

**REGULAR MEETING OF CITY COUNCIL
OCTOBER 21, 2008**

1:30 P.M.

PRESENT: Jeff Brain Mayor
Charles Gillingham Council Member
Marvin Dickson Council Member
Robert Vinyard Council Member
Leon DeWeese Council Member

STAFF: Wanda Klause City Manager
Eddie Edwards Assistant City Manager
Larry Mullenix Director of Planning & Zoning
Ted Dodd Director of Public Works
Ralph Earles Asst. to Director of Public Works
Bruce Roberts Police Captain
Bob Watson Fire Chief
Jimmy Adams Chief of Police

VISITORS: John Ray
Doug Reese
Jerry Langwell
Wanell Murphy

NEWS MEDIA: Michelle Berry Borger News Herald

QUESTIONS OR COMMENTS: None.

MONTHLY DEPARTMENTAL REPORTS APPROVED: Monthly departmental reports for the month of September were submitted for review. Following discussion, motion was made by Council Member Vinyard, seconded by Council Member DeWeese, to approve the reports as written. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

MINUTES APPROVED: Following review of the minutes of the regular meeting of October 7, 2008, motion was made by Council Member DeWeese, seconded by Council Member Dickson, to approve the minutes as written. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

PAYMENT OF EXPENDITURES APPROVED: The expenditures for the first half of October were submitted for the consideration of the Council. Following discussion, motion was made by Council Member Dickson, seconded by Council Member DeWeese, to approve payment of the expenditures for the first half of October as submitted. The motion carried by the following vote:

Ayes: All members present voted aye.

Nays: None.

PUBLIC HEARING SCHEDULED: Larry Mullenix, Director of Planning & Zoning, submitted a request from Jose Ramos concerning the Preliminary and Final Plat of all of Tract 1-A, 1-B, and the N/2 of Tract 1-D of Section 17, Block Y, M&C Survey, and asked the Council to schedule a public hearing for 1:30 p.m., November 4, 2008 to allow for public comments. Following discussion, motion was made by Council Member Vinyard, seconded by Council Member Gillingham, to schedule a public hearing for 1:30 p.m., November 4, 2008 to allow for public comment on a request submitted by Jose Ramos concerning the preliminary and final plat of all of Tract 1-A, 1-B, and the N/2 of Tract 1-D of Section 17, Block Y, M&C Survey. The motion carried by the following vote:

Ayes: All members present voted aye.

Nays: None.

RECOMMENDATION FROM HUTCHINSON COUNTY APPRAISAL DISTRICT FOR DISPOSITION OF PROPERTY APPROVED: Chief Appraiser of the Hutchinson County Appraisal District Diana' Hooks submitted a recommendation to dispose of Lot 2, Block 3, 316 E. Adams, Isom Addition, which did not sell at a tax sale auction. Ms. Hooks stated that a bid of \$2,000.00 was received for this property; and, the lot is valued at \$2,000.00. Following discussion, motion was made by Council Member Vinyard, seconded by Council Member DeWeese, to approve the sale of this property to George Pierce for the bid price of \$2,000.00. The motion carried by the following vote:

Ayes: All members present voted aye.

Nays: None.

RESOLUTION NO. R-019-08 APPROVING THE RATE SCHEDULES AND TARIFFS PROPOSED BY TEXAS GAS SERVICE: Eddie Edwards, Assistant City Manager, and Doug Reese, Area Manager of Texas Gas Service, reviewed Resolution No. R-019-08 approving the rate schedules and tariffs proposed by Texas Gas Service. The rate increase does not constitute a major change; however, it does represent a substantially different rate design. This rate increase as a whole only represents a 2.921% increase and the only base rate adjustment since 1992, therefore, staff recommends approval of the increase. Following discussion, motion was made by Council Member DeWeese, seconded by Council Member Gillingham,

to approve Resolution No. R-019-08 approving Texas Gas Service's rate increase request. The motion carried by the following vote:

Ayes: All members present voted aye.

Nays: None.

The resolution reads as follows:

RESOLUTION R-019-08

A RESOLUTION APPROVING THE RATE SCHEDULES AND TARIFFS PROPOSED BY TEXAS GAS SERVICE A DIVISION OF ONEOK; FINDING THAT THE REGULAR MEETING OF THE CITY COUNCIL COMPLIES WITH THE OPEN MEETINGS ACT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, Texas Gas Service Company (TGS), a division of ONEOK, Inc. (Company), filed a Statement of Intent with the City of Borger, Texas ("City") on or about September 30, 2008 to increase the Borger Service Area, annual revenue requirement, by \$143,704.00 and lower the rate of return granted from 11.155% to 8.866%; and,

WHEREAS, TGS' proposed rates and tariffs are consistent with recommendations of the National Association of Regulatory Utility Commissioners; and,

WHEREAS, TGS proposes a new Weather Normalization Adjustment as additional protection against fluctuating bills from the effects of unusual weather; and,

WHEREAS, TGS proposes to recover uncollectable gas costs through the Cost of Gas Clause rather than through base rates; and,

WHEREAS, TGS proposes a new Cost of Service Adjustment Clause to provide for an annual review of the TGS' expenses, revenues and plant investment and a corresponding adjustment to TGS' rates to reflect annual changes; and,

WHEREAS, the City has exclusive original jurisdiction over the rates, operations, and services of a gas utility within the municipality under Section 103.001, Texas Utility Code; and,

WHEREAS, the effective date for the TGS rate increase request is November 4, 2008; and,

WHEREAS, the City has reviewed the books, records, and data provided by TGS, and based upon the review, the request to increase rates should be approved.

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

PART 1. FINDINGS

- (A) On or about September 30, 2008, TGS filed a rate-filing package with the City based on a test year ending March 31, 2008, seeking to increase the annual revenue requirement by approximately \$143,705 and decrease the rate of return from 11.155% to 8.866% with a proposed effective date of November 4, 2008.
- (B) TGS' proposed rate schedules and tariffs are consistent with recommendations of the National Association of Regulatory Utility Commissioners.
- (C) TGS' has proposed Weather Normalization Adjustment to provide additional protection against fluctuating bills during unusual weather.

- (D) TGS' has proposed tariff revisions to recover uncollectable gas costs through the Cost of Gas Clause rather than through base rates.
- (E) TGS' has proposed a new Cost of Service Adjustment Clause to provide for an annual review of the TGS' expenses, revenues and plant investment and a corresponding adjustment to TGS' rates to reflect annual changes.
- (F) Based on company-provided information, TGS' proposal would impact the average monthly bill and the average January bill of customers within the City of Borger for the following classes of service:

Service Class	Monthly Usage (Ccf)	Current Rates	Proposed Rates	Dollar Change	% Change
Residential					
Average Bill	56	\$59.40	\$60.04	\$0.64	1.1%
January Bill	134	\$131.08	\$125.78	(\$5.30)	(4.0%)
Commercial					
Average Bill	218	\$227.67	\$228.65	\$0.98	0.4%
January Bill	506	\$501.74	\$456.91	(\$44.83)	(8.9%)
Public Authority					
Average Bill	105	\$114.58	\$115.08	\$0.50	0.4%
January Bill	334	\$339.60	\$320.24	(\$19.36)	(5.7%)
School/Municipal					
Average Bill	975	\$941.16	\$944.46	\$3.30	0.4%
January Bill	2,377	\$2,260.36	\$2,245.29	(\$15.07)	(0.7%)

- (G) The City, under Section 103.001, Texas Utility Code et seq., has exclusive original jurisdiction to evaluate TGS' proposed rates and tariffs within the municipality.
- (H) The City has not surrendered its jurisdiction to the Railroad Commission under Section 103.03, Texas Utility Code.

- (I) 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.

PART 2. Based upon the foregoing findings the rates and tariffs proposed by TGS and filed with the City on or about September 30, 2008, are hereby approved in all respects with an effective date of November 4, 2008.

PART 3. This resolution shall become effective from and after its passage.

PASSED, APPROVED, AND ADOPTED, on this the 21st day of October, 2008, at a regular meeting of the City Council of the City of Borger, Texas which meeting was held in compliance with the Open Meetings Act, Tex Gov't Code, §551.001, et.seq. at which meeting a quorum was present and voting.

SUPPLEMENTAL AGREEMENT BETWEEN THE CITY OF BORGER AND LES TAYLOR DRILLING APPROVED: Eddie Edwards, Assistant City Manager, reviewed the proposed Supplemental Agreement between the City of Borger and Les Taylor Drilling. During the July 1, 2008 regular meeting of the City Council, Les Taylor Drilling was awarded a contract to drill Well No. 12 for the City at a cost of \$543,974.87. The supplemental agreement covers the cost of drilling well number 13 in the amount of \$433,402.62. Following discussion, motion was made by Council Member Dickson, seconded by Council Member Gillingham, to approve the Supplemental Agreement between the City and Les Taylor Drilling in the amount of \$433,402.62. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

EXECUTIVE SESSION: Mayor Brain stated that in compliance with Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, the Council would retire into executive session relative to Section 551.071, Consultation with Attorney, and Section 551.074, Personnel Matters.

- (a) Update of Lawsuit – Garcia/Ramos vs. City of Borger
- (b) Discuss confirmation of appointment of Fire Marshal

COUNCIL RETURNED TO OPEN SESSION: Following the executive session, Mayor Brain reconvened the regular meeting and stated that the Council received an update on the Garcia/Ramos law suit. No decisions were made and no action was taken.

The Mayor stated that the confirmation of appointment of a Fire Marshal was discussed. Motion was made by Council Member DeWeese, seconded by Council Member Dickson, to confirm the appointment of Jerry Langwell to the position of Fire Marshal for the City of Borger. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

MEETING ADJOURNED: Motion was made by Council Member DeWeese, seconded by Council Member Dickson, to adjourn the meeting. The motion carried by the following vote:

Ayes: All members present voted aye.
Nays: None.

Mayor

ATTEST:

City Manager