

**REGULAR MEETING OF CITY COUNCIL
JULY 19, 2011 - 1:30 P.M.**

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

STAFF:	Eddie Edwards	City Manager
	Danny Richards	E.O.C. Director
	Stella E. Sauls	City Secretary
	Scott Radach	Finance Department
	Kenneth Petr	Director, Planning & Zoning
	Jimmy Adams	Police Chief
	Bruce Roberts	Captain, Police Department
	Anthony "Bud" Griffin	Lieutenant, Police Department
	Ralph Earles	Assistant Director, Public Works
	Ivonne Mendoza	Clerk, Public Works

VISITORS:	Darion Thompson	Pastor, Bethel Baptist Church
	Judy Mihm	
	Meryl Barnett	
	Jim West	
	Susan Trahern	
	Colin Jordan	

NEWS MEDIA:

QUESTIONS AND COMMENTS FROM CITIZENS: Citizens who have indicated their desire to speak to the City Council will be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter is on the agenda, City Council members are prevented from acting on the subject and may respond only with statements of factual information or existing city policy; however, City Council members may request city staff to place the subject matter on a future agenda. Citizens are limited to three (3) minutes for their presentation to the City Council.

No comments heard.

MINUTES APPROVED: Following review of the minutes of the regular meeting of July 5, 2011 motion was made by Council Member Dickson, seconded by Council Member

Gillingham, to approve the minutes as submitted. 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 July were submitted for the consideration of the Council. Following discussion, motion was made by Council Member Gillingham, seconded by Council Member DeWeese, to approve payment of the expenditures for the first half of July as submitted. The motion carried by the following vote:

Ayes: All members present voted aye.

Nays: None.

REQUEST TO CLOSE STREETS – NO ACTION TAKEN: Executive Director of the CareNet Pregnancy Center Susan Trahern asked the Council for permission to close Bryan, Hedgecoke, W. Coolidge and W. Grand Streets on September 24, 2011 from 9:00 a.m. to 11:00 a.m. for their annual Walk for Life. Following discussion, it was determined that no action was needed.

EASEMENT IN ESSE RELEASED AND PARKING AGREEMENT APPROVED: City Manager Eddie Edwards explained to the Council why it is necessary to release the Easement in Esse with Wilhoit Properties and create a Parking Covenant Agreement and Reservation; and Grant of Easement with Borger Tenth Street Apartments. Following discussion, motion was made by Council Member Vinyard, seconded by Council Member Gillingham, to approve the release of Easement in Esse and approve the Parking Covenant Agreement and Reservation; and Grant of Easement. The motion carried by the following vote:

Ayes: All members present voted aye.

Nays: None.

RESOLUTION R-010-11 AMENDED: City Manager Eddie Edwards stated after the approval of Resolution R-010-11 he noticed a misprint in the rates and there was an error in the effective date; he explained this amendment would correct those typographical errors. Following discussion, motion was made by Council Member Vinyard, seconded by Council Member Dickson, to approve the amendment to Resolution R-010-11. The motion carried by the following vote:

Ayes: All members present voted aye.

Nays: None.

Resolution R-010-11 read as follows:

RESOLUTION R-010-11

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BORGER, TEXAS, APPROVING AN AMENDMENT TO THE COST OF SERVICE ADJUSTMENT CLAUSE AND IMPLEMENTATION OF THE FULL COST OF SERVICE ADJUSTMENT FOR 2011 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 Limited Statement of Intent to Change Rates with the City of Borger, Texas (“City”) on or about May 27, 2011 to amend the Cost of Service Adjustment Clause (“COSA”) , in Rate Schedule 1-1 which was previously approved by City in 2008; and,

WHEREAS, TGS also proposes to implement the full COSA adjustment for 2011 without the application of the CPI limitation as previously approved; and,

WHEREAS, said tariffs are consistent with recommendations of the National Association of Regulatory Utility Commissioners; 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 June 28, 2011; and,

WHEREAS, the City has reviewed the books, records, and data provided by TGS, and based upon the review, the requests 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 May 27, 2011, TGS filed a Limited Statement of Intent to Change Rates with the City seeking to amend the COSA, in Rate Schedule 1-1 which was previously approved by City in 2008.

(B) TGS also proposes to implement the full COSA adjustment for 2011 without the application of the current CPI limitation as previously approved.

(C) TGS’ proposed rate schedules and tariffs are consistent with recommendations of the National Association of Regulatory Utility Commissioners.

(D) Based on company-provided information, TGS' proposal would impact the average monthly bill of customers within the City of Borger for the following classes of service:

Service Class	# of Customers	Volumetric Increase	Average Monthly Impact
Residential	5,097	\$0.0280	\$1.57
Commercial	472	\$0.0280	\$6.35
Public Authority	8	\$0.0280	\$8.61
School/Municipal	45	\$0.0280	\$26.55

(E) 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.

(F) 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 amended tariff and rates as attached hereto in Exhibit A, are hereby approved in all respects with an effective date of June 28, 2011.

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

PASSED, APPROVED, AND ADOPTED, on this the 21st day of June, 2011, 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, Texas Gov't Code, §551.001, et.seq. at which meeting a quorum was present and voting.

TEXAS GAS SERVICE COMPANY
Borger/Skellytown Service Area

RATE SCHEDULE 1-1
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COST OF SERVICE ADJUSTMENT CLAUSE

A. APPLICABILITY

This Cost of Service Adjustment Clause applies to all gas sales rate schedules of Texas Gas Service Company currently in force in the Company's service area within the incorporated areas of Borger and Skellytown, Texas.

B. EFFECTIVE DATE

Rate adjustments shall be made in accordance with the procedures described below on an annual basis. The Company shall make its annual filing at least thirty (30) days prior to the first billing cycle of July each year at which time rate adjustments will become effective.

C. COMPONENTS OF RATE ADJUSTMENT

Calculation of the rate adjustment will be based on calendar year operating expenses, return on investment and federal income taxes.

In any year, the percentage change in total calendar year operating expenses shall not exceed the greater of 3.5 percent or the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) from December of the prior calendar year to December of the most recent calendar year. The actual percentage change in operating expenses is computed by comparing the operating expenses for the most recent calendar year to the prior calendar year operating expenses (either those from the last rate case or cost of service adjustment filing, whichever is more recent). The rate adjustment will be spread evenly across all weather normalized gas sales volumes for the calendar year to determine an adjustment amount per Ccf to be added to existing gas sales rates for each rate code.

Supersedes Rate Schedule dated:
November 4, 2008

Meters Read On and After
June 28, 2011

COST OF SERVICE ADJUSTMENT CLAUSE
(Continued)

C. COMPONENTS OF RATE ADJUSTMENT (CONT.)

1. Operating Expenses

Operating expenses will be determined by the ending balances for the applicable calendar year. The applicable expenses are:

Depreciation and Amortization Expense (Account Nos. 403-405)*
Taxes Other Than FIT (Account No. 408)**
Distribution Expenses (Account Nos. 870-894)
Customer Related Expenses (Account Nos. 901-916)
Administrative & General Expenses (Account Nos. 920-932)
Interest on Customer Deposits (Account No. 431)

*Based on last city-approved depreciation methods and lives.

**Excluding City Franchise, Gross Receipts, and any other revenue-based tax.

This information will be presented with supporting calculations.

2. Return on Investment

The rate of return will remain constant at the level authorized in the most recent rate case. The return on investment is the rate of return multiplied by the rate base balance for the applicable calendar year end. The rate base balance is composed of:

	Net Plant in Service
Plus:	Other Rate Base Items***
Less:	Customer Deposits (Account No. 235)
	Customer Advances (Account No. 252)
	Deferred Federal Income Taxes

***These items will reflect the Materials and Supplies inventories and prepayments levels approved in the most recent general rate case.

Supersedes Rate Schedule dated:
November 4, 2008

Meters Read On and After
June 28, 2011

COST OF SERVICE ADJUSTMENT CLAUSE
(Continued)

C. COMPONENTS OF RATE ADJUSTMENT (CONT.)

3. Federal Income Taxes

Calendar year federal income taxes will be calculated as follows:

Net Taxable Income (calendar year end rate base multiplied by rate
of return from the most recent general rate case)
Less: Interest on Long Term Debt (debt cost component of return from the
most recent general rate case multiplied by rate base)
Investment Tax Credit (remaining unamortized credit)
Multiplied by: Tax Factor (.35/(1-.35) or .53846)
Less: Investment Tax Credit (remaining unamortized credit)

4. Cost of Service Adjustment Rate

The amount to be collected through the cost of service adjustment rate will be the sum of the amounts from Sections C.1 through C.3 (the revenue requirement) less the calendar year customer charge revenue and other revenue (i.e., transportation revenue and service charges). Dividing this amount by weather-normalized gas sales volumes for the applicable calendar year will yield a per unit rate for the calendar year. The difference between this calendar year per unit rate and the per unit rate from the most recent rate case (****) will result in the cost of service adjustment rate for the calendar year. The cost of service adjustment rate for the calendar year will be added to the cost of service rate approved in the most recent rate case for each gas sales rate code.

**** The per unit rate from the most recent rate case will be the weighted average per unit cost of service rate for all classes of gas sales service.

D. REGULATORY REVIEW OF ANNUAL RATE ADJUSTMENT

The cities will have a period of not less than thirty (30) days within which to review the proposed annual rate adjustment prior to its taking effect each year for meters read on or after the first billing cycle of July. This Cost of Service Adjustment Clause does not limit the legal rights and duties of the cities. Texas Gas Service Company's annual rate adjustment will be made in accordance with all applicable laws.

Supersedes Rate Schedule dated:
November 4, 2008

Meters Read On and After
June 28, 2011

RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a residential customer in a single dwelling, or in a dwelling unit of a multiple dwelling or residential apartment, for domestic purposes.

TERRITORY

All customers in the incorporated areas of Borger and Skellytown, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A Customer Charge of	\$ 12.50 plus
All Ccf at	\$ 0.1048 per Ccf

OTHER ADJUSTMENTS

Cost of Gas: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

Subject to all applicable laws and orders, and the Company's Rules and Regulations on file with the regulatory authority.

Supersedes Same Rate Schedule dated:
June 28, 2010

Meters Read On and After
June 28, 2011

COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to all commercial consumers and to consumers not otherwise specifically provided for under any other rate schedule.

TERRITORY

All customers in the incorporated areas of Borger and Skellytown, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A Customer Charge of	\$ 30.00 plus
All Ccf at	\$ 0.1648 per Ccf

OTHER ADJUSTMENTS

Cost of Gas: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

Subject to applicable laws and orders, and the Company's Rules and Regulations on file with the regulatory authority.

Supersedes Same Rate Schedule dated:
June 28, 2010

Meters Read On and After
June 28, 2011

PUBLIC AUTHORITY SERVICE RATE

APPLICABILITY

Applicable to public authority customers not eligible for rate schedule 48.

TERRITORY

All customers in the incorporated areas of Borger and Skellytown, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A Customer Charge of	\$ 20.00 plus
All Ccf at	\$ 0.1548 per Ccf

OTHER ADJUSTMENTS

Cost of Gas: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

Subject to applicable laws and orders, and the Company's Rules and Regulations on file with the regulatory authority.

Supersedes Same Rate Schedule dated:
June 28, 2010

Meters Read On and After
June 28, 2011

SCHOOL AND MUNICIPAL RATE

APPLICABILITY

Applicable to school and municipal buildings.

TERRITORY

All of the Company's service area within the incorporated areas of Borger and Skellytown, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A Customer Charge of	\$ 40.00 plus
All Ccf at	\$ 0.1948 per Ccf

OTHER ADJUSTMENTS

Cost of Gas: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas for the billing month computed in accordance with the provisions of Rate Schedule 1-INC.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

OTHER CONDITIONS

Subject to applicable laws and orders, and the Company's Rules and Regulations on file with the regulatory authority.

Supersedes Same Rate Schedule dated:
June 28, 2010

Meters Read On and After
June 28, 2011

RESOLUTION R-011-11 APPROVED RE-APPOINTING ONE MEMBER TO THE CANADIAN RIVER MUNICIPAL WATER AUTHORITY BOARD OF DIRECTORS:

Kent Satterwhite, General Manager, CRMWA, submitted a letter stating that the term of Glendon Jett, who represents Borger on the Board of Directors, expires on July 31, 2011. Following discussion, motion was made by Council Member Gillingham, seconded by Council Member DeWeese, to approve Resolution R-011-11 re-appointing Glendon Jett to a two year term on the CRMWA Board of Directors. The motion carried by the following vote:

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

Resolution R-011-11 reads as follows:

RESOLUTION R-011-11

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF BORGER, TEXAS RE-APPOINTING ONE MEMBER TO
THE BOARD OF DIRECTORS OF THE CANADIAN RIVER
MUNICIPAL WATER AUTHORITY**

ON THIS, the 19th day of July, 2011, the City Council of the City of Borger, Texas, met in regular session with five (5) members present, when among other business transacted, the following action was taken:

The Mayor introduced the following resolution:

WHEREAS, the City Council of this City heretofore appointed Glendon Jett as a member of the Board of Directors of the **CANADIAN RIVER MUNICIPAL WATER AUTHORITY** for the term ending July 31, 2011, pursuant to the provisions of Chapter 243 of the Laws passed by the Regular Session of the Texas Legislature in 1953, as amended; and,

WHEREAS, such office has now become vacant by reason of expiration of term; and,

WHEREAS, in the performance of its duty to do so under said Law, this City Council desires to officially appoint a person qualified to fill the vacancy occasioned as aforesaid, therefore,

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

1. That, Glendon Jett, a qualified voter and a property owning taxpayer of the City of Borger who is not a member of the governing body or an employee of said City, be and is hereby re-appointed to the Board of Directors of the **CANADIAN RIVER MUNICIPAL WATER AUTHORITY** for the term beginning August 1st, 2011 and ending July 31st, 2013.
2. That, the Director re-appointed as aforesaid shall be certified to the Board of Directors of the **CANADIAN RIVER MUNICIPAL WATER AUTHORITY** by the Mayor of this City and shall otherwise qualify in the manner prescribed by the above mentioned law relating to said Authority.

PASSED, APPROVED, AND ADOPTED, on this the 19th day of July, 2011, 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.

INTERLOCAL AGREEMENT BETWEEN THE CITY OF BORGER AND THE HUTCHINSON COUNTY SHERIFF'S OFFICE APPROVED:

Lieutenant Anthony Griffin explained to the Council that the Bryne Justice Assistance Grant is annually awarded jointly to the Hutchinson County Sheriff's Office and the Borger Police Department. In the 2011 grant cycle the Borger Police Department does not have a qualifying project and would like to re-allocate the Police Department portion to the Sheriff's Department. Following discussion, motion was made by Council Member Dickson, seconded by Council Member Vinyard, to approve the Interlocal Agreement between the City of Borger and the Hutchinson County Sheriff's Office. The motion carried by the following vote:

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

BID AWARDED FOR MOTOR GRADER: Assistant Director of Public Works Ralph Earles submitted for consideration, the only bid received for the purchase of a used motor grader. Following discussion, motion was made by Council Member DeWeese, seconded by Council Member Vinyard, to accept the bid from Warren Cat in the amount of \$88,620.29 which includes a 1 year Powertrain and Hydraulic System Warranty. The motion carried by the following vote:

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

SALE OF PROPERTY APPROVED: Tax Assessor-Collector Mary Lou Henderson recommended the City accept a bid made on property located at 801 N. Cedar Street (Lot 1, Block 4, Thompson Addition). Following discussion, motion was made by Council Member Vinyard, seconded by Council Member Dickson, to approve the sale of property located at 801 Cedar Street for the amount of \$4,050.00, as recommended by the Hutchinson County Tax Assessor-Collector. The motion carried by the following vote:

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

MEETING ADJOURNED: There being no further business, motion was made by Council Member Dickson, seconded by Council Member Gillingham, to adjourn meeting. The motion carried by the following vote:

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

Mayor

ATTEST:

City Secretary