlinepayments.com/farmersvilletx>

Service Dates: 05/21/2014 thru 06/19/2014

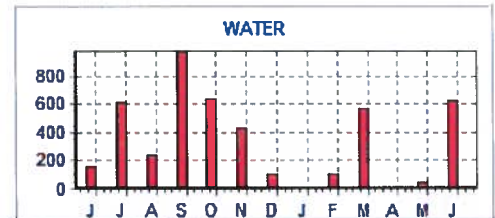
**ELECTRIC**

Current Read 14522  
Previous Read 14377  
Consumption 87000  
Energy Charge 5,540.90  
Demand Charge 520 3,098.56  
PCA @ 0.003 per kWhr 261.00  
Energy Surcharge @.005/kWhr 435.00  
Total Electric Charges 9,335.46



**WATER**

Current Read 22  
Previous Read 0  
Consumption 621  
Water Charges 536.22



**OTHER**

Previous Balance 1,663.04

**TOTAL AMOUNT DUE \$11,534.72**

**Important News and Information**

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City of Farmersville - Utilities  
205 S. Main St.  
Farmersville, Texas 75442



Account No: 02-0161-00 Statement Date: 07/01/2014

Previous Balance 1,663.04  
Due on or before 07/10/2014  
**TOTAL AMOUNT DUE \$11,534.72**

Penalty Amount after the 10th

**AMOUNT  
ENCLOSED**

\$

\*\*\* AUTO - CRRT B016  
C/O THE J D RUSSELL CO  
PENVESCO  
PO BOX 36795  
TUCSON AZ 85740-6795

City of Farmersville  
205 S. Main St.  
Farmersville, TX 75442

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City of Farmersville - Utilities  
Phone: (972) 782-6151 Fax: (972) 782-6604

Account Name: PENVESCO  
Account Number: 02-0161-00  
Service Address: 420 WELCH DR  
Statement Date: 08/01/2014

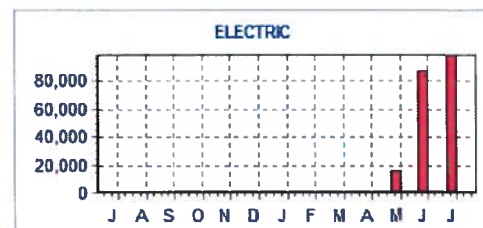


Make an online payment at <https://www.municipalonlinepayments.com/farmersvilletx>

Service Dates: 06/19/2014 thru 07/22/2014

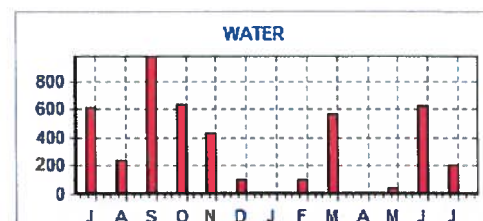
**ELECTRIC**

Current Read 14686  
Previous Read 14522  
Consumption 98400  
Energy Charge 6,255.68  
Demand Charge 541 3,218.26  
PCA @ 0.003 per kWhr 295.20  
Energy Surcharge @.005/kWhr 492.00  
Total Electric Charges 10,261.14



**WATER**

Current Read 226  
Previous Read 22  
Consumption 204  
Water Charges 183.94



**Important News and Information**

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City of Farmersville - Utilities  
205 S. Main St.  
Farmersville, Texas 75442



Account No: 02-0161-00 Statement Date: 08/01/2014

Previous Balance 0.00  
Due on or before 08/11/2014  
TOTAL AMOUNT DUE \$10,445.08

Penalty Amount after the 10th

AMOUNT  
ENCLOSED

\$

\*\*\* AUTO - CRRT B016  
C/O THE J D RUSSELL CO  
PENVESCO  
PO BOX 36795  
TUCSON AZ 85740-6795

City of Farmersville  
205 S. Main St.  
Farmersville, TX 75442

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City of Farmersville - Utilities

Phone: (972) 782-6151 Fax: (972) 782-6604

Account Name: PENVESCO  
Account Number: 02-0161-00  
Service Address: 420 WELCH DR  
Statement Date: 09/01/2014



Make an online payment at <https://www.municipalonlinepayments.com/farmersvilletx>

Service Dates: 07/22/2014 thru 08/18/2014

**ELECTRIC**

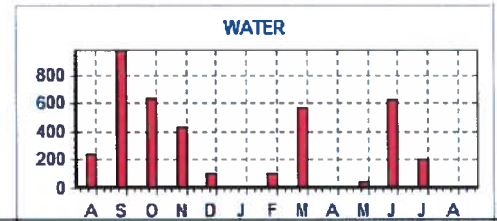
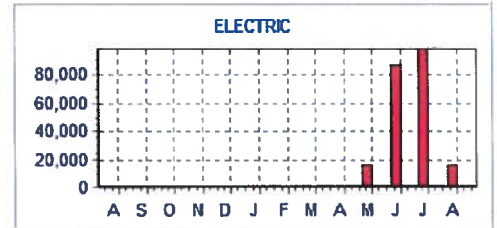
Current Read	14712
Previous Read	14686
Consumption	15600
Energy Charge	1,064.12
Demand Charge	63 1,737.40
PCA @ 0.003 per kWhr	46.80
Energy Surcharge @.005/kWhr	78.00
Total Electric Charges	2,926.32

**WATER**

Current Read	2274
Previous Read	2260
Consumption	14
Water Charges	68.35

**OTHER**

**TOTAL AMOUNT DUE** **\$2,994.67**



**Important News and Information**

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City of Farmersville - Utilities  
205 S. Main St.  
Farmersville, Texas 75442



Account No: 02-0161-00 Statement Date: 09/01/2014

Previous Balance	0.00
Due on or before 09/10/2014	\$2,994.67
<b>TOTAL AMOUNT DUE</b>	<b>\$2,994.67</b>

Penalty Amount after the 10th

**AMOUNT  
ENCLOSED**

\$

\*\*\* AUTO - CRRT B016  
C/O THE J D RUSSELL CO  
PENVESCO  
PO BOX 36795  
TUCSON AZ 85740-6795

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City of Farmersville - Utilities  
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Account Name: PENVESCO  
Account Number: 02-0161-00  
Service Address: 420 WELCH DR  
Statement Date: 10/01/2014



Make an online payment at <https://www.municipalonlinepayments.com/farmersvilletx>

Service Dates: 08/18/2014 thru 09/17/2014

**ELECTRIC**

Current Read	14738
Previous Read	14712
Consumption	15600
Energy Charge	1,064.12
Demand Charge	82 1,737.40
PCA @ 0.003 per kWhr	46.80
Energy Surcharge @.005/kWhr	78.00
Total Electric Charges	2,926.32

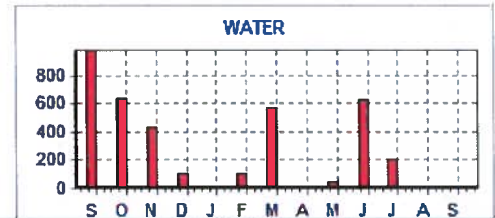
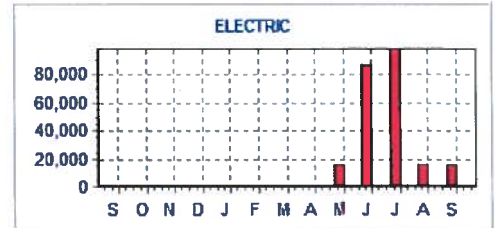
**WATER**

Current Read	2291
Previous Read	2274
Consumption	17
Water Charges	70.10

**OTHER**

Previous Balance	1,404.02
------------------	----------

**TOTAL AMOUNT DUE \$4,400.44**



**Important News and Information**

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City of Farmersville - Utilities  
205 S. Main St.  
Farmersville, Texas 75442



Account No: 02-0161-00 Statement Date: 10/01/2014

Previous Balance	1,404.02
Due on or before 10/10/2014	\$4,400.44
<b>TOTAL AMOUNT DUE</b>	<b>\$4,400.44</b>

Penalty Amount after the 10th

**AMOUNT  
ENCLOSED**

\$

\*\*\* AUTO - CRRT B016  
C/O THE J D RUSSELL CO  
PENVESCO  
PO BOX 36795  
TUCSON AZ 85740-6795

City of Farmersville  
205 S. Main St.  
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Phone: (972) 782-6151 Fax: (972) 782-6604

Account Name: PENVESCO  
Account Number: 02-0161-00  
Service Address: 420 WELCH DR  
Statement Date: 11/01/2014

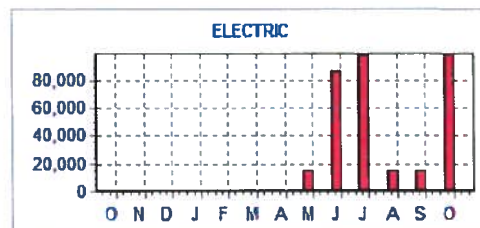


Make an online payment at <https://www.municipalonlinepayments.com/farmersvilletx>

Service Dates: 09/17/2014 thru 10/21/2014

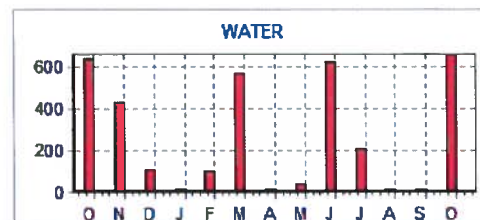
**ELECTRIC**

Current Read 14904  
Previous Read 14738  
Consumption 99600  
Energy Charge 6,330.92  
Demand Charge 541 3,214.84  
PCA @ 0.003 per kWhr 298.80  
Energy Surcharge @.005/kWhr 498.00  
Total Electric Charges 10,342.56



**WATER**

Current Read 2952  
Previous Read 2291  
Consumption 661  
Water Charges 624.28



**OTHER**

Previous Balance 2,807.85

**TOTAL AMOUNT DUE \$13,774.69**

**Important News and Information**

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City of Farmersville - Utilities  
205 S. Main St.  
Farmersville, Texas 75442



Account No: 02-0161-00 Statement Date: 11/01/2014

Previous Balance 2,807.85  
Due on or before 11/10/2014  
**TOTAL AMOUNT DUE \$13,774.69**

Penalty Amount after the 10th

**AMOUNT  
ENCLOSED**

\$

\*\*\* AUTO - CRRT B016  
C/O THE J D RUSSELL CO  
PENVESCO  
PO BOX 36795  
TUCSON AZ 85740-6795

City of Farmersville  
205 S. Main St.  
Farmersville, TX 75442

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City of Farmersville - Utilities  
Phone: (972) 782-6151 Fax: (972) 782-6604

Account Name: PENVESCO  
Account Number: 02-0161-00  
Service Address: 420 WELCH DR  
Statement Date: 12/01/2014

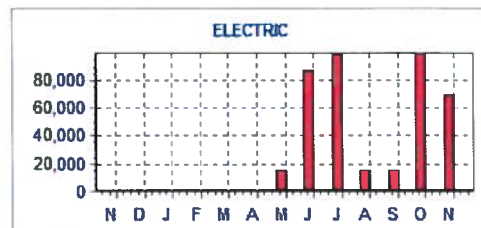


Make an online payment at <https://www.municipalonlinepayments.com/farmersvilletx>

Service Dates: 10/21/2014 thru 11/19/2014

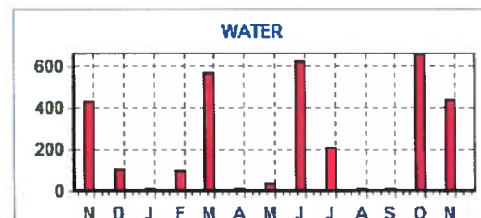
**ELECTRIC**

Current Read 15019  
Previous Read 14904  
Consumption 69000  
Energy Charge 4,412.30  
Demand Charge 507 3,019.90  
PCA @ 0.003 per kWhr 207.00  
Energy Surcharge @.005/kWhr 345.00  
Total Electric Charges 7,984.20



**WATER**

Current Read 3391  
Previous Read 2952  
Consumption 439  
Water Charges 408.94



**OTHER**

Previous Balance 2,807.85

**TOTAL AMOUNT DUE \$11,200.99**

**Important News and Information**

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City of Farmersville - Utilities  
205 S. Main St.  
Farmersville, Texas 75442



Account No: 02-0161-00 Statement Date: 12/01/2014

Previous Balance 2,807.85  
Due on or before 12/10/2014  
**TOTAL AMOUNT DUE \$11,200.99**

Penalty Amount after the 10th

**AMOUNT  
ENCLOSED**

\$

\*\*\* AUTO - CRRT B016  
C/O THE J D RUSSELL CO  
PENVESCO  
PO BOX 36795  
TUCSON AZ 85740-6795

City of Farmersville  
205 S. Main St.  
Farmersville, TX 75442

Account Management - (View)

File Edit Options Functions Consoles Help

Account Number

02-0161-00

New Occupant

Address

420 WELCH DR

Zone

01

PENVESCO

General Metered Non-Metered Financial Information Comments History Consumption History Service Orders Devices Notifications

Pending Activity

0.00

Balance

11,200.99

Filter

Drag a column header here to group by that column

Date	Packet	Type	Receipt #	Reference	Debits	Credits	Balance
10/09/2014	000000	Memo	124328	Ex CUT-PMT 1,592.59C			4,400.44
10/01/2014	009038	Bill		8/18- 9/17 10/10	2,996.42		4,400.44
09/19/2014	009027	Payment	123344			1,590.65	1,404.02
09/01/2014	008946	Bill		7/21- 8/18 09/10	2,994.67		2,994.67
08/08/2014	008867	Payment	120957			10,445.08	0.00
08/01/2014	008807	Bill		6/18- 7/21 08/11	10,445.08		10,445.08
07/22/2014	008797	Payment	119971			11,534.72	0.00
07/22/2014	008793	Adjustment		RETURNED CHECK	11,534.72		11,534.72
07/11/2014	008762	Payment	119559			11,534.72	0.00
07/11/2014	000000	Memo	119559	Ex CUT-PMT 11,534.72			11,534.72
07/01/2014	008694	Bill		5/19- 6/18 07/10	9,871.68		11,534.72
06/25/2014	008688	Adjustment		ADDITIONAL ADJ		2,295.68	1,663.04
06/18/2014	008668	Adjustment		ELECTRIC OR CREDIT		7,568.78	3,958.72
06/01/2014	008548	Bill		4/21- 5/19 06/10	11,527.50		11,527.50
05/07/2014	008496	Payment	115860			162.56	0.00

Edit This Record

View

s.kirby

Clear

# Farmersville Electric Bill Information

J.D. Russell Company, 420 Welch Drive, Large Commercial Account, Meter 20073044

Date	Previous Billing Information											
	Account Number	Current Charges	kWh Usage	Reading Multiplier	Current Reading	Current Reading Date	Previous Reading	Previous Reading Date	Demand	Energy Rate	Energy Charge	Demand Quantity
Jul-12	1010058329	6,961.20	83400	600	12346	07/17/2012	12207	06/18/2012	558.6	0.0307	2,560.38	558.6
Aug-12	1010058329	5,194.80	48600	600	12427	08/15/2012	12346	07/17/2012	509.4	0.0307	1,492.02	509.4
Sep-12	1010058329	8,805.78	109800	600	12610	09/14/2012	12427	08/15/2012	549.6	0.0307	3,370.86	549.6
Oct-12	1010058329	1,740.74	22200	600	12647	10/16/2012	12610	09/14/2012	75.6	0.0307	681.54	75.6
Nov-12	1010058329	8,195.76	95400	600	12806	11/14/2012	12647	10/16/2012	551.4	0.0307	2,928.78	551.4
Dec-12	1010058329	1,676.42	18600	600	12837	12/14/2012	12806	11/14/2012	79.2	0.0307	571.02	79.2
Jan-13	1010058329	2,151.92	21600	600	12873	01/16/2013	12837	12/14/2012	92.4	0.0307	663.12	92.4
Feb-13	1010058329	9,314.64	89400	600	13022	02/14/2013	12873	01/16/2013	565.8	0.0307	2,744.58	565.8
Mar-13	1010058329	10,236.78	103800	600	13195	03/15/2013	13022	02/14/2013	561.6	0.0307	3,186.66	561.6
Apr-13	1010058329	2,004.92	21600	600	13231	04/16/2013	13195	03/15/2013	71.4	0.0307	663.12	71.4
May-13	1010058329	8,839.92	93000	600	13386	05/15/2013	13231	04/16/2013	522.6	0.0307	2,855.10	522.6
Jun-13	1010058329	1,755.44	19200	600	13418	06/14/2013	13386	05/15/2013	72.0	0.0307	589.44	72.0
Jul-13	1010058329	9,355.32	99600	600	13584	07/16/2013	13418	06/14/2013	534.0	0.0307	3,057.72	534.0
Aug-13	1010058329	5,950.44	46200	600	13661	08/15/2013	13584	07/16/2013	510.0	0.0307	1,418.34	510.0
Sep-13	1010058329	9,211.86	97200	600	13823	09/16/2013	13661	08/15/2013	534.6	0.0307	2,984.04	534.6
Oct-13	1010058329	8,677.08	91200	600	13975	10/15/2013	13823	09/16/2013	529.2	0.0307	2,799.84	529.2
Nov-13	1010058329	8,322.96	83400	600	14114	11/14/2013	13975	10/15/2013	563.4	0.0307	2,560.38	563.4
Dec-13	1010058329	1,396.70	15000	600	14139	12/16/2013	14114	11/14/2013	63.6	0.0307	460.50	63.6
Jan-14	1010058329	1,282.35	13800	600	14162	01/16/2014	14139	12/16/2013	61.8	0.0307	423.66	61.8
Feb-14	1010058329	1,522.30	15600	600	14188	02/14/2014	14162	01/16/2014	71.4	0.0307	478.92	71.4
Mar-14	1010058329	8,797.50	84600	600	14329	03/17/2014	14188	02/14/2014	604.6	0.0307	2,597.22	604.6
Apr-14	1010058329	1,492.64	13200	600	14351	04/15/2014	14329	03/17/2014	58.2	0.0307	405.24	58.2
May-14	02-0161-00	11,448.18	15600	600	14377	05/21/2014	14351	04/20/2014	564.0	0.0627	7,110.18	564.0
Jun-14	02-0161-00	-7,568.78		600								
Jun-14	02-0161-00	-2,295.68		600								
Jun-14	02-0161-00	9,335.46	87000	600	14522	06/19/2014	14377	05/21/2014	520.0	0.0627	5,454.90	520.0
Jul-14	02-0161-00	10,261.14	98400	600	14686	07/22/2014	14522	06/19/2014	541.0	0.0627	6,169.68	541.0
Aug-14	02-0161-00	2,926.32	15600	600	14712	08/18/2014	14686	07/22/2014	63.0	0.0627	978.12	63.0
Sep-14	02-0161-00	2,926.32	15600	600	14738	09/17/2014	14712	08/18/2014	82.0	0.0627	978.12	82.2
Oct-14	02-0161-00	10,342.56	99600	600	14904	10/21/2014	14738	09/17/2014	541.0	0.0627	6,244.92	541.2
Nov-14	02-0161-00	7,984.20	69000	600	15019	11/19/2014	14904	10/21/2014	507.0	0.0627	4,326.30	507.0

Green indicates gap in Sharyland data that was manually calculated

# Farmersville Electric Bill Information

J.D. Russell Company, 420 Welch Drive, Large Commercial Account, Meter 20073044

Date	Demand Charge	PCR/PKA Rate	PCR/PKA Charge	Customer Charge	Surcharge Rate	Surcharge Charge	Adjustment
Jul-12	3,314.02	0.012	1,000.80	86.00			
Aug-12	3,033.58	0.012	583.20	86.00			
Sep-12	3,262.72	0.019	2,086.20	86.00			
Oct-12	529.20	0.02	444.00	86.00			
Nov-12	3,272.98	0.02	1,908.00	86.00			
Dec-12	554.40	0.025	465.00	86.00			
Jan-13	646.80	0.03	648.00	194.00			
Feb-13	3,355.06	0.03	2,682.00	86.00	0.005	447.00	
Mar-13	3,331.12	0.03	3,114.00	86.00	0.005	519.00	
Apr-13	499.80	0.03	648.00	86.00	0.005	108.00	
May-13	3,108.82	0.025	2,325.00	86.00	0.005	465.00	
Jun-13	504.00	0.025	480.00	86.00	0.005	96.00	
Jul-13	3,173.80	0.0255	2,539.80	86.00	0.005	498.00	
Aug-13	3,037.00	0.0255	1,178.10	86.00	0.005	231.00	
Sep-13	3,177.22	0.0255	2,478.60	86.00	0.005	486.00	
Oct-13	3,146.44	0.024	2,188.80	86.00	0.005	456.00	
Nov-13	3,341.38	0.023	1,918.20	86.00	0.005	417.00	
Dec-13	445.20	0.022	330.00	86.00	0.005	75.00	
Jan-14	432.60	0.02	276.00	81.09	0.005	69.00	
Feb-14	499.80	0.025	390.00	75.58	0.005	78.00	
Mar-14	3,576.22	0.025	2,115.00	86.00	0.005	423.00	
Apr-14	407.40	0.025	330.00	86.00	0.005	66.00	
May-14	3,344.80	0.003	340.20	86.00	0.005	567.00	
Jun-14							-7,568.78
Jun-14							-2,295.68
Jun-14	3,098.56	0.003	261.00	86.00	0.005	435.00	
Jul-14	3,218.26	0.003	295.20	86.00	0.005	492.00	
Aug-14	1,737.40	0.003	46.80	86.00	0.005	78.00	
Sep-14	1,737.40	0.003	46.80	86.00	0.005	78.00	
Oct-14	3,214.84	0.003	298.80	86.00	0.005	498.00	
Nov-14	3,019.90	0.003	207.00	86.00	0.005	345.00	

# Farmersville Electric Bill Information

J.D. Russell Company, 420 Welch Drive, Large Commercial Account, Meter 20073044

## Ratchet Calculations

Date	Customer Charge	Minimum Energy Charge	Energy Rate	Demand Rate 1st 100 kW	Demand Rate Greater Than 100 kW	12 Month 50% Peak Demand	Demand Charge	Energy Charge	PCR/PCA Charge	Surcharge Charge	Total
Jul-12	86.00	786.00	0.0307	7.00	5.70	279.30	3,314.02	2,560.38	1,000.80	0.00	6,961.20
Aug-12	86.00	786.00	0.0307	7.00	5.70	279.30	3,033.58	1,492.02	583.20	0.00	5,194.80
Sep-12	86.00	786.00	0.0307	7.00	5.70	279.30	3,262.72	3,370.86	2,086.20	0.00	8,805.78
Oct-12	86.00	786.00	0.0307	7.00	5.70	279.30	1,722.01	681.54	444.00	0.00	2,933.55
Nov-12	86.00	786.00	0.0307	7.00	5.70	279.30	3,272.98	2,928.78	1,908.00	0.00	8,195.76
Dec-12	86.00	786.00	0.0307	7.00	5.70	279.30	1,722.01	571.02	465.00	0.00	2,844.03
Jan-13	86.00	786.00	0.0307	7.00	5.70	279.30	1,722.01	663.12	648.00	0.00	3,119.13
Feb-13	86.00	786.00	0.0307	7.00	5.70	282.90	3,355.06	2,744.58	2,682.00	447.00	9,314.64
Mar-13	86.00	786.00	0.0307	7.00	5.70	282.90	3,331.12	3,186.66	3,114.00	519.00	10,236.78
Apr-13	86.00	786.00	0.0307	7.00	5.70	282.90	1,742.53	663.12	648.00	108.00	3,247.65
May-13	86.00	786.00	0.0307	7.00	5.70	282.90	3,108.82	2,855.10	2,325.00	465.00	8,839.92
Jun-13	86.00	786.00	0.0307	7.00	5.70	282.90	1,742.53	589.44	480.00	96.00	2,993.97
Jul-13	86.00	786.00	0.0307	7.00	5.70	282.90	3,173.80	3,057.72	2,539.80	498.00	9,355.32
Aug-13	86.00	786.00	0.0307	7.00	5.70	282.90	3,037.00	1,418.34	1,178.10	231.00	5,950.44
Sep-13	86.00	786.00	0.0307	7.00	5.70	282.90	3,177.22	2,984.04	2,478.60	486.00	9,211.86
Oct-13	86.00	786.00	0.0307	7.00	5.70	282.90	3,146.44	2,799.84	2,188.80	456.00	8,677.08
Nov-13	86.00	786.00	0.0307	7.00	5.70	282.90	3,341.38	2,560.38	1,918.20	417.00	8,322.96
Dec-13	86.00	786.00	0.0307	7.00	5.70	282.90	1,742.53	460.50	330.00	75.00	2,694.03
Jan-14	86.00	786.00	0.0307	7.00	5.70	282.90	1,742.53	423.66	276.00	69.00	2,597.19
Feb-14	86.00	786.00	0.0307	7.00	5.70	281.70	1,735.69	478.92	390.00	78.00	2,768.61
Mar-14	86.00	786.00	0.0307	7.00	5.70	302.30	3,576.22	2,597.22	2,115.00	423.00	8,797.44
Apr-14	86.00	786.00	0.0307	7.00	5.70	302.30	1,853.11	405.24	330.00	66.00	2,740.35
May-14	86.00	786.00	0.0627	7.00	5.70	282.00	3,344.80	978.12	46.80	78.00	4,533.72
Jun-14	86.00	786.00	0.0627	7.00	5.70	282.00					-7,568.78
Jun-14	86.00	786.00	0.0627	7.00	5.70	282.00					-2,295.68
Jun-14	86.00	786.00	0.0627	7.00	5.70	282.00	3,094.00	5,454.90	261.00	435.00	9,330.90
Jul-14	86.00	786.00	0.0627	7.00	5.70	282.00	3,213.70	6,169.68	295.20	492.00	10,256.58
Aug-14	86.00	786.00	0.0627	7.00	5.70	282.00	1,737.40	978.12	46.80	78.00	2,926.32
Sep-14	86.00	786.00	0.0627	7.00	5.70	282.00	1,737.40	978.12	46.80	78.00	2,926.32
Oct-14	86.00	786.00	0.0627	7.00	5.70	282.00	3,214.84	6,244.92	298.80	498.00	10,342.56
Nov-14	86.00	786.00	0.0627	7.00	5.70	282.00	3,019.90	4,326.30	207.00	345.00	7,984.20

Farmersville Electric Bill Information

J.D. Russell Company, 420 Welch Drive, Large Commercial Account, Meter 20073044

Date	No Rachet Calculations	
	Demand Charge No Rachet	Total (No Rachet)
Jul-12	3314.02	6,961.20
Aug-12	3033.58	5,194.80
Sep-12	3262.72	8,805.78
Oct-12	529.2	1,740.74
Nov-12	3272.98	8,195.76
Dec-12	554.4	1,676.42
Jan-13	646.8	2,043.92
Feb-13	3355.06	9,314.64
Mar-13	3331.12	10,236.78
Apr-13	499.8	2,004.92
May-13	3108.82	8,839.92
Jun-13	504	1,755.44
Jul-13	3173.8	9,355.32
Aug-13	3037	5,950.44
Sep-13	3177.22	9,211.86
Oct-13	3146.44	8,677.08
Nov-13	3341.38	8,322.96
Dec-13	445.2	1,396.70
Jan-14	432.6	1,287.26
Feb-14	499.8	1,532.72
Mar-14	3576.22	8,797.44
Apr-14	407.4	1,294.64
May-14	3344.8	4,533.72
Jun-14		
Jun-14		
Jun-14	3094	9,330.90
Jul-14	3213.7	10,256.58
Aug-14	441	1,629.92
Sep-14	575.4	1,764.32
Oct-14	3214.84	10,342.56
Nov-14	3019.9	7,984.20

# Farmersville Electric Bill Information

J.D. Russell Company, 420 Welch Drive, Large Commercial Account, Meter 20073044

Date	Differences	
	Difference	Yearly Difference
Jul-12	0.00	
Aug-12	0.00	
Sep-12	0.00	
Oct-12	1,192.81	
Nov-12	0.00	
Dec-12	1,167.61	
Jan-13	1,075.21	
Feb-13	0.00	
Mar-13	0.00	
Apr-13	1,242.73	
May-13	0.00	
Jun-13	1,238.53	5,916.89
Jul-13	0.00	
Aug-13	0.00	
Sep-13	0.00	
Oct-13	0.00	
Nov-13	0.00	
Dec-13	1,297.33	
Jan-14	1,309.93	
Feb-14	1,235.89	
Mar-14	0.00	
Apr-14	1,445.71	
May-14	0.00	
Jun-14		
Jun-14		
Jun-14	0.00	5,288.86
Jul-14	0.00	
Aug-14	1,296.40	
Sep-14	1,162.00	
Oct-14	0.00	
Nov-14	0.00	

## **CITY OF FARMERSVILLE**

### **AGREEMENT FOR BILLING DEMAND RATE**

This Agreement is entered into by and between the City of Farmersville, Texas ("City"), and J.D. Russell Company ("Consumer") acting by and through their respective duly authorized representatives for electric demand rates. City and Consumer may be referred to hereinafter individually and/or collectively as "Party" and/or "Parties," depending upon the context.

WITNESSETH:

**WHEREAS**, Consumer was one of the first manufacturing concerns to develop in the City, and has a long history with the City; and

**WHEREAS**, Consumer is a large commercial user of the City's electric utility; and

**WHEREAS**, from time to time City and Consumer agreed to modify the amounts charged to Consumer for electrical power and energy; and

**WHEREAS**, the third-party operator that operated the City's electric utility failed to bill and collect the applicable peak demand charge from Consumer in accordance with the City's ordinances upon the expiration of all such agreements; and

**WHEREAS**, the City began billing and collecting the applicable peak demand charge from Consumer in accordance with City's ordinances when the City took the operation of the electric utility back in house; and

**WHEREAS**, City and Consumer desire to establish a phasing-in period for the peak demand charge applicable to Consumer's use of electric power and energy from City;

**NOW, THEREFORE**, for and in consideration of the promises, covenants and agreements contained herein, the Parties hereto mutually agree as follows:

#### **Section 1. Recitals**

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the Parties.

#### **Section 2. City to Deliver and Consumer to Purchase**

The City agrees to sell and deliver to the Consumer for use at Consumer's Plant situated at 420 Welch Drive, Farmersville, Texas, and the Consumer agrees to purchase and receive from the City electric power and energy at the rates given in the current City ordinances except as modified herein-below.

#### **Section 3. Billing Demand**

The billing demand, as defined in and set out in the City's Code of Ordinances, shall be temporarily discounted and phased in and the Consumer charged for demand usage according to the following schedule. At the conclusion of the 4<sup>th</sup> Quarter of Calendar

Year 2015, and thereafter, the Consumer's demand usage shall be calculated and charged in accordance with the City's rate schedule then in effect.

**Peak Demand Schedule**

<b>Time Period When Applied</b>	<b>Peak Demand Percentage</b>
Prior to 1 <sup>st</sup> Quarter of Calendar Year 2015	0%
1 <sup>st</sup> Quarter of Calendar Year 2015	10%
2 <sup>nd</sup> Quarter of Calendar Year 2015	20%
3 <sup>rd</sup> Quarter of Calendar Year 2015	30%
4 <sup>th</sup> Quarter of Calendar Year 2015	40%

**Section 4. Terms**

This Agreement shall become effective on the date signed and shall terminate at the end of the First Quarter of Calendar Year 2016. This agreement supersedes and replaces all prior and/or concurrent discussions and agreements, if any, regarding the provision of electrical power and energy to Consumer by City. This agreement is not transferable and may only be assigned at the City's discretion. This Agreement constitutes the sole and only agreement of the parties. This agreement will no longer be enforced and all service rates will revert to the rate ordinance starting at the beginning of the Second Quarter of Calendar Year 2016.

IN WITNESS WHEREOF, the parties hereto have executed the agreement, or have caused the same to be executed by their duly authorized representatives on this the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

**City of Farmersville, Texas**

\_\_\_\_\_  
Joseph E. Helmberger, P.E., Mayor

Attest:

By: \_\_\_\_\_  
Edie Sims, City Secretary

**J.D. Russell Company**

\_\_\_\_\_  
Nicholas H. Danna, President

STATE OF TEXAS       §  
                                  §  
COUNTY OF COLLIN   §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by **Joseph E. Helmberger, P.E., and Mayor** of the City of Farmersville, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he has executed the same on the City's behalf.

(Notary Seal)

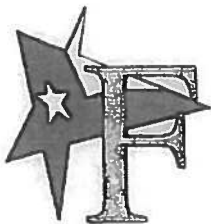
\_\_\_\_\_  
Notary Public, State of Texas  
My Commission Expires:\_\_\_\_\_

STATE OF \_\_\_\_\_ §  
                                  §  
COUNTY OF \_\_\_\_\_ §

The foregoing instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by **Nicholas H. Danna**, personally known to me or who has produced a driver's license as identification whose name is subscribed to the foregoing instrument, and acknowledged to me that he is the President of J.D. Russell Company, and that he executed the same on behalf of and as the act of J.D. Russell Company.

(Notary Seal)

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My Commission Expires:\_\_\_\_\_



972-782-6151

## City of Farmersville

205 South Main Street  
Farmersville, Texas 75442

### 90 Day Trial Agreement

The City of Farmersville will change the set Multiplier from 600, to fit the production schedule for J D Russell Company located at 420 Welch Dr. The multiplier will be reviewed monthly by Cap Rock Energy before billing is calculated. The guideline in which Cap Rock Energy will use is as follows:

- Over 500 kw the Multiplier will be 600
- Under 500 kw the Multiplier will be 192

After 90 days this will be reviewed for a more permanent agreement.  
The 90 days start with the January 2006 meter reading.

City of Farmersville  
Alan Hein

J D Russell Company  
David Eaves



972-782-6151

## City of Farmersville

205 South Main Street  
Farmersville, Texas 75442

### Agreement

The City of Farmersville will change the set Multiplier from 600, to fit the production schedule for J D Russell Company located at 420 Welch Dr. The multiplier will be reviewed monthly by Cap Rock Energy before billing is calculated. The guideline in which Cap Rock Energy will use is as follows:

- Over 500 kw the Multiplier will be 600
- Under 500 kw the Multiplier will be 192

After 6 months this will be reviewed for a more permanent agreement  
The 6 months starts with the April meter reading

City of Farmersville  
Alan Hein

J D Russell Company  
David Eaves

Date 5-15-06



972-782-6151

## City of Farmersville

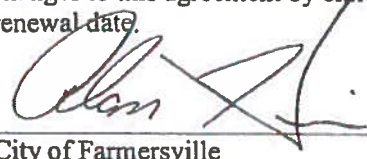
205 South Main Street  
Farmersville, Texas 75442

### Agreement

The City of Farmersville will change the set Multiplier from 600, to fit the production schedule for J D Russell Company located at 420 Welch Dr. The multiplier will be reviewed monthly by Cap Rock Energy before billing is calculated. The guideline in which Cap Rock Energy will use is as follows:

- Over 500 kw the Multiplier will be 600
- Under 500 kw the Multiplier will be 192

This agreement will automatically renew every 6 months from the date signed. Any changes to this agreement by either party should be made in writing 30 days prior to the renewal date.

  
City of Farmersville  
Alan Hein

  
J D Russell Company  
David Eaves

Date 11-10-06



## Farmersville

December 16, 2008

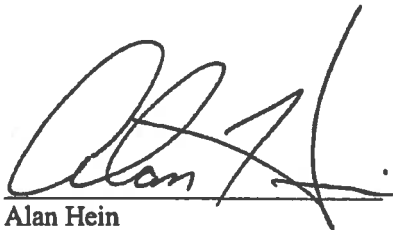
The JD Russell Company

RE: Electric Demand Charge for testing at the facility at 420 Welch Drive.

In order for the City of Farmersville to authorize Cap Rock to adjust the demand on future billings the process for each testing period will be:

- J D Russell Company will submit to the City of Farmersville in writing, the dates of the TESTING. Enough time should be allowed for Cap Rock Energy to retrieve a reading and reset the demand.
- A copy will then be forwarded to Cap Rock Energy for the demand charge adjustment.

The agreement will expire on September 1, 2009.



Alan Hein  
City Manager



David Eaves  
Plant Manager

pj

— DISCOVER A TEXAS TREASURE —

205 South Main Street Farmersville, Texas 75442 p. 972.782.6151 f. 972.782.6604 [www.farmersvilletx.com](http://www.farmersvilletx.com)

## City Hall Update January 2007

### Down Town Signage

TXDOT has informed me that the Shop Down Town signs which were installed in their ROW must be removed. According to law there can be no directional advertisement signage (Shop Down Town) in the state right of way. So the signs in these areas will be removed.

### City Hall News Letter

The City Hall Newsletter was published in the paper that distributed the week of January 15<sup>th</sup>. Our plan is to have an article in the paper once a month. Please let me or Linda know your thoughts.

### NTMWD Water Conservation Carts

Attached for your review are the water charts for the month of December, for The City of Farmersville and various other cities. I attended a meeting at NTMWD for an update on the status of the stage 3 drought plan. NTMWD is planning to stay in stage three until such time that Lake Lavon fills to the conservation level. They also updated us on the current projects under construction that are scheduled to be on line in 2008. One of these projects is the 54" raw water line that is currently crossing HWY 78 between Farmersville and Wylie. This project will take water from Lake Tawakoni and outfall into Lake Lavon just west of HWY 78. The other project is the Wilson creek project. This is another 54" line that will carry Wilson Creek wastewater discharge to the north end of Lake Lavon, thereby mixing the wastewater effluent with the water in the lake. It was the conclusion of the group that even after the drought restrictions are lifted a permanent water conservation plan needs to be implemented for the district. Most of the cities indicated that this spring they will be reviewing their drought plans. I concur with that, I feel we need to revamp our current plan and come up with a new strategy. Over the last year I have learned by trial and error that some of the restrictions that we put into place have hurt us more than they have helped.

So this will be an agenda item for a council meeting this spring.

### **JD Russell Electric Demand Charge:**

JD Russell Company was one of the first developers to develop in Farmersville in the early 90's. Welch Drive was an abandon development that was started in the middle to late 80's. The JD Russell Company purchased this property for

development and with a lot of incentive and help from the city built the original JD Russell facility. The plan at that time was to build an Industrial Park, keeping the property needed for their company to expand and sell the remainder. Several years later the JD Russell Company joint ventured with the City through a grant to expand their company. At that time they requested a huge amount of electricity to power their experimental product production line. (A rubber extruder production line) The City and Cap Rock Electric questioned the huge amount of electricity requested but to no avail. So with funded through a grant we installed an extremely oversized electric service to the new facility. The new facility struggled for several years; one of the major factors was the demand factor that was established for the size of the service requested at the conception of the project.

If you remember last year JD Russell requested the demand factor be adjusted; at that time they were running the rubber extruder only once a month, because of the high demand set when it started. An agreement between the City and JD Russell was put in to place where the high demand charge was accessed only when the rubber extruder was running. This arrangement has worked well over the last year; it has been equitable for both parties.

The JD Russell Company has approached me yet again requesting further consideration with the demand factor. They are in the process of experimenting with new material to produce a new product to be extruded through the old rubber extruder. They are requesting through the experimental phase of this process, the high demand charge be adjusted. They are telling me that if they have to pay the high demand charge they will have to move their operation to another location. After all the City has been through over the years, the last thing we would want is to lose our original investment in that facility. If all goes well with their experimental process, the end result hopefully will be a large economic boost at the facility. Something we have not experienced yet. Product produced and an increase in the labor force, and justification for the huge electric reserve service put into place to at the original facility.

I propose we work with the JD Russell Company through the experimental process. Establish a graduated electric scale that is equitable to both parties; incorporated over a reasonable time period, to justify the original electric service installed with the demand factor. If all works well this will be a Win-Win for both parties. Attached is the letter from Mr. Danna representing

the JD Russell Company. I have been working with Mr. Biggerstaff with Cap Rock. He thinks the graduated strategy is a good idea, and is willing to help me develop a plan. Cap Rock has people on staff familiar with this kind of concept. If you have any questions or concerns please contact me.

#### **TXDOT HWY 380**

Through a conversation regarding another situation, it was brought to my attention TXDOT had scheduled a meeting for January 30<sup>th</sup>. The meeting is regarding the utility relocation on HWY 380. At the meeting there will be current plan revisions and an electronic version of the plans distributed. (We have been waiting for the electronic plans for several weeks). Looks like this project is starting to move.

#### **Cap Rock Electric - Farmersville Electric Distribution Study**

I met with Mr. Biggerstaff, he briefed me on the completed electric distribution study the city requested a year or so ago. If you remember this was partially funded with the 2005 CO money. My preliminary review indicates that Cap Rock has done a very good job. I will brief Council after I have had time to review it more thoroughly. It will be placed on one of our spring workshop agendas.

#### **HCG Telecommunications Consulting and Services**

A representative for this organization met with staff promoting their services. They work on the same order as Revenue Rescue. The company audits a City's communication systems for overcharges. Any overcharges found will be corrected and a portion of the savings will be returned to the City. Like Revenue Rescue if no deficiencies or overcharges are found there is no charge or obligation to the City. The City Attorney is currently reviewing their contract. This will be an agenda item on a future council meeting.

#### **House & Structure Demolition**

We have signed yet another agreement to partner with the property owner to demolish and haul off an unsafe structure located on HWY 380 just east of the Shell Service Station. This project is under construction.

An agreement was signed with the resident that lives in the 300 block of East Santa Fe for the removal of a collapsed storage building. This project is complete. We are currently working on three more unsafe structure opportunities at various locations

#### **Public Works Projects**

## **CITY OF FARMERSVILLE**

### **AGREEMENT FOR PURCHASE OF POWER**

Agreement made between the City of Farmersville, Texas (hereinafter called the "Seller"), and The J.D. Russell Company, a Michigan Corporation (hereinafter called the "Consumer").

#### **WITNESSETH:**

The Seller agrees to sell and deliver to the Consumer for use at Consumer's Reflex Plant situated at 420 Welch Drive, Farmersville, Texas, and the Consumer agrees to purchase and receive from the Seller all of the electric power and energy which the Consumer may need at XX up to 1500 KVA (Kilovoltage Amps), upon the following terms:

#### **1. SERVICE CHARACTERISTICS**

Service hereunder shall be alternating current 3 phase, 60 Hertz 480 volts.

#### **2. PAYMENT**

- a) The Consumer shall pay the Seller for services hereunder at the rates and upon the terms and conditions set forth in this agreement and Schedules A and B attached to and made part of this agreement. Consumer understands and agrees that said rates are subject to change from time to time by Seller or any regulatory authority or any court that now has or hereafter may have jurisdiction of or control over such schedule of rates, terms and conditions as may now exist or may in the future be established by any of said parties for application to the class of service provided under this agreement. In the event of any conflict between the terms of this agreement and Schedules A and B, this agreement shall control
- b) Seller agrees that any future change in said rates will not become effective under this agreement until it has become effective under all similar agreements with the class of service provided hereunder. Notwithstanding any provision of the Schedule and irrespective of Consumer's requirements for or use of electric power and energy, the Consumer shall pay to the Seller a minimum charge each and every month during the term hereof for service or having service available hereunder during the term hereof. The monthly minimum charge shall remain in effect for a period of time equal to the term of this contract, and may, at the election of the Seller, be reduced to the system minimum charge per rate class at the expiration of said term.
- c) The Seller does hereby award to Consumer an economic development incentive through the reduction of the demand charge fee for electric service as provided

herein. The Monthly Charge to be paid by Consumer each and every month during the period of this agreement in which the peak monthly kilowatt demand is one hundred (100) kilowatt hours or fewer shall be determined by the following calculation plus any and all applicable taxes and other governmental fees and charges:

Customer Chg. + (Usage x [Energy + PCRF]);

- d) The Monthly Charge to be paid each and every month during the period of this agreement in which the peak monthly kilowatt demand is greater than one hundred (100) kilowatt hours shall be determined by the following calculation plus any and all applicable taxes and other governmental fees and charges:

Customer Chg. + (Usage x [Energy + PCRF]) + ([Billed Kw - 100 Kw] x \$3.62);

- e) The Seller may discontinue service hereunder at any time and without penalty by giving ten (10) days written notice thereof to the Consumer. If service shall be discontinued for nonpayment, service will be reconnected only upon Consumer's complying fully with Seller's rules and regulations, which may be modified or amended from time to time, pertaining thereto.

### 3. TERMS

This agreement shall become effective on any billing after March 1, 2007 and shall remain in effect for a period of thirty (30) months commencing with such date, and from and after the expiration of such period the Consumer will revert to the appropriate rate schedule for the class of service.

### 4. SUCCESSION

This agreement is not transferable and may only be assigned at the Seller's discretion.

IN WITNESS WHEREOF, the parties hereto have executed the agreement, or have caused the same to be executed by their duly authorized representatives all as of the day and year first above written.

City of Farmersville, Texas

Seller

By

Alan Hein

City Manager

Attest:

By: Linda Aaron  
Linda Aaron  
City Secretary

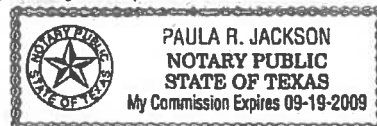
J.D. Russell Company  
Consumer

By: Nicholas H. Danna  
Nicholas H. Danna  
President

STATE OF TEXAS §  
§  
COUNTY OF COLLIN §

This instrument was acknowledged before me on the 25<sup>th</sup> day of April, 2007 by Alan Hein, City Manager of the City of Farmersville, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he has executed the same on the City's behalf.

(Notary Seal)

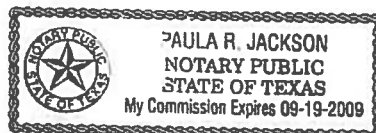


Paula R. Jackson  
Notary Public, State of Texas  
My Commission Expires: 9-19-2009

STATE OF §  
§  
COUNTY OF §

The foregoing instrument was acknowledged before me on the 25<sup>th</sup> day of April, 2007 by Nicholas H. Danna, personally known to me or who has produced a driver's license as identification whose name is subscribed to the foregoing instrument, and acknowledged to me that he is the President of The J.D. Russell Company, and that he executed the same on behalf of and as the act of The J.D. Russell Company.

(Notary Seal)



Paula R. Jackson  
Notary Public, State of Texas  
My Commission Expires: 9-19-2009

Current: 600 Mult - Large Commercial Demand Rate										
Reflex Plant Usage - 1 Year History					Proposed Rate After 30 Month Economic Development Rate					
Date	Usage	Kw Read	Billed Kw	Cust. Chg.	Energy	PCRF	Demand 1st 100	Demand >100	Total Charge	Actual Demand Charge
12/20/2006	14400	0.12	72	\$ 86.00	\$ 0.0307	\$ 0.0300	\$ 7.00	\$ 5.70	\$ 1,484.08	
11/20/2006	15600	0.141	84.6	\$ 86.00	\$ 0.0307	\$ 0.0300	\$ 7.00	\$ 5.70	\$ 1,625.12	
10/20/2006	15000	0.128	76.8	\$ 86.00	\$ 0.0307	\$ 0.0450	\$ 7.00	\$ 5.70	\$ 1,759.10	
09/19/2006	98400	0.986	591.6	\$ 86.00	\$ 0.0307	\$ 0.0500	\$ 7.00	\$ 5.70	\$ 11,529.00	\$ 4,072.12
08/21/2006	117600	0.973	583.8	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ 7.00	\$ 5.70	\$ 14,797.98	\$ 4,027.66
07/17/2006	11400	0.278	166.8	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ 7.00	\$ 5.70	\$ 2,257.74	\$ 1,650.76
06/19/2006	10800	0.104	62.4	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ 7.00	\$ 5.70	\$ 1,556.36	
05/19/2006	102000	0.935	561	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ 7.00	\$ 5.70	\$ 13,175.10	\$ 3,897.70
04/19/2006	14400	0.141	84.6	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ 7.00	\$ 5.70	\$ 2,056.28	
03/20/2006	107400	1.039	834	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ 7.00	\$ 5.70	\$ 15,247.98	\$ 5,453.80
02/19/2006	17400	0.313	187.8	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ 7.00	\$ 5.70	\$ 2,951.64	\$ 1,770.46
01/19/2006	13800	0.132	79.2	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ 7.00	\$ 5.70	\$ 1,961.06	
							Total		\$ 70,381.44	\$ 20,872.50
Proposed: 600 Mult on 1/2 Medium Commercial Demand Rate										
Reflex Plant Usage - 1 Year History					Proposed 30 Month Economic Development Rate					
Date	Usage	Kw Read	Billed Kw	Cust. Chg.	Energy	PCRF	Demand 1st 100	Demand >100	Total Charge	Actual Demand Charge
12/20/2006	14400	0.12	72	\$ 86.00	\$ 0.0307	\$ 0.0300	\$ -	\$ 3.62	\$ 960.08	
11/20/2006	15600	0.141	84.6	\$ 86.00	\$ 0.0307	\$ 0.0300	\$ -	\$ 3.62	\$ 1,032.92	
10/20/2006	15000	0.128	76.8	\$ 86.00	\$ 0.0307	\$ 0.0450	\$ -	\$ 3.62	\$ 1,221.50	
09/19/2006	98400	0.986	591.6	\$ 86.00	\$ 0.0307	\$ 0.0600	\$ -	\$ 3.62	\$ 9,806.47	\$ 1,779.59
08/21/2006	117600	0.973	583.8	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ -	\$ 3.62	\$ 13,091.68	\$ 1,751.36
07/17/2006	11400	0.278	166.8	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ -	\$ 3.62	\$ 1,418.80	\$ 241.82
06/19/2006	10800	0.104	62.4	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ -	\$ 3.62	\$ 1,119.56	
05/19/2006	102000	0.935	561	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ -	\$ 3.62	\$ 11,516.22	\$ 1,688.82
04/19/2006	14400	0.141	84.6	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ -	\$ 3.62	\$ 1,464.08	
03/20/2006	107400	1.039	834	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ -	\$ 3.62	\$ 13,021.26	\$ 2,657.08
02/19/2006	17400	0.313	187.8	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ -	\$ 3.62	\$ 2,069.02	\$ 679.84
01/19/2006	13800	0.132	79.2	\$ 86.00	\$ 0.0307	\$ 0.0650	\$ -	\$ 3.62	\$ 1,406.66	
							Total		\$ 58,128.24	\$ 8,778.51



## Farmersville

March 14, 2011

**COPY**

Mr. Dwight Yarbrough  
Vice President/General Manager  
Sharyland Utilities  
511 West Ohio, Suite 600  
Midland, Texas 79701

Dear Mr. Yarbrough:

In accordance with the Operations and Maintenance contract currently in place between the City of Farmersville and Sharyland (Cap Rock) Utilities, any rate changes **must** be ratified by both the City and the Sharyland (Cap Rock) Board of Directors.

I have enclosed a true and accurate copy of an Ordinance passed in August 28, 2001 by the Farmersville City Council that establishes a rate for Large Commercial Electric Customers. This Ordinance also provides for a Primary Service Rate class in the Large Commercial Electric tier. It is unclear to me whether or not Sharyland's (Cap Rock) management has ever approved this rate structure as stipulated by the Operations and Maintenance contract.

In any event, in order to ensure that the proper contractual procedures are followed, I hereby tender a true and correct copy of the Ordinance for your review and possible approval.

Kindly note that we have a current Large Commercial Electric Customer that desires to transition from a Secondary rate to a Primary rate, so I would ask that this request be reviewed and acted upon at your earliest possible opportunity.

Please feel free to contact me if you have any questions, or if I can be of any assistance.

Respectfully Submitted,

John M. Moran, MS, MBA, CPM

City Manager

— DISCOVER A TEXAS TREASURE —

205 South Main Street Farmersville, Texas 75442 p. 972.782.6151 f. 972.782.6604 [www.farmersvilletx.com](http://www.farmersvilletx.com)

**CITY OF FARMERSVILLE  
ORDINANCE NUMBER: 2001-36**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE, TEXAS, AMENDING ORDINANCE #95-26, SECTION 7: ELECTRIC SERVICES: SUBSECTION D: OF THE CODE OF ORDINANCES OF THE CITY OF FARMERSVILLE, TEXAS, BY ADOPTING A NEW SCHEDULE OF RATES.**


**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FARMERSVILLE, TEXAS:**

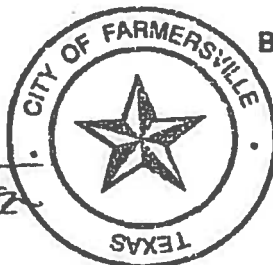
**SECTION 1.** That Ordinance #95-26, Section 7: Electric Service: Subsection D: is hereby amended by establishing the rate schedule attached to such Ordinance, attached to and made part of this amending Ordinance, and there shall be charged and collected from every customer of the City of Farmersville Electric Department, for electric current distributed by the City of Farmersville to such customer, the rates set forth in the applicable Schedule of Rates attached to and made a part of this Ordinance for all purposes as if set forth at this point word for word.

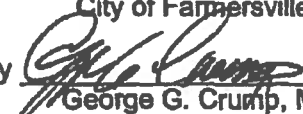
**SECTION 2.** This Ordinance and the rates and charges herein prescribed shall be in effect from and after the October 2001 billing period with bills mailed on or about September 1, 2001. As of the effective date of this Ordinance, any and all ordinances, resolutions or orders in conflict herewith are hereby repealed to the extent of the conflict.

Passed and adopted by the City Council of the City of Farmersville, on this 28<sup>th</sup> day of August, 2001.

Attest:

  
Shirley Horton, City Secretary



Approved  
City of Farmersville  
By   
George G. Crump, Mayor

**CITY OF FARMERSVILLE**  
**Electric Rate**

**LARGE COMMERCIAL RATE (SCHEDULE LC)**

**Applicable:** To all commercial and industrial customers where service is taken through one meter at one point of delivery and where the peak monthly kilowatt demand is greater than 100 kW and less than or equal to 1,000 kW. Service will be furnished under this rate schedule subject to the established rules and regulations of the City covering this type of service. Before service is furnished, however, an individual service agreement contract between the customer and the City may be required outlining all details of the service to be supplied, the terms of the contract, and the obligations of each party.

**Character of Service:** A.C., 60 cycles per second, single-phase, 120/240 volts, three-phase, 120/240, 120/208, 240/480, 277/480, 2400/4160, 7200/12,470 volts, as available at point of service. Three-phase customers served via underground primary to pad-mounted transformers are offered only 120/208 or 277/480 volt service.

<b><u>Rate:</u></b>	<b>Customer Charge:</b> \$86.00
	<b>Demand Charge:</b> \$7.00 per kW for the first 100 kW or less of monthly billing demand. \$ 5.70 per kW for all additional kW of monthly billing demand, plus
	<b>Energy Charge:</b> \$0.0307 cents per kWh for all kWh

**Minimum Monthly Charge:** The minimum monthly charge under this rate schedule shall be the highest one of the following charges:

- (1) \$786.00 per month plus applicable purchased power cost recovery on the kilowatt-hours used.
- (2) The Customer Charge plus the demand charge under the above rate plus applicable purchased power cost recovery on the kilowatt-hours used.
- (3) The minimum monthly charge specified in the customer's service contract with the City, plus applicable purchased power cost recovery on the kilowatt-hours used.

**Billing Demand:** The billing demand shall be the maximum 15 minute measured kilowatt demand in the billing period, but not less than 50% of the peak demand measured in the twelve month period ending with the current month. Unless otherwise specified in a firm electric service contract agreement, if at any time a customer billed under this schedule continues for a period of twelve (12) consecutive months without a demand in excess of 100 kW, Schedule MC shall apply beginning with the first month succeeding such twelve (12) month period.

**Power Factor:** Should the power factor be lower than 0.90 lagging, the City may adjust the

measured demand by multiplying by the ratio of 0.90 to the actual power factor.

**Primary Service:** Where service is taken by the customer at the City's available primary voltage and where the customer owns, operates, and maintains all service facilities, except metering equipment, required to take service at such voltage, a credit of 2% of the base rate charges will be allowed. Metering may be primary or secondary (corrected for the transformer losses) at the City's option.

**Power Cost Adjustment:** The monthly charges under this rate schedule shall be increased or decreased, as necessary to reflect the application of a power cost adjustment calculated in accordance with Schedule PCA.

**Tax Adjustment:** The above rate shall be subject to an increase or decrease in proportion to the amount of new taxes or increased taxes which the City may hereafter have to pay which are levied or imposed or increased or decreased by law or ordinances which were not in effect on the effective date of this schedule.



**Sharyland Utilities, L.P.**  
**Midland Office**  
511 W. Ohio, Suite 600  
Midland, Texas 79701  
Toll Free: 800-442-8688  
Phone: 432-683-5422  
Fax: 432-684-0334

March 14, 2011

Mr. Nicholas H. Danna  
JD Russell Company  
PO Box 36795  
Tucson, Az. 85704

RE: Sharyland Utilities, L.P. Special Meter Reading

Dear Mr. Danna,

In our phone conversation on March 11, 2011 you asked whether or not we had sent a formal document concerning a special meter reading for the JD Russell account located on 420 Welch Drive in Farmersville.

On December 16, 2008 you were sent an agreement between Farmersville and The JD Russell account on 420 Welch Drive regarding the "Electric Demand Charge for testing at the 420 Welch Drive." This was a special read agreement between Farmersville and the JD Russell account on 420 Welch Drive that was to expire on September 01, 2009, and due to a change in City Managers you were given an extension until the November 2009 billing (Per letter from Farmersville's current City Manager dated November 03, 2009). (The original agreement was never approved by Cap Rock/Sharyland as stipulated by the contract)

The two letters above should have been considered a stop to the special reads in question.

According to our records, we responded to your company's request to perform a special read date by a phone call from Paula at City Hall after these two letters were sent. One of these was July 13, 2010 requesting to be read on July 15, 2010, and the other was on August 12, 2010 requesting to be read the same day. We did do these per the city's request, but in retrospect these readings should not have taken place since the special read agreement had since expired.

We regret that we allowed this to happen after the expiration of the original agreement, but as we discussed on the phone on March 11, 2011 and in conformance with the Operations and Management contract with the City of Farmersville, we will no longer be able to honor special reads for the JD Russell account.

Sincerely,

Richard E. Biggerstaff  
Sharyland Utilities, L.P.

Cc: John Moran, City Manager  
Joe Helmberger, Mayor  
Dwight Yarbrough, Sharyland



## Farmersville

March 14, 2011

**COPY**

Mr. Dwight Yarbrough  
Vice President/General Manager  
Sharyland Utilities  
511 West Ohio, Suite 600  
Midland, Texas 79701

Dear Mr. Yarbrough:

In accordance with the Operations and Maintenance contract currently in place between the City of Farmersville and Sharyland (Cap Rock) Utilities, any rate changes must be ratified by both the City and the Sharyland (Cap Rock) Board of Directors.

I have enclosed a true and accurate copy of an Ordinance passed in August 28, 2001 by the Farmersville City Council that establishes a rate for Large Commercial Electric Customers. This Ordinance also provides for a Primary Service Rate class in the Large Commercial Electric tier. It is unclear to me whether or not Sharyland's (Cap Rock) management has ever approved this rate structure as stipulated by the Operations and Maintenance contract.

In any event, in order to ensure that the proper contractual procedures are followed, I hereby tender a true and correct copy of the Ordinance for your review and possible approval.

Kindly note that we have a current Large Commercial Electric Customer that desires to transition from a Secondary rate to a Primary rate, so I would ask that this request be reviewed and acted upon at your earliest possible opportunity.

Please feel free to contact me if you have any questions, or if I can be of any assistance.

Respectfully Submitted,

John M. Moran, MS, MBA, CPM

City Manager

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J D RUSSELL

420 WELCH DR

AUGUST 2010 BILL

ACTUAL RATE LOWER 2 %  
137,400 kwh 603.0 kw

(In Production)

CUSTOMER CHARGE:

PCRF CHARGE: 0.035

ENERGY CHARGE: 0.0307 / 0.0301

DEMAND CHARGE: upto 100 is 7.00 over is 5.70

upto 100 is 6.86 over is 5.59

\$86.00

\$4,809.00

\$4,218.18

\$3,567.10

\$3,497.77

\$12,680.28

\$153.49

OCTOBER 2010 BILL

ACTUAL RATE LOWER 2 %  
10,200 KWH 73.80

(Non Production)

CUSTOMER CHARGE:

PCRF CHARGE: 0.03

ENERGY CHARGE: 0.0307 / 0.0301

DEMAND CHARGE: upto 100 is 7.00 over is 5.70

upto 100 is 6.86 over is 5.59

\$88.00

\$306.00

\$313.14

\$516.80

\$505.27

\$1,221.74

\$18.17

Here is a comparison of the actual large commercial rate with the 2% reduction in the energy charge, demand and customer charge for when they were in production and when they were not



Sharyland Utilities, L.P.  
Midland Office  
511 W. Ohio, Suite 600  
Midland, Texas 79701  
Toll Free: 800-442-8688  
Phone: 432-683-5422  
Fax: 432-684-0334

March 25, 2011

Mr. John M. Moran  
City Manager  
City of Farmersville  
205 South Main Street  
Farmersville, Texas 75442

Dear Mr. Moran

This letter is to inform you that I am in receipt of your letter dated March 14, 2011 asking that on behalf of Sharyland Utilities, L.P. the attached City of Farmersville Electric Rate (Large Commercial Rate (Schedule LC)) be approved for billing under the current Operating and Management Agreement dated January 4, 1999. I am also in receipt of the City of Farmersville Ordinance Number 2001-36 which amends ordinance #95-26, Section 7: Electric Service: Subsection D.

As per Article II, Section 2.09 of the Operating and Management Agreement dated January 4, 1999 Sharyland Utilities hereby consents as of March 25, 2011, from this date forward, to the change in rates as received in the letter dated March 14, 2011 containing the above referenced city ordinance referencing the Large Commercial Rate (Schedule LC).

Sincerely,

Dwight Yarbrough  
Vice President / General Manager

**CITY OF FARMERSVILLE  
ORDINANCE # O-2014-0408-001**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE, TEXAS, AMENDING THE CODE OF ORDINANCES, CITY OF FARMERSVILLE, TEXAS, AS HERETOFORE AMENDED THROUGH THE AMENDMENT OF CHAPTER 74, "UTILITIES," BY AMENDING THE TITLE OF ARTICLE II FROM "WATER AND SEWER CHARGES" TO "WATER, SEWER AND ELECTRIC CHARGES," BY DELETING SECTIONS 74-79, ENTITLED "ELECTRIC SERVICE," 74-80, ENTITLED "POWER COST ADJUSTMENT (PCA) FOR ELECTRIC SERVICE," AND 74-81, ENTITLED "LINE EXTENSION POLICY," IN THEIR ENTIRETY AND REPLACING SAID SECTIONS WITH NEW SECTIONS 74-79, ENTITLED "ELECTRIC SERVICE," 74-80, ENTITLED "POWER COST ADJUSTMENT (PCA) FOR ELECTRIC SERVICE," 74-81, ENTITLED "LINE EXTENSION POLICY," AND BY ADOPTING NEW SECTIONS 74-94, ENTITLED "ELECTRIC - DISTRIBUTED GENERATION," AND 74-95, ENTITLED "AVERAGE PAYMENT PLAN"; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING A PENALTY; PROVIDING FOR INJUNCTIVE RELIEF; PROVIDING FOR PUBLICATION; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Farmersville ("City") has determined it is in the best interest of the citizens of the City for the City to take over the maintenance and operations of the City's electric utility; and

**WHEREAS**, the City desires to update and modify certain parts of the Utilities Chapter of the Code of Ordinances, City of Farmersville, Texas, ("Farmersville Code") as such ordinances apply to the provision of electrical services.

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

**SECTION 1: INCORPORATION OF FINDINGS**

The findings set forth above are found to be true and correct and are hereby incorporated into the body of this Ordinance and made a part hereof for all purposes as if fully set forth herein.

**SECTION 2: AMENDMENT OF CHAPTER 74, "UTILITIES," BY AMENDING THE TITLE OF ARTICLE II FROM "WATER AND SEWER CHARGES" TO "WATER, SEWER AND ELECTRIC CHARGES."**

From and after the effective date of this Ordinance, the title of Article II, "Water and Sewer Charges," of Chapter 74, entitled "Utilities," is hereby amended to read "Article II. Water, Sewer and Electrical Charges."

**SECTION 3: AMENDMENT OF CHAPTER 74, "UTILITIES," BY DELETING SECTIONS 74-79, ENTITLED "ELECTRIC SERVICE," 74-80, ENTITLED "POWER COST ADJUSTMENT (PCA) FOR ELECTRIC SERVICE," AND 74-81, ENTITLED "LINE EXTENSION POLICY," IN THEIR ENTIRETY AND REPLACING SAID**

**SECTIONS WITH NEW SECTIONS 74-79, ENTITLED "ELECTRIC SERVICE," 74-80, ENTITLED "POWER COST ADJUSTMENT (PCA) FOR ELECTRIC SERVICE," AND 74-81, ENTITLED "LINE EXTENSION POLICY."**

From and after the effective date of this Ordinance, Sections 74-79, 74-80, and 74-81 are deleted in their entirety and replaced with new Sections 74-79, entitled "Electric Service," 74-80, entitled "Power Cost Adjustment (PCA) for Electric Service," and 74-81, entitled "Line Extension Policy" to read as follows:

**"Sec. 74-79. Electric service.**

Each month the City shall charge and collect for residential and commercial electric service the amounts hereinafter set out, based on the following rates:

**(1) Residential rate (Schedule R).**

- a. *Applicable.* Applies to all Residential Customers billed through one meter. Service will be furnished under this rate schedule subject to the established rules and regulations of the city covering this type of service.
- b. *Character of service.* Alternating current, 60 cycles per second, single-phase, 120/240 volts.
- c. *Rate.*  
Customer charge: A minimum monthly charge as established, from time to time, by the master fee schedule as contained in appendix A of this Code shall be charged..  
Energy Charge: Charges as established, from time to time, by the master fee schedule as contained in appendix A of this Code shall be charged.
- d. *Power cost adjustment.* The monthly charges under this rate schedule shall be increased or decreased as necessary to reflect the application of a power cost adjustment calculated in accordance with Schedule PCA.
- e. *Tax adjustment.* The above rate shall be subject to an increase or decrease in proportion to the amount of new taxes or increased taxes, required payments to governmental entities or for governmental or municipal purposes which are levied or imposed or otherwise required by law or articles which were not in effect on the effective date of the ordinance from which this schedule is derived.
- f. *Curtailment.* The City shall have the right at any and all times to immediately adjust, in whole or part, the supply of electricity to Customers in order to adjust to

fuel suppliers for generation of electricity or to adjust to other factors affecting delivered capacity.

(2) *Small commercial rate (Schedule SC).*

a. *Applicable.* Applies to all non-residential Customers billed through one meter whose monthly peak demand is less than or equal to 25 kW. Service will be furnished under this rate schedule subject to the established rules and regulations of the City covering this type of service.

b. *Character of service.* A. C., 60 cycles per second, single-phase, 120/240 volts; three-phase, 120/240, 120/208, 240/480, 277/480 volts, as available at point of service. Three-phase Customers served via underground primary to pad-mounted transformers are offered only 120/208 or 277/480 volt service.

c. *Rate.*

Customer charge: A minimum monthly charge as established, from time to time, by the master fee schedule as contained in appendix A of this Code shall be charged.

Energy charge: Charges as established, from time to time, by the master fee schedule as contained in appendix A of this Code shall be charged.

d. *Billing demand.* Demand meters will be installed on all such Customers if the:

1. Installed load indicates that demands over 25 kW will be experienced; or
2. Monthly load exceeds 9,000 kilowatt hours. A Customer on this schedule whose demand exceeds 25 kW for any billing period shall be billed under Schedule MC for the next 12-month period beginning with the current month.

The billing demand shall be the maximum 15 minute kW measured in the month unless otherwise specified in a firm electric service contract agreement, but it shall not be less than 50 percent of the peak demand measured in the 12-month period ending with the current month.

e. *Power factor.* Should the power factor be lower than 0.97 lagging, the City may adjust the measured demand by multiplying by the ratio of 0.97 to the actual power factor.

- f. *Power cost adjustment.* The monthly charges under this rate schedule shall be increased or decreased as necessary to reflect the application of a power cost adjustment calculated in accordance with Schedule PCA.
- g. *Tax adjustment.* The above rate shall be subject to an increase or decrease in proportion to the amount of new taxes or increased taxes, levied or imposed or increased or decreased by law or articles which were not in effect on the effective date of the ordinance from which this schedule is derived, which the City may hereafter have to pay.
- h. *Curtailment.* The City shall have the right at any and all times to immediately adjust, in whole or part, the supply of electricity to Customers in order to adjust to fuel suppliers for generation of electricity or to adjust to other factors affecting delivered capacity.

(3) *Medium commercial rate (Schedule MC).*

- a. *Applicable.* Applies to all non-residential Customers billed through one meter whose monthly peak demand is greater than 25 kW and less than or equal to 100 kW. Service will be furnished under this rate schedule subject to the established rules and regulations of the City covering this type of service.
- b. *Character of service.* A. C., 60 cycles per second, single-phase, 120/240 volts; three-phase, 120/240, 120/208, 240/480, 277/480 volts, as available at point of service. Three-phase Customers served via underground primary to pad-mounted transformers are offered only 120/208 or 277/480 volt service.
- c. *Rate.*

Customer charge: A minimum monthly charge as established, from time to time, by the master fee schedule as contained in appendix A of this Code shall be charged.

Demand charge: Charges as established, from time to time, by the master fee schedule as contained in appendix A of this Code shall be charged.

Energy charge: Charges as established, from time to time, by the master fee schedule as contained in appendix A of this Code shall be charged.

- d. **Billing demand.** The billing demand shall be the maximum 15 minute measured kW in the month unless otherwise specified in a firm electric service contract agreement. If at any time the Customer billed under this schedule continues for a period of 12 consecutive months without a demand in excess of 25 kW, Schedule SC shall apply with the first month succeeding such 12-month period. Likewise, a Customer on this schedule whose demand exceeds 100 kW for any billing period shall be billed under Schedule LC for the next 12-month period beginning with the current month.
  - e. **Power factor.** Should the power factor be lower than 0.97 lagging, the City may adjust the measured demand by multiplying by the ratio of 0.97 to the actual power factor.
  - f. **Power cost adjustment.** The monthly charges under this rate schedule shall be increased or decreased, as necessary, to reflect the application of a power cost adjustment calculated in accordance with Schedule PCA.
  - g. **Tax adjustment.** The above rate shall be subject to an increase or decrease in proportion to the amount of new taxes or increased taxes, levied or imposed or increased or decreased by law or ordinances which were not in effect on the effective date of the ordinance from which this schedule is derived, which the City may hereafter have to pay.
  - h. **Curtailment.** The City shall have the right at any and all times to immediately adjust, in whole or part, the supply of electricity to Customers in order to adjust to fuel suppliers for generation of electricity or to adjust to other factors affecting delivered capacity.
- (4) **Large commercial rate (Schedule LC).**
- a. **Applicable.** To all commercial and industrial Customers where service is taken through one meter at one point of delivery and where the peak monthly kilowatt demand is greater than 100 kW. Service will be furnished under this rate schedule subject to the established rules and regulations of the City covering this type of service. Before service is furnished, however, an individual service agreement contract between the Customer and the City may be required outlining all details of the service to be supplied, the

terms of the contract, and the obligations of each party.

- b. *Character of service.* A. C., 60 cycles per second, single-phase, 120/240 volts, three-phase, 120/240, 120/208, 240/480, 277/480, 2400/4160, 7200/12,470 volts, as available at point of service. Three-phase Customers served via underground primary to pad-mounted transformers are offered only 120/208, 277/480, or 2400/4160 volt service.
- c. *Rate.*

Customer charge: A minimum monthly charge as established, from time to time, by the master fee schedule as contained in appendix A of this Code shall be charged.

Demand charge: Charges as established, from time to time, by the master fee schedule as contained in appendix A of this Code shall be charged.

Energy charge: Charges as established, from time to time, by the master fee schedule as contained in appendix A of this Code shall be charged.
- d. *Rate adjustments.* Rates under this rate schedule may be adjusted to reflect the Customer's service contract with the City.
- e. *Billing demand.* The billing demand shall be the maximum 15 minute measured kilowatt demand in the billing period, but not less than 50 percent of the peak demand measured in the 12-month period ending with the current month. If at any time a Customer billed under this schedule continues for a period of 12 consecutive months without a demand in excess of 100 kW, unless otherwise specified in a firm electric service contract agreement, Schedule MC shall apply beginning with the first month succeeding such 12-month period.
- f. *Power factor.* Should the power factor be lower than 0.97 lagging, the City may adjust the measured demand by multiplying by the ratio of 0.97 to the actual power factor.
- g. *Primary service.* Where service is taken by the Customer at the City's available primary voltage, and where the Customer owns, operates, and maintains all service facilities, except metering equipment

required to take service at such voltage, a credit of two percent of the base rate charges will be allowed. Metering may be primary or secondary (corrected for the transformer losses) at the City's option.

- h. *Power cost adjustment.* The monthly charges under this rate schedule shall be increased or decreased, as necessary, to reflect the application of a power cost adjustment calculated in accordance with Schedule PCA.
  - i. *Tax adjustment.* The above rate shall be subject to an increase or decrease in proportion to the amount of new taxes or increased taxes, levied or imposed or increased or decreased by law or ordinances which were not in effect on the effective date of the ordinance from which this schedule is derived which the City may hereafter have to pay.
  - j. *Curtallment.* The City shall have the right at any and all times to immediately adjust, in whole or part, the supply of electricity to Customers in order to adjust to fuel suppliers for generation of electricity or to adjust to other factors affecting delivered capacity.
- (5) *Security lights.* Security lights, defined as any street light installed within a public right of way or public space, may be installed as approved by Public Works Director or their designee. Installation and monthly service charges shall be assessed as follows:
- a. Customer charge: A minimum monthly charge as established, from time to time, by the master fee schedule as contained in appendix A of this Code shall be charged.
  - b. *Tax adjustment.* The above rate shall be subject to an increase or decrease in proportion to the amount of new taxes or increased taxes, levied or imposed or increased or decreased by law or articles which were not in effect on the effective date of the ordinance from which this schedule is derived, which the City may hereafter have to pay.

**Sec. 74-80. Power cost adjustment (PCA) for electric service.**

- (1) *Calculation.* Electric service billed under all applicable rate schedules shall be subject to the application of a power cost adjustment (PCA). The PCA shall be calculated on an annualized basis as follows:

$$PCA = (WC - (P * K) - CF) / S$$

(2) **Definitions.**

PCA = Power cost adjustment factor rounded to the nearest \$0.0001 (\$ per kWh)

WC = Total estimated wholesale purchased power cost on an annualized basis. (\$)

P = Total estimated wholesale energy purchases on an annualized basis. (KWh)

K = Base energy rate. (\$/KWh)

S = Total estimated kWh energy sales to city customers on an annualized basis. (KWh)

CF = Correction factor adjustment to be applied to correct for any variance between actual PCA costs and revenues. The calculation of CF shall be performed on a periodic basis, but not less than quarterly, with the results of this reconciliation applied to the PCA on an as-needed basis to maintain PCA revenues and costs in close proximity. (\$)

The formula for the calculation of the CF shall be as follows:

$$CF = (A) - (B)$$

Where:

(A) = the actual power cost adjustment revenues received from the application of the power cost adjustment for the subject reconciliation period. (\$)

(B) = The actual power cost adjustment costs which should have been recovered from the application of the power cost adjustment for the subject reconciliation period. (\$)

**Sec. 74-81. Line Extension Policy**

(1) **General Policy**

Farmersville Electric (FE) shall extend its distribution facilities to the Customer/Developer in accordance with the following line extension provisions. Each provision classifies the predominant type of electric service/use anticipated on the Customer's/Developer's premises and specifies conditions under which a line extension may be made. For each location where electric service is desired, the Customer's/Developer's classification involves an evaluation of the type of installation and its use. The Customer's/Developer's classification shall be determined by FE. In the event that the classification assigned by FE is incorrect, based upon the Customer's/Developer's

subsequent actual use of the installation, then FE may alter the Customer's/Developer's classification and apply the correct line extension classification. Appropriate adjustments shall be made to the Customer's/Developer's account or billing.

Service will not be provided, and no work to extend service to the Customer's/Developer's delivery point shall be performed until the Customer/Developer has paid any and all fees or charges associated with the provision of service. This includes engineering fees, Aid-In-Construction (AIC) charges, deposits, and/or other system fees.

FE shall extend its electric facilities only to the point of delivery. Customer/Developer shall install and be solely responsible for wiring of the installation on the Customer's/Developer's side of the point of delivery. The point of delivery shall be the point at which the lines of FE connect to the lines of the Customer/Developer. This will normally be at the service entrance which contains the meter base for the building or other structure.

**(2) Residential Line Extensions**

FE will construct a new distribution extension consistent with FE's current specifications to serve a residential installation:

**A. Applicability.**

To qualify as an extension to a single-family residential installation, the location where Customer/Developer is requesting service shall comply with the following provisions:

1. Location must be a permanent installation. To qualify as a permanent location the Customer/Developer will either have a definite plan for, or will have begun the construction of the building or other permanent facility.
2. Location must be a single-family residence.
3. If located within a residential subdivision development the Customer/Developer must have complied with the residential subdivision development policies and paid all costs required therein.

**B. Aid-In-Construction.**

1. FE shall estimate the amount of engineering required to perform a cost estimate for any new

line extension. The Customer/Developer shall pay this amount to FE as a retainage prior to any engineering design being performed.

2. FE shall estimate the cost for the line extension based on current unit material and labor costs according to FE's current standards and specifications. The estimated cost is the total cost of all construction which shall include, but is not limited to; the labor and materials used in constructing the extension, engineering, right-of-way acquisition and clearing, and all other costs directly attributable to the extension. This total cost shall be paid up-front as an AIC prior to any material ordered, or construction done on the line extension.
3. There will be a refundable construction allowance to the Customer/Developer of **\$1,800.00** per meter. This amount shall be FE's obligation. The refundable construction allowance shall be refunded only after the permanent meter has been installed and the Customer/Developer provides FE a certificate of occupancy for the location connected. In no case shall the refundable construction allowance be greater than the costs paid to FE.
4. All expenses shall be trued-up after the installation of the permanent meter for the line extension and any additional costs shall be invoiced to the Customer/Developer, or any over payments made by the Customer/Developer shall be reimbursed from FE to the Customer/Developer.

**C. Routing.**

1. The line extension shall be constructed along the most direct route. Any deviation from the most direct route shall be at FE's sole discretion.
2. In all cases, the line extension shall be constructed on dedicated right-of-way or on a route covered by an easement.
3. Any and all right-of-way clearing shall be performed to FE's specifications. At the option of the Customer/Developer and with the

agreement of FE, the applicant may perform the clearing or hire a contractor separately to perform the clearing, provided it is performed in a timely manner and to FE's specifications.

**(3) Commercial Development less than 10 kW Line Extensions**

FE will construct a new extension of its distribution system to provide service to non-residential domestic and commercial developments less than 10 kW where the Customer/Developer requests electric infrastructure to be installed in advance of development of a site or lot by a Customer/Developer, under the following provisions:

**A. Applicability.**

The following applies to all platted, commercial development with sites or lots for multiple Customers/Developers to be primarily used or developed for permanent non-residential, commercial, retail, and/or office use;

1. The Customer/Developer shall comply with all applicable provisions of the rules and regulations of FE;
2. The Customer/Developer will provide, at no cost, to FE:
  - (a) Right-of-way easements and covenants on Owner's property that are satisfactory to FE;
  - (b) Site plans (streets, wet utilities, mechanical, electrical, plumbing, and landscaping plans, etc.), notice of construction start dates and construction schedules that are reasonable and industry typical for the type of work to be performed.
  - (c) Survey points for grades, lot corners, street right-of-way, and other locations reasonably necessary for installation of the electric system.
3. Line extensions to each Customer/Developer within the development will be according to the terms and conditions of the appropriate line extension classification.

**B. Aid-In-Construction.**

1. FE shall estimate the amount of engineering required to perform a cost estimate for any new line extension. The Customer/Developer shall pay this amount to FE as a retainage prior to any engineering design being performed.
2. FE shall estimate the cost of the electric infrastructure adequate to serve all prospective Customers/Developers within the development. This will be determined in advance of development of a site or lot by a Customer/Developer based on current unit material and labor costs for the same type of construction. The estimated cost is the total cost of all construction which shall include, but is not limited to: the labor and materials used in constructing the extension, engineering, right-of-way acquisition and clearing, and all other costs directly attributable to the extension. This total cost shall be paid up-front as an AIC prior to any material ordered, or construction done on the line extension.
3. There will be a refundable construction allowance to the Customer/Developer of **\$1,300.00** per meter. This amount shall be FE's obligation. The refundable construction allowance shall be refunded only after the permanent meter has been installed and the Customer/Developer provides FE a certificate of occupancy for the location connected. In no case shall the refundable construction allowance be greater than the costs paid to FE.
4. All expenses shall be trued-up after the installation of the permanent meter for the line extension and any additional costs shall be invoiced to the Customer/Developer, or any over payments made by the Customer/Developer shall be reimbursed from FE to the Customer/Developer.

**C. Routing.**

1. The line extension shall be constructed along the most direct route. Any deviation from the most direct route shall be at FE's sole discretion.

2. In all cases, the line extension shall be constructed on dedicated right-of-way or on a route covered by an easement.
3. Any and all right-of-way clearing shall be performed to FE's specifications. At the option of the Customer/Developer and with the agreement of FE, the applicant may perform the clearing, or hire a contractor separately to perform the clearing, provided it is performed in a timely manner and to FE's specifications.

**(4) Commercial Development Greater than 10 kW Line Extensions**

FE will construct a new extension of its distribution system to provide service to commercial/industrial developments greater than 10 kW where the Customer/Developer requests electric infrastructure to be installed in advance of development of a site or lot by a Customer/Developer, under the following provisions:

**A. Applicability.**

The following applies to all platted, commercial development with sites or lots for multiple Customers/Developers to be primarily used or developed for permanent commercial, industrial, retail, and/or office use;

1. The Customer/Developer shall comply with all applicable provisions of the rules and regulations of FE.
2. The Customer/Developer will provide at no cost to FE:
  - (a) Right-of-way easements and covenants on Owner's property that are satisfactory to FE;
  - (b) Site plans (streets, wet utilities, mechanical, electrical, plumbing, and landscaping plans, etc.), notice of construction start dates and construction schedules that are reasonable and industry typical for the type of work to be performed.
  - (c) Survey points for grades, lot corners, street right-of-way, and other locations

reasonably necessary for installation of the electric system.

3. Line extensions to each Customer/Developer within the development will be according to the terms and conditions of the appropriate line extension classification.

**B. Aid-In-Construction.**

1. FE shall estimate the amount of engineering required to perform a cost estimate for any new line extension. The Customer/Developer shall pay this amount to FE as a retainage prior to any engineering design being performed.
2. FE shall estimate the cost of the electric infrastructure adequate to serve all prospective customers within the development. This will be determined in advance of development of a site or lot by a Customer/Developer based on current unit material and labor costs for the same type of construction. The estimated cost is the total cost of all construction which shall include, but is not limited to: the labor and materials used in constructing the extension, engineering, right-of-way acquisition and clearing, and all other costs directly attributable to the extension. This total cost shall be paid up-front as an AIC prior to any material ordered, or construction done on the line extension.
3. There will be a refundable construction allowance to the Customer/Developer of **\$3,400** per meter of estimated cost for making the extension. This amount shall be FE's obligation. The refundable construction allowance shall be refunded only after the permanent meter has been installed and the Customer/Developer provides FE a certificate of occupancy for the location connected. In no case shall the refundable construction allowance be greater than the costs paid to FE.
4. All expenses shall be trued-up after the installation of the permanent meter for the line extension and any additional costs shall be invoiced to the Customer/Developer, or any over payments made by the

Customer/Developer shall be reimbursed from FE to the Customer/Developer.

**C. Routing.**

1. The line extension shall be constructed along the most direct route. Any deviation from the most direct route shall be at FE's sole discretion.
2. In all cases, the line extension shall be constructed on dedicated right-of-way or on a route covered by an easement on FE's standard form.
3. Any and all right-of-way clearing shall be performed to FE's specifications. At the option of the Customer/Developer and with the agreement of FE, the applicant may perform the clearing, or hire a contractor separately to perform the clearing, provided it is performed in a timely manner and to FE's specifications.

**D. Large Power Agreement for Electric Service.**

The Customer/Developer and FE have the option to enter into a Large Power Agreement for Electric Service when the Customers/Developers peak demand is expected to exceed a diversified load of 150 kW. Both the Customer/Developer and FE have to agree to the Large Power Agreement prior to implementation. This Large Power Agreement is subject to the following provisions:

1. The Customer/Developer shall remain on the rate schedule as provided in the Electric Service Agreement. The electric rates are subject to change.
2. The character of service shall be three-phase, 60 Hertz alternating current, supplied at the voltages available at the point of service.
3. The Customer/Developer shall comply with all applicable provisions of the Rules and Regulations of FE.
4. FE requires a minimum term agreement of 5 years. Longer term agreements can be negotiated between the Customer/Developer and FE.

5. The line extension fees are negotiable under the Large Power Agreement.

**(5) Primary Service Line Extensions**

FE will construct a new extension of its distribution system to provide service to commercial/industrial developments requesting primary voltage (14.4/25 kV) service when the Customer/Developer requests electric infrastructure to be installed in advance of development of a site or lot by a Customer/Developer under the following provisions:

**A. Applicability.**

The following applies to all platted, commercial development with sites or lots for multiple Customers/Developers to be primarily used or developed for permanent commercial, industrial, retail, and/or office use;

1. The Customer/Developer shall comply with all applicable provisions of the Rules and Regulations of FE;
2. The Customer/Developer will provide at no cost to FE:
  - (a) Right-of-way easements and covenants on Owner's property that are satisfactory to FE;
  - (b) Site plans (streets, wet utilities, mechanical, electrical, plumbing, and landscaping plans, etc.), notice of construction start dates and construction schedules that are reasonable and industry typical for the type of work to be performed.
  - (c) Survey points for grades, lot corners, street right-of-way, and other locations reasonably necessary for installation of the electric system.
3. Line extensions to each Customer/Developer within the development will be according to the terms and conditions of the appropriate line extension classification.

**B. Aid-In-Construction.**

1. FE shall estimate the amount of engineering required to perform a cost estimate for any new

line extension. The Customer/Developer shall pay this amount to FE as a retainage prior to any engineering design being performed.

2. FE shall estimate the cost of the electric infrastructure adequate to serve all prospective Customers/Developers within the development. This will be determined in advance of development of a site or lot by a Customer/Developer based on current unit material and labor costs for the same type of construction. The estimated cost is the total cost of all construction which shall include: the labor and materials used in constructing the extension, engineering, right-of-way acquisition and clearing, and all other costs directly attributable to the extension. This total cost shall be paid up-front as an AIC prior to any material ordered, or construction done on the line extension.
3. There will be a refundable construction allowance to the Customer/Developer of \$5,800 per primary meter of estimated cost for making the extension. This amount shall be FE's obligation. The refundable construction allowance shall be refunded only after the permanent primary meter has been installed and the Customer/Developer provides FE a certificate of occupancy for the location connected. In no case shall the refundable construction allowance be greater than the costs paid to FE.
4. All expenses shall be trued-up after the installation of the permanent meter for the line extension and any additional costs shall be invoiced to the Customer/Developer, or any over payments made by the Customer/Developer shall be reimbursed from FE to the Customer/Developer.

C. Routing.

1. The line extension shall be constructed along the most direct route. Any deviation from the most direct route shall be at FE's sole discretion.

2. In all cases, the line extension shall be constructed on dedicated right-of-way or on a route covered by an easement.
3. Any and all right-of-way clearing shall be performed to FE's specifications. At the option of the Customer/Developer and with the agreement of FE, the applicant may perform the clearing, or hire a contractor separately to perform the clearing, provided it is performed in a timely manner and to FE's specifications.

**D. Large Power Agreement for Electric Service.**

The Customer/Developer and FE have the option to enter into a Large Power Agreement for Electric Service when the Customers/Developers peak demand is expected to exceed a diversified load of 150 kW. Both the Customer/Developer and FE have to agree to the Large Power Agreement prior to implementation. This Large Power Agreement is subject to the following provisions:

1. The Customer/Developer shall remain on the rate schedule as provided in the Electric Service Agreement. The electric rates are subject to change.
2. The character of service shall be three-phase, 60 Hertz alternating current, supplied at the voltages available at the point of service.
3. The Customer/Developer shall comply with all applicable provisions of the Service Rules and Regulations of FE.
4. FE requires a minimum term agreement of 5 years. Longer term agreements can be negotiated between the Customer/Developer and FE.
5. The line extension fees are negotiable under the Large Power Agreement.

**(6) Temporary Service Line Extensions**

FE will construct a new extension of its distribution system to serve temporary facilities under the following provisions:

- A. Applicability.**

To qualify as an extension to temporary service installation, the location where the Customer/Developer is requesting service shall:

1. Be a residence or dwelling unit not qualifying as a permanent installation, or
2. Be a barn, shop, water well, gate opener, or other service classified by FE as a temporary facility.

**B. Aid-In-Construction (AIC).**

1. FE shall estimate the cost for the line extension based on current unit material and labor costs for the same type of construction. The estimated cost is the total cost of all construction which shall include, but is not limited to; the labor and materials used in constructing the extension, engineering, right-of-way acquisition and clearing, and all other costs directly attributable to the extension.
2. The Customer/Developer shall be required to pay 100% of the estimated cost of AIC for the extension and retirement of the extension (if applicable) prior to any temporary facilities being installed.
3. All amounts paid to FE as AIC for temporary service shall be non-refundable."

**(7) New Electric Service**

- A.** The following provisions shall be followed for the extension of a new electric service to individual Customers, residential developments, commercial developments, or industrial developments:
1. All new electric utility services for residential and commercial developments in the City of Farmersville city limits shall be installed underground.
  2. New industrial customers may be allowed overhead service pending written approval from FE.
  3. All upgraded electric utility services shall be installed underground wherever such is sound and practical from an engineering standpoint as reasonably determined by the City.

- B. All streetlighting and site lighting equipment shall be placed underground, except for the poles on which the lights are to be affixed.
- C. The Customer/Developer may furnish and install the conduit, pull boxes, and pad-mounted equipment pads for the installation of all on-site underground development feeder, lateral and service lines utilized to provide electric utility service to the building plot pending all of the following provisions:
  - 1. The Customer/Developer is responsible for all expenses related thereto.
  - 2. The specifications for the material used shall be approved by FE prior to installation.
  - 3. The installation of the conduit shall be inspected and approved by FE at the time of installation.
  - 4. Once approved by FE, the infrastructure shall be owned and operated by FE.
  - 5. The Customer/Developer has obtained written approval from FE to install the conduit, pullboxes, and pad-mounted equipment pads.
- D. The Customer/Developer will bear the cost of the pad-mounted switchgear where the design of the development is such that switchgear is/are required for proper and safe operation of the distribution system. FE shall bear the cost of the pad-mounted switchgear where pad-mounted switchgear is/are installed solely for the convenience of FE such as to provide flexibility in serving load outside of the development.
- E. In all cases, underground secondary service lines from a meter to the Customer's/Developer's main disconnect switch or service center shall be installed and maintained by the Customer/Developer. FE shall have no responsibility or liability in connection therewith.
- F. Overhead FE feeder lines may be installed if they meet the following criteria:
  - 1. The overhead feeder line is located along the perimeter of the platted building plot, or

2. The overhead feeder line is adjacent to or within the right-of-way of thoroughfares or alleys, and
  3. FE considers the overhead feeder line to be necessary and appropriate.
- G. All the Customers/Developers shall dedicate easements for the installation of utilities, including electric, prior to the electric facilities being installed. All liens and other ownership interests shall be subordinated to the easement use.
- H. Temporary utility service may be provided via an overhead line extension, pending written approval by FE.
- (8) **Area Lighting**
- Customer/Developer will pay 100% of the estimated cost of construction for all lighting related facilities in advance.
- (9) **Ownership of Distribution Facilities**
- FE shall retain ownership of all material and facilities installed by FE or the Customer/Developer for the distribution of electric energy, whether or not the same have been paid for by the Customer. All lines and facilities constructed or installed by FE or the Customer/Developer are the property of FE if on the source side of the electric meter. The Customer/Developer will install and own all facilities on the load side of the electric meter.
- (10) **Relocation of Facilities**
- A. FE will relocate its facilities on Customers/Developers premises at Customers/Developers request provided the Customer/Developer has:
1. Provided a satisfactory easement for the new facilities,
  2. Paid the estimated engineering cost to review the relocation in advance,
  3. Paid the estimated total project cost for removal and construction cost of the electric facilities in advance.
- B. If FE determines it is necessary to move its facilities because the Customer/Developer fails or refuses to allow FE access to its electric facilities at any time, then the Customer/Developer may be billed the estimated total cost of the relocation.

C. FE will replace an existing overhead electric line with an underground line upon request by a Customer/Developer, landowner, or other party, provided FE has:

1. Determined, in its sole discretion, that such replacement does not adversely impact electric service reliability or FE's operating efficiencies,
2. Received an adequate easement(s) in a form acceptable to FE for the construction, installation, maintenance, operation, replacement and/or repair of the underground facilities, at no cost to FE,
3. Received payment of the estimated total cost prior to commencement of such relocation for the retirement and construction of electric facilities required, and for the relocation of electric facilities. The requestor must pay FE a retainage prior to any engineering being looked at for any proposed relocation.

(11) Refundable Construction Allowance for Line Extensions Summary

A. Aid-In-Construction (AIC)

Customers/Developers required to provide an AIC may be entitled to a construction allowance after extending the electrical facilities to a Customer's point of delivery as shown in the table below. FE will install, own, operate and control all facilities necessary to provide electrical service to the point of delivery, except as previously noted in the ordinance. The project investment will include all standard facilities, meters, services and transformers. Facilities not included in the project investment are those necessary to accommodate future growth considerations or company initiated reliability enhancement projects.

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**B. Refundable Construction Allowances (Summary Table)**

<b>SERVICE</b>	<b>APPLICATION</b>	<b>REFUNDABLE CONSTRUCTION ALLOWANCE</b>
Temporary Service	All Temporary Services	No refundable construction allowance applies, Customer pays 100% of estimated construction and retirement costs of electric facilities.
Residential	All Residential	\$1,800 per meter
Commercial	Less than 10 kW	\$1,300 per meter
Commercial/Industrial	Greater than 10 kW	\$3,400 per meter
Primary Voltage Service	Primary Voltage Service	\$5,800 per meter
Security Lights	All Security Lights	No refundable construction allowance applies, Customer pays 100% of estimated construction costs
Underground Primary Line	All Primary Underground Line Extensions	Customer/Developer may be allowed to install the civil work including: all trench and associated backfill, concrete work associated with pad-mounted equipment, and all conduit and its installation. Refundable construction allowance will apply to Customer/Developer as stated above.

The customer-owned equipment, load data, and electric service requirements supplied by the Customer/Developer will be used in the determination of the costs.

The refundable construction allowance shall only be refunded to the Customer/Developer once the permanent meter has been installed and FE is provided with a notice of certificate of occupancy. If it is determined to be different than service classification applied for, the refundable construction allowance may be adjusted based on Customer's/Developer's actual service classification.

**SECTION 4: AMENDMENT OF CHAPTER 74, "UTILITIES," BY ADOPTING NEW SECTION 74-94, ENTITLED "ELECTRIC - DISTRIBUTED GENERATION," AND NEW SECTION 74-95, ENTITLED "AVERAGE PAYMENT PLAN."**

From and after the effective date of this Ordinance, Chapter 74, "Utilities," is hereby amended by adopting new Section 74-94, Electric – Distributed Generation," and new Section 74-95, Average Payment Plan," to read as follows:

**"Sec. 74-94 Electric - Distributed Generation**

**(1) General Provisions**

**A. Intent.**

This Ordinance is intended to provide for the orderly, safe and effective interconnection and parallel operation of distributed generation facilities within the City of Farmersville electric system by Customers of Farmersville Electric (FE).

**B. Authority.**

FE is authorized to enact this Ordinance by the Texas Utility Code Annotated § 31.005, which authorizes and encourages electric utilities to establish customer option programs that encourage the reduction of air contaminant emissions including distributed energy generation technology. Also, Texas Utility Code Annotated § 39.101 (b)(3) entitles all Texas electric customers access to on-site distributed generation. Finally, Texas Utility Code Annotated § 39.916 authorizes electric utilities to establish requirements for and allow the interconnection and parallel operation of Distributed Renewable Generation, and requires the Public Utility Commission of Texas (PUCT) to promulgate rules and regulations for the implementation of interconnection and parallel operation of Distributed Renewable Generation.

**C. Definitions.**

As used in this Ordinance, the following words and terms shall have the meanings as set forth below:

1. Commission: the Public Utility Commission of Texas (PUCT).
2. Customer: a person or entity interconnected to FE's electric system for the purpose of receiving or exporting electric power from or to FE's electric system.

3. **Distributed Generation:** an electrical generating facility located at a Customer's point of delivery (point of common coupling) of ten (10) megawatts (MW) or less and connected at a voltage less than sixty (60) kilovolts (kV) which may be connected in parallel operation to FE's electric system.
4. **Interconnection:** the physical connection of distributed generation to the utility system in accordance with the requirements of this ordinance so that parallel operation can occur.
5. **Networked secondary:** two or more utility primary distribution feeder sources electrically tied together on the secondary (low voltage) side to form one power source for one or more customers. Networked secondary service is designed to maintain service to the customers even after the loss of one of these primary distribution feeder sources.
6. **Parallel operation:** the operation of distributed generation by a Customer while the Customer is connected to FE's electric system.
7. **Point of Interconnection (Point of Service; Point of Common Coupling):** the point where the electrical conductors of FE's utility system are connected to the Customer's conductors and where any transfer of electric power between the Customer and the utility system takes place, such as switchgear near the meter.
8. **Pre-certified equipment:** a specific generating and protective equipment system or systems that have been certified as meeting the applicable parts of this Ordinance relating to safety and reliability by an entity approved by the Commission.
9. **Stabilized:** the FE electric system shall be considered stabilized when, following a disturbance, the system returns to the normal range of voltage and frequency for a duration of two (2) minutes.

**D. Applicability.**

This Ordinance applies to all persons or entities that desire to interconnect or operate in parallel with a

distributed generation system within FE's electric system.

**E. Application and Agreement Required.**

1. Before a person or entity may interconnect or operate in parallel with a distributed generation system within FE's electric system, that person or entity must complete and submit the "Application for the Interconnection and Parallel Operation of Distributed Generation with the Farmersville Electric Utility System" provided by FE. This form establishes the terms and conditions for the interconnection and parallel operation of the distributed generation system.
2. Agreements with Customers for the interconnection and parallel operation of distributed generation within FE's electric system shall be in accordance with this Ordinance, the PUCT rules and regulations, and all applicable state and federal laws.
3. The interconnection shall not be energized prior to the execution of the Agreement and FE inspection as required herein.
4. The application form may be modified from time to time by FE as is required for appropriate processing of applications.

**(2) Technical Requirements**

**A. General Requirements.**

1. All interconnections shall comply with all applicable state and federal laws and regulations, including without limitation, PUCT SUBST.R.25.212.
2. All interconnections shall comply with local building and electric codes as adopted and amended by FE. Installation of all interconnections shall be inspected by FE. Inspection and approval of the installation by FE is a condition of interconnection and parallel operation of distributed generation.
3. Variations from the Technical Requirements herein must be reviewed and approved by FE prior to implementation. Variations in the point

of interconnection must be approved by FE and included in the application form prior to approval.

**B. Manual Disconnect.**

The Customer shall provide and install a manual load break switch that provides a clear indication of the switch position at the point of interconnection to provide separation between FE electrical system and the Customer's electrical generation system. The location of the disconnect switch must be approved by FE.

The disconnect switch shall be easily visible, mounted separately from metering equipment, readily accessible to FE personnel at all times, and capable of being locked in the open position with a FE padlock. FE reserves the right to open the disconnect switch isolating the Customer's distributed generating system (which may or may not include the Customer's load) from FE's electrical system for the following reasons:

1. To facilitate maintenance or repair of FE's electrical system.
2. When emergency conditions exist on FE's electrical system.
3. When the Customer's distributed generating system is determined to be operating in a hazardous or unsafe manner or unduly affecting FE's electrical system.
4. When the Customer's distributed generating system is determined to be adversely affecting other electric consumers on FE's electrical system.
5. Failure of the Customer to comply with applicable codes, regulations and standards in effect at the time.
6. Failure of the Customer to abide by any contractual arrangement or operating agreement with FE's.

**C. Power Quality.**

**1. Voltage.**

FE shall endeavor to maintain the distribution voltages on the electrical system, but shall not be responsible for factors or circumstances beyond its control. The Customer shall provide an automatic method of disconnecting generation equipment from FE's electrical system within 10 cycles should a voltage deviation greater than +5% or -10% from normal be sustained for more than 30 seconds (1800 cycles), or in the event of a voltage deviation greater than +10% or -30% from normal be sustained for more than 10 cycles. If high or low voltage complaints or flicker complaints result from the operation of the Customer's distributed generation, the Customer's generating system shall be disconnected until the problem is resolved to the satisfaction of FE.

**2. Frequency.**

FE shall endeavor to maintain a 60-hertz nominal frequency on the electrical system. The Customer shall provide an automatic method of disconnecting generation equipment from FE's electrical system within 15 cycles should a deviation in frequency of +0.5Hz or -0.7Hz from normal occur.

**3. Harmonics.**

In accordance with IEEE 519, the total harmonic distortion (THD) of voltage shall not exceed 5% of a pure sine wave of 60-hertz frequency or 3% of the 60-hertz frequency for any individual harmonic when measured at the point of interconnection with FE's electrical system. Also, the total current distortion shall not exceed 5% of the fundamental frequency sine wave. If harmonics beyond the allowable range result from the operation of the Customer's distributed generation, the Customer's distributed generating system shall be disconnected until the problem is resolved.

4. Flicker.

The distributed generation facility shall not cause excessive voltage flicker on FE's electrical system. This flicker shall not exceed 3% voltage dip, in accordance with IEEE 519 (Section 10.5), as measured at the point of interconnection.

5. Power factor.

The Customer's distributed generation system shall be designed, operated and controlled at all times to provide reactive power requirements at the point of interconnection from 97% lagging to 97% leading power factor. Induction generators shall have static capacitors that provide at least 95% of the magnetizing current requirements of the induction generator field. FE may, in the interest of safety, authorize the omission of capacitors. However, where capacitors are used for power factor correction, additional protective devices may be required to guard against self-excitation of the Customer's generator field.

D. Loss of Source.

The Customer shall provide approved protective equipment necessary to immediately, completely and automatically disconnect the Customer's distributed generation equipment from FE's electrical system in the event of a fault on the Customer's system, a fault on FE's system or loss of source on FE's electric system. Such protective equipment shall conform to the criteria specified in UL 1741 and IEEE 1547. The Customer's distributed generating system shall automatically disconnect from the grid within 10 cycles if the voltage on one or more phases falls and stays below 70% of nominal voltage for at least 10 cycles. The automatic disconnecting device may be of the manual or automatic reclose type and shall not be capable of reclosing until after FE's service voltage and frequency are restored to within the normal operating range and the system is stabilized.

**E. Coordination and Synchronization.**

The Customer shall be solely responsible for coordination and synchronization of the Customer's distributed generating system with all aspects of FE's electrical system. The Customer also assumes all responsibility for any damage or loss that may occur from improper coordination and synchronization of its distributed generating system with FE's electrical system.

**F. Metering.**

The actual metering equipment required, its voltage rating, number of phases and wires, size, current transformers, and number of input and associated memory are dependent upon the type, size and location of the electric service provided. In situations where power may flow both in and out of the Customer's electrical system, power flowing into the Customer's electrical system may be measured separately from power flowing out of the Customer's electrical system. FE will provide the metering equipment necessary to measure capacity and energy delivered to and from the Customer. The Customer shall reimburse FE for any costs of the metering including engineering, material and labor.

**G. Interconnection Study.**

If FE determines that an interconnection study is necessary, FE shall perform the study under reasonable terms and conditions agreed upon by both the Customer and FE, and at the Customer's sole expense. No study fee will be charged if the proposed generation site is not on a networked secondary and if all of the following apply:

1. Proposed distributed generation equipment is pre-certified.  
Generation equipment that is less than 20 kW AC shall be considered pre-certified if a UL 1741 listed inverter that also meets IEEE 1547 specifications is used as well as UL 1703 listed photovoltaic (PV) modules.
2. Proposed distributed generation system does not expect to export more than 15% of total load on the feeder.

3. Proposed distributed generation system does not contribute more than 25% of the maximum possible short circuit current of the feeder.

H. Protection.

The distributed generation facility must have interrupting devices capable of interrupting the maximum available fault current, an interconnection disconnect device, a generator disconnect device, an over-voltage trip, an under-voltage trip, an over/under frequency trip and a manual or automatic synchronizing check (for facilities with standalone capability). Facilities rated over 10kW, three-phase, must also have reverse power sensing and either a ground over-voltage or a ground over-current trip depending on the grounding system. Grounding shall be done in accordance with UL 1741, IEEE 1547 and NEC Article 250.

I. Three-Phase Generators.

1. Synchronous machines:

- i. The distributed generation facility's circuit breakers shall be three-phase devices with electronic or electromechanical control.
- ii. The Customer is solely responsible for proper synchronization of its generator with FE's electric system.
- iii. The excitation system response ratio shall not be less than 0.5.
- iv. The generator's excitation system shall conform to the field voltage versus time criteria specified in ANSI Standard C50.13-1989.

2. Induction machines.

The induction machines used for generation may be brought up to synchronous speed if it can be demonstrated that the initial voltage drop at the point of interconnection is within the flicker limits specified in this document.

3. Inverters:

- i. Line-commutated inverters do not require synchronizing equipment.

- ii. Self-commutated inverters require synchronizing equipment.

**J. Standards.**

The distributed generation equipment shall be designed, installed, operated and maintained in accordance with, but not limited to, ANSI standards, UL standards, IEEE standards, the National Electrical Code, ERCOT Operating Guides and any other applicable local, state or federal codes, statutes, and regulations. In the case of a conflict between the requirements in this Ordinance and any of the aforementioned standards, regulations, or codes, this Ordinance shall prevail. All distributed generation equipment and their installation plans must be approved by FE prior to installation.

**(3) Purchases from Customer**

FE will pay the Customer for all the metered kWh output from the Customer above and beyond that was consumed by the Customer on a monthly basis.

Customer Energy Purchase Rate: \$0.0547 per kWh for all kWh.

**Sec. 74-95 Average Payment Plan**

**(1) General Provisions**

- A. Farmersville Electric (FE) Average Payment Plan is available to qualifying residential members of FE who desire to pay an average amount each month.
- B. The average monthly payment will be determined monthly by averaging the most recent 12 months of billing history, including the current month's billing, plus or minus 1/12 of your deferred balance (which is the cumulative difference between your monthly average billing amount and your actual billing amount). Because this is a moving average, your monthly bill will fluctuate depending on your past and current usage.
- C. To qualify, all of the following conditions must be met:
  - 1. Residential consumers only.
  - 2. 12 months of billing history on this account.
  - 3. Current account balance of zero.

4. No more than 2 delinquent payments in 12 months.
  5. No cut-off notices in last 12 months.
- D. Terms of this billing plan require all payments be made on time. If payments are not received by the due date, the plan will be subject to termination. If the plan is terminated, all balances are due and payable at time of termination.

#### **SECTION 5: REPEALER**

This Ordinance shall be cumulative of all other Ordinances, resolutions, and/or policies of the City, whether written or otherwise, and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance. Any and all Ordinances, resolutions, and/or policies of the City, whether written or otherwise, which are in any manner in conflict with or inconsistent with this Ordinance shall be and are hereby repealed to the extent of such conflict and/or inconsistency.

#### **SECTION 6: SEVERABILITY**

It is hereby declared to be the intent of the City Council that the several provisions of this Ordinance are severable. In the event that any court of competent jurisdiction shall judge any provisions of this Ordinance to be illegal, invalid, or unenforceable, such judgment shall not affect any other provisions of this Ordinance which are not specifically designated as being illegal, invalid, or unenforceable.

#### **SECTION 7: PENALTIES FOR VIOLATION OF THE ORDINANCE**

Any person, firm or corporation who violates any provision of this Ordinance by interconnecting distributed generation to FE's electric system without a complete Application and executed Agreement, or violating any other provision of this Ordinance, upon conviction, shall be guilty of a misdemeanor and shall be fined up to \$2,000.00 per violation. Each occurrence and each day that a violation continues shall be considered a separate offense and punished accordingly.

#### **SECTION 8: INJUNCTIVE RELIEF**

Any violation of this ordinance can be enjoined by a suit filed in the name of FE and/or the City of Farmersville in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the City of Farmersville.

#### **SECTION 9: PUBLICATION**

The City Secretary is hereby directed to publish in the Official Newspaper of the City of Farmersville the Caption, Penalty, and Effective Date Clause of this Ordinance as required by Section 52.011 of the Local Government Code.

#### **SECTION 10: ENGROSSMENT AND ENROLLMENT**

The City Secretary of the City of Farmersville is hereby directed to engross and enroll this Ordinance by copying the exact Caption and the Effective Date Clause in the

minutes of the City Council of the City of Farmersville, and by filing this Ordinance in the Ordinance records of the City.

**SECTION 11: SAVINGS**

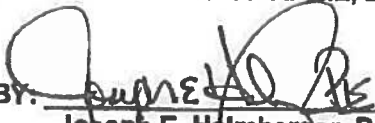
All rights and remedies of the City of Farmersville are expressly saved as to any and all violations of the provisions of any Ordinances which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether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

**SECTION 12: EFFECTIVE DATE**

This Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by Texas law.

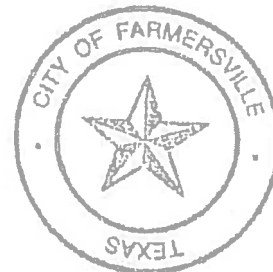
**PASSED** on first reading on the 25<sup>th</sup> day of March, 2014, and second reading on the 8<sup>th</sup> day of April, 2014 at properly scheduled meetings of the City Council of the City of Farmersville, Texas, there being a quorum present, and approved by the Mayor on the date set out below.

**APPROVED THIS 8<sup>th</sup> DAY OF APRIL, 2014.**

BY:   
Joseph E. Helmberger, P.E., Mayor

**ATTEST:**

BY:   
Edie Sims, City Secretary



**SECTION 2: Water and Electrical Service Initiation Fees; Miscellaneous Services (C of O Article II, Section 2-1, Water and electric service initiation fees; miscellaneous services)**

<b>Electric and Water Service</b>		<b>Deposits</b>
Transfer of Service Address		\$30
<b>Electric</b>		
Service Connect Fee		\$30
Homeowner Deposit		\$150
Renter Deposit		\$200
Temporary Service for Construction		\$150 minimum or 100% of the cost of installation and retirement whichever is more
Service Disconnect/Reconnect Fee (during regular business hours)		\$30
Service Disconnect/Reconnect Fee (after business hours)		\$45
Security Light per month		\$12
<b>Water</b>		
Service Connect Fee		\$30
Homeowner Deposit		\$100
Renter Deposit		\$150
Temporary Service for Property Clean Up		\$27.50 for a period up to 7 days
<b>Miscellaneous Water and Electric Services</b>		<b>Deposits</b>
Meter Checks		\$35
Reconnection		\$30 during business hours; \$40 for other than business hours
Reconnection following meter tampering		\$100 during business hours
Reconnect Fee following rationing violations		\$100 plus any additional costs to City

**SECTION 2 (A) Electric Service Rates. Water and Electrical Service Initiation Fees; Miscellaneous Services (C of O Article II, Section 2-8, Electric service rates)**

<b>Residential Rate (Schedule R)</b>	
Security Deposit	\$200.00
Customer Charge	\$6.75
Energy Charge	\$0.1077 per kWh for all kWh
<b>Small Commercial Rate (Schedule SC)</b>	
Security Deposit	\$200.00
Customer Charge	\$15.00
Energy Charge for 1 <sup>st</sup> 5,000 kWh or less	\$0.1110 per kWh
Energy Charge greater than 5,000 kWh	\$0.0970 per kWh
A Customer on this schedule whose demand exceeds 25 kW for any billing period shall be billed under Schedule MC for the next 12-month period beginning with the current month.	
<b>Medium Commercial Rate (Schedule MC)</b>	
Security Deposit	\$400.00
Customer Charge	\$40.00

Minimum Energy Charge	\$221.25
Demand Charge per kWh for all monthly billing demands greater than 25 kW	\$7.25 per kWh plus the Energy Charge immediately following
Energy Charge for 1 <sup>st</sup> 5,000 kWh or less	\$0.1010 per kWh
Energy Charge for 5,001 kWh or more	\$0.0787 per kWh
A Customer billed under this schedule for a period of 12 consecutive months without a demand in excess of 25 kW will be changed to Schedule SC on the first month succeeding such 12-month period.	
A Customer on this schedule whose demand exceeds 100 kW for any billing period shall be billed under Schedule LC for the next 12-month period beginning with the current month.	
<b>Large Commercial Rate (Schedule LC)</b>	
Security Deposit	\$800.00
Customer Charge	\$86.00
Demand Charge per kWh for all monthly billing demands for the 1 <sup>st</sup> 100 kW or less of monthly billing demand	\$7.00 per kW plus the following Energy Charge
Demand Charge per kWh for all monthly billing demands greater than 100 kW	\$5.70 per kW plus the following Energy Charge
Minimum Energy Charge	\$786.00
Energy Charge for all kWh	\$0.0627 per kWh
<b>The following provisions are applicable to ALL Schedules (R, SC, MC, LC)</b>	
<i>Power cost adjustment.</i> The monthly charges under this rate schedule shall be increased or decrease necessary to reflect the application of a power cost adjustment calculated in accordance with Schedule PC.	
<i>Tax adjustment.</i> The above rate shall be subject to an increase or decrease in proportion to the amount of new taxes or increased taxes, levied or imposed or increased or decreased by law or articles which were not in effect on the effective date of the ordinance from which this schedule is derived, which the City may hereafter have to pay.	

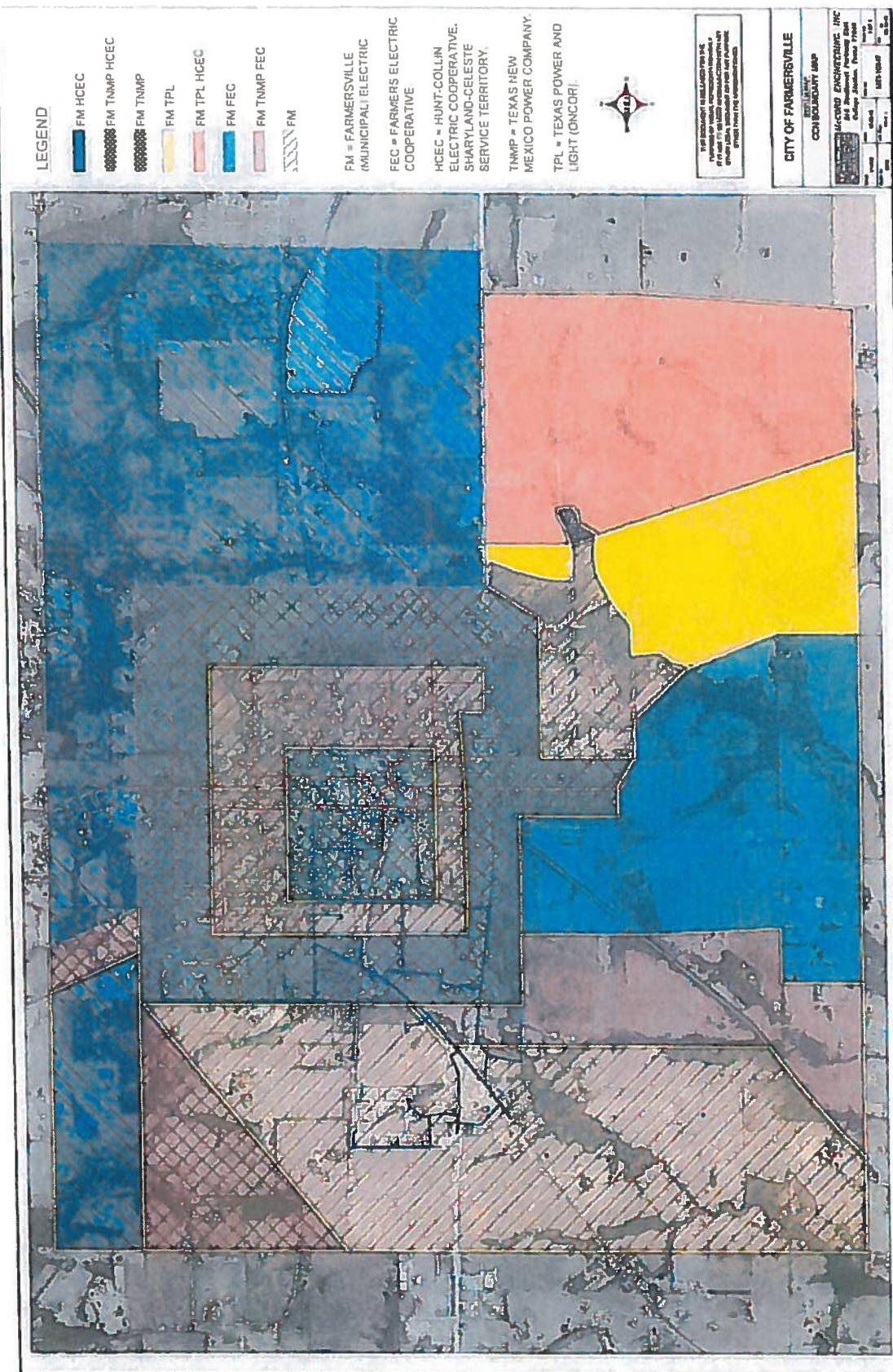
**SECTION 6. Electric Service Fees (C of O Article II Section 2-5, Electric service fees)**  
(Ordinance # O-2014-0408-001)

<b>Residential Rate</b>	
Minimum monthly charge	\$6.75
Energy Charge	\$0.1077 per kWh for all kWh
<b>Small Commercial Rate</b>	
Minimum monthly charge	\$15.00
Energy Charge for 1 <sup>st</sup> 5,000 kWh or less	\$0.1110 per kWh
Energy Charge greater than 5,000 kWh	\$0.0970 per kWh
<b>Medium Commercial Rate</b>	
Minimum monthly charge	\$40.00
Energy Charge for 1 <sup>st</sup> 5,000 kWh or less	\$0.1010 per kWh
Energy Charge for 5,001 kWh or more	\$0.0787 per kWh

Demand Charge for all monthly billing demands greater than 25 kW	\$7.25 per kWh
<b>Large Commercial Rate</b>	
Minimum monthly charge	\$86.00
Energy Charge for all kWh	\$0.0627 per kWh
Demand Charge for all monthly billing demands for the 1 <sup>st</sup> 100 kW or less of monthly billing demand	\$7.00 per kW
Demand Charge for all monthly billing demands for demand greater than 100 kW	\$5.70 per kW

**SECTION 7. Electrical Surcharge Rate (Ordinance # O-2013-0108-004)**

Per kilowatt hour for any rate customer	\$.005
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## Area Electrical Rate Comparisons

Power Company	Total Cost (\$)	Effective Rate (\$/kW-Hr)
Greenville Electric Utility System	37,639.56	0.17
Garland Power & Light	38,485.47	0.17
Denton Municipal Electric	33,308.41	0.15
Texas New Mexico Power	31,523.90	0.14
Farmersville Electric (With Ratchet)	29,973.84	0.13
Farmersville Electric (Without Ratchet)	27,514.04	0.12



**TO:** Mayor and Councilmembers

**FROM:** City Manager Ben White

**DATE:** December 2, 2014

**SUBJECT:** Discuss, consider, and act upon an amendment to the Qualified Scheduling Entity Services Agreement between the City of Garland and the City of Farmersville

- An amendment to the agreement with Garland Power & Light is attached for review.
- The original agreement effective April 15, 2014 is attached for review

**ACTION:** Approve or disapprove amendment as presented.



**GARLAND POWER & LIGHT**

November 24, 2014

City Manager  
City of Farmersville, Texas  
205 S. Main Street  
Farmersville, Texas 75442

Re: Letter Agreement to Amend the QSE Services Agreement effective April 15, 2014

Effective January 1, 2015, City of Farmerville, Texas and the City of Garland, Texas agree to amend the referenced QSE Services Agreement by adding the following to Appendix A, "QSE Services" under the title "DESCRIPTION OF QSE SERVICES:"

**"● Transmission Agent**

*GPL QSE will perform the accounting associated with Counterparty transmission costs and directly pass through these costs to Counterparty on a monthly basis."*

Please confirm that City of Farmersville accepts by returning an executed copy of this letter.

Sincerely,

---

Tom Hancock  
Assistant Managing Director, GP&L  
City of Garland, Texas

---

Joseph E. Helmberger, P.E.  
Mayor  
City of Farmersville, Texas

## QUALIFIED SCHEDULING ENTITY (QSE) SERVICES AGREEMENT

Between  
**City of Garland, Texas**  
And  
**City of Farmersville, Texas**

This Qualified Scheduling Entity (QSE) Services Agreement ("Agreement"), effective as of April 15, 2014, ("Effective Date"), is entered into by and between the City of Garland, Texas ("GPL QSE"), and City of Farmersville, Texas, ("Counterparty") each of which may be referred to hereunder as a "Party" and collectively as the "Parties".

### Recitations

**WHEREAS**, GPL QSE is qualified by the Electric Reliability Council of Texas ("ERCOT") as a Level 4 QSE in accordance with the applicable provisions of the ERCOT Protocols that are incorporated herein by reference; and

**WHEREAS**, Counterparty is a registered "Market Participant", as defined in the ERCOT Protocols; and

**WHEREAS**, The City of Garland, Texas, through its QSE, Garland Power & Light, is willing to provide QSE Services (as hereinafter defined) pursuant to the terms and conditions as set forth in this Agreement; and

**WHEREAS**, GPL QSE and Counterparty enter into this Agreement in order to establish the terms and conditions by which the Parties will discharge their respective duties and responsibilities.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises set forth herein, the sufficiency of which is acknowledged, the Parties hereby mutually contract and agree as follows:

### Agreement

#### Section 1.0: Party Obligations

##### 1.1 Counterparty Obligations.

- 1.1.1 Counterparty shall provide all information reasonably necessary for GPL QSE to provide QSE services as described in Appendix A ("QSE Services") to Counterparty.
- 1.1.2 Counterparty shall pay in full and in accordance with Section 4.0 of this Agreement all amounts invoiced by GPL QSE, as applicable, on or before the date such amounts are due.
- 1.1.3 Counterparty shall be responsible for complying with all ERCOT Protocols as they apply to it.

1.1.4 Counterparty shall perform any and all obligations applicable to it under this Agreement.

**1.2 GPL QSE Obligations.**

1.2.1 GPL QSE shall provide all ERCOT-prescribed QSE Services as described in Appendix A.

1.2.2 Pursuant to Section 4.0 herein, GPL QSE shall (i) provide Counterparty with a Monthly Invoice (as hereinafter defined) for all amounts due to GPL QSE from Counterparty relating to the performance of QSE Services, and (ii) credit on such Monthly Invoice any amounts due to Counterparty from GPL QSE, as applicable.

1.2.3 GPL QSE shall be responsible for complying with all ERCOT Protocols as they apply to a QSE.

**Section 2.0: Term and Termination**

2.1 Term. The initial term ("Initial Term") of this Agreement shall commence on the Effective Date and continue through April 30, 2019. After the expiration of the Initial Term, this Agreement may be extended by mutual consent of the Parties.

**Section 3.0: Pricing**

3.1 QSE Services Fee. For all months in which GPL QSE provides QSE Services, Counterparty shall pay GPL QSE a monthly fee (the "QSE Services Fee"). During the term of that certain electric power purchase and sale transaction between the Parties dated as of November 5, 2013 with a delivery period beginning April 15, 2014, (the "EEI Transaction") which forms part of, and is expressly subject to, that certain Master Power and Purchase Sale Agreement between the Parties dated as of November 5, 2013 (the "EEI Agreement"), the Parties acknowledge and agree that the QSE Services Fee shall be included in the price for electricity and related services sold by GPL QSE and purchased by Counterparty pursuant to the EEI Transaction. After the term of the EEI Transaction expires or is terminated, the QSE Services Fee shall equal seventeen thousand five hundred Dollars (\$17,500) per month.

**Section 4.0: Payments and Billing**

4.1 Monthly Invoice Amount. As soon as practicable after the end of each calendar month GPL QSE shall provide Counterparty with an invoice (a "Monthly Invoice") detailing all fees and charges relating to GPL QSE's provision of QSE Services under this Agreement, including but not limited to (i) the QSE Services Fee (if any), and (ii) any penalties, charges or other fees assigned by ERCOT to GPL QSE resulting from GPL QSE's performance of QSE Services for the benefit of Counterparty (so long as such penalties, charges or fees are not incurred due to the fault of GPL QSE). Any amounts owed by GPL QSE to Counterparty shall be credited to Counterparty on such Monthly Invoice.

4.2 Payment of Monthly Invoices. Unless otherwise agreed by the Parties in a Transaction, all invoices under this Agreement shall be due and payable in accordance with GPL QSE's invoice instructions on or before the later of the twentieth (20th) day of each

month, or tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next Business Day. Payments will be made by electronic funds transfer, or by other mutually agreeable method(s), to the account specified in Section 9.3 herein or as otherwise designated in the Monthly Invoice.

- 4.3 Disputes and Adjustments of Invoices. Either Party may, in good faith, dispute the correctness of any Monthly Invoice within twelve (12) months from the date such Monthly Invoice, or adjustment to such Monthly Invoice, was rendered or thirty (30) days from the date of the relevant ERCOT final settlement statement, whichever is later. In the event any Monthly Invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed by a Party, such disputing Party shall promptly provide the other Party with written notice stating a reasonable basis for the dispute or adjustment. Notwithstanding any notice of dispute or adjustment of Monthly Invoice, payment of the entire invoiced portion shall be required to be made when due by the Party owing such amount. Upon resolution of the dispute, (i) any required additional payment by the disputing Party shall be payable (plus interest pursuant to Section 4.4) to the non-disputing Party, and (ii) any required return of amounts previously paid by the disputing Party shall be payable (plus interest pursuant to Section 4.4) from the non-disputing Party to the disputing Party, each within five (5) Business Days of such resolution.
- 4.4 Interest. Simple interest shall accrue on any unpaid or disputed amount under this Agreement at a rate equal to the Interest Rate. The "Interest Rate" shall equal the lesser of (i) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (ii) the maximum rate permitted by applicable law, such interest to be calculated from and including the original due date to but excluding the date the delinquent amount is paid in full.
- 4.5 Audit Rights. Each Party shall have the right at its own expense to audit and to examine any cost, payment, settlement, or copies of supporting documentation related to any item set forth in this Agreement. Any such audit shall be undertaken by a Party or its representatives at reasonable times, in conformance with generally accepted audited standards, and subject to the confidentiality requirements of this Agreement. The right to audit a cost shall extend for a period of three (3) years following the first billing for such cost under this Agreement. Each Party agrees to fully cooperate with such audit, and to retain all necessary records or documentation for the length of the audit period.
- 4.6 Performance Assurance Payments. In addition to any other payment obligation(s) provided herein, if Counterparty's creditworthiness or ability to perform under this Agreement (whether or not then due) has become unsatisfactory to GPL QSE, as determined by GPL QSE in a commercially reasonable manner, then GPL QSE may provide Counterparty with written notice requesting Performance Assurance in an amount determined by GPL QSE in a commercially reasonable manner, but not to

exceed three (3) times the average QSE Services Fee in the prior two (2) Monthly Invoices invoiced by GPL QSE. Upon receipt of such notice, Counterparty shall have three (3) Business Days to remedy the situation by providing the requested Performance Assurance to GPL QSE.

#### **Section 5.0: Events of Default and Termination**

5.1 **Events of Default.** An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

- (i) the failure to make, when due, any payment required pursuant to this Agreement (including but not limited to any payment of Performance Assurance under Section 4.6) if such failure is not remedied within three (3) Business Days after written notice of such failure;
- (ii) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;
- (iii) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default), if such failure is not remedied within three (3) Business Days after written notice thereof; *provided, however*, that no act (or failure to act) by GPL QSE in performing QSE Services shall be considered an Event of Default hereunder if GPL QSE acts (or fails to act) pursuant to Counterparty's written instructions;
- (iv) such Party (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (b) makes an assignment or any general arrangement for the benefit of creditors, (c) otherwise becomes bankrupt or insolvent (however evidenced), (d) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (e) is generally unable to pay its debts as they fall due;
- (v) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party; or
- (vi) a Party is subject to an Event of Default as defined in the EEI Agreement.

## 5.2 Termination Upon Event of Default.

5.2.1 Early Termination Date. Upon the occurrence and continuation of an Event of Default, the Party not in default (the “Non-Defaulting Party”) shall have the right to designate, by written notice to the Defaulting Party, a date on which this Agreement shall terminate (an “Early Termination Date”). The Early Termination Date shall be no later than twenty (20) Business Days after the date on which the Event of Default occurs.

5.2.2 Damages Upon Early Termination. Upon the occurrence of the Early Termination Date, the Non-Defaulting Party shall promptly calculate the Early Termination Payment in good faith and in a commercially reasonable manner and provide the Defaulting Party with an invoice stating, in reasonable detail, the calculation of the Early Termination Payment. The Early Termination Payment shall be due on or before two (2) Business Days after the Defaulting Party’s receipt of the Non-Defaulting Party’s invoice. The Early Termination Payment will equal the net result of the following, as applicable:

- (i) (a) If GPL QSE is the Defaulting Party, the positive difference, if any, between (i) the amount Counterparty pays another QSE for QSE services under a replacement QSE services agreement (the “Replacement QSE Services Fee”) for the remainder of the Initial Term hereunder; and (ii) the amount Counterparty would have paid to GPL QSE in performing the QSE Services for the remainder of the Initial Term of this Agreement, but for the occurrence of the Early Termination Date, as calculated by Counterparty in a commercially reasonable manner. Counterparty shall enter into any such replacement QSE services agreement in good faith, and the QSE services provided under the replacement agreement shall be similar to the QSE Services provided by GPL QSE under this Agreement. Notwithstanding the foregoing, if GPL QSE disputes in good faith Counterparty’s calculation of the Early Termination Payment based on the Replacement QSE Services Fee, GPL QSE shall send Counterparty written notice of such dispute and shall only be required to pay Counterparty the undisputed portion of the Early Termination Payment when due. Upon GPL QSE’s request, Counterparty will deliver to GPL QSE the data and formulae used by Counterparty in calculating the Early Termination Payment. If, upon resolution of the dispute, it is determined that GPL QSE owes any disputed portion of the Early Termination Payment to Counterparty, GPL QSE shall pay such remaining portion (plus interest pursuant to Section 4.4) within five (5) Business Days of the resolution of the dispute; or
- (b) If Counterparty is the Defaulting Party, the sum of the QSE Services Fees that GPL QSE would have received from Counterparty for

GPL QSE's performance of QSE Services for the remainder of the Initial Term

PLUS

- (ii) Any amounts invoiced under Section 4.0 which remain unpaid as of the Early Termination Date.

5.3 Automatic Termination. To the extent that the EEI Transaction and/or the EEI Agreement terminates (an "Automatic Termination Event"), the date on which such Automatic Termination Event occurs shall be deemed an Early Termination Date for purposes of this Agreement, including but not limited to the calculation of damages pursuant to Section 5.2.2 above, with the Party that is the Non-Defaulting Party under the EEI Agreement also the Non-Defaulting Party under this Agreement.

**Section 6.0. Representations and Warranties**

6.1 Representations and Warranties. On the Effective Date, each Party represents and warrants to the other Party that:

- (i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (ii) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
- (iii) except for provisions relating to indemnities provided by a Party, the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (iv) this Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;
- (v) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
- (vi) there are no pending legal proceedings or, to its knowledge, any threatened against it or any of its Affiliates that could materially adversely affect its ability to perform its obligations under this Agreement;

- (vii) no default under this Agreement with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement; and
- (viii) it is acting for its own account, has made its own independent decision to enter into this Agreement as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement.
- (ix) neither Party makes any warranty or representation regarding the validity, legality, effect or enforceability of any provision of this Agreement relating to any obligation of a Party to indemnify the other Party.

#### **Section 7.0: Dispute Resolution**

- 7.1 **Dispute Resolution.** In accordance with the provisions of Subchapter I, Chapter 271, Tex. Loc. Gov't Code, the Parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this Agreement, the Parties will first attempt to resolve the dispute by taking the following steps: (1) A written notice substantially describing the nature of the dispute shall be delivered by the dissatisfied Party to the other Party, which notice shall request a written response to be delivered to the dissatisfied Party not less than five (5) days after receipt of the notice of dispute. (2) If the response does not reasonably resolve the dispute, in the opinion of the dissatisfied Party, the dissatisfied Party shall give notice to that effect to the other Party whereupon each Party shall appoint a person having authority over the activities of the respective Parties who shall promptly meet, in person, in an effort to resolve the dispute. (3) If those persons cannot or do not resolve the dispute, then the Parties shall each appoint a person from the highest tier of managerial responsibility within each respective Party, who shall then promptly meet, in person, in an effort to resolve the dispute.

#### **Section 8.0: Limitations**

- 8.1 **Limitation of Remedies, Liability and Damages.** EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER

REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, (i) NEITHER PARTY SHALL BE OBLIGATED TO FUND ANY POTENTIAL INDEMNITY OBLIGATION BY PRIOR APPROPRIATION OR ESTABLISHMENT OF A SINKING FUND; (ii) NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES REGARDING ANY INDEMNITY OBLIGATIONS PROVIDED IN THIS AGREEMENT, AND (iii) ANY INDEMNITY OBLIGATIONS OTHERWISE OWED BY EITHER PARTY SHALL BE OWED ONLY TO THE EXTENT PERMITTED BY LAW.

#### **Section 9.0: Miscellaneous**

- 9.1 **Amendment.** Except to the extent otherwise provided herein, no amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by both Parties.
- 9.2 **Force Majeure.** To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations so affected for the duration of the Force Majeure. The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.
- 9.3 **Notice.** All notices required to be given under this Agreement shall be in writing, and shall be deemed delivered three (3) days after being deposited in the U.S. mail, first class postage prepaid, registered (or certified) mail, return receipt requested, addressed to the other Party at the address specified in this Agreement or shall be deemed delivered on the day of receipt if sent in another manner requiring a signed receipt, such as courier delivery or Federal Express delivery. Either Party may change its address or contact person for such notices by delivering to the other Party a written notice referring specifically to this Agreement.

If to GPL QSE: Garland Power and Light  
217 N. Fifth Street  
Garland, Texas 75040  
Attn: Tom Hancock, Assistant Managing Director, Electric Utility  
[\\*Garland\\_Energy\\_Notices@gplops.org](mailto:*Garland_Energy_Notices@gplops.org)  
Phone: 972-205-2217  
Facsimile: 972-205-2240

Invoices:  
Attn: Energy Accounting  
Phone: (972) 205-3023  
Facsimile: (972) 205-3004  
[Garland\\_Settlements@gplops.org](mailto:Garland_Settlements@gplops.org)

Account Information for Electronic Payment:

Wire Transfer:  
BNK: JP Morgan Chase  
City, State: Dallas, Texas  
ABA: 111000614  
ACCT: 0090001199  
Credit: City of Garland Treasury Fund

If to Counterparty: City of Farmersville, Texas  
Attn: City Manager  
205 S. Main Street  
Farmersville, Texas 75442  
Phone: (972) 782-6151  
Facsimile: (972) 782-6604

Account Information for Electronic Payment:

BNK: First National Bank of Trenton  
For the Account of: City of Farmersville  
ABA: 111908583  
ACCT: 0700815

- 9.4 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of GPL QSE and Counterparty and their respective successors and permitted assigns.
- 9.5 Assignment. Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion.
- 9.6 Entire Agreement. Any Exhibits or Appendices attached to this Agreement are

incorporated into this Agreement by reference and made a part of this Agreement as if repeated verbatim in this Agreement. This Agreement represents the Parties' final and mutual understanding with respect to its subject matter. It replaces and supersedes any prior agreements or understandings, whether written or oral. No representations, inducements, promises, or agreements, oral or otherwise, have been relied upon or made by any Party, or anyone on behalf of a Party, that are not fully expressed in this Agreement. Any agreement, statement, or promise not contained in this Agreement is not valid or binding.

- 9.7 No Waiver. No breach or provision of this Agreement shall be deemed waived, modified or excused by a Party unless such waiver or modification is in writing and signed by an authorized officer of such Party. The failure by or delay of either Party in enforcing or exercising any of its rights under this Agreement shall (i) not be deemed a waiver, modification or excuse of such right or of any breach of the same or different provision of this Agreement, and (ii) not prevent a subsequent enforcement or exercise of such right.
- 9.8 Survival of Obligations. The termination of this Agreement shall not discharge either Party from any obligation it owes to the other Party under this Agreement, including but not limited to any obligation (whether known or unknown at the time of termination of the Agreement) relating to costs, damages, expenses or liabilities, which occurs or arises prior to such termination. Notwithstanding the termination of this Agreement, whether upon the occurrence of an Early Termination Date or otherwise, the Parties shall remain liable for payment of any amounts owed between the Parties with respect to any ERCOT Settlement Statement(s) (as defined in the ERCOT Protocols) relating to the Parties.
- 9.9 Standard of Care. Counterparty acknowledges and agrees that GPL QSE provides QSE Services similar to those provided under this Agreement to customers other than Counterparty including, potentially, counterparties to transactions with Counterparty. Nothing contained in this Agreement (i) shall preclude GPL QSE from providing QSE Services to any other customer; (ii) shall establish a standard of care on the part of GPL QSE such that GPL QSE owes a higher duty of performance or care to Counterparty in comparison to any similar duty owed to any other purchaser of QSE Services from GPL QSE; or (iii) shall be construed to require GPL QSE to offer more favorable transaction terms, or to introduce more favorable transactional opportunities, to Counterparty in comparison to those otherwise provided or undertaken by GPL QSE in any other agreement. GPL QSE will perform its duties under this Agreement in strict compliance with ERCOT Protocols and any other applicable rules and regulations and shall exercise the same degree of care customarily exercised by a QSE in ERCOT.
- 9.10 Headings. Titles and headings of paragraphs and sections within this Agreement are provided merely for convenience and shall not be used or relied upon in construing this Agreement or the Parties' intentions with respect thereto.

- 9.11 Severability. In the event that any of the provisions, or portions or applications thereof, of this Agreement are finally held to be unenforceable or invalid by any court of competent jurisdiction, that determination shall not affect the enforceability or validity of the remaining portions of this Agreement, and this Agreement shall continue in full force and effect as if it had been executed without the invalid provision; *provided, however*, if either Party determines, in its sole discretion, that there is a material change in this Agreement by reason thereof, the Parties shall promptly enter into negotiations to replace the unenforceable or invalid provision with a valid and enforceable provision that preserves the original intent of the Parties. If the Parties are not able to reach an agreement as the result of such negotiations within fourteen (14) days, either Party shall have the right to terminate this Agreement upon three (3) days written notice.
- 9.12 Choice of Law and Venue. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.
- 9.13 Further Assurances. Each Party agrees that during the term of this Agreement it will take such actions, provide such documents, do such things and provide such further assurances as may reasonably be requested by the other Party to permit performance of this Agreement.
- 9.14 Conflicts. This Agreement is subject to applicable federal, state, and local laws, ordinances, rules, regulations, orders of any governmental authority and tariffs. Nothing in this Agreement may be construed as a waiver of any right to question or contest any federal, state and local law, ordinance, rule, regulation, order of any Governmental Authority, or tariff. In the event of a conflict between this Agreement and an applicable federal, state, and local law, ordinance, rule, regulation, order of any Governmental Authority or tariff, the applicable federal, state, and local law, ordinance, rule, regulation, order of any Governmental Authority or tariff shall prevail.
- 9.15 Change in Law. The Parties agree that performance hereunder is subject to the ERCOT Operating Guides in effect and approved by ERCOT on the trade date (the "ERCOT Operating Guides"). Buyer and Seller further agree to abide by all ERCOT Protocols, as the same may be amended from time to time. In the event of a change in the ERCOT Protocols or ERCOT Operating Guides that results in a conflict or inconsistency between this Agreement and the ERCOT Protocols or ERCOT Operating Guides, the Parties hereto shall negotiate in good faith to amend this Agreement to eliminate such inconsistency or conflict and, to the extent possible, maintain the original intent of this Agreement. Neither Party shall have any liability to the other for any adverse impact of any act or omission by ERCOT. If the Parties cannot reach a mutually-acceptable agreement on the effect of modifications to the ERCOT Protocols, amendments to the Public Utility Regulatory Act, or amendments or additions to the regulations of the Public Utility Commission of Texas that result in a conflict with this Agreement, then either Party shall have the right to terminate this Agreement upon thirty (30) days written notice.

- 9.16 **Confidentiality.** To the extent permitted by law, neither Party shall disclose the terms or conditions of this Agreement to a third party (other than the Party's employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding; *provided, however*, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.
- 9.17 **Indemnity.** TO THE EXTENT PERMITTED BY LAW, COUNTERPARTY AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS GPL QSE, ANY OF ITS THIRD-PARTY CONTRACTORS AND ALL OF THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, ASSOCIATES, EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS FROM AND AGAINST ALL PENALTIES, CLAIMS, COSTS, LOSSES, EXPENSES (INCLUDING ATTORNEYS' FEES AND COURT COSTS), DAMAGES, DEMANDS, JUDGMENTS, CAUSES OF ACTION OR SUITS OF ANY KIND, INCLUDING BUT NOT LIMITED TO, COSTS AND PENALTIES RESULTING FROM COUNTERPARTY'S ACTION, INACTION, NEGLIGENCE, OR FAILURE TO FOLLOW ANY INSTRUCTIONS, RULES, REGULATIONS, OR INSTRUCTIONS OF ERCOT OR ANY OTHER RULE, REGULATION OR STATUTE. COUNTERPARTY SHALL NOT BE OBLIGATED TO FUND ANY INDEMNITY OBLIGATION UNDER THIS SECTION OR UNDER ANY OTHER SECTION OF THIS AGREEMENT BY PRIOR APPROPRIATION OR ESTABLISHMENT OF A SINKING FUND.

#### **Section 10.0: Definitions**

- 10.1 "Affiliate" means, with respect to either Party, any entity directly or indirectly controlled by or under common control with such Party. For purposes of this definition, "control" means the direct or indirect ownership of fifty-percent (50%) or more of the outstanding company stock or equity interest.
- 10.2 "Business Day" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. C.P.T.
- 10.3 "ERCOT Protocols" means the document adopted by ERCOT, including any attachments or exhibits referenced in that document, as amended from time to time, that contains the scheduling, operating, planning, reliability and settlement (including customer registration) policies, rules, guidelines, procedures, standards, and criteria of ERCOT.
- 10.4 "Force Majeure" means an event or circumstance which prevents one Party from performing its obligations under the Agreement, which event or circumstance was not anticipated as of the Effective Date, which is not within the reasonable control of, or the

result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided.

- 10.5 "Performance Assurance" means (i) cash in U.S. dollars, or (ii) a letter of credit in a form and from an issuer acceptable to GPL QSE in its sole discretion.

Executed to be effective April 15, 2014.

**CITY OF GARLAND, TEXAS**

**CITY OF FARMERSVILLE, TEXAS**



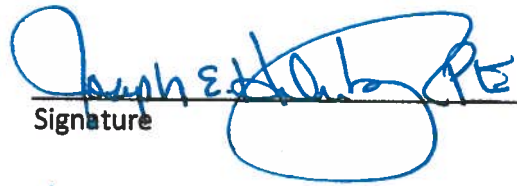
Signature

William E. Dollar

Print Name

City Manager of City of Garland, Texas

Title



Signature

JOSEPH E. HELMBERGER, P.E.

Print Name

Mayor

Title

## **Appendix A**

### **QSE Services**

GPL will establish an ERCOT-certified Counterparty Sub-QSE intended for the sole use of providing QSE services to Counterparty for all business functions as described below or further developed by mutual agreement, required by the ERCOT Protocols, or those needed based on Counterparty's power supply portfolio.

In the event of any conflict between the terms of this Appendix A and the other terms of the Agreement, the terms of the Agreement shall control. Capitalized terms used herein but not otherwise defined herein shall have the meanings set forth in the ERCOT Protocols.

#### **DESCRIPTION OF QSE SERVICES:**

QSE Services shall be comprised of the following obligations:

- **Ancillary Services**

GPL will schedule all Ancillary Services obligations on behalf of Counterparty.

- **Bilateral Transaction Scheduling and Facilitation**

GPL QSE will perform all scheduling functions for energy and Ancillary Services bilateral transactions. GPL QSE will serve as primary market contact for energy scheduling and trading functions. GPL QSE will use scheduling and bid/offer software processes to insure all Counterparty transactions for energy and Ancillary Services products are accurately scheduled.

- **Communications**

GPL QSE will work with Counterparty to establish all communications necessary to perform all related energy supply and QSE required functions.

- **Congestion Revenue Rights**

GPL QSE will assist Counterparty in setting up and submitting all necessary CRR accounts with ERCOT. GPL QSE will submit bids and offers associated with CRRs as directed by Counterparty. GPL QSE will recommend strategies associated with CRR bids and offers in the CRR auctions.

- **ERCOT Market Rules Reports**

GPL QSE will share with Counterparty any meeting notes, informational updates, changes to market rules, reports, and offer any insights regarding potential impacts to Counterparty. GPL QSE proposes to keep Counterparty involved in the process by allowing Counterparty to participate in market rules meetings which GPL QSE conducts to discuss upcoming meeting agenda topics, market rule changes, and formulating strategies/positions for key issues.

- **Load Obligation Scheduling**

GPL QSE will schedule Counterparty load obligations.

- **Market Hedging, Pricing, and Strategies**

GPL QSE will formulate and discuss the hedging strategies and options available to Counterparty to manage its power supply portfolio and price.

- **Settlements**

GPL QSE will settle all payments with ERCOT for Counterparty.



TO: Mayor and Councilmembers

FROM: City Manager Ben White

DATE: December 2, 2014

SUBJECT: Consider, discuss and act upon a Request for Qualifications for an auditor

- An RFQ is presented for review

**ACTION: Council action as deemed necessary.**



- E. Proposals received after 10:00 a.m., Wednesday, XXXXXXXXXXXX will not be opened, and will be considered void and unaccepted.
- F. The City reserves the right to reject any and all proposals received. Any award will be made to the firm which, in the opinion of the City Council of the City of Farmersville, is best qualified.

**III. GENERAL INFORMATION:** The City operates as a Type A General Law City. The City is situated along and about the crossroads of U.S. Highways 380 and 78 in northeast Collin County, Texas. The City has a 2010 census population estimate of 3,350 and a current combined operating budget of approximately \$4.1 million. The City maintains records using modified accrual accounting. Fund and budgetary accounting records are maintained for the City's "General Fund." The City maintains "Debt Service" funds, "Capital Project" funds, and "General Long Term Debt" and "General Fixed Asset" groups. Also, the City operates and maintains records for a water utility enterprise, (servicing approximately 1,200 retail customers and also supplying two wholesale water supply corporations), a wastewater enterprise, a refuse enterprise and an electric enterprise.

The City's financial records are maintained on the INCODE computer based accounting system. All financial software is pre-packaged, governmental specific application software. The system is composed of a general ledger system including budgetary records, accounts payable, utility billing, and payroll (for approximately 24 full-time and part-time employees). Taxes receivable are collected and transmitted daily to the City by an independent third-party. The City's investments and operating funds are currently maintained by one depository institution. The City also utilizes two investment pools.

**IV. DESCRIPTION OF WORK:** The audit shall be conducted according to generally accepted auditing standards ("GAAS") as outlined in the "Statements on Auditing Standards," the standards for financial and compliance audits contained in the United States General Accounting Office ("GAO") "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions," the U.S. Office of Management and Budget's ("OMB") "Major Compliance Features of Programs Administered by State and Local Governments," the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and OMB Circular A-133. Field work will begin no later than the first week of December and shall be completed prior to December 31. All proposed audit adjustments shall be reviewed with the Finance Officer at time of preparation or no later than the completion of field work. Upon completion of field work, the auditor shall schedule an exit conference with the City Manager and Finance Officer of the City of Farmersville. The auditor shall submit a temporary and preliminary draft report and management letter to the City Manager for review at or before the time of the exit conference. A presentation at a later date will be scheduled with the Farmersville City Council. The final audit report shall be submitted no later than January 31st after the closing of the fiscal year then being audited. The auditor shall supply twenty (20) copies of the final audit report, unless otherwise requested by the City Manager.

All working papers and documents shall be retained by the auditor for a minimum of three years and shall be made available at no cost to the City of Farmersville upon request. Additionally, the partner in charge of the audit shall be available to attend public meetings, as directed by the City, at which time the audit report will be presented and discussed.

**V. AUDITOR QUALIFICATIONS:** The qualified proposal shall include:

- A. An affirmation that the proposer is licensed by the State of Texas under Chapter 901 of the Texas Occupations Code for public practice as a certified public accountant.
- B. An affirmation that the proposer meets the independence requirements of the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" published by the GAO.
- C. A statement as to whether the proposer has received a quality control review within the past five (5) years and whether in any of such reviews an unqualified report was issued.
- D. If applicable, evidence that the proposer has experience in performing government audits.

**VI. REPORTING REQUIREMENTS:** The Annual Financial Report is to be addressed to the Mayor and City Council of the City of Farmersville and should include at a minimum:

- A. Auditor's Opinion
- B. Combined Financial Statements and Accompanying Notes
- C. Supplemental combining and individual fund and account group statements
- D. Report on Supplemental Schedule of Federal Financial Assistance (as necessary)
- E. Report on Compliance Based on Examination of General Purpose Financial Statements
- F. Report on Compliance Related to Major and Non-major Federal Financial Assistance Programs (as necessary)
- G. Report on Internal Accounting Controls made as a Part of Examination of the General Purpose Financial Statements
- H. Report on Internal Controls (Accounting and Administrative) made as a part of Examination of the General Purpose Financial Statements and the Additional Tests Required by the Single Audit Act
- I. Completed OMB Standard Form SF-SAC, "Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations" (as necessary)
- J. Report to Management, which includes recommendations concerning internal accounting controls, financial statements, accounting systems, administrative and operating matters, instances of noncompliance with laws and regulations, and any other material matters.

**VII. RESPONSE FORMAT:** In order to expedite the review process and obtain the maximum degree of information for evaluation purposes, proposals shall be prepared in the following format:

- A. Title Page - identify the subject, firm name, address, telephone number, contact person, and date of submission.
- B. Table of Contents - identify the materials submitted by section and page number.
- C. Letter of Transmittal-briefly identifies your firm's understanding of the services to be provided and ability to perform within the required deadlines. An all-inclusive annual fee should be stated for the audit services to be performed, including the names of authorized representatives of your firm, their titles, physical addresses, e-mail addresses, and telephone number(s).
- D. Profile of Independent Auditor - note the size and organization of the proposer (whether it is local, regional, national or international), location of the office to perform the audit, noting the size of the staff and activities performed at that location (i.e. audit, tax service, etc.). An affirmative statement that the

**AUDITOR QUALIFICATIONS** have been met, as previously described in Section V within this Request for Proposal, is satisfactory.

- E. Summary of the Proposer's Qualifications - identify audit managers, field supervisors and staff members who will work on the City's audit including resumes for each listing relevant experience and continuing education.
- F. Proposer's Approach to the Examination - Submit a work plan to accomplish the scope defined within this Request for Proposal (refer to Section III, GENERAL INFORMATION; Section IV, DESCRIPTION OF WORK; and Section VI, REPORTING REQUIREMENTS). The work plan should include time estimates for each significant segment of the work and the staff level to be assigned. The audit work plan should completely cover what audit work will be accomplished to allow the auditor to render:
  - 1. An opinion report on the financial statements
  - 2. A report on the study and evaluation of internal control systems
  - 3. As necessary, reporting on the organization's control system to assure compliance with laws and regulations that may have an effect on federal assistance programs.The audit work plan should demonstrate the proposer's understanding of the audit requirements of a Single Audit as specified in OMB Circular A-133 and the audit tests and procedures to be applied in completing the audit plan.
- G. Compensation - estimate the total hours anticipated, the hourly rate, and the resulting all-inclusive maximum annual fee for the requested work in all sections of the Request for Proposal for each of the three years and each of two additional one-year extension periods;
- H. Additional Information - list any additional information the proposer feels pertinent to the proposal.

Any questions concerning this Request for Proposal should be directed to Daphne Hamlin, Finance Officer, 205 South Main Street, Farmersville, Texas 75442, (972) 782 – 6151.



**TO:** Mayor and Councilmembers

**FROM:** City Manager Ben White

**DATE:** December 2, 2014

**SUBJECT:** Consider, discuss and act upon a resolution awarding the professional service providers for the CDBG sewer grant #7214160

- A resolution is attached for review

**ACTION:** Approve or disapprove the resolution as presented.

**CITY OF FARMERSVILLE  
RESOLUTION # R-2014-1202-001**

**A RESOLUTION OF THE CITY OF FARMERSVILLE, TEXAS, AUTHORIZING THE AWARD OF PROFESSIONAL SERVICE PROVIDER CONTRACTS FOR THE 2014 TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT AWARD CONTRACT 7214160.**

WHEREAS, the recent award of a 2014 Texas CDBG contract requires implementation by professionals experienced in the administration and engineering of federally-funded community development projects;

WHEREAS, in order to identify qualified and responsive providers for these services a Request for Proposals (RFP) process for administration services and a Request for Qualifications (RFQ) for engineering services has been completed in accordance with Texas CDBG requirements;

WHEREAS, the procurement process entailed advertisement in the local newspaper and directly contacting firms with prior experience in the region, firms recommended by neighboring communities, and/or firms requesting the submission requirements;

WHEREAS, the submissions received by the due date have been scored to determine the most qualified and responsive providers for each professional service;

**NOW, THEREFORE, BE IT RESOLVED:**

Section 1A. That GrantWorks, Inc. be awarded a contract to provide Texas CDBG project-related **administration services** for Contract 7214160.

Section 1B. That Daniel & Brown, Inc. be awarded a contract to provide Texas CDBG project-related **professional engineering services** for Contract 7214160.

Section 2. That any and all contracts or commitments made with the above-named services providers are dependent on the successful negotiation of a contract with the service provider;

PASSED AND APPROVED ON THIS THE 2<sup>ND</sup> DAY OF DECEMBER, 2014.

**APPROVED:**

\_\_\_\_\_  
Joseph E. Helmberger, P.E., Mayor

**ATTEST:**

\_\_\_\_\_  
Edie Sims, City Secretary



**TO:** Mayor and Councilmembers

**FROM:** City Manager Ben White

**DATE:** December 2, 2014

**SUBJECT:** Consider, discuss and act upon a resolution designating signatories for the CDBG sewer grant #7214160

- A resolution is attached for review

**ACTION:** Approve or deny the resolution as presented.

**CITY OF FARMERSVILLE  
RESOLUTION # R-2014-1202-002**

**RESOLUTION OF THE CITY OF FARMERSVILLE AUTHORIZING DESIGNATED SIGNATORS FOR CONTRACTUAL DOCUMENTS FOR REQUESTING FUNDS PERTAINING TO THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM CONTRACT 7214160.**

**WHEREAS**, the City of Farmersville has received a 2014 Texas Community Development Block Grant award to provide Sewer Improvements; and

**WHEREAS**, it is necessary to appoint persons to execute contractual documents and documents requesting funds from the Texas Department of Agriculture, and;

**WHEREAS**, an original signed copy of the TxCDBG Depository/Authorized Signatories Designation Form (Form A202) is to be submitted with a copy of this Resolution, and;

**WHEREAS**, the City of Farmersville acknowledges that in the event that an authorized signatory of the City changes (elections, illness, resignations, etc.) the City must provide TxCDBG with the following:

- a resolution stating who the new authorized signatory is (not required if this original resolution names only the title and not the name of the signatory); and
- a revised TxCDBG *Depository/ Authorized Signatories Designation Form (Form A202)*.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FARMERSVILLE, TEXAS, AS FOLLOWS:**

The Mayor be authorized to execute contractual documents between the Texas Department of Agriculture and the City for the 2014 Texas Community Development Block Grant Program

The Mayor and City Secretary be authorized to execute the *State of Texas Purchase Voucher* and *Request for Payment Form* documents required for requesting funds approved in the 2014 Texas Community Development Block Grant Program

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF FARMERSVILLE, TEXAS, on December 2, 2014.**

**APPROVED:**

\_\_\_\_\_  
Joseph E. Helmberger, P.E., Mayor

**ATTEST:**

\_\_\_\_\_  
Edie Sims, City Secretary

**A202**

**Depository/Authorized Signatories Designation Form**  
**TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**  
**DEPOSITORY/AUTHORIZED SIGNATORIES DESIGNATION FORM**

Grant Recipient \_\_\_\_\_

TxCDBG Contract No. \_\_\_\_\_

The individuals listed below are designated by resolution as authorized signatories for contractual documents.

_____ (Name)	_____ (Name)
_____ (Title)	_____ (Title)
_____ (Signature)	_____ (Signature)

In addition to the individuals listed above, the individuals listed below are designated by resolution as authorized signatories for the *Request for Payment Form* (Form A203)—(At least two (2) signatories required).

_____ (Name)	_____ (Name)
_____ (Title)	_____ (Title)
_____ (Signature)	_____ (Signature)
_____ (Name)	_____ (Name)
_____ (Title)	_____ (Title)
_____ (Signature)	_____ (Signature)

**NOTE:** A copy of a Resolution passed by the city council or county commissioner's court authorizing the signatories must be submitted along with this form. Grant Recipients are strongly encouraged to use the sample resolution provided.



**TO:** Mayor and Councilmembers

**FROM:** City Manager Ben White

**DATE:** December 2, 2014

**SUBJECT:** Consider, discuss and act upon a resolution adopting a complaint grievance procedure regarding the CDBG sewer grant #7214160

- A resolution is attached for review.

**ACTION:** Approve or disapprove the resolution as presented.

**CITY OF FARMERSVILLE  
RESOLUTION # R-2014-1202-003**

**RESOLUTION OF THE CITY OF FARMERSVILLE ADOPTING A COMPLAINT AND GRIEVANCE PROCEDURE IN COMPLIANCE WITH TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT STANDARDS**

WHEREAS, the City wishes to formally adopt a Complaint and Grievance Procedure for the Community Development Block Grant Program to meet the requirements of Section 504 of the Rehabilitation Act of 1973, as amended.

THEREFORE, the City Council hereby resolves to adopt a Complaint and Grievance Procedure, attached hereto and incorporated herein.

Passed and adopted by the City Council of the City of Farmersville, Texas, on the 2<sup>nd</sup> day of December, 2014.

**APPROVED:**

\_\_\_\_\_  
Joseph E. Helmberger, P.E., Mayor

**ATTEST:**

\_\_\_\_\_  
Edie Sims, City Secretary

## **Section 504 Grievance Procedure**

The following is the City of Farmersville's internal grievance procedure providing for prompt and equitable resolution of complaints alleging any action prohibited by the Office of Revenue Sharing's (ORS) regulations (31 CFR 51.55 (d) (2) implementing Section 504 of the Rehabilitation Act of 1973 as amended (29 USC 794). Section 504 Grievance Procedure states, in part, that "No otherwise qualified handicapped individual shall, solely by reason of his handicap, be excluded from the participation in, denied the benefits of, or be subjected to, discrimination under any program or activity receiving federal financial assistance..."

Complaints should be addressed to Mayor Joe Helmberger, 205 S. Main Street, Farmersville, TX, 75442, whom has been designated to coordinate Section 504 compliance efforts.

A complaint should be filed in writing or verbally, contain the name and address of the person filing it, and briefly describe the alleged violation of the regulations.

A complaint should be filed within ten (10) working days after the complainant becomes aware of the alleged violation. (Processing of allegations of discrimination occurring before this grievance procedure was in place will be considered on a case-by-case basis).

An investigation, as may be appropriate, shall follow the filing of a complaint. The investigation will be conducted by the Mayor. These rules contemplate informal but thorough investigations, affording all interested persons and their representatives, if any, an opportunity to submit evidence relevant to a complaint. Under 31 CFR 51.55 (d) (2), the City of Farmersville needs to process complaints from applicants for employment or from applicants for admission to post-secondary educational institutions.

A written determination as to the validity of the complaint and description of resolution, if any, shall be issued to the office of the Mayor and a copy forwarded to the complainant no later than ten (10) working days after its filing.

The Section 504 coordinator shall maintain the files and records of the City of Farmersville relating to the complaints files.

The complainant can request a reconsideration of the case in instances where he or she is dissatisfied with the resolution. The request for reconsideration should be made within ten working days to the City of Farmersville.

The right of a person to a prompt and equitable resolution of the complaint filed hereunder shall not be impaired by the person's pursuit of other remedies such as the filing of a Section 504 complaint with the Office of Revenue Sharing, U.S. Department of the Treasury. Utilization of this grievance procedure is not a prerequisite to the pursuit of other remedies.

These rules shall be construed to protect the substantive rights of interested persons, to meet appropriate due process standards and assure that the City of Farmersville complies with Section 504 and ORS regulations.

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**Joseph Helmberger, P.E., Mayor**

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Date