

HEWITT TEXAS

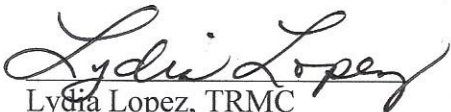
NOTICE OF MEETING OF THE GOVERNING BODY

Notice is hereby given that a **Workshop** meeting of the governing body of the City of Hewitt will be held on the **18th day of May, 2015 at 5:30 PM in Hewitt City Hall, 105 Tampico Drive, Hewitt, Texas**, at which time the following subjects will be discussed:

1. Call meeting to order.
2. City Manager's update on municipal business:
 - a. Report from City Engineer including review and discussion of Capital Improvement Projects
 - b. Briefing and discussion concerning Hewitt Dog Days of Summer Canine Event – June 20, 2015
 - c. Briefing and discussion concerning FY 2015-2016 Budget Calendar.
 - d. Briefing and discussion concerning Public Safety operations – Police & Fire.
3. Review regular meeting agenda items.
4. Convene Executive Session pursuant to the Open Meetings Act, Chapter 551, Texas Government Code to discuss the following:
 - **Pursuant to §551.072 – Purchase, Exchange, Lease, or Value of Real Property.**
5. Close Executive Session.
6. Adjourn.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the City of Hewitt, Texas was posted on the Public Notice Board located in front of City Hall at 5:00 AM/PM on May 14, 2015.

CITY OF HEWITT


Lydia Lopez, TRMC
City Secretary

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, large print or Braille, are requested to contact the Hewitt City Secretary at (254) 666-6171 at least 24 hours prior to the meeting, so that appropriate arrangements can be made.

HEWITT TEXAS

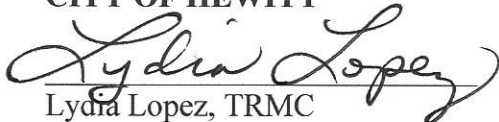
NOTICE OF MEETING OF THE GOVERNING BODY

Notice is hereby given that a **Regular** meeting of the governing body of the City of Hewitt will be held on the **18th day of May, 2015 at 7:00 PM in the City Council Room at Hewitt City Hall, 105 Tampico Drive, Hewitt, Texas**, at which time the following subjects will be discussed:

1. Call meeting to order.
2. Pledge of Allegiance to the U.S. Flag
3. Special presentation of proclamation in recognition of "Motorcycle Safety and Awareness Month"
4. Special presentation by former Mayor Michael D. Kemp, PhD
5. Consider approval of minutes of the City Council Council Workshop/Regular Meeting of April 20, 2015, Special Called Meeting of April 27, 2015 and Regular Meeting of May 4, 2015.
6. Canvass election returns of the City General Election of May 9, 2015.
7. Consider and take action on a resolution declaring the results of the City General Election of May 9, 2015.
8. Administer Oath of Office and issue Certificates of Election to Council Members.
9. Consider and take appropriate action on the designation of Mayor.
10. Consider and take appropriate action on the designation of Mayor Pro Tem.
11. Hear visitors on matters pertaining to city business.
12. Consider award of bid for construction of 2015 – Commerce Park Utility Improvements to JNB Construction in the total amount of \$691,187.
13. Consider award of bid for construction of 2015 – Panther Way Street Improvements to Holy Contractors LLC in the total amount of \$345,276.50.
14. Consider and authorize the City Manager to negotiate and execute an agreement with Utility Service Group for long term water storage tank asset management.
15. Consider and take action on a resolution adopting prevailing wage rates for job classifications utilized on construction contracts for roadway, drainage, water and sanitary sewer infrastructure and major street maintenance contracts.
16. Consider and take action on an ordinance approving a negotiated settlement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corp., Mid-Tex Division regarding the Company's 2014 and 2015 Rate Review Mechanism filings; approving a settlement agreement with attached rate tariffs and proof of revenues; declaring existing rates to be unreasonable;

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the City of Hewitt, Texas was posted on the Public Notice Board located in front of City Hall at 5:00 ~~AM~~ ^{PM} on May 14, 2015.

CITY OF HEWITT



Lydia Lopez, TRMC
City Secretary



COUNCIL WORKSHOP AGENDA ITEM #2.a

2010 IH-35 Utility Improvements:

We are anticipating a start up to happen 5/20/15. We have been discussing possible options with TxDOT and the Contractor to remedy the ongoing issues.

Commerce Park Plant Project and Related Projects:

Elevated Storage Tank;

Electricians and site work contractor have been working on finishing up the interior of the tank shaft. This contract should be wrapping up shortly.

Plant Contract;

Plan and contract documents are completed and have been sent to T.C.E.Q. for their review. We will be setting a bid date shortly for this project.

Piping;

Plans and specifications are complete and a bid date of May 14th has been set for this project.

Ritchie Road Plant and Well Electrical System Improvements:

The contractor has been receiving the equipment on a regular basis and has been onsite to receive and install as they come in.

2014 Bond Projects:

Old Temple Road Street Improvements:

These plans and contract documents are approx. 99% complete, and will have this project out for bids shortly.

Panther Way Street Improvements:

This project is set to receive bids on May 14, 2015.

Warren Park Improvements:

We are currently working out some final details and should have the project out for bids shortly.

City Hall / Library:

Oral update may be given at the meeting.

By:



Miles W. Whitney, P.E.

Note: All dates are approximate and subject to change.



COUNCIL WORKSHOP AGENDA ITEM #2.c

BUDGET CALENDAR 2015-2016

BUDGET CREATION BEGINS

Date	Required Activity
5/5	CITY MANAGER & DEPT HEAD-BUDGET KICK-OFF
	City Manager gives direction for the budget year at the Department Head meeting and Budget Workbooks are distributed to Department heads, which include budget books, staffing budgets, and capital outlay forms. Finance Director completes budget for Revenue and Debt.
6/1	CAPITAL PROJECTS - FIVE YEAR PLAN
	City Manager, City Engineer and Staff meet to discuss Capital Projects for the upcoming 5 year period. The final Capital Project list is presented to council for review.
6/1	CAPITAL PROJECTS - COUNCIL REVIEW
	Council reviews capital projects list prioritizing projects and determines when financing is needed.
6/2	DEADLINE-DEPARTMENT REQUEST
	City Manager and Finance Director review Revenue estimates and Budget Requests & set up meetings with Department Heads to finalize the Proposed Budget. After final review by City Manager, Finance Director prepares Proposed Budget for Council Workshop. This also includes proposed tax rate, capital outlay items and staffing for the next budget year.
7/6	REGULAR MEETING-BUDGET WORKSHOP
	In preparation for the City Council's Budget Workshop, the City Manager prepares Overview of Proposed Budget for council discussion. City Council makes changes to Proposed Budget, if any, in preparation for Record Vote on 7/20.
7/20	REGULAR MEETING- TAKE RECORD VOTE
	* Council determines any tax increase required and takes record vote on tax rate. * Mayor names date/place for public hearing on the proposed budget on 8/10.
7/25	DEADLINE-CERTIFIED TAX ROLL
	Receive Certified Tax Roll from Appraisal District and and prepare final estimate of property tax revenue and present the Effective, Rollback, I&S and M&O Rates.
BUDGET CREATION ENDS/PUBLICATION & PUBLIC MEETING BEGINS	

Calendar for May 2015						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Calendar for June 2015						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Calendar for July 2015						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Calendar for August 2015						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

6	7/6 - Budget Workshop discussion
20	7/20 - Council takes Record Vote setting upper limit to tax rate & approving proposed budget
25	7/27 - Receive CERTIFIED TAX ROLL (Monday at latest)
21, 28	7/21, 7/28 - Deadlines for publication
23, 30	7/23, 7/30 - Published Notices
10,17,24	8/10, 8/17 & 8/24 - Required Council meetings in August

PUBLIC NOTICES & PUBLIC MEETINGS BEGIN

Date	Required Activity
7/23	PUBLISH BUDGET NOTICE OF PUBLIC HEARING
	* <i>"Notice of Public Hearing" in paper</i> (budget notice) Per charter, 15 days prior to public hearing on 8/10 * <i>"Notice of Public Hearing" on website</i> (budget notice) * Preliminary Proposed Budget is available for public view in City Secretary's office and on website.
7/30	PUBLISH REQUIRED TAX NOTICE
	* <i>"Notice of 2015 Tax Year Proposed Property Tax Rate for the City of Hewitt" (published by Tax Assessor)</i> (only required to be published one time) * website <i>"Notice of 2015 Tax Year Proposed Property Tax Rate for the City of Hewitt"</i>
8/10	SPECIAL MEETING ON BUDGET & TAX RATE (1 of 2)
	* 1st Public Hearing on tax rate * The Public Hearing on the Budget. * Announce date for Council to vote on tax rate (8/24)
8/17	REGULAR MEETING ON TAX RATE (2 of 2)
	* 2nd Public Hearing on the tax rate. * Announce date of vote (8/24).
8/24	SPECIAL MEETING-ADOPT TAX RATE & BUDGET
	* Ordinance accepting & approving Tax Roll * Ordinance Levying a tax rate; special wording on increase in M&O tax revenue and \$\$ on \$100k home * Ordinance adopting and appropriating budgets
8/24	Council signs paperwork from Tax Assessor setting rates.
8/26	Web Publishing of Adopted Budget.
10/1	Budget becomes effective.
ADOPTED BUDGET IS COMPLETE.	

<i>Calendar for July 2015</i>						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

<i>Calendar for August 2015</i>						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

6	7/6 - Budget Workshop discussion-Special Council
20	7/20 - Council takes Record Vote setting upper limit to tax rate & approving proposed budget
25	7/27 - Receive CERTIFIED TAX ROLL
21, 28	7/21, 7/28 - Deadlines for publication
23,30	7/23, 7/30 - Published Notices
10,17,24	8/10, 8/17 & 8/24 - Required Council meetings in August



COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 3

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Special presentation of proclamation in recognition of “Motorcycle Safety and Awareness Month”.

STAFF RECOMMENDATION/ITEM SUMMARY:

This proclamation was requested by Steven Cochran (Texas Confederation of Clubs and Independents and the Texas US Defenders) and Sandra Lynch (Texas Motorcycle Rights Association District Advisor). Mr. Cochran and Ms. Lynch will be present to receive proclamation.

ATTACHMENTS:

Proclamation

**OFFICIAL
MAYOR'S PROCLAMATION
CITY OF HEWITT, TEXAS**

- Whereas, motorcycle riding is a popular form of recreation and efficient transportation; and**
- Whereas, more and more residents of McLennan County are taking up this mode of transportation to commute to and from their places of employment; and**
- Whereas, it is the responsibility of all motorists to be aware of motorcyclists and extend to them the same courtesy as any other vehicles on our roadways; and**
- Whereas, motorcycle awareness and safety is a concern to all, it is appropriate to set aside a time to alert motorists to the number of motorcyclists on the roads and to help motorcyclists become more aware of the ways they can promote safety;**
- Therefore, I, Wilbert Wachtendorf, by virtue of the authority vested in me as Mayor of the City of Hewitt, hereby proclaim the month of May as "Motorcycle Safety and Awareness Month" for Hewitt and urge citizens both motorcycle riders and automobile drivers to follow the rules of the road so that all citizens will remain safe.**

Signed and sealed this 18th day of May, 2015.

Wilbert Wachtendorf, Mayor

Attest:

Lydia Lopez, City Secretary



COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 4

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Special presentation by former Mayor Michael D. Kemp, PhD

STAFF RECOMMENDATION/ITEM SUMMARY:

Mr. Kemp will present the Council with a framed photo of 2001-2002 Council.

ATTACHMENTS:

None



COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 5

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider approval of minutes of the City Council Workshop/Regular Meeting of April 20, 2015, Special Called Meeting of April 27, 2015, and Regular Meeting of May 4, 2015.

STAFF RECOMMENDATION/ITEM SUMMARY:

Attached are draft copies of the meeting minutes. Please review and advise if any corrections are needed.

ATTACHMENTS:

Draft minutes

HEWITT TEXAS

MINUTES OF A CITY COUNCIL REGULAR MEETING HEWITT CITY HALL – 105 TAMPICO DRIVE May 4, 2015 – 5:30 PM

Members Present: Mayor Wilbert “Walky” Wachtendorf (presiding); Mayor Pro Tem Ed Passalugo; Council Members: Bill Fuller, James Vidrine, and Travis Bailey

Members Absent: Council Member Alex Snider and Ronnie McNiel (Note: Council Snider arrived after the meeting adjourned.)

Staff Present: City Manager Adam Miles, Assistant City Manager Jim Barton, Police Chief Jim Devlin, Assistant Chief Tuck Saunders, HR Generalist Tierny Krueger, and City Secretary Lydia Lopez

Special Called Meeting – 5:30 PM

1. Mayor Wachtendorf called the meeting to order at 5:30 PM.
2. Convene Executive Session at 5:31 PM pursuant to the Open Meetings Act, Chapter 551, Texas Government Code to discuss the following: **NOT HELD**
 - **Pursuant to §551.072 – Purchase, Exchange, Lease, or Value of Real Property.**
3. Close Executive Session.
4. Authorize City Manager to negotiate and execute an agreement for the sale of property located at 204 Chama Drive, Hewitt, TX. *A motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member Travis Bailey to authorize the City Manager to negotiate and execute an agreement for the sale of property located at 204 Chama Drive in the amount of \$105,000; all five in favor, motion passed.*
5. Adjourn. *A motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member Bill Fuller to adjourn the meeting at 5:33 PM.*

Approved: May 18, 2015

Lydia Lopez, City Secretary

Wilbert Wachtendorf, Mayor



**MINUTES OF A CITY COUNCIL
SPECIAL CALLED MEETING
HEWITT CITY HALL – 105 TAMPICO DRIVE
April 27, 2015 – 5:30 PM**

Members Present: Mayor Wilbert “Walky” Wachtendorf (presiding); Mayor Pro Tem Ed Passalugo; Council Members: Bill Fuller, James Vidrine, Travis Bailey, and Ronnie McNiel

Members Absent: Council Member Alex Snider

Staff Present: City Manager Adam Miles and City Secretary Lydia Lopez

Special Called Meeting – 5:30 PM

1. Mayor Wachtendorf called the meeting to order at 5:30 PM.
2. *A motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member Bill Fuller to convene Executive Session at 5:31 PM pursuant to the Open Meetings Act, Chapter 551, Texas Government Code to discuss the following:*
 - **Pursuant to §551.072 – Purchase, Exchange, Lease, or Value of Real Property.**
3. *Close Executive Session. A motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member Bill Fuller to close Executive Session at 6:00 PM.*
4. *Authorize City Manager to negotiate and execute an agreement for the sale of property located at 204 Chama Drive, Hewitt, TX. A motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member James Vidrine to authorize the City Manager to negotiate and execute an agreement for the sale of property located at 204 Chama Drive for the amount of \$110,000; all six in favor, motion passed.*
5. *Adjourn. A motion was made by Council Member Bill Fuller and seconded by Council Member Travis Bailey to adjourn the meeting at 6:03 PM.*

Approved: May 18, 2015

Lydia Lopez, City Secretary

Wilbert Wachtendorf, Mayor



**MINUTES OF A CITY COUNCIL
WORKSHOP/MEETING
HEWITT CITY HALL – 105 TAMPICO DRIVE
April 20, 2015 - 5:30/7:00 PM**

Members Present: Mayor Wilbert “Walky” Wachtendorf (presiding), Mayor Pro Tem Ed Passalugo, Council Members Bill Fuller, James Vidrine, Travis Bailey, Ronnie McNiel, and Alex Snider

Staff Present: City Engineer Miles Whitney, City Attorney Charlie Buenger, City Manager Adam Miles, Assistant City Manager James Barton, Fire Chief Lance Bracco, Police Chief Jim Devlin, Deputy Police Chief Tuck Saunders, Utilities Director James Black, Finance Director Lee Garcia, Library Director Waynette Ditto, and City Secretary Lydia Lopez

Staff Absent: HR Generalist Tierny Krueger and HR/Civil Service Director Susana Garcia-Gilmore

Workshop – 5:30 PM

1. Mayor Wachtendorf called the meeting to order at 5:30 PM.
2. City Manager presented an update on municipal business:
 - a. Report from City Engineer including review and discussion of Capital Improvement Projects.
 - b. Briefing and discussion was held concerning Public Safety operations – Police & Fire.
 - c. Briefing and discussion concerning vacancies on the Planning & Zoning Commission and the Board of Adjustment was held.
 - d. Briefing and discussion concerning proposed model smoking ordinance and regulations of e-cigarettes was held.
3. Review regular meeting agenda items.
4. *A motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member Alex Snider to convene the Executive Session at 6:40 PM pursuant to the Open Meetings Act, Chapter 551, Texas Government Code to discuss the following:*
 - **Pursuant to §551.072 – Purchase, Exchange, Lease, or Value of Real Property.**
5. *Close Executive Session. A motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member Alex Snider to close the Executive Session at 6:54 PM, all seven in favor, motion passed.*

6. Adjourn. *A motion was made by Council Member Ronnie McNiel and seconded by Council Member Travis Bailey to adjourn the Workshop at 6:55 PM, all seven in favor, motion passed.*

REGULAR MEETING – 7:00 PM

1. **CALL TO ORDER.** Mayor Wachtendorf called the meeting to order at 7:00 PM.
2. **PLEDGE OF ALLEGIANCE TO THE U.S. FLAG** – Mayor Wachtendorf asked members of Boy Scouts Troop #377 to lead the Pledge of Allegiance.
3. **CONSIDER APPROVAL OF MINUTES OF THE COUNCIL WORKSHOP/REGULAR MEETING OF APRIL 20, 2015.** *A motion was made by Mayor Pro Tem Passalugo and seconded by Council Member Travis Bailey to approve the minutes as submitted but allow for corrections; all seven in favor, motion passed.*
4. **HEAR VISITORS ON MATTERS PERTAINING TO CITY BUSINESS.** Bob Potter, 409 W Wall, appeared to request Council consider a different methodology of calculating sewer rates by using winter averaging. No one else appeared.
5. **AUTHORIZE THE CITY MANAGER TO NEGOTIATE AND EXECUTE A CONTRACT WITH BARNETT CONSTRUCTION, FOR OFF-SITE DRAINAGE AND DIRT WORK RELATED TO THE CITY HALL AND LIBRARY CONSTRUCTION PROJECT NOT TO EXCEED \$79,750.** *A motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member Travis Bailey to approve; all seven in favor, motion passed.*
6. **CONSIDER AND TAKE ACTION TO ADOPT AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF HEWITT, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE PAYMENT OF SAID BONDS; AUTHORIZING EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, ESCROW AGREEMENT AND AGREEMENTS FOR MUNICIPAL ADVISORY AND BOND COUNSEL SERVICES; APPROVING AN OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.** Mark McLiney, Senior Managing Director, SAMCO Capital Markets, Inc., presented a brief refunding analysis and stated that the bonds would be refinanced at 2.53% with a savings of \$493,709. *A motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member Alex Snider to approve the ordinance, all seven in favor, motion passed.*

7. **PUBLIC HEARING AND ACTION ON AN ORDINANCE REZONING PROPERTY LOCATED AT 142 S. 2ND STREET (ALSO KNOWN AS THE OLD FIRE DEPARTMENT), BEING LOT 8, A PORTION OF LOT 9, AND A 10 FOOT BY 75 FOOT STRIP OUT OF THE 20 FOOT WIDE ALLEY, BLOCK 1, ORIGINAL CITY OF HEWITT, MCLENNAN COUNTY, TEXAS, PLAT OF RECORD IN VOLUME 94, PAGE 114, DEED RECORDS, MCLENNAN COUNTY, TEXAS) FROM R-1 (SINGLE FAMILY RESIDENTIAL) TO C-2 (GENERAL BUSINESS DISTRICT).** Mayor Wachtendorf opened the public hearing for those wishing to speak in favor. No one appeared. Mayor Wachtendorf opened the public hearing for those speaking against. The following appeared against: Cynthia A. Stuart, 141 S. 2nd Street; Bob Pugh, 11618 Chapel Road; Billy Joe Smith, 224 W. Johnson; Lindsey Lee, 201 S. 2nd Street; and Charity Lenz, 132 W Johnson St. No one else appeared. Public hearing closed. *A motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member James Vidrine to approved the ordinance rezoning property located at 142 S. 2nd Street from R-1 to C-2 (General Business District); all seven in favor, motion passed.*
8. **PUBLIC HEARING AND ACTION ON AN ORDINANCE REZONING 1.35 ACRES OF LAND LOCATED AT THE CORNER OF OLD TEMPLE AND SPRING VALLEY ROAD, LEGALLY KNOWN AS PAT BARCUS ADDITION, PART 4, LOT 32, BLOCK 4, FROM R-5 (SINGLE FAMILY ATTACHED DWELLING DISTRICT) TO R-4 (MULTI-FAMILY RESIDENTIAL DISTRICT).** Shelly Stone, 2012 Rey Drive, Officer Manager, Morton Construction, appeared in favor. No one appeared against. Public hearing closed. *A motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member James Vidrine to approve the ordinance rezoning from R-5 (Single Family Attached Dwelling District) to R-4 (Multi-Family Residential District); five in favor, Council Member Alex Snider in opposition; Council Member Ronnie McNiel abstaining, motion passed.*
9. **CONSIDER AN ORDINANCE AMENDING APPENDIX A: ZONING, PART 9 - ACCESSORY USES AND BUILDINGS ARE REGULATED, SECTION 9.103 - WALLS AND FENCES, PERMITTING ELECTRIC FENCES IN NON-RESIDENTIAL AREAS, PROVIDING A SEVERABILITY CLAUSE, AND PROVIDING AN EFFECTIVE DATE.** *A motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member Travis Bailey to approve ordinance with additional language requiring minimum size signage of 14" X 18" at 60 ft. intervals; all seven in favor, motion passed.*
10. **CONSIDER AND TAKE ACTION ON AN ORDINANCE AMENDING CHAPTER 10, "ANIMALS" OF THE CODE OF ORDINANCES TO REVISE SECTION 10-36, REMEDIAL REQUIREMENTS; SECTION 10-66, ANIMAL BITES AND SCRATCH REPORTS; SECTION 10-91, IDENTIFICATION FOR ANIMALS; SECTION 10-92, RUNNING AT LARGE; REPEALING SECTION 10-123 AND 10-123.1, TETHERED ANIMALS AND REPLACING WITH THE STATE OF TEXAS LAW; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT; PROVIDING FOR AN EFFECTIVE DATE; PROVIDING FOR A**

PENALTY; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPENED TO THE PUBLIC AS REQUIRED BY LAW. *A motion was made by Council Member Bill Fuller and seconded by Council Member Ronnie McNiel to approve ordinance, all seven in favor, motion passed.*

- 11. ADJOURN.** *Motion was made by Mayor Pro Tem Ed Passalugo and seconded by Council Member Travis Bailey to adjourn the meeting at 8:01 PM, all seven in favor, motion passed.*

Approved: May 18, 2015

Lydia Lopez, City Secretary

Wilbert Wachtendorf, Mayor



COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 6

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Canvass election returns of the City General Election of May 9, 2015.

STAFF RECOMMENDATION/ITEM SUMMARY:

Texas Election Code Section 67.003 – Time for Local Canvass – Each local canvassing authority shall convene to conduct the local canvass not earlier than the 3rd day or later than the 11th day after election day. Therefore the canvass must be conducted between May 12 and May 20, 2015.

The Mayor will appoint a Canvassing Committee of two council members and the City Attorney along with the City Secretary. They will review the election paperwork and report to Council.

ATTACHMENTS:

Official Election Reports provided by McLennan County Elections Administrator

**City of Hewitt Cumulative Report — Official
McLennan County — GENERAL ELECTION — May 09, 2015**

Page 1 of 1

05/12/2015 02:07 PM

Number of District Voters: 168 of 8,538 = 1.97%

District Precincts Reporting 1 of 1 = 100.00%

Party	Candidate	Early		Election		Total	
Council Member, WARD 1 Hew, Vote For 1							
	Travis Bailey	48	63.16%	48	53.93%	96	58.18%
	Charles D. "Charlie" Turner	28	36.84%	41	46.07%	69	41.82%
	Cast Votes:	76	98.70%	89	97.80%	165	98.21%
	Over Votes:	0	0.00%	0	0.00%	0	0.00%
	Under Votes:	1	1.30%	2	2.20%	3	1.79%

**City of Hewitt District Report — Total Voters — Official
McLennan County — GENERAL ELECTION — May 09, 2015**

Page 1 of 1

05/12/2015 02:10 PM

Number of District Voters: 168 of 8,538 = 1.97%

District Precincts Reporting 1 of 1 = 100.00%

Council Member, WARD 1 Hew

Precinct	Early Ballots Cast	Election Ballots Cast	Total Ballots Cast	Registered Voters	Percent Turnout	Travis Bailey	Charles D. "Charlie" Turner	Totals
Hewitt	77	91	168	8538	1.97%	96	69	165
Totals	77	91	168	8538		96	69	165



COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 7

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider and take appropriate action on a resolution declaring the results of the City General Election of May 9, 2015.

STAFF RECOMMENDATION/ITEM SUMMARY:

On May 9, 2015, the City of Hewitt conducted a General Election to elect a Council Member for Ward 1, Place 1. The three other positions Ward 2, Place 1; Ward 3, Place 1; and At-Large were unopposed and the candidates were declared winners. State and local laws require the results be declared in an official form. Attached is a draft resolution declaring the results of the election.

ATTACHMENTS:

Resolution

RESOLUTION NO. 2015-05-18-1

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HEWITT CANVASSING RETURNS AND DECLARING THE
RESULTS OF THE CITY GENERAL ELECTION HELD ON
MAY 9, 2015.**

Whereas, the City Council of the City of Hewitt, Texas, resolved (through Resolution No. 2015-02-02-1) and ordered that a General Election be held on May 9, 2015, in the City of Hewitt for the purpose of electing four Council Members, those being:

GENERAL ELECTION

One Council Member, Ward 1
One Council Member, Ward 2
One Council Member, Ward 3
One Council Member, At-Large

Whereas, said election was conducted in accordance with the Texas Election Code and there came to be considered the returns of said election.

Whereas, the returns of said general election have been duly canvassed by the City Council, and such returns reflect that at said election a total of 165 votes were cast by the registered voters of the municipality; and each of the candidates in said election received the following votes:

GENERAL ELECTION

COUNCIL MEMBER, WARD 1

Travis Bailey - 96
Charles D. "Charlie" Turner - 69

COUNCIL MEMBER, WARD 2

James Vidrine - Unopposed (Declared Winner)

COUNCIL MEMBER, WARD 3

Ed Passalugo – Unopposed (Declared Winner)

COUNCIL MEMBER, AT-LARGE

Charles "Alex" Snider – Unopposed (Declared Winner)

**THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
HEWITT, TEXAS:**

That said election was duly called; that notice of said election was duly posted and published, and that said election was held in accordance with the requirements of the Texas Election Code.

That, at said election, Travis Bailey received the majority of votes to be duly elected as

Council member of the City of Hewitt.

That Travis Bailey, James Vidrine, Ed Passalugo and Charles “Alex” Snider are hereby declared elected to said office, subject to taking the oath as provided by the laws of the State of Texas.

That it is hereby officially found and determined that the meeting at which this resolution is adopted was noticed and has been open to the public as required by law.

PASSED, ADOPTED AND APPROVED this the 18th day of May 2015.

CITY OF HEWITT

Wilbert Wachtendorf, Mayor

ATTEST:

Lydia Lopez, City Secretary



COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 8

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Administer Oath of Office and issue Certificates of Election to Council Members.

STAFF RECOMMENDATION/ITEM SUMMARY:

City Attorney Charlie Buenger will administer the Oath of Office and issue Certificates of Election to elected Council Members.

ATTACHMENTS:

None

This space reserved for office
use

Submit to:
SECRETARY OF STATE
Government Filings Section
P O Box 12887
Austin, TX 78711-2887
512-463-6334



OATH OF OFFICE

Filing Fee: None

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS,
I, Travis Bailey, do solemnly swear (or affirm), that I will faithfully
execute the duties of the office of Council Member, Ward 1 of
the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws
of the United States and of this State, so help me God.

Signature of Officer

.....
State of Texas)
County of McLennan)

Sworn to and subscribed before me
this

18 day of May, 20 15.

(seal)

Signature of Notary Public or Other Officer
Administering Oath
O. Charles Buenger

Printed or Typed Name

This space reserved for office
use

Submit to:
SECRETARY OF STATE
Government Filings Section
P O Box 12887
Austin, TX 78711-2887
512-463-6334



OATH OF OFFICE

Filing Fee: None

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS,

I, James Vidrine, do solemnly swear (or affirm), that I will faithfully
execute the duties of the office of Council Member, Ward 2 of
the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws
of the United States and of this State, so help me God.

Signature of Officer

.....

State of Texas)
County of McLennan)

Sworn to and subscribed before me
this

18 day of May, 20 15.

(seal)

Signature of Notary Public or Other Officer

Administering Oath

O. Charles Buenger

Printed or Typed Name

Submit to:
SECRETARY OF STATE
Government Filings Section
P O Box 12887
Austin, TX 78711-2887
512-463-6334



OATH OF OFFICE

Filing Fee: None

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS,
I, Ed Passalugo, do solemnly swear (or affirm), that I will faithfully
execute the duties of the office of Council Member, Ward 3 of
the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws
of the United States and of this State, so help me God.

Signature of Officer

.....
State of Texas)
County of McLennan)

Sworn to and subscribed before me
this

18 day of May, 20 15.

(seal)

Signature of Notary Public or Other Officer
Administering Oath
O. Charles Buenger

Printed or Typed Name

This space reserved for office
use

Submit to:
SECRETARY OF STATE
Government Filings Section
P O Box 12887
Austin, TX 78711-2887
512-463-6334



OATH OF OFFICE

Filing Fee: None

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS,

I, Charles Alex Snider, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of Council Member, At Large of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

Signature of Officer

.....

State of Texas)
County of McLennan)

Sworn to and subscribed before me
this

18 day of May, 20 15.

(seal)

Signature of Notary Public or Other Officer
Administering Oath
O. Charles Buenger

Printed or Typed Name



CERTIFICATE OF ELECTION

In the name and by the authority of

The City of Hewitt, Texas

THIS IS TO CERTIFY, that at a general election held on

May 9, 2015

Travis Bailey

was duly elected

Council Member, Ward 1

In testimony whereof, I have hereunto signed my name and caused the Seal of the City of Hewitt, Texas to be affixed, this the 18th day of May A.D., 2015.

Signature of Presiding Officer of
Canvassing Authority



CERTIFICATE OF ELECTION

In the name and by the authority of

The City of Hewitt, Texas

THIS IS TO CERTIFY, that at a general election held on

May 9, 2015

James E. Vidrine

was duly elected

Council Member, Ward 2

In testimony whereof, I have hereunto signed my name and caused the Seal of the City of Hewitt, Texas to be affixed, this the 18th day of May A.D., 2015.

Signature of Presiding Officer of
Canvassing Authority



CERTIFICATE OF ELECTION

In the name and by the authority of

The City of Hewitt, Texas

THIS IS TO CERTIFY, that at a general election held on

May 9, 2015

Ed Passalugo

was duly elected

Council Member, Ward 3

In testimony whereof, I have hereunto signed my name and caused the Seal of the City of Hewitt, Texas to be affixed, this the 18th day of May A.D., 2015.

Signature of Presiding Officer of
Canvassing Authority



CERTIFICATE OF ELECTION

In the name and by the authority of

The City of Hewitt, Texas

THIS IS TO CERTIFY, that at a general election held on

May 9, 2015

Charles “Alex” Snider

was duly elected

Council Member, Ward At-Large

In testimony whereof, I have hereunto signed my name and caused the Seal of the City of Hewitt, Texas to be affixed, this the 18th day of May A.D., 2015.

Signature of Presiding Officer of
Canvassing Authority



COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 9

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider and take appropriate action on the designation of Mayor.

STAFF RECOMMENDATION/ITEM SUMMARY:

The Council can reappoint the current mayor or any other member as noted below in the Charter excerpt.

Sec. 2.7 - Mayor/mayor pro tem. At its first meeting following each regular election of councilmen, the council shall by election designate one of its numbers as mayor and another of its numbers as mayor pro tem, each of whom shall serve in such capacity for a term of one (1) year. The mayor shall preside at all meetings of the council and shall be recognized as head of the city government for all ceremonial purposes, for the purpose of receiving service of civil process and for emergency purposes, and for military or police purposes, but shall have no administrative duties. The mayor, as a member of the council, shall be entitled to vote upon all affairs considered by the council, but shall have no veto power. The mayor pro tem shall act as mayor during the absence or disability of the mayor, and shall have power to perform every act the mayor could perform if present.

ATTACHMENTS:

None



COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 10

SUBMITTED BY: Lydia Lopez, City Secretary

ITEM DESCRIPTION:

Consider and take appropriate action on the designation of Mayor Pro Tem.

STAFF RECOMMENDATION/ITEM SUMMARY:

The Council can reappoint the current mayor pro tem or any other member as noted below in the Charter excerpt.

Sec. 2.7 - Mayor/mayor pro tem. At its first meeting following each regular election of councilmen, the council shall by election designate one of its numbers as mayor and another of its numbers as mayor pro tem, each of whom shall serve in such capacity for a term of one (1) year. The mayor shall preside at all meetings of the council and shall be recognized as head of the city government for all ceremonial purposes, for the purpose of receiving service of civil process and for emergency purposes, and for military or police purposes, but shall have no administrative duties. The mayor, as a member of the council, shall be entitled to vote upon all affairs considered by the council, but shall have no veto power. The mayor pro tem shall act as mayor during the absence or disability of the mayor, and shall have power to perform every act the mayor could perform if present.

ATTACHMENTS:

None



ITEM #11– HEARING OF VISITORS

CITIZEN PARTICIPATION AT MEETINGS

1. All citizens are encouraged to discuss matters of concern with the staff and individual council members prior to placing items on the agenda. Many times this will expedite a resolution or allow proper investigation of the matter for presentation to the entire council.

NO CITIZEN NOR STAFF MEMBER MAY SPEAK NOR OTHERWISE INTERRUPT ANY MEETING UNTIL RECOGNIZED BY THE PRESIDING OFFICER.

2. To maintain decorum at public hearings, the mayor will ask the citizens present if they wish to speak for or against the item on the agenda. If so, they will be given an opportunity to do so at the proper time, when recognized by the chair. If more than five citizens wish to address the council on any single agenda item, those citizens are advised to select spokespersons to present their case.
3. Citizens who wish to bring up a matter that pertains to city business or address an item on the agenda may do so, but only under the agenda item “Hear Visitors.” **The council is prohibited by law from discussing or acting on any item that has not been posted on the agenda.**
4. **Citizens addressing the city council on items not on the agenda shall be limited to five minutes each. Total time for presentations on any one item or topic shall be limited to twenty-five minutes. The city council members shall not enter into discussion on any subject not properly placed on the agenda; however, the council members may ask questions for clarification purposes.**
5. As a general rule, citizens may not participate in the discussion of the council workshop session.



COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 12

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Consider award of bid for construction of 2015-Commerce Park Utility Improvements to JNB Construction in the total amount of \$691,187.

STAFF RECOMMENDATION/ITEM SUMMARY:

Sealed bids were received and opened on May 14, 2015, for the planned project. JNB Construction is the lowest bidder meeting qualifications. City staff recommends award of the bid to JNB Construction in an amount of \$691,187.

ATTACHMENTS:

Bid tabulation

Bid Tabulation

Project	2015 - Commerce Park Utility Improvements	Prepared By	MWW
Owner	City of Hewitt	Date	5/14/2015
Component	Bid Tabulation	Reviewed By	MWW

BASE BID TOTALS			Contractor 1		Contractor 2		Contractor 3		Contractor 4	
			\$ 691,187.00		\$ 779,841.00		\$ 790,673.00		\$ 805,457.00	
			JNB Construction		Whitney U.U.I.		Barnett Contracting		TTG Utilities	
Bid Item	Qty.	Unit	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1 16" C-905, DR-18 PVC Pipe; w/ Tracer Wire; Installed	3,303	L.F.	\$ 51.00	\$ 168,453.00	\$ 60.00	\$ 198,180.00	\$ 65.00	\$ 214,695.00	\$ 62.00	\$ 204,786.00
2 12" C-900, DR-18 PVC Pipe; w/ Tracer Wire; Installed	4,180	L.F.	\$ 38.00	\$ 158,840.00	\$ 45.00	\$ 188,100.00	\$ 45.00	\$ 188,100.00	\$ 42.00	\$ 175,560.00
3 10" C-900, DR-18 PVC Pipe; w/ Tracer Wire; Installed	30	L.F.	\$ 50.00	\$ 1,500.00	\$ 44.00	\$ 1,320.00	\$ 100.00	\$ 3,000.00	\$ 31.00	\$ 930.00
4 24" Steel Encasement Pipe; Dry Bored with 16" C-905, DR-18 RJ Carrier Pipe; Installed	150	L.F.	\$ 370.00	\$ 55,500.00	\$ 300.00	\$ 45,000.00	\$ 400.00	\$ 60,000.00	\$ 352.00	\$ 52,800.00
5 20" Steel Encasement Pipe; Dry Bored with 12" C-900, DR-18 RJ Carrier Pipe; Installed	100	L.F.	\$ 310.00	\$ 31,000.00	\$ 255.00	\$ 25,500.00	\$ 350.00	\$ 35,000.00	\$ 315.00	\$ 31,500.00
6 24" Steel Encasement Pipe; Open Cut with 16" C-905, DR-18 RJ Carrier Pipe; Installed	60	L.F.	\$ 135.00	\$ 8,100.00	\$ 150.00	\$ 9,000.00	\$ 160.00	\$ 9,600.00	\$ 220.00	\$ 13,200.00
7 20" Steel Encasement Pipe; Open Cut with 12" C-900, DR-18 RJ Carrier Pipe; Installed	165	L.F.	\$ 120.00	\$ 19,800.00	\$ 100.00	\$ 16,500.00	\$ 130.00	\$ 21,450.00	\$ 155.00	\$ 25,575.00
8 20" Steel Encasement Pipe; Open Cut Concrete Encased Creek Crossing with 12" C-900, DR-18	100	L.F.	\$ 180.00	\$ 18,000.00	\$ 200.00	\$ 20,000.00	\$ 150.00	\$ 15,000.00	\$ 285.00	\$ 28,500.00
9 24" HDPE Dual Wall Encasement Pipe; Open Cut with 16" C-905, DR-18 RJ Carrier Pipe; Installed	60	L.F.	\$ 135.00	\$ 8,100.00	\$ 100.00	\$ 6,000.00	\$ 140.00	\$ 8,400.00	\$ 165.00	\$ 9,900.00
10 24" HDPE Dual Wall Encasement Pipe; Open Cut with 12" C-900, DR-18 RJ Carrier Pipe; Installed	100	L.F.	\$ 120.00	\$ 12,000.00	\$ 100.00	\$ 10,000.00	\$ 130.00	\$ 13,000.00	\$ 112.00	\$ 11,200.00
11 16" Gate Valve and Box, Installed	4	Ea.	\$ 5,800.00	\$ 23,200.00	\$ 6,000.00	\$ 24,000.00	\$ 6,800.00	\$ 27,200.00	\$ 7,540.00	\$ 30,160.00
12 12" Gate Valve and Box, Installed	9	Ea.	\$ 2,400.00	\$ 21,600.00	\$ 2,500.00	\$ 22,500.00	\$ 2,500.00	\$ 22,500.00	\$ 2,450.00	\$ 22,050.00
13 Air/Vacuum Relief Valve and Assembly; Installed	2	Ea.	\$ 4,800.00	\$ 9,600.00	\$ 4,000.00	\$ 8,000.00	\$ 5,000.00	\$ 10,000.00	\$ 6,230.00	\$ 12,460.00
14 Connect Proposed 16" to Existing 16"	1	Ea.	\$ 3,500.00	\$ 3,500.00	\$ 4,000.00	\$ 4,000.00	\$ 3,000.00	\$ 3,000.00	\$ 2,950.00	\$ 2,950.00
15 Connect Proposed 12" to Existing 16"	1	Ea.	\$ 3,000.00	\$ 3,000.00	\$ 4,000.00	\$ 4,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,250.00	\$ 3,250.00
16 Connect Existing 10" to Proposed 16"	1	Ea.	\$ 3,000.00	\$ 3,000.00	\$ 4,000.00	\$ 4,000.00	\$ 3,000.00	\$ 3,000.00	\$ 6,100.00	\$ 6,100.00
17 Connect Proposed 12" to Existing 12"	3	Ea.	\$ 1,900.00	\$ 5,700.00	\$ 4,000.00	\$ 12,000.00	\$ 2,000.00	\$ 6,000.00	\$ 2,720.00	\$ 8,160.00
18 Connect Existing 10" to Proposed 12"	3	Ea.	\$ 1,800.00	\$ 5,400.00	\$ 3,500.00	\$ 10,500.00	\$ 2,000.00	\$ 6,000.00	\$ 4,860.00	\$ 14,580.00
19 Connect Existing 10" to Proposed 10"	2	Ea.	\$ 1,000.00	\$ 2,000.00	\$ 3,500.00	\$ 7,000.00	\$ 2,000.00	\$ 4,000.00	\$ 4,650.00	\$ 9,300.00
20 Connect Existing 2" to Proposed 12"	1	Ea.	\$ 850.00	\$ 850.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,350.00	\$ 2,350.00
21 Reconnect Existing Water Service	2	Ea.	\$ 700.00	\$ 1,400.00	\$ 1,000.00	\$ 2,000.00	\$ 1,500.00	\$ 3,000.00	\$ 1,610.00	\$ 3,220.00
22 Install Cap on Existing 12" Water Line	1	Ea.	\$ 380.00	\$ 380.00	\$ 500.00	\$ 500.00	\$ 600.00	\$ 600.00	\$ 500.00	\$ 500.00
23 Install Cap on Existing 10" Water Line	1	Ea.	\$ 300.00	\$ 300.00	\$ 500.00	\$ 500.00	\$ 600.00	\$ 600.00	\$ 450.00	\$ 450.00
24 Install Cap on Existing 8" Water Line	3	Ea.	\$ 250.00	\$ 750.00	\$ 500.00	\$ 1,500.00	\$ 500.00	\$ 1,500.00	\$ 350.00	\$ 1,050.00
25 Install Cap on Existing 8" Water Line and Pump Grout in to Newly Abandoned Line	127	L.F.	\$ 20.00	\$ 2,540.00	\$ 21.00	\$ 2,667.00	\$ 30.00	\$ 3,810.00	\$ 36.00	\$ 4,572.00
26 Install New Fire Hydrants Assembly	12	Ea.	\$ 5,200.00	\$ 62,400.00	\$ 4,500.00	\$ 54,000.00	\$ 4,000.00	\$ 48,000.00	\$ 5,400.00	\$ 64,800.00
27 Remove Existing Fire Hydrant Assembly	3	Ea.	\$ 1,000.00	\$ 3,000.00	\$ 200.00	\$ 600.00	\$ 500.00	\$ 1,500.00	\$ 465.00	\$ 1,395.00
28 6" Concrete Drive Replacement with 6" of Compacted Flexible Base; Installed	200	S.F.	\$ 11.00	\$ 2,200.00	\$ 50.00	\$ 10,000.00	\$ 8.00	\$ 1,600.00	\$ 31.00	\$ 6,200.00
29 2" HMA "Type D" Asphalt Replacement With 6" Compacted Flexible Base; Installed	915	S.F.	\$ 6.00	\$ 5,490.00	\$ 10.00	\$ 9,150.00	\$ 6.00	\$ 5,490.00	\$ 8.00	\$ 7,320.00
30 Concrete Replacement; Installed	220	S.F.	\$ 10.00	\$ 2,200.00	\$ 20.00	\$ 4,400.00	\$ 8.00	\$ 1,760.00	\$ 31.00	\$ 6,820.00
31 Replacement of Sod	2,980	S.F.	\$ 3.00	\$ 8,940.00	\$ 1.00	\$ 2,980.00	\$ 1.00	\$ 2,980.00	\$ 3.75	\$ 11,175.00
32 Trench Safety	7,444	L.F.	\$ 1.00	\$ 7,444.00	\$ 1.00	\$ 7,444.00	\$ 2.00	\$ 14,888.00	\$ 1.00	\$ 7,444.00
33 Mobilization	1	L.S.	\$ 35,000.00	\$ 35,000.00	\$ 66,500.00	\$ 66,500.00	\$ 50,000.00	\$ 50,000.00	\$ 25,200.00	\$ 25,200.00

Denotes correction in Bid Price



Miles W. Whitney, P.E.
Cayote Consulting, LLC
T.B.P.E. Firm No. F-16387



COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 13

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Consider award of bid for construction of 2015 – Panther Way Street Improvements to Holy Contractors LLC in the total amount of \$345,260.29.

STAFF RECOMMENDATION/ITEM SUMMARY:

Sealed bids were received and opened on May 14, 2015, for the planned project. Holy Contractors LLC is the lowest bidder meeting qualifications. City staff recommends award of the bid to Holy Contractors LLC in the amount of \$345,260.29.

ATTACHMENTS:

Bid Information

Bid Tabulation

Project	2015 - Panther Way Street Improvements	Prepared By	MWW
Owner	City of Hewitt	Date	5/14/2015
Component	Bid Tabulation	Reviewed By	MWW

BASE BID TOTALS				Contractor 1		Contractor 2		Contractor 3	
				\$345,260.29		\$363,768.00		\$410,875.00	
				Holy Contractors		H&B Contractors		Barnett Contracting	
Bid Item		Qty.	Unit	Unit Price	Bid Price	Unit Price	Bid Price	Unit Price	Bid Price
1	Street Excavation and Preparation, Outside of Curb to Outside of Curb	5,258	S.Y.	\$ 9.00	\$ 47,322.00	\$ 6.00	\$ 31,548.00	\$ 10.00	\$ 52,580.00
2	Channel Improvements (North Street Ditch); Unclassified Excavation	320	C.Y.	\$ 12.00	\$ 3,840.00	\$ 17.00	\$ 5,440.00	\$ 25.00	\$ 8,000.00
3	Channel Improvements (South Street Ditch); Unclassified Excavation	128	C.Y.	\$ 12.00	\$ 1,536.00	\$ 17.00	\$ 2,176.00	\$ 25.00	\$ 3,200.00
4	6" Depth Lime Stabilized Subgrade, including 28 lb. of Lime per Square Yard; Installed	5,082	S.Y.	\$ 6.51	\$ 33,083.82	\$ 5.50	\$ 27,951.00	\$ 8.00	\$ 40,656.00
5	8" Compacted Thickness Cement Stabilized Gravel Base; Installed	4,608	S.Y.	\$ 16.71	\$ 76,999.68	\$ 14.00	\$ 64,512.00	\$ 14.00	\$ 64,512.00
6	2" Compacted Thickness, Hot-Mixed, Asphaltic Concrete Surface (TxDOT "D" Crushed Stone Aggregate; Installed	389	TONS	\$ 111.61	\$ 43,416.29	\$ 94.00	\$ 36,566.00	\$ 110.00	\$ 42,790.00
7	Reinforced Concrete Ribbon Curb, Installed	2,002	L.F.	\$ 6.00	\$ 12,012.00	\$ 13.00	\$ 26,026.00	\$ 10.00	\$ 20,020.00
8	Standard Reinforced Concrete Curb and Gutter, Installed	475	L.F.	\$ 8.00	\$ 3,800.00	\$ 16.00	\$ 7,600.00	\$ 16.00	\$ 7,600.00
9	Remove and Replace Reinforced Concrete Driveway	4,298	S.F.	\$ 3.50	\$ 15,043.00	\$ 7.00	\$ 30,086.00	\$ 8.00	\$ 34,384.00
10	Reinforced Concrete Fillets and Valleys; Installed	654	S.F.	\$ 4.00	\$ 2,616.00	\$ 8.00	\$ 5,232.00	\$ 10.00	\$ 6,540.00
11	Sidewalk Valley Crossing; Installed	1	L.S.	\$ 1,000.00	\$ 1,000.00	\$ 4,500.00	\$ 4,500.00	\$ 1,200.00	\$ 1,200.00
12	Standard Reinforced Concrete Sidewalk; Installed	1,957	S.F.	\$ 3.50	\$ 6,849.50	\$ 6.00	\$ 11,742.00	\$ 5.00	\$ 9,785.00
13	Standard Reinforced Concrete Flume; Installed	1,920	S.F.	\$ 5.00	\$ 9,600.00	\$ 7.00	\$ 13,440.00	\$ 6.00	\$ 11,520.00
14	Standard 4" Reinforced Concrete Rip-Rap; Installed	3,798	S.F.	\$ 4.00	\$ 15,192.00	\$ 5.50	\$ 20,889.00	\$ 6.00	\$ 22,788.00
15	Standard 24" Dia. Reinforced Concrete Pipe, Class III (0'-5' Cut), Including Excavation and Gravel Trench Backfill	200	L.F.	\$ 73.60	\$ 14,720.00	\$ 50.00	\$ 10,000.00	\$ 80.00	\$ 16,000.00
16	Standard Safety End Treatments for 24" Dia. Reinforced Concrete Pipe, Class III; Installed	4	Ea.	\$ 2,200.00	\$ 8,800.00	\$ 1,400.00	\$ 5,600.00	\$ 1,200.00	\$ 4,800.00
17	Hydro Mulch Seeding (Entire Project)	4,000	S.Y.	\$ 1.60	\$ 6,400.00	\$ 1.50	\$ 6,000.00	\$ 1.50	\$ 6,000.00
18	20" Steel Encasement Pipe; Open Cut, Including Excavation and Gravel Trench Backfill	105	L.F.	\$ 72.00	\$ 7,560.00	\$ 92.00	\$ 9,660.00	\$ 100.00	\$ 10,500.00
19	SWPPP and Implementation	1	L.S.	\$ 550.00	\$ 550.00	\$ 8,800.00	\$ 8,800.00	\$ 5,000.00	\$ 5,000.00
20	Traffic Control	1	L.S.	\$ 3,940.00	\$ 3,940.00	\$ 5,000.00	\$ 5,000.00	\$ 8,000.00	\$ 8,000.00
21	Mobilization (Not to Exceed 10% of Total Project Bid)	1	L.S.	\$30,980.00	\$ 30,980.00	\$31,000.00	\$ 31,000.00	\$35,000.00	\$ 35,000.00

Denotes corrected Bid Price



Miles W. Whitney, P.E.

Cayote Consulting, LLC
T.B.P.E. Firm No. F-16387



COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 14

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Consider and authorize the City Manager to negotiate and execute an agreement with Utility Service Group for long term water storage tank asset management.

STAFF RECOMMENDATION/ITEM SUMMARY:

Sealed proposals were received and opened by the City of Hewitt on April 30, 2015. One proposal was received from Utility Service Group for professional tank asset management. The program as submitted outlines a ten year plan which includes annual inspection of Hewitt's seven water storage facilities which include ground and elevated tanks. Moreover, the proposal outlines planned re-painting and coating of interior and exterior finishes. The Scope of Work includes an annual summary of expenses broken down by each tank over the next ten years.

After review and analysis, staff recommends approval of this proposed contract with Utility Service Group. Long term funding will include a combination of capital funds as well as ongoing maintenance and operations funds. A complete copy of the Utility Service Group proposal is included in the back-up material.

ATTACHMENTS:

Proposal

City of Hewitt
Hewitt, TX

**Proposal for Professional Tank Asset
Management Program**

Submitted by:

Utility Service Group
1230 Peachtree Street, NE
Suite 1100, Promenade Building
Atlanta, GA 30309

Date:

April 30, 2015



April 29, 2015

City of Hewitt
105 Tampico Drive
Hewitt, TX 76643

RE: MAINTENANCE CONTRACT FOR WATER STORAGE TANKS

On behalf of Jim Almond and Utility Service Company, I am pleased to submit the attached proposal for our professional water tank asset maintenance program. This proposal is in response to your published RFP dated March 17, 2015.

I am confident that you will find our program comprehensive and exceeding all aspects of the water tank maintenance you have requested in your RFP. This program allows City of Hewitt the ability to rehabilitate your water tanks and implement a program that will maintain and extend the service life your water tanks. Our program is the most comprehensive in the industry and assumes all risks of maintenance, providing the City the following benefits:

- Single Source Responsibility
- Balanced and Predictable Maintenance Budget
- Maximized asset life
- Alignment of owner and contractor incentives

I appreciate your confidence in Utility Service Company and look forward to working with City of Hewitt. Please don't hesitate to contact me personally if you have any questions regarding this proposal.

Please note that we have received and agree to Addendum #1 and #2.

Sincerely,

Kirt L. Ervin, PE
Regional Vice President

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***USCI SAFETY PROGRAM INCLUDED IN DIGITAL COPY UPON REQUEST

Utility Service Group

Utility Service Group is a focused on providing unique, sustainable asset management, water conservation, and water quality solutions to the US water industry.

CORPORATE SUMMARY

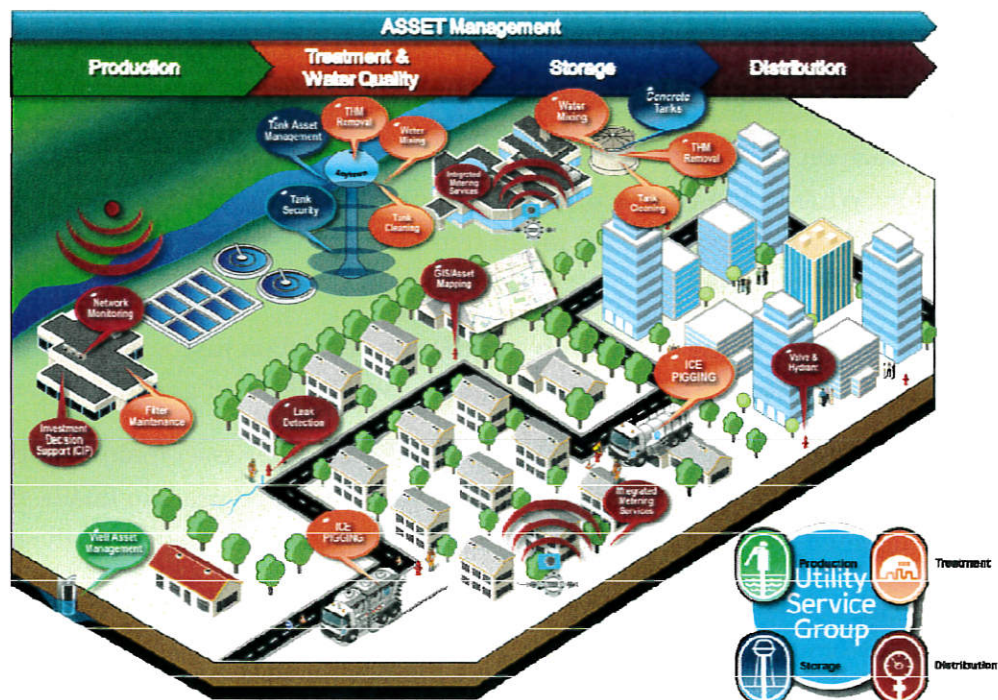
Established in 1963, Utility Service Group (USG) has been providing municipal and industrial customers with a unique business model to maintain their water storage tanks. Our business model has revolutionized the water tank maintenance industry. This fully integrated, service focused business model provides customers with a sole source professional firm for all potable water tank needs. By integrating all aspects of tank maintenance, including engineering, inspections, painting operations, and repair services, USG leverages our economies of scale to provide customers with higher levels of service at a lower overall life cycle cost.

These professional maintenance programs are based on long-term relationships with our customers – relationships based on a partnership with a consultative philosophy to solve problems. Our standard maintenance program is an annually renewable contract. Each and every year, we must exceed our customers' expectations to retain that customer for the following year. We placed this burden of performance upon ourselves, unlike any other provider in the country. These two aspects of our business model have led to our premier position in providing preventative maintenance service contracts to the water industry.

Overwhelmingly through the years, our customers have asked USG whether we provide the same business model on other assets within their water systems. In 2008, Suez Environment North America (SENA) purchased USG. This acquisition provided USG with vast access to financial and technological resources to begin offering this same approach throughout the water cycle. USG consistently leverages the knowledge and lessons-learned from Suez and affiliates around the world to offer innovative solutions domestically. As part of USG's mission to address critical water resource challenges facing the planet, we are organized to deliver advanced services for water and wastewater utility providers to minimize capital and operational expenses, improve system operations and performance, extend the useful lives of utility assets, and improve water quality.

Our current list of asset maintenance services include:

- Water Storage Tank Asset Maintenance (Concrete and Steel)
 - Active Mixing Systems
 - Routine Chemical Cleanings
 - Trihalomethane Removal Systems (TRS)
 - Tank Security Systems
- Water Well Asset Maintenance
 - Aqua-Gard™ CO₂ Technology
 - Chemical Cleaning Technologies
- Network Asset Management
 - Valve and Hydrant Programs
 - Geographic Information Systems (GIS)
 - Smart Sewer Cleaning Programs
 - Integrated Network Monitoring Programs
 - Ice Pigging
 - Helium Leak Detection
- Filter Asset Maintenance
 - In-situ Chemical Cleaning
 - Filter Rehabilitation
 - Filtration Technologies
- Meter Asset Management using AMI technology



We offer these services with a holistic, system-wide, sustainable solutions approach in mind. In addition to maintaining the asset, our professional water storage tank maintenance program helps maintain distribution system water quality by keeping contaminants out of the water tank, periodically removing the biofilms and sediments, and maintaining an active mixing system to prevent thermal and chemical stratification. Any one of these activities could improve water quality but all three combine synergistically to provide the greatest benefit.

While the RFP does not specifically discuss chemical cleaning during the washout inspections or installation of active mixing systems, USG has access to patented, NSF certified technologies for helping maintain water quality within the water tank. These technologies provide the most energy efficient technology to provide the lowest cost of ownership.

CORPORATE VALUES

Our corporate approach to preventative tank maintenance begins with the alignment incentives. In the standard bid model, the contractor's incentive is to bid the lowest price to get the work. To make the most profit, the contractor attempts to meet the minimum standards. The Owner, on the other hand, wants the highest standards met to insure the longest life cycle of the workmanship. After the standard warranty period, the Owner owns all the results of the contractor's work.

In the USG preventative maintenance program, USG commits to an annually renewal contract on the Owner's behalf. For as long as the Owner continues the contract, USG is responsible for the maintenance of the tank. Therefore, USG has the incentive to perform the work at the highest standards. Any substandard work will only cost USG more money in the long run. Therefore, the Owner and USG incentives are aligned!

This type of approach on 5,000+ water tanks has bred a corporate culture contradictory to that of a bid contractor. Where a bid contractor would want to complete a quick repair that only lasts a short time, USG would perform the repair to higher standards so that follow up maintenance trips are minimized.

The pillars of our corporate value continue to be programs based on financial strength, professional delivery, innovative solutions, regulatory compliance and asset management.

Financial Strength – USG is backed by a \$19B global leader in water asset maintenance, providing customers stability and reliability. Combined with our 50 years in business and 5,000+ asset management contracts, USG has an unmatched financial strength in the industry.

Professional Delivery – USG begins the delivery process with highly qualified local consultants who identify the customers' needs from a technical, financial, and operational perspective. Experienced professional engineers and water system consultant teams design the solution and

implement through the project management team. We then send highly trained technicians, to execute the work with the highest priority on safety.

Innovative Solutions – USG leverages the research and development of the entire group to bring unique and proprietary value focused solutions. This portfolio of technologies allows us to analyze the specific problems to design system wide solutions.

Regulatory Compliance – USG's activities with trade associations put us into leadership positions to provide input and guidance on new regulations and design guides. Through our timely permitting process, we are able to meet the reporting requirements of every local, state and federal agency. In development of new products, we ensure all materials and execution meet NSF guidelines and the current AWWA Standards

Asset Management – The backbone of our business model is asset management, provided to customers at a level and predictable annual fee. Our approach is to transfer the asset management risk to USG, which places the burden of performance onto USG. This aligns our incentives with that of the Owner to provide the maximum asset service life and single source responsibility to optimize the operational costs and capital costs of improvements.

PEOPLE OF USG

CORPORATE OFFICE

USG was initially formed in 1963. USG was reorganized and incorporated under its current name in 1990. Now, USG is a fully owned subsidiary of Suez Environnement North America (SENA), a Baltimore Corporation. SENA's parent company, Suez Environnement, is a multi-national environmental company listed on the Euronext exchanges in Paris and Brussels. The corporate office for USG is located in Atlanta, GA with support services office in Perry, GA. All executive management and support functions of accounting, operations, engineering, quality control, safety, communications division and administrative support are located here.

Utility Service Group
1230 Peachtree Street, NE
Suite 1100
Atlanta, GA 30309

Utility Service Group
535 General Courtney Hodges Blvd.
Perry, GA 31609

Over the past 5 years, USG has not filed for any bankruptcy protection and is not involved in any major litigation.

USG NATIONAL TEAM

USG has 350 direct employees and nearly 500 indirect or dedicated subcontract employees. USG's workforce is split with approximately 70% non-union and 30% union employees, with no work stoppages over the past three years. Our people developed their respective expertise through extensive training and on the job experiences, both within the water industry and from outside industries. This combined knowledge permits us to recognize water industry requirements, then incorporate best practices into our optimum services.

The company focus for the tank owner extends throughout the company in customer service, marketing, accounting, project management teams, and our sales departments.

Management

USG's executive management team is comprised of water industry thought and practice leaders that have been long established as visionaries and effective change agents. With more than 150 years of combined global water industry experience, USG's leadership brings not only innovation but proven and practical solutions to both historic and evolving industry challenges. A philosophy of teamwork and empowerment combined with a deep bench of talent provides collaborative and creative problem solving while maintaining best practice discipline.

Business Leaders

USG business managers are leading water and wastewater experts with decades of experience solving real life problems for municipalities across the country. These experts partner with consultants, academics, and other experts to research, analyze, and develop solutions to the ever increasing demands placed upon water systems. Ultimately, these leaders then find ways to package those solutions into affordable programs for customers.

USG is heavily involved in industry organizations such as American Water Works Association (AWWA), National Rural Water Association (NRWA), Water Environment Federation (WEF), National Association of Water Companies (NAWC), and numerous others. In addition to presenting at trade shows across the country, these professionals conduct training sessions approved by State regulators for continuing education requirements and publish papers, highlighting how municipalities are implementing solutions to address the challenges they face. A small sampling of these publications are shown below.



Engineering

USG is licensed as an engineering firm in Texas. USG has seven (7) licensed professional engineers, one (1) structural engineer, and another fifteen (15) degreed engineers on staff. The professional engineering services are managed by Jason Saylor, Director of Engineering, based in Atlanta. Jason will oversee internal engineering services and the use of local consultants as required.

Professional Engineering:

Mr. Jason Saylor, PE (#115243)
Director, Engineering
1230 Peachtree Street, NE
Suite 1100
Atlanta, GA 30309
678-705-0884
jsaylor@utilityservice.com

Customer Service

Three full-time customer service representatives work with both internal and external customers to ensure full and complete satisfaction for the tank owner. Internal customer service people are assigned territories on a geographic basis in order to optimally support the respective representatives and to become "customer aware" of specific issues within these areas. Their focus includes all internal departments and all company locations for full understanding of the needs until complete resolution for all customer issues.

USG customers receive useful and timely information. We proactively provide periodic fiscal information to assist customers' budgeting efforts and personalized documented reports of our tank inspections, paintings and renovations. In addition, these customer services professionals survey tank owners regarding work satisfaction on inspections and renovation projects. The results from these surveys are integrated into our management system for continuous process improvement.

For the Central Region, Paula Jones is the customer service representative and has been with the company for over 7 years.

Accounting

The USG accounting proficiency is demonstrated by their support of GASB 34 asset management reporting service, an essential requirement for GASB 34. This service is available as part of our asset management program to enable our customers to meet and maintain compliance with the GASB 34 modified approach.

Utilizing the Oracle enterprise system, the department manages in excess of 90,000 cost allocations through AP, payroll and other transaction sources per year. 30,000 invoices are generated annually including consolidated invoicing for customers' tanks under the maintenance program. The department utilizes a detailed project costing and revenue tracking module and a fully functional fixed assets management module.

Information Technology

USG has made a huge investment in being on the forefront of connectivity and information functionality by purchasing and implementing a suite of Oracle applications. This integrated system gives representatives, service centers and management alike a 360° view of the customer and all their relationships with the various company divisions. The system is "wireless capable", and it is anticipated that customers will have the ability to call up site, tank, or antenna information on demand through their own portal.

Supply Chain Management

USG is classified as a Large Corporation, with no special diversity classifications. However, USG manages our supply chain with diversity in mind. Where opportunity allows, we attempt to increase our minority, women, or physically challenged owner business enterprises participation. We routinely partner with these entities on large Federal contracts. Each new vendor is required to complete a supplier package to identify and manage their classifications.

Using the purchasing power of the Suez group, we are able to negotiate very favorable terms from most suppliers, such as Tnemec, Sherwin-Williams, Induron, Marco, Grainger, AT&T, Verizon, Ford, etc. These purchase agreements also include tools, equipment, normal office supplies and information technology tools. Our purchasing power affords cost savings allowing us to keep the cost of our services low and increase value to the customer.

Painting Operations

USG has nearly 100 crews responsible for painting operations. Each crew of two to five men is equipped with a full range of equipment needed to complete work from washouts and inspections to miscellaneous repairs to full containment lead abatement projects. Each of these crews has a different level of capabilities, and USG deploys the correct crew based upon the specific job requirements. The majority of these crews have a crew foreman with over 10 years of experience in water tank maintenance. The crews are outfitted with such equipment as twenty-three (23) T.E.P.E. containment systems, nine (9) 40,000 CFM dust collectors, seven (7) Titan industrial vacuum systems, seven (7) decontamination clean-up units, two (2) 1.0 MBTU heating units, over forty (40) 22 ton bulk abrasive trailers, twenty-five (25) road tractors, nine (9) rail cars for bulk abrasives, and over one hundred (100+) service trucks. This equipment represents only a portion of the equipment investment USG has made in this business.

As an environmental company, we continually research new ways to reduce our environmental impact. Our intent is to make these projects greener by using more sustainable technologies. To that end, we have invested in eight (8) robotic blasters and eight (8) steel grit recycling units to reduce landfill waste and environmental emissions. We also use technologies such as Blastox® and PreTox to minimize hazardous waste generation of lead removal projects.

Quality Assurance / Quality Control

USG has fifteen (15) full-time inspectors that insure the engineering specifications are followed, and the crews work with the highest quality workmanship and safety practices. These dedicated employees have an average tenure of 8 years with USG and 14 within the water storage tank industry. Seventeen (17) additional supervisors and production managers also hold credentials from both training, e.g. NACE/ASTM certification, and practical experience achieved from work within the industry. All these employees are available to assist others for any special situation or circumstance.

NACE/ASTM CERTIFICATION

<u>INDIVIDUAL</u>	<u>CERTIFICATION NO.</u>	<u>STATUS</u>
Shane Bell	#27553	Level 2
Doug Brandt	#17697	Level 2
Dan Burgess	#27552	Level 2
Billy Cobb	#27243	Level 1
Kirt Ervin, PE	#17354	Level 3 – Certificated
Tony Garner	#17359	Level 2
Geoffrey Hall	#10144	Level 3 – Certificated
Bill Hammond	#7839	Level 3 – Certificated
Scott Harris	#17703	Level 1
Craig Henderson	#27245	Level 1
Gene Holder	#27247	Level 3 - Certificated
Daren Jackson	#5084	Level 3 – Certificated
Tony Kyne	#27559	Level 2
Kenneth Lunetta	#3199	Level 3 – Certificated
Dean Marantis	#25334	Level 1
Chad Merithew	#8874	Level 2
David Merithew	#3201	Level 1
Angelo Missos	#25335	Level 3 – Certificated
Bryan Morrow	#9135	Level 3 – Certificated
Jamie Murray	#17367	Level 3 - Certificated
Robert O’Neil	#22072	Level 2
Gary Pace	#614	Level 3 – Certificated
Mark Paul	#17706	Level 2
Clint Pritchard	#17409	Level 3 – Certificated
Jeff Simpkins	#24842	Level 3 – Certificated
Ryan Simpson	#27564	Level 2
Andrew Smith	#27253	Level 3 - Certificated
John Sullivan	#1275	Level 1
Rob Weaver	#17372	Level 3 – Certificated
Brad Winkeler, PE	#27255	Level 3 – Certificated
Michael Winkeler	#27565	Level 2

Trained for Safety

USG employees work in a dangerous environment and recognize that safety is critical to our success and to the well-being of our employees. For these reasons the USG safety program is top priority for our senior management. Currently the EMR for USCI is .60.

Our Safety Manager, Rob Weaver, leads the program, and The Lovelace Group consults and assists in the comprehensive, annual OSHA training program. Rob Weaver experience spans 20+ years with five years in tank building and tank painting and over 15 years in safety and fall protection. Chris Lovelace, renowned in the industry, possesses world class qualifications.

All employees climbing and working on tanks while performing their duties are required to attend the ten hour annual training and to pass thorough examinations on the following topics:

- √ Confined Space
- √ CPR Techniques
- √ Electrical Safety
- √ Fall Protection
- √ First Aid
- √ Flammable Liquids
- √ Hazard Communications
- √ Lead Exposure
- √ Noise Protection
- √ Radio Frequency Safety
- √ Respiratory Protection
- √ Toxic Metal Health Hazards
- √ Vehicle Safety
- √ Working over Water

The USCI Safety Program is a 429 page printed document. A digital or printed copy can be provided upon request.

Insurance Coverage

The magnitude of the above jobs, crews and staff generate an enormous need for insurance resources. USG utilizes the most reputable names in the industry – Travelers, Cincinnati and A. I. Specialty. Notably, our unmatched pollution liability coverage is \$10,000,000, an unprecedented sum for the industry.

Our insurance agent(s):

Attn: Ms. Lindsay Eiler
Marsh USA, Inc.
P. O. Box 1966, 44 Whippany Road
Morristown, New Jersey 07962
973 401 5209

For Pollution Liability and Professional Liability:

Attn: Mr. Larry Roland
Senn, Dunn, Marsh and Roland, LLC
P. O. Box 9375
Greensboro, North Carolina 27429 – 0375
336 272 7161

PROJECT MANAGEMENT

Central Region Operations

Ultimate responsibility and general project management for delivering consistent superior service to the City of Hewitt will rest with Brad Winkeler, PE, Director of Operations-Central Region. Brad joined USG in 2006. Brad utilizes his metals and corrosion knowledge, coatings and tank inspection experience with strong problem solving skills to direct the central region operations team. He holds a BS in Mechanical Engineering and is a licensed Professional Engineer in six (6) states. Brad ensures the service center managing the project has the needed resources to complete the project in a timely professional manner

Jimmy Asher, General Manager of the Texas Service Center, is also responsible for project operations management. Jimmy has 13+ years' experience managing infrastructure construction projects for various consulting engineers. He has been with USG for four (4) years managing water tank maintenance projects which include renovations, painting, repairs, and inspections.

Daren Jackson, General Manager of the Arkansas Service Center, is responsible for project operations management. Daren is a NACE Certificated Coatings inspector and has over twenty (20) years of experience renovating, painting and repairing water storage tanks.

Unlike some so-called competitors who only have sales representatives in Texas, USG has a fully staffed production center in Texas, demonstrating our commitment to local customers. For the City of Hewitt, the Central Regional offices or support offices are listed below.

Texas Representative:

Mr. Jim Almond
Water System Consultant
1566 Turner Road
Overton, TX 75684
903-431-1196
jalmond@utilityservice.com

Regional Management:

Mr. Kirt Ervin, PE (#41470)
Regional Vice President
13742 Mary Lane
Aviston, IL 62216
314-614-9120
kervin@utilityservice.com

Texas Representative:

Mr. Phil Weynand
Water System Specialist
2918 Meadow Thrush
San Antonio, TX 78231
210-394-1966
pweynand@utilityservice.com

Central Service Center:

USG – Texas
Mr. Jimmy Asher, Manager
16002 Kitzman Road
Cypress, TX 77429
281-255-3541

Central Service Center:

USG – Arkansas
Mr. Daren Jackson, Manager
12748 US Hwy 70
Proctor, AR 72376
870-732-9149

Tank Project Execution

A typical USG water storage tank project starts with the Water System Consultant visiting with the customer to determine the level of service the customer desires in regard to their water storage tank. He then inspects the water tank asset to determine the current condition. Working with the engineering department, the team develops the proper specification to meet the customers' needs. We have based our proposal upon the information provided within the RFP and a visual inspection conducted on the tanks.

Prior to and well in advance of planning on-site execution, USG will prepare and submit any needed permits, if requested by the Owner. At this time, USG will also design, review, and seal any containment systems needed for the tank project. USG will assist the City of Hewitt in contacting cellular companies to inform them of the work and their responsibilities. USG will prepare a preliminary schedule based upon antenna work, renovation scope, and time of the year.

Approximately 30 days prior to the start of each renovation project, USG will organize, schedule, and hold a pre-construction meeting. This meeting will address site location

information, work schedules, safety and security procedures, emergency contact information, and all other information that may be necessary to complete the project in an effective manner. In this meeting, the USG production manager will discuss the use of specific subcontractors on the project. For the City of Hewitt, USG has not identified any specific subcontractors. At this time, the project could be executed using in-house crews or one of our qualified dedicated subcontractors. This discussion will occur once the project gets closer to execution and available resources are more completely known.

The production manager will schedule the crew, arrange for equipment delivery, and manage the project. Throughout the project, USG will arrange visits, perform inspection services, and provide progress updates. A USG NACE certified inspector will make periodic "hold point" inspections to insure the project is meeting specifications. The inspector will routinely update the customer on the progress and quality of the work. Upon successful completion of the project, the tank will be disinfected and made ready for service. All permits, manifests, inspection reports, and invoice will be loaded into our Oracle system. A final inspection and customer sign-off will be completed to insure that all site cleanup activities have been completed and the customer is fully satisfied.

The City of Hewitt will be responsible for allowing access to the tank site, draining the tank, and conducting water quality testing prior to placing the tank into service.

CUSTOMER REFERENCES

USG currently has 5,184 water tanks under professional maintenance programs. The following partial customer list is provided:

Top Five (5) Largest Customers (by billing):

Olivenhain Municipal Water District, CA Don Hussey-Asst. Operations Director 760-753-6486 10 Water Tanks	City of Raleigh, NC Perry Allen-General Manager 919-857-4540 24 Water Tanks
Rainbow Municipal Water District, CA Tom Kennedy -General Manager 760-728-1178 12 Water Storage Tanks	Public Water Supply District 2 of St Charles County, MO Tim Geraghty-General Manager 636-561-3737 22 Water Tanks
Rincon Del Diablo Municipal Water District, CA Clint Baze-General Manager 760-745-5522 10 Water Storage Tanks	

Three (3) Longest Existing Customers:

City of Hawkinsville, GA Jerry Murkerson – City Manager 478-892-3240 Customer since 1986.	City of Byron, GA William McDaniel – Public Works Director 478-956-2405 Customer Since 1987.
Houston County Water System, GA Tommy Stalnaker – Director, Public Works 478-542-2120 Customer Since 1987.	

USG has approximately 90 customers, comprising approximately 550 water tanks within the State of Texas. The list below is a small sample of those customers. A further listing of customers can be provided upon request.

City of Gainesville, TX 200 South Rusk Street Gainesville, TX 76240 Ron Sellman – Utilities Director (940) 668-4540	Jones County WSC 1650 State Highway 37 Quitman, TX 75783 Allen Simmons – Public Works Director (903) 850-2941
Liberty City WSC 6144 Gateway Center PMB 649 Kilgore, TX 75662 Max Conlin – General Manager (903) 984-9593	Central Bowie County WSC 2822 US Hwy 82 New Boston, TX 75570 Hal Harris – General Manager (903) 628-5601
City of New Summerfield, TX 13280 State Hwy 110 North New Summerfield, TX 75780 Paul Emmerson – Utility Director (903) 726-3651	

In addition to these customers, USG has performed the following projects over the past two years:

Job Type	2013	2014
Tank Inspections	6,120	6,650
Total Tank Painting Projects	967	1,198
Tank Painting Projects with Lead Abatement	70	36
Professional Project Management (MP Tanks)	495	505

WATER QUALITY SERVICES

Under the proposed agreement, the City of Hewitt will have access to all USG services. Stored water is becoming more and more of an issue to ensuring the systems overall water quality. To address water stratification, stagnation, or bio-film growth USG offers the following optional services.

PAX Active Mixing System

USG is the exclusive distributors of the PAX active mixing system. Under the proposed services, USG offers preferred pricing to the system. This section covers submersible tank mixing systems up to 0.5 HP in size intended for continuous use while submersed in potable water storage tanks. Each mixer shall have the ability to function continuously on a year-round basis, regardless of drain and fill cycles. Each mixer shall consist of a low-voltage, water-filled submersible motor, an impeller and a non-submersible control center that houses all control electronics.

Performance

The PAX Water Mixer provides unrivaled mixing performance and a more complete mix in all tank geometries and sizes. Using Computational Fluid Dynamics (CFD), we can ensure the performance of our mixer for any tank configuration.

Savings

As a more effective and economical alternative to deep cycling and flushing, our mixer helps utilities to save money on labor, energy and chemical costs. Additionally, it's easy to install and maintain, without service disruptions.

Efficiency

PAX technology replicates nature's most energy efficient and effective path of mixing fluids – spiral geometry. With this natural design, the PAX Water Mixer can mix up to 10 million gallons with the same energy footprint as three 100 watt light bulbs.

Quality

The PAX Water Mixer empowers utilities to maintain consistently high water quality and public confidence. Mixing ensures uniform disinfectants and sustains residual levels longer so that consumers enjoy the best possible water quality. USG shall furnish and install submersible mixing system together with all drives, motors, controls, and accessories necessary for a complete and operable system. The System shall furnish electrical conduit with 110-120 VAC, GFCI-protected disconnect switch or circuit breaker up to the point of installation of the mixing

system control center. The System shall also provide conduit from control center to tank penetration for submersible motor cable and penetration through the tank for same cable. The System may choose to have USG do this work at additional charge.

SUMMARY

USG believes the expertise gained from over 50 years of experience in helping customers solve the problems associated with potable water storage has positioned the company to best meet the needs for City of Hewitt. As a fully integrated professional services company, we are uniquely situated in the market to give our clients the best and most practical perspective to deal with the management of water storage assets. Because of the vast knowledge garnered from managing over 5,000 tanks annually, the company can provide sensible, no-nonsense advice and direction on the proper management and sustainability of the assets.

We recognize the requirements of our customers are dynamic. We shall continue our mastery of high valued asset management of potable water tanks with the goal of providing total solutions for our customers' entire water distribution systems.

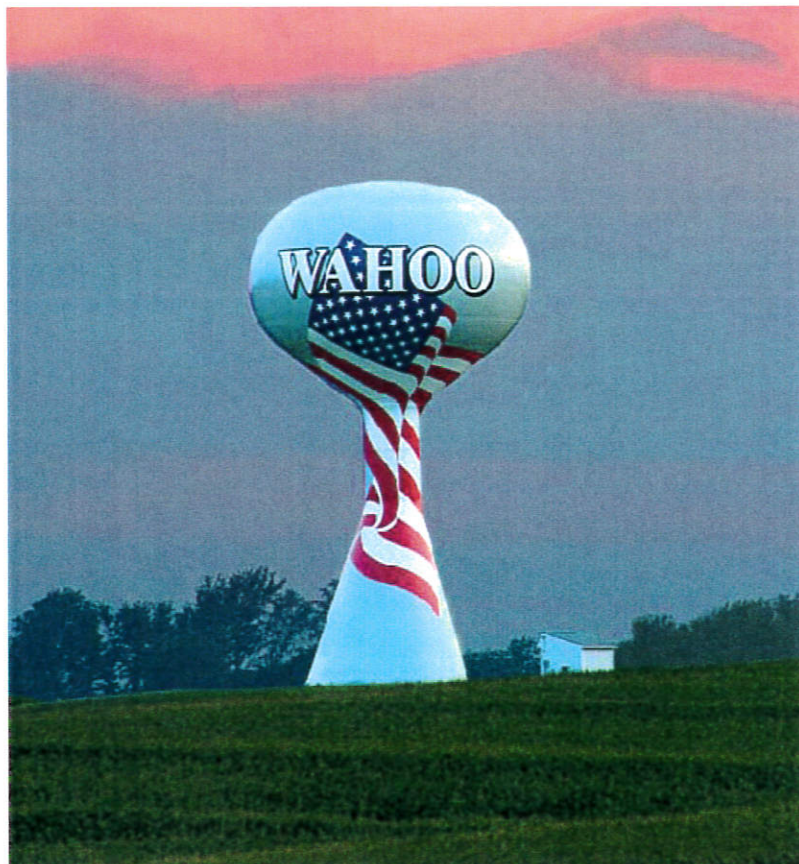
We welcome questions and comments as well as the opportunity to elaborate on our capabilities.

Please direct any questions to:

JD Sullivan
Director of Sales
479-601-3420
jdsullivan@utilityservice.com

or

Jim Almond
Water System Consultant
903-431-1196
jalmond@utilityservice.com



ADDENDUM A: SCOPE OF WORK

The next page shows a general summary of the yearly planned maintenance activities and costs by tank for an initial 10 year term contract. The shaded boxes show when major renovation work is planned. Per the RFP, these annual fees may be paid on a biannual basis, with the invoice reflecting one-half the annual fee. The annual fees include a performance and payment bond covering \$100,000 per year, renewed annually.

The fees listed in the table are considered fixed for the duration of the contract. Those prices listed as options in the Scope of Work details are considered 2015 fees. Those prices will be escalated per year at a rate not to exceed five (5) percent per year.

City of Hewitt, Texas

10 Year Plan

Tank	Name	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1.1	Plant 1 - 250,000 Gallon Pedisphere	1	2	3	4	5	6	7	8	9	10
		Exterior & Interior Renovation	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection
		\$ 104,098	\$ 510	\$ 528	\$ 546	\$ 566	\$ 586	\$ 606	\$ 628	\$ 650	\$ 673
	4 Year Even Spread	\$ 26,420	\$ 26,420	\$ 26,420	\$ 26,420	\$ 618	\$ 570	\$ 570	\$ 570	\$ 570	\$ 570
1.2	Plant 1 - 2,000,000 Gallon GST	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		1	2	3	4	5	6	7	8	9	10
		Visual Inspection	Visual Inspection	Visual Inspection	Exterior & Interior Renovation	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection
	\$ 492	\$ 510	\$ 528	\$ 333,488	\$ 566	\$ 586	\$ 606	\$ 628	\$ 650	\$ 673	
4 Year Even Spread	\$ 83,754	\$ 83,754	\$ 83,754	\$ 83,754	\$ 618	\$ 570	\$ 570	\$ 570	\$ 570	\$ 570	
2.1	Plant 2 - 500,000 Gallon GST	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		1	2	3	4	5	6	7	8	9	10
		Visual Inspection	Exterior & Interior Renovation	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection
	\$ 492	\$ 152,939	\$ 528	\$ 546	\$ 566	\$ 586	\$ 606	\$ 628	\$ 650	\$ 673	
4 Year Even Spread	\$ 38,626	\$ 38,626	\$ 38,626	\$ 38,626	\$ 618	\$ 570	\$ 570	\$ 570	\$ 570	\$ 570	
5.1	Plant 5 - 600,000 Gallon Elevated	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		1	2	3	4	5	6	7	8	9	10
		Visual Inspection	Visual Inspection	Exterior & Interior Renovation	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection
	\$ 492	\$ 510	\$ 208,662	\$ 546	\$ 566	\$ 586	\$ 606	\$ 628	\$ 650	\$ 673	
4 Year Even Spread	\$ 52,553	\$ 52,553	\$ 52,553	\$ 52,553	\$ 618	\$ 570	\$ 570	\$ 570	\$ 570	\$ 570	
5.2	Plant 5 - 2,500,000 Gallon CGST	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		1	2	3	4	5	6	7	8	9	10
		Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection
	\$ 492	\$ 510	\$ 528	\$ 546	\$ 566	\$ 586	\$ 606	\$ 628	\$ 650	\$ 673	
	\$ 578	\$ 534	\$ 534	\$ 534	\$ 534	\$ 534	\$ 534	\$ 534	\$ 534	\$ 534	
5.3	Plant 5 - 600,000 Gallon CGST	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		1	2	3	4	5	6	7	8	9	10
		Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection
	\$ 492	\$ 510	\$ 528	\$ 546	\$ 566	\$ 586	\$ 606	\$ 628	\$ 650	\$ 673	
	\$ 578	\$ 534	\$ 534	\$ 534	\$ 534	\$ 534	\$ 534	\$ 534	\$ 534	\$ 534	
6.1	Plant 6 - 1,000,000 Gallon Composite Hydropillar	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
		1	2	3	4	5	6	7	8	9	10
		Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Visual Inspection	Exterior & Interior Renovation
	\$ 492	\$ 510	\$ 528	\$ 546	\$ 566	\$ 586	\$ 606	\$ 628	\$ 650	\$ 282,340	
	\$ 28,745	\$ 28,745	\$ 28,745	\$ 28,745	\$ 28,745	\$ 28,745	\$ 28,745	\$ 28,745	\$ 28,745	\$ 28,745	
Total		\$ 231,256	\$ 231,167	\$ 231,167	\$ 231,167	\$ 32,284	\$ 32,094	\$ 32,094	\$ 32,094	\$ 32,094	\$ 32,094

250,000 Gallon Pedisphere – Tank 1.1

YEAR 1 (2015)

Exterior

1. All exterior surface be pressure washed with a minimum of 3,500 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating shall be applied to the complete exterior surfaces (100%) at the manufacturer's recommended thickness.
5. One (1) full finish coat of a Tnemec compatible Series coating shall be applied to the complete exterior surfaces (100%) at the manufacturer's recommended thickness.
6. Install two (2) City logos.

Repairs

1. Install new cable safety climb on the access and upper access ladders.
2. Seal Vent Gap.
3. Install New Roof Vent.

Interior

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec shall be applied as follows:
 - a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy shall be applied to achieve a dry film thickness of 4 to 6 mils.
 - b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy shall be applied to achieve a dry film thickness of 4 to 6 mil
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
 - d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).

5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.
6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tanks shall be sealed and made ready for service.

YEAR 2 (2016) through YEAR 10 (2024)

Visual Inspection Service

1. Engineering inspection and TCEQ report.

OPTIONAL SERVICES (2015 Pricing)

1. Drained washout cleaning and inspection (non-chemical): \$2,000
2. Exterior power wash: \$4,800
3. Interior rigged, touchup service: \$7,500
4. Exterior rigged, touchup service: \$7,500

2,000,000 Gallon GST– Tank 1.2

YEAR 1 (2015) through YEAR 3 (2017)

Visual Inspection Service

1. Engineering inspection and TCEQ report.

YEAR 4 (2018)

Exterior

1. All exterior surface be pressure washed with a minimum of 3,500 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating shall be applied to the complete exterior surfaces (100%) at the manufacturer's recommended thickness.
5. One (1) full finish coat of a Tnemec compatible Series coating shall be applied to the complete exterior surfaces (100%) at the manufacturer's recommended thickness.
6. No logos

Repairs

1. Install new ladder gate on the access ladder.

Interior

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec shall be applied as follows:
 - a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy shall be applied to achieve a dry film thickness of 4 to 6 mils.
 - b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy shall be applied to achieve a dry film thickness of 4 to 6 mil
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.

- d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.
6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tanks shall be sealed and made ready for service.

YEAR 5 (2019) through YEAR 10 (2024)

Visual Inspection Service

1. Engineering inspection and TCEQ report.

OPTIONAL SERVICES (2015 Pricing)

1. Drained washout cleaning and inspection (non-chemical): \$3,500
2. Exterior power wash: \$7,500
3. Interior rigged, touchup service: \$10,000
4. Exterior rigged, touchup service: \$10,000

500,000 Gallon Elevated – Tank 2.1

YEAR 1 (2015)

Visual Inspection Service

1. Engineering inspection and TCEQ report.

YEAR 2 (2016)

Exterior

1. All exterior surface be pressure washed with a minimum of 3,500 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating shall be applied to the complete exterior surfaces (100%) at the manufacturer's recommended thickness.
5. One (1) full finish coat of a Tnemec compatible Series coating shall be applied to the complete exterior surfaces (100%) at the manufacturer's recommended thickness.
6. No logos.

Repairs

1. Install new ladder gate on the access ladder.
2. Install New Roof Vent.

Interior

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec shall be applied as follows:
 - a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy shall be applied to achieve a dry film thickness of 4 to 6 mils.
 - b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy shall be applied to achieve a dry film thickness of 4 to 6 mil
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
 - d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.

4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.
6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tanks shall be sealed and made ready for service.

YEAR 3 (2017) through YEAR 10 (2024)

Visual Inspection Service

1. Engineering inspection and TCEQ report.

OPTIONAL SERVICES (2015 Pricing)

1. Drained washout cleaning and inspection (non-chemical): \$2,500
2. Exterior power wash: \$3,000
3. Interior rigged, touchup service: \$7,500
4. Exterior rigged, touchup service: \$7,500

600,000 Gallon Elevated – Tank 5.1

YEAR 1 (2015) through YEAR 2 (2016)

Visual Inspection Service

1. Engineering inspection and TCEQ report.

YEAR 3 (2017)

Exterior

1. All exterior surface be pressure washed with a minimum of 3,500 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating shall be applied to the complete exterior surfaces (100%) at the manufacturer's recommended thickness.
5. One (1) full finish coat of a Tnemec compatible Series coating shall be applied to the complete exterior surfaces (100%) at the manufacturer's recommended thickness.
6. Install two (2) City logos

Repairs

1. Install new ladder gate on the access ladder.
2. Install interior ladder.
3. Install cable safety climb device on access and dome ladders.
4. Install 30" manway with davit arm.
5. Install new roof vent.

Interior

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec shall be applied as follows:
 - a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy shall be applied to achieve a dry film thickness of 4 to 6 mils.

- b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy shall be applied to achieve a dry film thickness of 4 to 6 mil
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
 - d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
- 4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
 - 5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.
 - 6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
 - 7. The Tanks shall be sealed and made ready for service.

YEAR 4 (2018) through YEAR 10 (2024)

Visual Inspection Service

- 1. Engineering inspection and TCEQ report.

OPTIONAL SERVICES (2015 Pricing)

- 1. Drained washout cleaning and inspection (non-chemical): \$2,500
- 2. Exterior power wash: \$11,950
- 3. Interior rigged, touchup service: \$7,500
- 4. Exterior rigged, touchup service: \$7,500

2,500,000 Gallon Ground – Tank 5.2

YEAR 1 (2015) through YEAR 10 (2024)

Visual Inspection Service

1. Engineering inspection and TCEQ report.

OPTIONAL SERVICES (2015 Pricing)

1. Drained washout cleaning and inspection (non-chemical): \$3,500
2. Exterior power wash: \$8,900
3. Interior rigged, touchup service: \$10,000
4. Exterior rigged, touchup service: \$10,000

600,000 Gallon Ground – Tank 5.3

YEAR 1 (2015) through YEAR 10 (2024)

Visual Inspection Service

1. Engineering inspection and TCEQ report.

OPTIONAL SERVICES (2015 Pricing)

1. Drained washout cleaning and inspection (non-chemical): \$2,500
2. Exterior power wash: \$3,000
3. Interior rigged, touchup service: \$7,500
4. Exterior rigged, touchup service: \$7,500

1,000,000 Gallon Hydropillar – Tank 6.1

YEAR 1 (2015) through YEAR 9 (2023)

Visual Inspection Service

1. Engineering inspection and TCEQ report.

YEAR 10 (2024)

Exterior

1. All exterior surface be pressure washed with a minimum of 3,500 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating shall be applied to the complete exterior surfaces (100%) at the manufacturer's recommended thickness.
5. One (1) full finish coat of a Tnemec compatible Series coating shall be applied to the complete exterior surfaces (100%) at the manufacturer's recommended thickness.
6. No logos

Interior

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec shall be applied as follows:
 - a. Primer Coat: One [1] complete coat of Tnemec Series N140 Epoxy shall be applied to achieve a dry film thickness of 4 to 6 mils.
 - b. Finish Coat: One [1] complete finish coat of Tnemec Series N140 Epoxy shall be applied to achieve a dry film thickness of 4 to 6 mil
 - c. Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
 - d. Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.

MANDATORY QUALIFICATION FORM

To be answered by Contractor

Section A - General Information

1. Firm Name: Utility Service Company

Contact Person: Jim Almond

Telephone Number: 903-431-1196 Fax: 478-987-2991

2. Address: 1230 Peachtree Street NE, Suite 1100, Atlanta, GA 30309

3. Firm FEIN Number: 58-1920989

4. Type of Accounting Practice (place an "X" next to the appropriate response)

a. _____ Individual

b. _____ Partnership

c. X _____ Corporation - State where incorporated: Delaware

CONTRACTOR FIRM CERTIFICATION STATEMENT

I (we) certify that the information contained herein is true and correct to the best of my (our) knowledge, and that the person submitting the RFP on behalf of the proposer has the authority to submit this RFP and make all representations contained herein.

I (we) understand that the inclusion of false information may result in rejection of the proposal submitted in response to this RFP.

The undersigned, as Bidder hereby declares that the only persons interested in this Bid are named herein, that no other person has any interest in this Bid or in the Contract Documents to which this Bid pertains, that this Bid is made without connection or arrangement with any other person and that this Bid is in every respect fair, and is submitted in good faith and without collusion or fraud.

The Bidder further declares that he has satisfied himself fully relating to all matters and conditions with respect to the work to which this Bid pertains.

The bidder proposes and agrees, if this Bid should be accepted, to execute, without modification, all Contract Documents and deliver all required bonds immediately. No sample contracts were provided, but we don't anticipate contractual issues.

All in full and complete accordance with all terms and conditions set forth in and covered by the Contract Documents

Contractor's Signature:



Date: 4/28/2015

BID / TENDER FORM

Gentlemen:

Pursuant to and in compliance with the Bid/Instructions to Bidder and the Contract Documents relating to the renovation and maintenance of the water storage facilities.

INDICATE WHETHER YOUR COMPANY IS AMERICAN OWNED

YES or NO

HOW MANY YEARS HAS YOUR COMPANY BEEN IN BUSINESS UNDER IT'S PRESENT NAME? 25 years

The undersigned, having become thoroughly familiar with the terms and conditions affecting the performance and costs of the work at the places where the work is to be completed in accordance with the Contract Documents, and having fully inspected the site and all particulars, hereby proposes and agrees to the Contract Documents, including furnishing any and all labor and materials and to do all of the work in accordance with the Contract Documents.

Contractor's Signature: _____

Kurt L. Ew

Date: 4/28/2015

NOTARY: _____

ADDENDUM C: SAMPLE INSURANCE DOCUMENTS



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/28/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA, INC. 445 SOUTH STREET MORRISTOWN, NJ 07962-1966 Attn: Morristown.certrequest@Marsh.com Fax 212-948-0979	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL: ADDRESS:	FAX (A/C, No):
100055-USG-GAWUP-15-16	INSURER(S) AFFORDING COVERAGE	
INSURED UTILITY SERVICE CO., INC. P.O. BOX 1350 PERRY, GA 31069	INSURER A: Travelers Prop. Casualty Co. Of America	NAIC # 25674
	INSURER B: N/A	N/A
	INSURER C: ACE American Insurance Company	22667
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES

CERTIFICATE NUMBER:

NYC-007051244-01

REVISION NUMBER: 2

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER ☒ POLICY ☐ PRO-JECT ☐ LOC		TC2J-GLSA-650G2458-15	03/01/2015	03/01/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Each occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS		TC2J-CAP-752G2989-TIL-15	03/01/2015	03/01/2016	COMBINED SINGLE LIMIT (Each accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	TC2J-UB-116D8243-TIL-15 (AOS) TRK-UB-116D8255-TIL-15 '(AZ, MA, OR, WI)'	03/01/2015 03/01/2015	03/01/2016 03/01/2016	☒ NO STATUTORY LIMITS ☐ OTHER E L EACH ACCIDENT \$ 1,000,000 E L DISEASE - EA EMPLOYEE \$ 1,000,000 E L DISEASE - POLICY LIMIT \$ 1,000,000
C	PROFESSIONAL AND POLLUTION LEGAL LIABILITY		COOG2737220A001 SIR - \$250,000	07/24/2014	07/24/2015	PER OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: RFP TANK MAINTENANCE - CITY OF HEWITT, TX

CITY OF HEWITT, TEXAS IS INCLUDED AS ADDITIONAL INSURED (EXCEPT WORKERS COMPENSATION) WHERE REQUIRED BY WRITTEN CONTRACT.

CERTIFICATE HOLDER

CANCELLATION

CITY OF HEWITT, TEXAS
ATTN: JAMES BLACK, DIRECTOR OF UTILITIES
105 TAMPICO DRIVE, P.O. BOX 610
HEWITT, TX 76643

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Manashi Mukherjee

Manashi Mukherjee

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COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 15

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Consider and take action on a resolution adopting prevailing wage rates for job classifications utilized on construction contracts for roadway, drainage, water and sanitary sewer infrastructure and major street maintenance contracts.

STAFF RECOMMENDATION/ITEM SUMMARY:

Texas Government Code Chapter 2258.022 requires the City to determine the general prevailing rate of per diem wages in the locality for public work contracts the City awards. This may be accomplished through a wage survey or the City may adopt the prevailing wages under the Davis-Bacon Act which are now determined locally. The Central Texas Chapter of the Associated General Contractors of America, Inc. (AGC) recently conducted a Prevailing Wage Rate survey in accordance with U.S. Department of Labor standards.

After review of the two prevailing wage charts, City staff recommends adopting the rates as surveyed by the AGC and any subsequent amendments for the job classifications utilized on construction contracts for roadway, drainage, water and sanitary sewer infrastructure and major street maintenance contracts. Attached is a copy of the most recent McLennan County 2015 Prevailing Wage Rates as published by the local AGC. Additionally, the hourly rates for overtime work and legal holidays shall be one and one-half times the basic prevailing wage rate.

ATTACHMENTS:

Draft resolution

RESOLUTION NO. 2015-03-16--2

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS
ADOPTING PREVAILING WAGE RATES FOR JOB CLASSIFICATIONS
UTILIZED ON CONSTRUCTION CONTRACTS FOR ROADWAY, DRAINAGE,
WATER AND SANITARY SEWER INFRASTRUCTURE AND MAJOR STREET
MAINTENANCE CONTRACTS.**

WHEREAS, Texas Government Code Chapter 2258.022 requires the City to determine the local prevailing wage rates for public works contracts; and

WHEREAS, a local survey must be conducted or the City may use the prevailing wages under the Davis-Bacon Act; and

WHEREAS, the City finds that it is in the public interest to adopt the prevailing wage rates as determined by the Central Texas Chapter of The Associated General Contractors of America, Inc.;

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

That in accordance with Texas Government Code Chapter 2258, the City Council hereby adopts the prevailing wage rates as set forth in “Exhibit A” and determined by The Central Texas Chapter of The Associated General Contractors of America, Inc., and subsequent amendments, as the general prevailing rates of per diem wages for job classifications utilized on construction contracts for roadway, drainage, water and sanitary sewer infrastructure and major street maintenance contracts in the City of Hewitt. The hourly rates for overtime work and legal holidays shall be one and one-half times the basic prevailing wage rate.

That “Exhibit A” shall take effect immediately from and after passage of this resolution and is to be included in the call for bids and the plans and specifications for the projects as outlined above, for which the City of Hewitt is required to advertise for sealed bids for work specified.

That it is hereby officially found and determined that the meeting at which this resolution is adopted was noticed and has been open to the public as required by law.

PASSED AND APPROVED this the 18th day of May 2015.

CITY OF HEWITT

Wilbert Wachtendorf, Mayor

ATTEST:

Lydia Lopez, City Secretary



COUNCIL AGENDA ITEM FORM

MEETING DATE: May 18, 2015

AGENDA ITEM #: 16

SUBMITTED BY: Adam Miles, City Manager

ITEM DESCRIPTION:

Consider and take action on an ordinance approving a negotiated settlement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corp., Mid-Tex Division regarding the Company's 2014 and 2015 Rate Review Mechanism filings.

STAFF RECOMMENDATION/ITEM SUMMARY:

Included as backup is a model staff report and ordinance that is recommended by the Atmos Cities Steering Committee (ACSC) and legal counsel. City Staff has reviewed the settlement agreement and ordinance and are in agreement with the recommendation for the Steering Committee and legal counsel. Approval of this item is requested prior to July 15.

ATTACHMENTS:

Model Staff Report
Ordinance

MODEL STAFF REPORT

The City, along with other similarly situated cities served by Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). The RRM Tariff was adopted by the City as an alternative to the Gas Reliability Infrastructure Program (“GRIP”), the statutory provision that allows Atmos to bypass the City’s rate regulatory authority to increase its rates annually to recover capital investments. In February 2014, Atmos Mid-Tex filed its second annual filing under the Rate Review Mechanism (“RRM”) Tariff, seeking an increase of \$45.7 million. Although ACSC attempted to reach a settlement with the Company as it had in past years, the wide differences between the Company and ACSC’s consultants’ recommendations made a compromise impossible. On the recommendation of the ACSC Executive Committee and ACSC’s legal counsel, the City in 2014 adopted a Resolution denying the requested rate increase.

The Company appealed the City’s denial to the Railroad Commission of Texas (“Commission”), and revised its requested increase to \$43.8 million. A hearing was held on the Company’s appeal on September 3, 2014. On April 28, 2015, the Commission’s Hearings Examiner issued his Proposal for Decision (“PFD”) in the Company’s appeal of the City’s denial of the 2014 RRM rate increase. This PFD was not favorable to ACSC, but did recommend a reduction of approximately \$860,000 to the Company’s adjusted 2014 filing.

While the parties were waiting for the PFD from the Hearings Examiner in the appeal of the 2014 RRM filing, on February 27, 2015, Atmos Mid-Tex filed with the City another rate increase request under the RRM Tariff, seeking additional revenues in the amount of \$28.762 million (total system) or \$24.0 million (affected cities). The City worked with ACSC to analyze the schedules and evidence offered by Atmos Mid-Tex to support its 2015 request to increase rates. The Ordinance and attached Settlement Agreement and tariffs are the result of negotiation between the Mid-Tex Executive Committee and the Company to resolve issues raised by ACSC during the review and evaluation of Atmos Mid-Tex’s filing. The recommended Settlement Agreement also requires Atmos to abate its appeal of the City’s rejection of the 2014 RRM rate increase pending approval by all ACSC cities of the Settlement Agreement. The Agreement requires Atmos to give the City the benefit of the adjustments to the 2014 rate increase recommended by the PFD.

The Ordinance and Settlement tariffs approve rates that will increase the Company’s revenues by \$65.7 million for the Mid-Tex Rate Division, effective for bills rendered on or after June 1, 2015. The monthly residential customer charge will be \$18.60. The consumption charge will change from \$0.08819 per Ccf to \$0.09931 per Ccf. The monthly bill impact for the typical residential customer consuming 60 Ccf will be an increase of \$1.14 (about a 1.59% increase in the base bill). The typical commercial customer will see an increase of \$2.69 or 0.96%.

The ACSC Executive Committee and its designated legal counsel and consultants recommend that all Cities adopt the Ordinance approving the negotiated Settlement Agreement resolving both the 2014 and the 2015 RRM filings, and implementing the rate change.

RRM Background:

The RRM tariff was originally approved by ACSC Cities as part of the settlement agreement to resolve the Atmos Mid-Tex 2007 system-wide rate filing at the Railroad Commission. In early

2013, the City adopted a renewed RRM tariff for an additional five years. This is the third RRM filing under the renewed tariff. The RRM tariff and the process implementing that tariff were created collaboratively by ACSC and Atmos Mid-Tex as an alternative to the legislatively-authorized GRIP surcharge process. ACSC has opposed GRIP because it constitutes piecemeal ratemaking, does not allow any review of the reasonableness of Atmos' expenditures, and does not allow participation by cities or recovery of cities' rate case expenses. In contrast, the RRM process has allowed for a more comprehensive rate review and annual adjustment as a substitute for GRIP filings. ACSC's consultants have calculated that had Atmos filed its 2015 case under the GRIP provisions, it would have received additional revenues from ratepayers of approximately \$10 million.

Purpose of the Ordinance:

The purpose of the Ordinance is to approve the Settlement Agreement and the resulting rate change under the RRM tariff. As a result of the negotiations, the Executive Committee was able to reduce the Company's requested \$28.8 million rate increase for Mid-Tex cities to \$21,962,784. When added to the settlement of the 2014 RRM filing and the adjustments recommended by the PFD, the Company will receive total additional annual revenues of \$65.7 million. Because the 2014 rates have been in effect since June 1, 2014, the increase to currently-billed rates is \$21 million. Approval of the Ordinance will result in rates that implement an increase in Atmos Mid-Tex's revenues effective June 1, 2015.

Why Approve the Settlement Agreement:

While it is annoying and disconcerting to annually consider rate adjustments from Atmos Mid-Tex, the Texas legislature has granted gas utilities the right, through the GRIP process, to an annual increase based on increases in invested capital. GRIP is piecemeal ratemaking and ignores increases in revenues and declines in O&M expenses that may be associated with plant additions. ACSC found it preferable to negotiate with Atmos to substitute an expedited comprehensive review process that includes consideration of revenues and expenses as well as invested capital for the GRIP process.

Compelling reasons for approving the Settlement include:

1. While the 2015 RRM system-wide filing exceeded \$28 million, a comparable GRIP filing would have been in excess of \$38 million. ACSC has negotiated a reduction to the 2015 filing of approximately \$6 million. Therefore, the 2015 RRM result is approximately \$16 million better for ratepayers within municipal limits than ratepayers within Environs.
2. ACSC counsel is convinced that the Proposal for Decision ("PFD") by Railroad Commission Examiners in the 2014 RRM appeal will not improve if we file Exceptions and Replies to Exceptions. Counsel recommends action to avoid the PFD becoming a final order that would serve as precedent in future rate proceedings.
3. The token benefit to ratepayers authorized in the PFD to the 2014 appeal has been incorporated into the Settlement Agreement.
4. Atmos will file its formal withdrawal of its 2014 appeal only after all ACSC members approve the Settlement Agreement.

5. The alternative to approval of the Settlement Agreement would be another contested case hearing on appeal of the 2015 filing, implementation of interim rates on June 1, 2015 at the full value of the Company's request (or \$6 million higher than proposed by the Settlement) and continuation of the 2014 appeal with resulting rate case expenses borne by ratepayers.

Explanation of "Be It Ordained" Sections:

1. This section approves all findings in the Ordinance.
2. This section finds the Settlement Agreement (attached to the Ordinance) to be a comprehensive settlement of gas utility rate issues arising from Atmos Mid-Tex's 2014 and 2015 RRM filings, and that such settlement is in the public interest and consistent with the City's statutory authority.
3. This section finds the existing Atmos Mid-Tex rates to be unreasonable, and approves the new tariffed rates providing for additional revenues over currently-billed rates of \$21 million and adopts the attached new rate tariffs.
4. This section establishes the baseline for pensions and other post-employment benefits for future rate cases.
5. This section renews the Atmos Mid-Tex RRM Tariff for an additional period of time, commencing with the filing to be made on March 1, 2016, and continuing until the RRM Tariff is suspended by ordinance of the City.
6. This section requires the Company to reimburse Cities for reasonable ratemaking costs associated with reviewing and processing the RRM filing.
7. This section repeals any resolution or ordinance that is inconsistent with this Ordinance.
8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
9. This section is a savings clause, which provides that if any section(s) is later found to be unconstitutional or invalid, that finding shall not affect, impair or invalidate the remaining provisions of this Ordinance. This section further directs that the remaining provisions of the Ordinance are to be interpreted as if the offending section or clause never existed.
10. This section provides for an effective date upon passage which, according to the Cities' ordinance that adopted the RRM process, is June 1, 2015.
11. This paragraph directs that a copy of the signed Ordinance be sent to a representative of the Company and legal counsel for the Steering Committee.

ORDINANCE NO. 2015-05-18-1

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HEWITT, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2014 AND 2015 RATE REVIEW MECHANISM FILINGS; APPROVING A SETTLEMENT AGREEMENT WITH ATTACHED RATE TARIFFS AND PROOF OF REVENUES; 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 SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

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

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

WHEREAS, ACSC and the Company worked collaboratively to develop a new Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by

the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the initial RRM Tariff was in effect for four (4) years; and

WHEREAS, ACSC Cities and Atmos Mid-Tex entered into another settlement agreement and revised the RRM Tariff; and

WHEREAS, ACSC Cities and Atmos Mid-Tex compromised and reached agreements on the amount of the rate increases to be in effect for the RRM Tariff filings for 2012 and 2013; and

WHEREAS, ACSC Cities and Atmos Mid-Tex were unable to reach an agreement on the 2014 RRM Tariff filing, resulting in the ACSC Cities' rejection of the 2014 RRM filing; and

WHEREAS, Atmos Mid-Tex appealed the ACSC Cities' actions rejecting its 2014 RRM filing to the Railroad Commission of Texas ("Commission"), pursuant to the provisions of the RRM Tariff; and

WHEREAS, Atmos Mid-Tex and ACSC litigated the appeal of the 2014 RRM filing at the Commission; and

WHEREAS, on February 27, 2015, Atmos Mid-Tex filed its 2015 RRM Tariff filing, requesting to increase natural gas base rates system-wide by \$28.762 million; and

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, Atmos Mid-Tex has agreed to withdraw its appeal of ACSC's rejection of its 2014 RRM Tariff rate increase; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve the attached Settlement Agreement (Attachment A to this

Ordinance) as well as the tariffs attached thereto, resolving both the 2014 and the 2015 RRM Tariff filings, which together will increase the Company's revenues by \$65.7 million over the amount allowed under City-approved rates set in 2013; and

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated Settlement Agreement and are just, reasonable, and in the public interest; and

WHEREAS, the RRM Tariff should be renewed for a period of time commencing in 2016 and continuing until the RRM Tariff is suspended by ordinance of the City; and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

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

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

Section 2. That the City Council finds that the Settlement Agreement (Attachment A to this Ordinance) represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2014 and 2015 RRM filings, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment C, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$65.7 million in revenue over the amount allowed under currently approved rates, or \$21 million over currently-billed rates, as shown in the Proof of Revenues attached hereto and incorporated herein as Attachment B; such tariffs are hereby adopted.

Section 4. That the ratemaking treatment for pensions and other post-employment benefits in Atmos' next RRM filing shall be as set forth on Attachment D, attached hereto and incorporated herein.

Section 5. That in an effort to streamline the regulatory review process, the Atmos Mid-Tex RRM Tariff is renewed for a period commencing with the Company's March 1, 2016 RRM filing for calendar year 2015, effective June 1, 2016, and continuing thereafter until such time as the City adopts an ordinance suspending operation of the RRM Tariff.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's RRM application.

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 8. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after June 1, 2015.

Section 11. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy

Corporation, 5420 LJB Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED this _____ day of _____, 2015.

Wilbert Wachtendorf, Mayor

ATTEST:

APPROVED AS TO FORM:

Lydia Lopez, City Secretary

Charlie Buenger, City Attorney