

AGENDA

NOTICE OF MEETING

Notice is hereby given that the governing body of the City of Canyon will meet at 5:30 p.m. on the 7th day of March 2016, in the Commission Chambers of City Hall at 301 16th Street in the City of Canyon to discuss the following agenda items:

1. Call to Order.
2. Invocation.
3. Pledge of Allegiance.
4. Approval of the Minutes of the Meeting of February 15, 2016.
5. Approval of the Minutes of the Special Meeting called February 22, 2016.
6. Public Comment – Comments from Interested Citizens.
7. Special Announcement by Chief Mike Webb on City of Canyon's New ISO Rating.
8. First Reading of Resolution No. 03-2016 With Regards to the Conveyance of Property Located at 1512 5th Avenue to Blue Bison Investments, LLC. The Property is to be used for New Construction.
9. Consider and Take Appropriate Action on Resolution No. 04-2016, A Resolution Suspending the Effective Date of SPS's Rate Case Filed on February 16, 2016.
10. Consider and Take Appropriate Action on Resolution No. 05-2016, A Resolution Approving a Negotiated Resolution between the Atmos West Texas Cities Steering Committee and Atmos Energy Regarding the Company's 2015 Rate Review.
11. Executive Session Pursuant to Texas Government Code §551.074 Personnel: (Fireman Pension Board), §551.072 Real Property, §551.071 Consultation With Attorney, and §551.087 Economic Development Negotiations.
12. Consider and Take Appropriate Action on Items Discussed in Executive Session.
13. Adjournment.



Randy Criswell, City Manager

I certify that the above Notice of Meeting was posted on the bulletin board of the Civic Complex of the City of Canyon, Texas on the 4th day of March 2016.



Gretchen Mercer, City Clerk

The City Commission of the City of Canyon met in regular session at 5:30 p.m. in the City Commission Chambers of the Civic Complex. Mayor Alexander presided over the meeting with the following Commissioners in attendance Mayor Pro-Tem Gary Hinders, Joe Shehan, Justin Richardson and David Logan.

Also present were the following City Staff: City Manager Randy Criswell, Assistant City Manager Chris Sharp, City Secretary Gretchen Mercer, Director of Code Enforcement Danny Cornelius, Assistant City Manager for Special Projects Jon Behrens, Director of Public Works Dan Reese, Parks and Recreation Director Brian Noel, Police Chief Dale Davis and City Attorney Chuck Hester.

Item 1. Call to Order.

Mayor Alexander called the meeting to order at 5:33 p.m.

Item 2. Invocation.

Mayor Pro-Tem Hinders gave the invocation.

Item 3. Pledge of Allegiance.

Derreck Kelments, a student and Member of the Canyon Intermediate Student Council led the Pledge of Allegiance.

Item 4. Approval of Minutes of the Meeting of February 1, 2016.

Commissioner Logan moved, duly seconded by Commissioner Shehan, to approve the minutes of February 1, 2016 as presented. Motion carried unanimously.

Item 5. Public Forum – Comments from Interested Citizens.

No comments were made.

Item 6. Consider and Take Appropriate Action on Resolution No. 02-2016 Authorizing the Submission of a FY 2016 Regional Solid Waste Grants Program Application to the Panhandle Regional Planning Commission.

Fire Chief Mike Webb presented Resolution No. 02-2016 adopting the 2014 Updated Hazard Mitigation Plan for the City of Canyon. Chief Webb thanked all staff and the Panhandle Regional Planning Commission for all the hard work and long hours in getting the plan updated. Chief Webb introduced Mr. John Kiehl from the Panhandle Regional Planning Commission who gave a brief summary of the plan and steps taken to update it.

Mayor Alexander opened the public hearing.

There being no comment, Mayor Alexander closed the Public hearing.

After discussion, Commissioner Hinders moved, duly seconded by Commission Shehan to adopt Resolution No. 01-2016 as presented. Motion carried unanimously.

RESOLUTION NO. 01-2016

**A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF CANYON, TEXAS,
ADOPTING THE 2014 UPDATED CITY OF CANYON HAZARD MITIGATION PLAN**

- Item 7. Consider and Take Appropriate Action on Ordinance No. 1033, Reducing the Speed Limit on S.H. 217 From 70 MPH to 55 MPH Beginning at the East City Limits / Georgia Street.

Chief of Police Dale Davis presented Ordinance No. 1033 for consideration. Chief Davis said he had requested a speed reduction for SH 217 to the Texas Department of Transportation due to increased traffic from the Canyon East Development. Chief Davis stated TxDOT did a study justifying the reduction in speed from 70 mph to 55 mph.

After discussion, Mayor Pro-Tem Hinders moved, duly seconded by Commissioner Shehan to adopt Ordinance No. 1033 as presented. Motion carried unanimously.

ORDINANCE NO. 1033

AN ORDINANCE AMENDING §71.30(A)(2) OF THE CODE OF ORDINANCES FOR THE CITY OF CANYON RELATING TO MAXIMUM SPEED LIMITS; ADDING A NEW SUBSECTION (A)(2)(D)(4) ESTABLISHING A 55 MPH SPEED ZONE ON STATE HIGHWAY 217 FROM MP 2.471 TO MP 3.024; AMENDING TRAFFIC SCHEDULES IN CHAPTER 74, SCHEDULE I; AND, PROVIDING FOR A PENALTY AND AN EFFECTIVE DATE.

- Item 8. Consider and Take Appropriate Action on Formation of Task Force to be Headed by Mayor Pro-Tem Gary Hinders to Study Water Needs and Issues.

Mayor Pro-Tem Hinders introduced a plan to form a Task Force to address water issues for the City of Canyon. Mayor Pro-Tem Hinders said the City of Canyon had been working for years to secure water for the future of Canyon and would like the Task Force to look into potential water sources, and needs for growth.

After discussion Mayor Alexander appointed Mayor Pro-Tem Hinders and Commissioner Shehan to start the Task Force seeking out members of expertise from city staff, the City Engineer and others as they seemed appropriate. Mayor Alexander requested the first report from the Task Force be presented in approximately 6 months.

- Item 9. Consider and Take Appropriate Action on Project List to be Considered in Capital Improvements Plan Draft.

City Manager Randy Criswell presented a list of projects put together by city staff for consideration of being included in a Capital Improvements Plan. Mr. Criswell stated staff felt updating the Water and Wastewater System Studies as critical to a Capital Improvement Plan and that the City Engineer is currently working on an update. Commissioners expressed

appreciation to staff for putting together the list. Commissioner Logan said he would like to see the automated meter reading system strongly considered and implemented soon. Mr. Criswell said many of the brick streets in town are in very bad shape and would have to be addressed in the near future. Mayor Pro-Tem Hinders requested a total of what has been spent on capital improvements over the last 6-10 years be provided. Commissioner Logan asked if the vendor for the automated meter reading system could provide information for that project at a meeting in March 2016.

Item 10. Executive Session Pursuant to Texas Government Code, §551.072 Regarding Real Property; and §551.071 Consultation with Attorney.

Mayor Alexander indicated the Commission would adjourn into executive session at 6:30 pm.

Item 11. Consider and Take Appropriate Action on Items Discussed in Executive Session.

Upon returning from executive session at 7:17 pm, no action was taken.

Item 12. Adjournment

There being no further business, Mayor Pro-Tem Hinders moved this meeting be adjourned.

Quinn Alexander, Mayor

ATTEST:

Gretchen Mercer, City Secretary

The City Commission of the City of Canyon met in special session at 5:30 p.m. in the City Commission Chambers of the Civic Complex. Mayor Alexander presided over the meeting with the following Commissioners in attendance Mayor Pro-Tem Gary Hinders, Justin Richardson and David Logan. Commissioner Joe Shehan was not able to attend.

Also present were the following City Staff: City Manager Randy Criswell, Assistant City Manager Chris Sharp, Director of Public Works Dan Reese, Parks and City Attorney Chuck Hester.

Item 1. Call to Order.

Mayor Alexander called the meeting to order at 5:31 p.m.

Item 2. Executive Session Pursuant to Texas Government Code, §551.072 Regarding Real Property.

Mayor Alexander indicated the Commission would adjourn into executive session at 5:32 pm.

Item 3. Consider and Take Appropriate Action on Items Discussed in Executive Session.

Upon returning from executive session at 6:33 pm, the following action was taken.

Mayor Pro-Tem Hinders moved, duly seconded by Commissioner Richardson to take assignment of a real estate contract from George Clift Enterprises dated 02-19-2016 on property located at 22850 Brown Road, Canyon, Texas. Motion carried unanimously.

Commissioner Logan moved, duly seconded by Mayor Pro-Tem Hinders to authorize staff to begin proceedings of negotiations to sell surface rights of property located at 22850 Brown Road, Canyon, Texas. Motion carried unanimously.

Item 4. Adjournment

There being no further business, Mayor Pro-Tem Hinders moved this meeting be adjourned.

Quinn Alexander, Mayor

ATTEST:

Gretchen Mercer, City Secretary

To: Mayor and City Commission
From: Randy Criswell, City Manager
Date: March 7, 2016
Re: Special Announcement by Chief Mike Webb on City of Canyon's New ISO Rating.

Attached to this memo is a letter from the Texas Department of Insurance State Fire Marshall's office. To summarize the letter, **the City of Canyon has been upgraded to an ISO rating of 2!**

This is an incredible accomplishment for a city our size, and a testament to our Fire Department, our Water Department, our Code Enforcement and to you, our Elected Officials, for your support of the things we've done with this goal in mind. We may not have told you it was our goal, but it was. I hope you find this as exciting as I do!

Commendations to the Fire Department; Chief Webb, Vince, Dan, Aaron, and Jeania; to the Water Department, led by Dan, Tony, and Chet, The Code Enforcement Department, led by Danny, Rob and Stan, and obviously, to you for giving us the resources to accomplish this.

No action is necessary; I just wanted to publicly announce this accomplishment.



Texas Department of Insurance State Fire Marshal's Office

Mail Code 112-FM, 333 Guadalupe • P.O. Box 149221, Austin, Texas 78714-9104
512-676-6800 telephone • 512-490-1063 fax • www.tdi.texas.gov

February 11, 2016

Mr. Mike Webb
Fire Chief of Canyon
301 16th Street
Canyon, Texas 79015

Place Code: Randall: 38108

Dear Mr. Webb:

Insurance Services Office (ISO) has submitted a recommendation concerning your community's Public Protection Classification (PPC). Currently, the Community's Public Protection Classification is a Class 03.

Insurance Services Office is recommending that the classification be changed to a split Class 02/2Y, with an effective date of 07/01/2016. The recommendation is based on a review of your community performed on 10/15/2015 and does include application of the Addendum to the Fire Suppression Rating Schedule.

With a split **Class 02/2Y**, all class-rated properties located within 1000 feet of a fire hydrant or water supply suction point and within 5 miles of a fire station will use **Class 02**. All class-rated properties located farther than 1000 feet of a fire hydrant or water supply suction point and within 5 miles of a fire station will use **Class 2Y**.

Public Protection Classifications range from 1 (best) to 10 (worst).

We have reviewed the information provided and believe it is sufficient to grant approval. Enclosed is a PPC Submittal sheet indicating point totals for the major areas associated with the review. The Insurance Services Office will be notified of our approval of their recommendation and the 07/01/2016 effective date.

If you have any questions regarding this change, I may be reached at the address indicated above or by telephone at (512) 676-6784.

Please make sure all community officials and residents within your district are notified of the new Public Protection Classification rating for your community, and the effective date.

Sincerely,

Jesse James Williams
Deputy State Fire Marshal
PPC Oversight Officer

Texas Department of Insurance
Approved by
Chris Combs
FEB 11 2016

State Fire Marshal

To: Randy Criswell, City Manager; Mayor and City Commission

From: Evelyn Ecker, Executive Director
Canyon Economic Development Corp.

Date: March 1, 2016

Re: First Reading of Resolution No. 03-2016 With Regards to the Conveyance of Property Located at 1512 5th Avenue to Blue Bison Investments, LLC. The Property is to be used for New Construction.

The Canyon Economic Development Corporation held a public hearing on Thursday, February 18th 2016 with regards to the conveyance of the property located at 1512 5th Avenue. This conveyance is being considered as a land grant for new construction.

The construction will consist of approximately 10,600 square feet of buildings. One will be located on the east side of the property and the other on the west side, leaving the center of the property as a walkway from the new parking lot to the Square. The walkway will be landscaped and inviting to the general public. The developer, Stan Ware has committed \$1.5 to the project.

A variance has been granted by the Zoning Board of Adjustment with regards to the required landscape at the front of the development. The proposed development has a similar situation for landscaping as did Sayakomarn's.

The timeline for completion of the project is last quarter of 2016. Hopefully site work will start within the next few weeks.

I have visited with both of the businesses on each side of the project with regards to the project. Communications will continue through the process so that it is a positive experience for everyone located on the 1500 block of 5th Avenue.

Please find attached the Resolution and Funding Agreement for this project.

This is the first reading of Resolution No. 03-2016. The second and final reading of the Resolution will be March 21st.

CANYON ECONOMIC DEVELOPMENT CORPORATION
PROJECT FUNDING AGREEMENT

BLUE BISON INVESTMENTS, LLC

This agreement is made by and between the Canyon Economic Development Corporation (CEDC), a Texas non-profit corporation duly organized and existing pursuant to the TEXAS DEVELOPMENT CORPORATION ACT and Blue Bison Investments, LLC a Texas Limited Liability Company (hereinafter referred to as “Second Party.”)

1. The purpose of this agreement is to facilitate the proper use of funds held and administered by the CEDC, a tax supported non-profit corporation whose primary income is from sales tax collected within the City of Canyon and dedicated exclusively to economic development. The sales tax supporting CEDC is authorized as a local option under Chapter 504 and 505 TEX. LOC. GOV'T CODE, formerly TEX. REV. CIV. STAT. ART. 5190.6 §4B, the primary purpose of which is the developing, stabilizing, diversifying, and expanding the economy through the retention, recruitment, expansion, and employment opportunities of the citizens of Canyon and the surrounding area and to enhance the quality of life of the citizens of Canyon and the surrounding area.

2. The project and performance requirements to be implemented by means of this agreement are described as follows:

- a. Second Party shall construct retail store space at 1512 5th Avenue, Canyon, Texas and a pedestrian walkway providing access between 5th Avenue and the parking lot between 5th Avenue and 6th Avenue south of the store location.
- b. The improvements shall be constructed on Lots 5, 6, 7 and 8, Block 50, Original Town of Canyon, Randall County, Texas at Second Party's expense.
- c. The improvements contemplated by this agreement shall be constructed in accordance with written plans and specifications and approved by CEDC.
- d. Second Party will remain in business in Canyon for a period of (5) years from the date of funding by CEDC and at least 50% of the store space at 1512 5th Avenue, Canyon, Texas, shall be utilized for retail sales, unless the CEDC Board should approve an exception for office space or other compatible use of the property.

3. The CEDC will provide the land described in ¶2(b) above for the purpose of the construction project.

- a. All other terms and provisions of this agreement notwithstanding, the obligations of the parties hereto are expressly made contingent upon the following:

- i. approval of the financial incentives by the CEDC Board;
- ii. approval of the financial incentives by the Canyon City Commission; and,
- iii. compliance with the requirements of the Texas Development Corporation Act.

4. The failure of Second Party to fully and timely comply with any performance requirement shall be an act of default by Second Party which shall entitle the CEDC to suspend further funding and, at its option, to terminate this agreement by written notice delivered pursuant to paragraph 9. In such event, all financial incentives provided by CEDC to Second Party shall be repaid to CEDC upon demand, and the Deed of Trust referred to above shall be subject to foreclosure unless the sums due are timely repaid to CEDC.

5. Second Party agrees to undertake the following actions in order to accomplish the project:

- a. Comply at all times with the requirements of paragraph 2 of this agreement during the term of this agreement.
- b. Permit an audit by the CEDC of the books and financial records of Second Party, to determine whether Second Party is in compliance with this agreement.
- c. Permit periodic inspection of improvements to 1512 5th Avenue, Canyon, Texas as work progresses.

6. Second Party makes the following covenants and warranties to the CEDC and agrees to timely and fully perform the following obligations and duties:

- a. Any false or substantially misleading statement contained herein or the failure of Second Party to comply and fully perform as required in this agreement shall be an act of default by Second Party. Failure to comply with any covenant or warranties shall constitute an act of default and entitle the CEDC to suspend further funding and at it's option to terminate this agreement by written notice in accordance with paragraph 9 below.
- b. Second Party is authorized to do business in Texas, is in good standing in the State of Texas and shall remain in good standing in the State of Texas during the term of this agreement.
- c. The execution of this agreement has been duly authorized by the governing body of Second Party and all necessary corporate approvals have been obtained. Second Party's designated agent or officer executing this agreement is duly authorized and empowered to execute this agreement and bind Second Party to the covenants, warranties and other terms of this agreement. Second Party's execution of this agreement and the performance thereof is not contrary to any law, rule, regulation, or provisions of Second Party's organizational documents or any contract,

instrument, or agreement to which Second Party is a party or by which it may be bound at the time this agreement is executed. The necessary authority for the agent whose signature that appears below is evidenced by a resolution or certificate furnished to CEDC or attached to this agreement.

- d. No litigation or governmental proceeding is pending or to the knowledge of Second Party is contemplated or threatened against Second Party or affecting it's operations or business that may result in any material or adverse change in Second Party's business, properties, or operations. To Second Party's knowledge, no additional consent, approval, or authorization of a governmental entity or other authority is required in connection with the execution and performance of this agreement or the transactions contemplated hereby.
- e. To Second Party's knowledge no certificate or statement delivered by Second Party to CEDC in connection with this agreement or any transaction contemplated by this agreement contains any untrue statement or fails to state the facts necessary to keep the statements contained therein from being misleading or false.
- f. There are no bankruptcy proceedings or other legal proceedings currently pending or contemplated affecting the Second Party. The Second Party has not been informed of any intent to initiate involuntary bankruptcy proceedings against Second Party.
- g. To it's knowledge Second Party has acquired and maintained all necessary rights, licenses, permits, and authority to carry on it's business in Texas and to perform the terms of this agreement and will continue to use it's best efforts to maintain all necessary rights, licenses, and permits in current status and good standing.
- h. The funds provided by CEDC shall be utilized solely for the purpose of the project as stated in this agreement and within the scope of the project as stated in this agreement and for no other purpose.
- i. Second Party shall pay all taxes and assessments due and owing to all taxing authorities having jurisdiction over Second Party's property and business operations. In addition, Second Party shall timely pay all employment, income, franchise, and other taxes due and owing by Second Party to all local, state, and federal entities.
- j. Second Party shall complete the project required by this agreement and shall provide the necessary staff and employees for the completion and performance of this agreement.
- k. Second Party shall timely and fully perform and comply with all terms and conditions of this agreement.

1. Upon written request of CEDC Second Party shall notify CEDC in writing of substantial changes in the management of Second Party within seven (7) days. Substantial changes shall mean changes in executive officers, board members, or managers.
 - m. The Second Party agrees that with regard to all programs and activities arising out of this agreement, the Second Party shall fully comply with all civil rights acts and specifically will not discriminate against any person upon the basis of race, color, national origin, gender, or by reason of being disabled.
7. The CEDC under the following circumstances and at the sole discretion of its board of directors may suspend the obligations under this agreement or may terminate this agreement without liability to the CEDC upon:
- a. The filing of bankruptcy proceedings or the appointment of a receiver of Second Party or any part of its assets or property and failure of such bankruptcy or receivership to be discharged within sixty (60) days of filing.
 - b. The adjudication of Second Party as a bankrupt.
 - c. A change in ownership of Second Party which constitutes a material change in the nature of Second Party's business and operations.
8. Second Party agrees to the following reports and monetary requirements in connection with the project:
- a. Second Party shall provide periodic reports as requested by the CEDC.
 - b. During normal business hours, Second Party shall allow a representative of the CEDC reasonable access to its books and records to verify compliance with this agreement. CEDC agrees to maintain the confidentiality of such records. Information shall be used only for the purpose of administering the funding provided by CEDC pursuant to this agreement and for no other purpose; provided however, CEDC may, if required by legal process or at the discretion of the office of the Attorney General provide such documentation to a third party as is required by the Attorney General or pursuant to such legal process.
9. Should Second Party fail to timely, fully, and completely comply with any one or more of the requirements, obligations, duties, terms, and conditions or warranties of this agreement such failure shall constitute an act of default by Second Party and, if not fully and completely cured within 60 days after written notice by CEDC to Second Party, the CEDC may terminate this agreement and pursue any legal remedies existing under the law; provided however, that Second Party's liability under this agreement shall be limited to the immediate return by Second Party of all funds or other economic incentives provided by the CEDC and any consideration previously paid to Second Party by the CEDC. The rate of interest on all funds paid

by the CEDC to Second Party subject to refund shall be 6% per annum from the date of default. In the event CEDC should prevail in any litigation to recover funds pursuant to this paragraph, the CEDC shall, in addition to all other damages provided by this paragraph, be entitled to recover reasonable attorney's fees and expenses of litigation.

10. In the event of unforeseeable delays, in the performance of this agreement by Second Party, or force majeure, and upon a reasonable showing by Second Party that it has immediately and in good faith commenced and is diligently and continuously pursuing the correction, removal, or abatement of such delays by using its best efforts, CEDC may consent and excuse any such delay, which consent shall not be unreasonably conditioned or withheld. The failure by Second Party to continuously and diligently pursue compliance shall constitute an act of default.

11. Any delay by the CEDC in providing notice of default to Second Party, shall in no event be deemed or constitute a waiver of such default by CEDC or waiver of any of its rights and remedies available under this agreement or at law or in equity.

12. Any waiver provided by CEDC to Second Party of an act of default shall not be deemed to constitute a continuing waiver or a waiver of any other existing or future act of default by Second Party even if the act or default is of the same or a similar nature.

13. Second Party specifically agrees that CEDC shall only be liable to Second Party for the amount of money actually budgeted and committed to the project described in this agreement. CEDC shall not be liable or held responsible for any other direct or indirect costs, attorney's fees, court costs, actual or consequential damages, direct or indirect, for any act of default by CEDC under the terms of this agreement. It is further stipulated and agreed that CEDC shall only be required to pay the amount of the project cost out of its sales tax revenues held and administered pursuant to the Development Corporation Act for the fiscal year in which the funding under this agreement is due together with unencumbered funds then on hand and from no other source. It is specifically agreed however, that in the event actual total sales tax revenues collected by CEDC for any year during which this agreement is to be performed should be less than the total amount of all grants to all contracting parties for that year, then in that event, CEDC shall fund projects in the order the grants were awarded after payment of CEDC's usual administrative cost and expenses. All contracting parties shall receive only their share of the available sales tax revenue for that year, less CEDC's customary and usual administrative costs and expenses and CEDC shall not be liable to any contracting party for any deficiency for that time or in the future. In the event of such revenue shortfall, CEDC will provide written notice to all contracting parties affected by the revenue shortfall along with such documentation as will allow the contracting party to ascertain their share of the funding to be provided.

14. This agreement incorporates the entire agreement of the parties hereto and supersedes any oral or written previous and contemporaneous agreements between the parties relating to the matters covered by this agreement. Except as otherwise provided herein, this agreement cannot be modified or amended without a written agreement of the parties.

15. No term or provision of this agreement or an act of the CEDC in the performance of this agreement shall be construed as making or constituting Second Party or its employees, or agents, partners of the CEDC or employees of the CEDC. This contract shall not benefit any third party not a direct party to this agreement.

16. The termination of this agreement as provided herein may be upon mutual agreement of the parties or pursuant to the provisions hereof relating to default. The termination of this agreement either by mutual agreement or by notice served by the CEDC shall extinguish all rights, duties, and obligations of the CEDC and Second Party except as provided herein.

17. This agreement may be executed in a number of identical counterparts each of which shall be deemed an original upon execution and shall constitute the same instrument.

18. This agreement is made pursuant to the laws of the State of Texas and shall be governed and interpreted under the laws of the State of Texas without regard to any conflict of laws provision. Venue in any litigation arising out of the execution or performance of this agreement shall be in the court of appropriate jurisdiction in Randall County, Texas and in no other Venue. Second Party, by signing this agreement, consents to and waives any objections to in personam jurisdiction in Randall County, Texas.

19. In the event one or more of the provisions contained in this agreement should, for any reason, be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this agreement. This agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

20. This agreement is subject to all legal requirements contained in the Municipal Charter of the City of Canyon and Code and Ordinances of the City of Canyon and all other applicable state and federal laws and regulations. Second Party agrees that, in compliance with this agreement, it will promptly comply with all applicable laws, regulations, orders, and rules of the state, city, and other governmental entities.

21. This agreement shall be binding upon the parties hereto, their successors, and (where permitted) assigns. This agreement may not be assigned by either party without the specific prior written consent of the other, which consent shall not be unreasonably withheld or conditioned. Provided however, that in the event Second Party transfers all or substantially all its assets to another entity or merges with another entity to the extent that the underlying purpose of this agreement cannot, in the sole discretion of the CEDC's board of directors, be accomplished, the CEDC shall have the option to suspend its performance under this agreement or terminate this agreement.

22. Second Party represents that no member of the board of directors of the CEDC or member of the governing body of the City of Canyon or any officer or employee of the City of Canyon or CEDC will be compensated in any manner with respect to directly or indirectly bringing the parties together for the purpose of this agreement or participation in the negotiation or formation of this agreement. No finders fee or other origination fee of any type will be paid or will become

payable to any officer or employee of the City of Canyon, member of the governing body of the City of Canyon, or the governing body of the CEDC with regard to the formation or performance of this agreement.

23. All notices from one party to the other party required or permitted by this agreement shall be delivered personally or sent by certified mail postage prepaid addressed to the party at the address shown on the signature page. All notices shall be deemed given on the date so delivered or deposited in the mail unless otherwise provided. Either party may change its address by sending written notice of such change to the other party in the manner provided by this agreement.

24. All representations, warranties, covenants, and agreements of the parties as well as all rights and benefits of the parties pertaining to the transaction contemplated by this agreement shall survive the original execution date of this agreement and shall constitute continuing obligations.

Effective Date: _____

SECOND PARTY:

CANYON ECONOMIC DEVELOPMENT
CORPORATION

BLUE BISON INVESTMENTS, LLC

By: _____
Randy Croslin, President/Chairman

By: _____
Stanley H. Ware, Managing Member

Address: 1604 4th Avenue, Suite 21
Canyon, Texas 79015

Address: P. O. Box 389
Canyon, Texas 79015

Telephone: (806) 656-6833 _____

Telephone: _____

RESOLUTION NO. 03-2016

RESOLUTION OF THE CITY COMMISSION OF THE CITY OF CANYON APPROVING A PROJECT FUNDING AGREEMENT BETWEEN BLUE BISON INVESTMENTS, LLC. AND CANYON ECONOMIC DEVELOPMENT CORPORATION REGARDING A LAND GRANT FOR THE NEW CONSTRUCTION OF A MIXED USE DEVELOPMENT LOCATED AT 1512 5TH AVENUE. THE GRANT IS BASED ON THE DEVELOPMENT OF NEW BUSINESS OR EXPANDED BUSINESS ENTERPRISES.

WHEREAS, on February 18, 2016, the Canyon Economic Development Corporation (“CEDC”) conducted a public hearing regarding the use of sales and use tax revenues collected pursuant to the Development Corporation Act of 1979 (Tex. Rev. Civ. Stat. Art. 5190.6 §4B, (“the Act”) and to consider a funding agreement for the primary purpose of which is the developing, stabilizing, diversifying, and expanding the economy through the retention, recruitment, expansion, and employment opportunities of the citizens of Canyon and the surrounding area and to enhance the quality of life of the citizens of Canyon and the surrounding area.

WHEREAS, the City Commission of the City of Canyon, Texas, finds it to be in the public interest to execute a Project Funding Agreement between the Canyon Economic Development Corporation and Blue Bison Investments, LLC.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF CANYON, TEXAS:

That the Mayor and City Clerk are hereby authorized to execute and attest, respectively on behalf of the City of Canyon, Texas, a Project Funding Agreement between the Canyon Economic Development Corporation and Blue Bison Investments, LLC; regarding the use of funds from the Sales Tax Improvement Fund (Fund 40) for costs related to the project.

INTRODUCED at the First Reading on the 7th day of March 2016 and Adopted on the Second Reading on the 21st day of March 2016.

QUINN J ALEXANDER, MAYOR

ATTEST:

Gretchen Mercer, City Clerk

To: Mayor and City Commission
From: Randy Criswell, City Manager
Date: March 7, 2016
Re: Consider and Take Appropriate Action on Resolution No. 04-2016, A Resolution Suspending the Effective Date of SPS's Rate Case Filed on February 16, 2016.

On or about February 16, 2016, SPS filed an application to increase its base rates by approximately \$72 million in annual revenue, which equates to an increase of about 14.4%.

The proposed rate increase will result in different increases based on customer class. Those increases range from -21.72% to +23.78%, with the proposed increase on residential customers at 11.23%.

If you recall, you recently approved a settlement that had been handed down by the PUC in which SPS received a net overall *decrease* of over \$4 million. So we knew this filing would be coming soon.

As we typically do, our consultants are recommending adoption of Resolution No. 04-2016, a Resolution to Suspend the effective date of the rates proposed, until further research, evaluation and negotiation can be performed. At some point, we'll need to take further action, but tonight's necessary action is to Suspend the Effective Date.

It is Staff's recommendation that Resolution No. 04-2016 be adopted. This Resolution will suspend the effective date, and continue the City of Canyon's participation in the Alliance of Xcel Municipalities.

RESOLUTION NO. 04-2016

A RESOLUTION BY THE CITY OF CANYON, TEXAS (“CITY”) SUSPENDING SOUTHWESTERN PUBLIC SERVICE COMPANY’S PROPOSED EFFECTIVE DATE IN CONNECTION WITH ITS STATEMENT OF INTENT SUBMITTED ON ABOUT FEBRUARY 16, 2016; AUTHORIZING THE CITY TO JOIN WITH OTHER CITIES IN THE ALLIANCE OF XCEL MUNICIPALITIES (“AXM”) TO DIRECT THE ACTIVITIES OF LAWYERS AND CONSULTANTS; AUTHORIZING THE HIRING OF ATTORNEYS AND CONSULTANTS; REQUIRING REIMBURSEMENT OF REASONABLE LEGAL AND CONSULTANT EXPENSES; REQUIRING PROOF OF NOTICE; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, Southwestern Public Service Company (“SPS”) filed a Statement of Intent with the City of Canyon, Texas (“City”) to increase its base-rate revenue requirement for its Texas retail service area by approximately \$71.9 million, which is an increase in base revenue of about 14.41%; and

WHEREAS, the City is a regulatory authority under the Public Utility Regulatory Act (“PURA”) and under Chapter 33, §33.001 et seq. of PURA has exclusive original jurisdiction over SPS’ rates, operations, and services within the municipality; and

WHEREAS, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating SPS’ rate request and its changes in tariffs it is prudent to coordinate the City’s efforts with a coalition of similarly situated municipalities; and

WHEREAS, the City, in matters regarding applications by SPS to change rates, has in the past joined with other local regulatory authorities to form the Alliance of Xcel Municipalities (“AXM”) and hereby continues its participation in AXM; and

WHEREAS, SPS' rate request, which was filed on about February 16, 2016, consists of a voluminous amount of information including SPS' rate-filing package, pre-filed direct testimony, exhibits, schedules, and workpapers; and

WHEREAS, SPS proposed March 22, 2016 as the effective date for its requested increase in rates, which is the 35th day after the date SPS submitted its application; and

WHEREAS, it is not possible for the City to complete its review of SPS' filing within 35 days; and

WHEREAS, the City will need an adequate amount of time to review and evaluate SPS' rate application to enable the City to adopt a final decision as a local regulatory authority with regard to SPS' requested rate increase.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION FOR THE CITY OF CANYON, TEXAS THAT:

Section 1. The findings set out in the preamble are in all things hereby approved.

Section 2. SPS's proposed effective date of March 22, 2016 for its filing of February 16, 2016, is hereby suspended for an additional ninety (90) days, or at least until June 20, 2016.

Section 3. The statutory suspension period will be extended automatically day for day should SPS extend its proposed effective date, and may be further extended if SPS does not provide timely, meaningful, and proper public notice of its request to increase rates, or if its rate-filing package is materially deficient.

Section 4. The City continues its participation with other cities in a coalition of cities known as the Alliance of Xcel Municipalities ("AXM") with the understanding

that the Steering Committee of AXM is to provide direction and guidance to Special Counsel representing said cities.

Section 5. The City hereby retains Herrera & Boyle, PLLC as Special Counsel to represent the City with regard to SPS' requested increase in rates and related proceedings before local and state regulatory authorities and any court of law and authorizes Special Counsel to employ such rate experts as may be necessary for review and evaluation of SPS' rate application.

Section 6. The City, in coordination with the Steering Committee, shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to SPS for reimbursement.

Section 7. SPS shall reimburse the City on a monthly basis, through AXM's coordinating city, the City of Amarillo, Texas, for the reasonable costs of attorneys and consultants and expenses related thereto, upon the presentation of invoices reviewed by the City of Amarillo.

Section 8. Not later than seven days after SPS has completed publication of notice of its proposed increase in rates, SPS shall notify AXM that it has completed notice by providing proof of notice to AXM's Special Counsel, Herrera & Boyle, and such proof shall be in the form of an affidavit from a representative from SPS that has personal knowledge that SPS has published notice; such affidavit shall include a copy of notice SPS published.

Section 9. The City Secretary or other appropriate city official shall notify SPS of this Resolution by **sending a copy of the Resolution to Evan Evans, Regional Vice President, Rates and Regulatory Affairs, and Brooke Trammell, Rate Case Manager, Southwestern Public Service Company, P.O. Box 1261 Amarillo, Texas 79105-1261** and also **Stephen Fogel and Matthew Loftus, Xcel Energy Services, Inc.,**

816 Congress Ave., Suite 1650, Austin, Texas 78701-2471; and AXM shall be notified by sending a copy of this Resolution to Mr. Alfred R. Herrera, Herrera & Boyle, PLLC, 816 Congress Ave., Suite 1250, Austin, Texas 78701.

Section 10. The meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 11. This Resolution shall become effective from and after its passage.

Section 12. This Resolution supersedes any other resolution in conflict with this Resolution regarding SPS' Statement of Intent and application to increase rates submitted to the City on about February 16, 2016.

PASSED AND APPROVED this 7th day of March 2016.

QUINN ALEXANDER, MAYOR

ATTEST:

Gretchen Mercer, City Secretary

To: Mayor and City Commission

From: Chris Sharp, Assistant City Manager

Date: March 1, 2016

Re: Consider and Take Appropriate Action on Resolution No. 05-2016. A Resolution Approving a Negotiated Resolution Between the Atmos West Texas Cities Steering Committee and Atmos Energy Regarding the Company's 2015 Rate Review.

The City of Canyon, along with other similarly situated cities served by Atmos Energy Corp., is a member of the Steering Committee of Cities Served by Atmos West Texas. On December 1, 2015, Atmos West Texas filed with the City a Statement of Intent to increase natural gas rates. The effective date was suspended by City resolution and extended further by the Company to facilitate settlement discussions.

The Atmos West Texas Statement of Intent filing sought approximately \$4.2 million in increased revenues. The Company also proposed a revised Rate Review Mechanism ("RRM") tariff. The City worked with the Steering Committee to analyze the schedules and evidence offered by Atmos West Texas to support its request to increase rates. The Resolution and attached Settlement tariffs are the result of negotiation between the Steering Committee and the Company to resolve issues raised by the Steering Committee during the review and evaluation of Atmos West Texas' filing. The Resolution and Settlement tariffs approve rates that will increase the Company's revenues by \$3.2 million on a system-wide basis, effective for bills rendered on or after March 15, 2016. The monthly bill impact for the average residential customer will be a \$0.50 increase in base charges and a \$.02188 increase in consumption charges.

Recommendations: Staff recommends approval of Resolution No. 05-2016 allowing for rate increase and settlement agreement for Atmos Energy.

WEST TEXAS CITIES RATE DIVISION (INCORPORATED ONLY)

Customer Class	Current Bill	Proposed Bill	Difference	Percentage Increase with Gas Cost
Residential	\$46.44	\$48.12	\$1.68	3.62%
Commercial	\$166.55	\$171.34	\$4.79	2.88%
Industrial	\$2,765.16	\$2,820.09	\$54.93	1.99%
Transportation	\$762.46	\$817.39	\$54.93	NA
Public Authority	\$529.12	\$542.26	\$13.14	2.48%

ATMOS ENERGY CORPORATION

February 19, 2016

West Texas Cities ("WTX Cities") Rate Review Mechanism ("RRM")

Test Year Ending September 30, 2015

Summary Comparison RRM to GRIP

Residential Average Monthly Margin per Customer

The following WTX Cities Rate changes are based on a proposed revenue requirement increase for the WTX Cities group of \$3.3 million.

<i>Base Charge Increase</i>	\$	<i>0.50</i>
<i>Consumption Charge Increase</i>	\$	<i>0.02188</i>

The following Amarillo, Lubbock, Dalhart & Channing ("ALDC") rate change is based on the projected increase in revenue requirement of \$3.5 million that will be included in the GRIP filing which is planned for February 26, 2016.

<i>Base Charge Increase</i>	\$	<i>1.75</i>
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<i>Projected Rates (WTX Cities RRM & ALDC GRIP)</i>	<i>Average Monthly Consumption per Customer (CCF)</i>	<i>Projected Customer Charge</i>	<i>Projected Consumption Charge Rate</i>	<i>Projected Average Margin Per Customer</i>	<i>Amount over WTX Cities</i>
WTX CITIES	52.2	\$16.00	\$0.1643	\$24.57	
Amarillo - Incorporated	63.4	\$18.82	\$0.0976	\$25.01	\$0.43
Lubbock - Incorporated	51.4	\$18.82	\$0.1245	\$25.22	\$0.65

RESOLUTION NO. 05-2016

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF CANYON, TEXAS, APPROVING A NEGOTIATED RESOLUTION BETWEEN THE ATMOS WEST TEXAS CITIES STEERING COMMITTEE (“WTX CITIES”) AND ATMOS ENERGY CORP., WEST TEXAS DIVISION REGARDING THE COMPANY’S 2015 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; REQUIRING THE COMPANY TO REIMBURSE CITIES’ REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE WTX CITIES’ LEGAL COUNSEL.

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

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

WHEREAS, pursuant to the terms of the agreement settling the Company’s 2013 Statement of Intent to increase rates, WTX Cities and the Company worked collaboratively to develop a new Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by WTX Cities as a substitute to the current Gas Reliability Infrastructure Program (“GRIP”) process instituted by the Legislature, and that will establish rates for the WTX Cities based on the system-

wide cost of serving the West Texas Division, which includes the Amarillo, Lubbock, and WTX Cities rate jurisdictions; and

WHEREAS, the City passed an ordinance renewing the RRM tariff process for the City to govern rate setting in 2015 and beyond; and

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

WHEREAS, on or about December 1, 2015, the Company filed with the City its first annual RRM filing under the renewed RRM tariff, requesting to increase natural gas base rates system-wide by \$9.6 million, and for WTX Cities by \$4.2 million; and

WHEREAS, WTX Cities coordinated its review of Atmos West Texas' RRM filing through attorneys and consultants used in prior RRM cases, who prepared a report recommending \$1.66 million in adjustments; and

WHEREAS, the Company reached agreement with WTX Cities to adjust its \$4.2 million request by \$1 million; and

WHEREAS, the Executive Committee, as well as WTX Cities' counsel and consultants, recommend that WTX Cities approve the attached rate tariffs ("Attachment A" to this Resolution), which will increase the Company's revenues by \$3.2 million; and

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

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF CANYON, TEXAS:

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

Section 2. That the City Commission finds the existing rates for natural gas service provided by Atmos West Texas are unreasonable, and new tariffs that are attached hereto and incorporated herein as Attachment A, are just and reasonable and are hereby adopted.

Section 3. That Atmos West Texas shall reimburse the reasonable ratemaking expenses of the WTX Cities in processing the Company's RRM application.

Section 4. That to the extent any resolution or ordinance previously adopted by the Commission is inconsistent with this Resolution, it is hereby repealed.

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

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

Section 7. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after March 15, 2016.

Section 8. That a copy of this Resolution shall be sent to Atmos West Texas, care of Becky Palmer, Vice President of Rates and Regulatory Affairs West Texas Division, Atmos Energy Corporation, P.O. Box 1121, Lubbock, Texas 79408-1121, and to Geoffrey Gay, General Counsel to WTX Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED this 7th day of March, 2016.

QUINN ALEXANDER, MAYOR

ATTEST:

APPROVED AS TO FORM:

Gretchen Mercer, City Secretary

Chuck Hester, City Attorney