

1. Agenda

Documents:

[08-11-2016 AGENDA.PDF](#)

2. Meeting Materials

Documents:

[08-11-2016 COUNCIL PACKET.PDF](#)



**Town of Northlake, Texas
Town Council Meeting Agenda
Thursday, August 11, 2016 at 5:30 pm
1400 FM 407 - Northlake Texas**

Notice is hereby given as required by Title 5, Chapter 551.041 of the Government Code that the Northlake Town Council will meet in a work session and regular meeting on August 11, 2016 at 5:30 pm at the Northlake Town Hall, 1400 FM 407, Northlake Texas. The items listed below are placed on the agenda for discussion and/or action.

1. Call Regular Work Session to Order

2. Briefing Items

- A. Faught Farm zoning change request: A request for a zoning change from RR – Rural Residential (min. 5 acres lots)/CRO - Conservation Residential Overlay to RR-PD – Rural Residential Planned Development (min. 2.5 acre lots) for an approximately 154.728-acre tract of land situated in the J. James Survey, Abstract No. 1501, generally located west of Faught Road between Evelyn Lane and Robson Ranch Road. Susan Stewart, Brenda Jones, and Charles Faught are the owners. All About Babies and Holtman Designworks, Inc. are the applicant/developer. Case # PD-16-001
- B. Street name change policy and proposed changes to street names in the vicinity of the Northport 35 Business Center development
- C. Employee Healthcare Renewal Cost Increase and Plan Change Options
- D. Creation of the Town of Northlake Employee Benefits

3. Call Regular Meeting to order

Pledge of Allegiance - Moment of Silence

4. Public Input

This item is available for citizens to address the Town Council on any issues that are not the subject of a public hearing. No action by law may be taken on the topic. The presiding officer reserves the right to impose a time limit on this portion of the agenda

5. Consent Items

All items listed below are considered routine by Town Council and will be enacted with one motion. There will be no separate discussion of items unless a Councilmember so requests, in which event the item will be removed and considered separately

- E. Consider for approval of the Town Council Minutes of 7-28-16
- F. Consider for approval Interlocal Cooperation Agreement for FY 16-17 Public Safety Application Support and Maintenance
- G. Consider for approval the FY 2017 Contract for Services between Town of Northlake, Texas and Trinity River Authority of Texas for work relating to analysis of water/wastewater, industrial inspections and/or sampling services

- H. Consider for approval an ordinance granting to Atmos Energy Corporation a franchise to construct, maintain and operate pipelines and equipment in the Town

6. Regular Items

- I. Public Hearing on the Proposed Budget for Fiscal Year 2016-17, beginning on October 01, 2016 and ending on September 30, 2017 for the Town of Northlake, Northlake Economic Development Corporation, Northlake Community Development Corporation, Northlake Public Improvement District No. 1 (Harvest), The Highlands Public Improvement District
- J. First public hearing on a proposed Property Tax Rate for Fiscal Year 2016-2017 of \$0.2950 per \$100 valuation to be considered for adoption by the governing body of the Town of Northlake, Texas at the September 8, 2016 meeting. The proposed tax rate would increase total taxes in Northlake by 37.0%

7. Tax Increment Reinvestment Zone No. One Board of Directors Meeting

8. Convene into Executive Session

Pursuant to Texas Government Code, annotated, Chapter 551 Subchapter D:

- a. Section 551.071 authorizes a governmental body to consult with its attorney in an executive session to seek his or her advice on legal matter. It provides as follows: A governmental body may not conduct a private consultation with its attorney except:
 - 1) when the governmental body seeks the advice of its attorney about:
 - (a) pending or contemplated litigation; or
 - i) 'Town of Northlake vs City of Justin (Cause No. 15-08170-367)
- b. Section 551.072 deliberates the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person
 - 1) Town Hall Space Lease
- c. Section 551.087 deliberations regarding economic development negotiations
 - 1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from, a business prospect that the governmental body seeks to have locate, stay, expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or
 - 2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision
 - i) Potential Water Tower Site

Reconvene into Regular Session

9. Adjourn

CERTIFICATE

I hereby certify that the above agenda was posted on the front glass door at the Town Hall 1400 FM 407, Northlake, Texas on Friday, August 5, 2016 by 4:00 pm

A handwritten signature in cursive script that reads "Shirley Rogers".

Shirley Rogers
Town Secretary

NOTE: The Town Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development Negotiations)



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TOWN OF NORTHLAKE

-
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-

TOWN OF NORTHLAKE

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Memo

To: Honorable Mayor and Town Council
From: Nathan Reddin, Development Director
CC: Drew Corn, Town Administrator
Shirley Rogers, Town Secretary
Date: August 11, 2016
Re: Faught Farm Planned Development Zoning Change (PD-16-001)

Matt Holtman with Holtman Designworks, Inc. and Chris Dominguez with All About Babies will present the concept for a proposed development to be known as Faught Farm on an approximately 154.278-acre tract of land situated in the J. James Survey, Abstract No. 1501, generally located west of Faught Road between Evelyn Lane and Robson Ranch Road. The proposed development requires a zoning change request, and the applicants have submitted a request to rezone the property from RR – Rural Residential (min. 5 acres lots)/CRO - Conservation Residential Overlay to RR-PD – Rural Residential Planned Development. The planned development district is based on the Rural Residential district with some added standards and exceptions including minimum lot sizes of 2.5 acres, an overall residential density of approximately one home per 4.55 acres, a 20-acre lot designated for medical office and related uses, and approximately 21 acres to be preserved as open space. A public hearing will be scheduled for the September 8th Town Council meeting, and following the public hearing the Town Council may act on an ordinance to adopt the zoning change. Attached for your review prior to the briefing are the proposed concept plan and development standards submitted with the zoning change application.

Please contact me at 940.242.5703 if you have any questions about this request.



Conceptual Siteplan



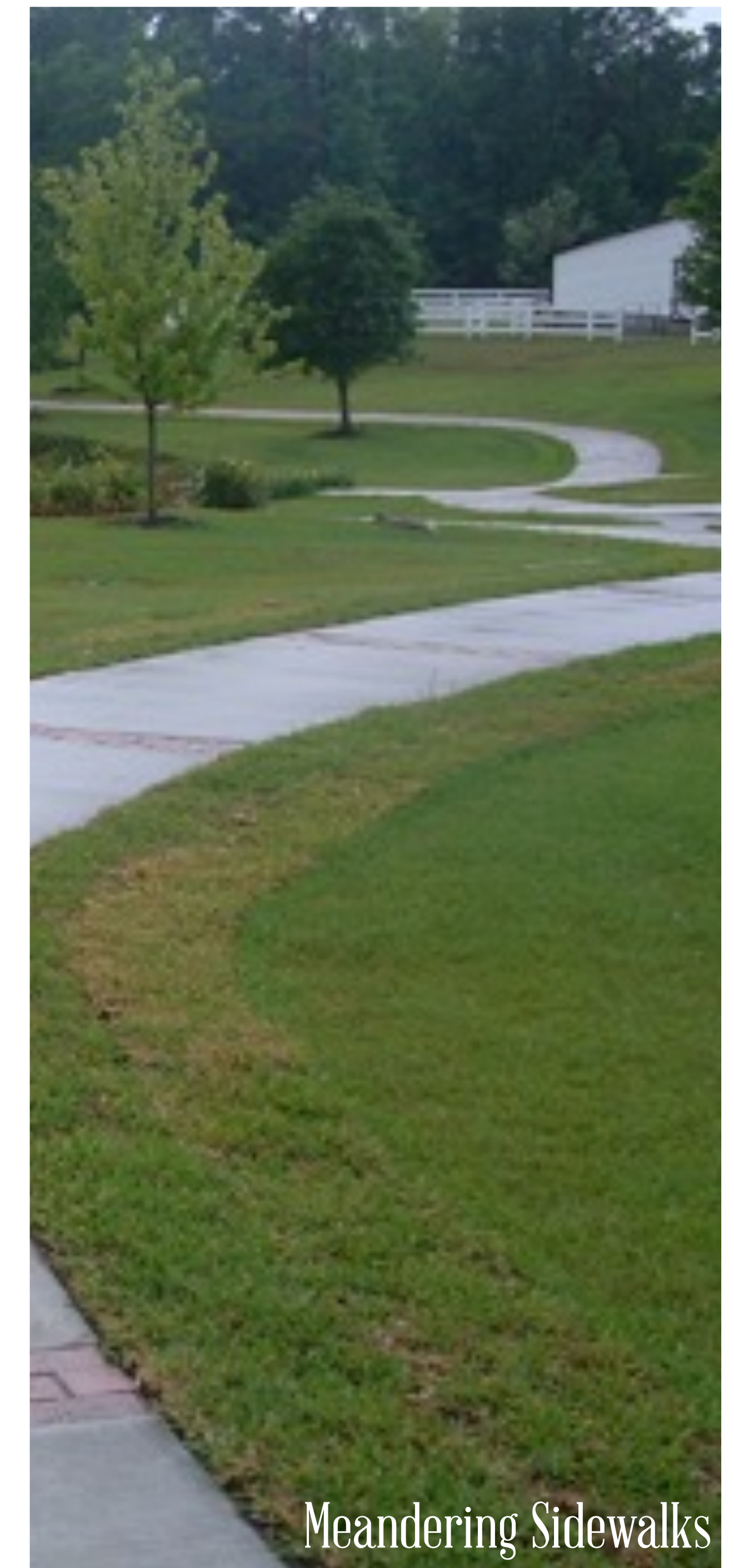
Farm House Designs



WELCOME HOME



Large Front Porches



Meandering Sidewalks



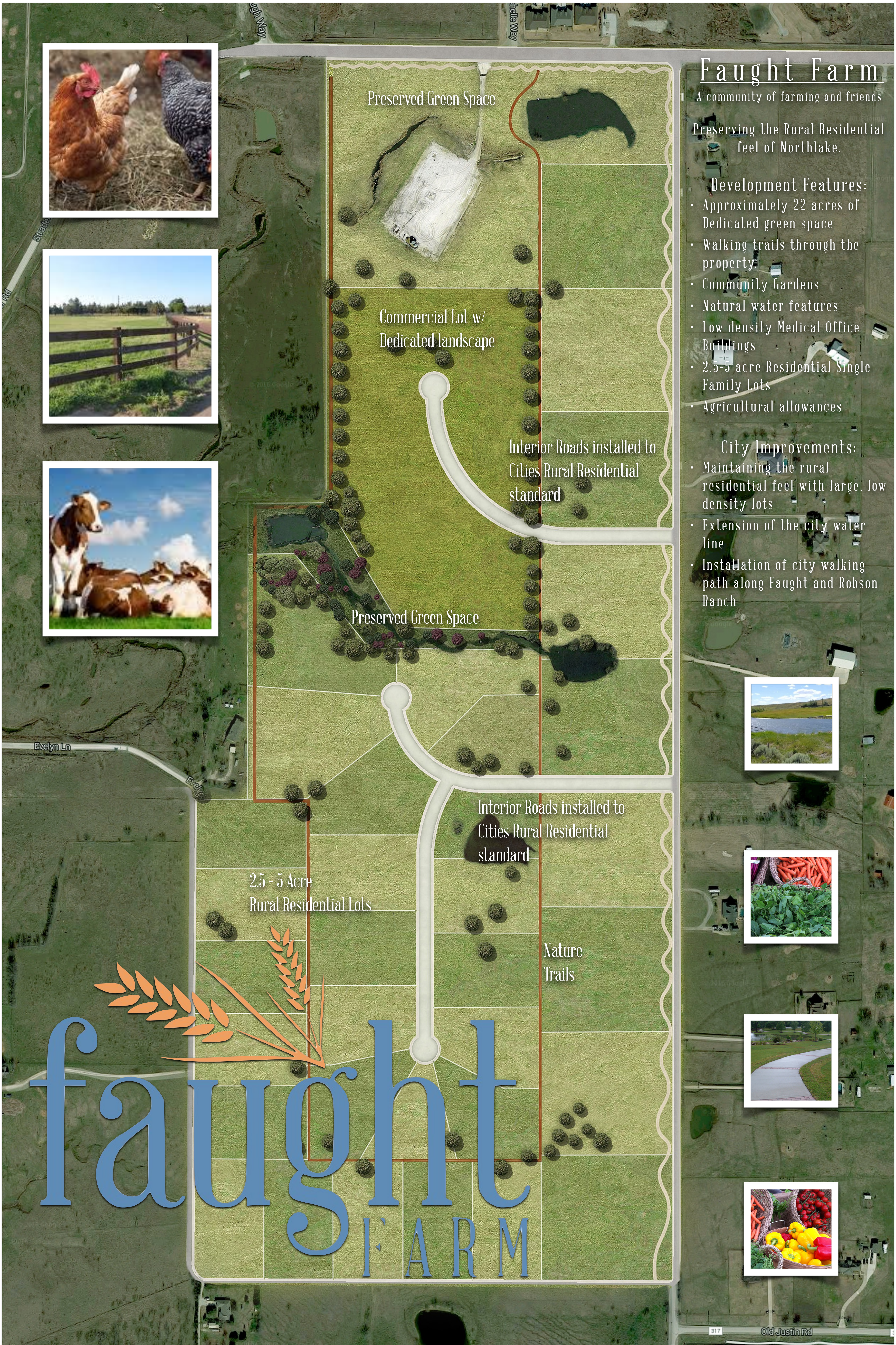
Commercial Buildings
with Residential Feel



A Community of Farming and Family

Dedicated to Preserving the Rural
Residential Feel of Northlake

Faught Farm, Northlake, Texas



Faught Farm

A community of farming and friends

Preserving the Rural Residential feel of Northlake.

Development Features:

- Approximately 22 acres of Dedicated green space
- Walking trails through the property
- Community Gardens
- Natural water features
- Low density Medical Office Buildings
- 2.5-5 acre Residential Single Family Lots
- Agricultural allowances

City Improvements:

- Maintaining the rural residential feel with large, low density lots
- Extension of the city water line
- Installation of city walking path along Faught and Robson Ranch

Memo

To: Honorable Mayor and Town Council

From: Nathan Reddin, Development Director

CC: Drew Corn, Town Administrator
Shirley Rogers, Town Secretary

Date: August 11, 2016

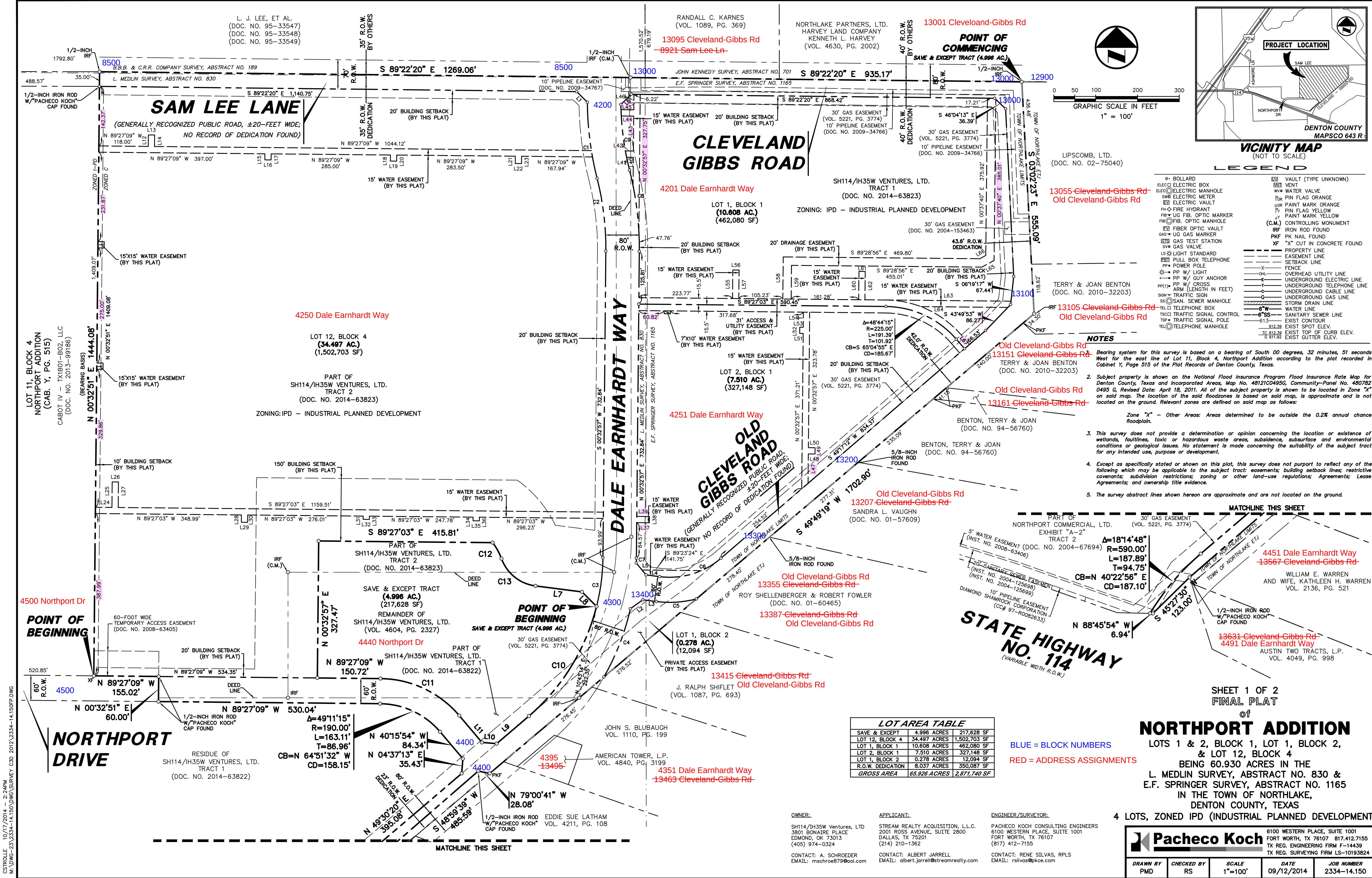
Re: Street name change policy and proposed changes to street names in the vicinity of the Northport 35 Business Center Development

Several street name changes are proposed with the development of the Northport 35 Business Center development to appropriately direct traffic and reflect changes to new and existing roads. The development is in the southeast part of Northlake which includes a new portion of Dale Earnhardt Way near 114 which will eventually connect back to 35W. The portion of Dale Earnhardt Way built with the development runs from 114 on the south to Sam Lee Lane on the north, and it overlaps a portion of the existing Cleveland-Gibbs Road. As exhibited on the Town's Master Thoroughfare Plan (MTP), the Denton County Trip 08 bond, and plats for the development, the plan has been to rename this portion of the street to Dale Earnhardt Way so that the street name will appear at the 114 intersection and provide a continuous street name to 35W.

Another proposed change is to rename the portion of Sam Lee Lane between the new Dale Earnhardt Way and the existing Cleveland-Gibbs Rd at the Northlake Village RV Park entrance to Cleveland-Gibbs Rd so that it will intersect with Dale Earnhardt Way as identified on the MTP. Two of the ultimate four lanes for each thoroughfare have been built as part of the development. The goal is to direct most of the "through" Cleveland-Gibbs Rd traffic to this intersection and leave the remaining portion of Cleveland-Gibbs which is not a part of the Dale Earnhardt Way alignment for local traffic. Since it will also be intersecting with Dale Earnhardt Way, a name change to "Old Cleveland-Gibbs Road" is proposed to differentiate it from the main Cleveland-Gibbs. The attached plat shows the proposed street name changes along with existing and proposed addresses based on the new street names. Staff is working with Denco 911 and Denton County on the address and street name changes.

In order to have TxDOT change the street signs at 114 and to make the street name changes official, the Town Council must approve a resolution authorizing the changes. Since the Town has no formalized policy for changing street names, staff recommends scheduling a public hearing at the September 8th Town Council meeting and acting on a resolution following the public hearing. Prior to the meeting, notices will be sent to all property owners adjacent to the proposed street name changes and to all existing addresses that may be impacted by the changes. Staff will also bring back a formal policy recommendation with steps similar to this to guide any future street name changes.

Please contact me at 940.242.5703 if you have any questions about this request.



CS:TITLE 10/17/2014 2:24PM
MR. DWG-23334-14.150A.DWG SURVEY CSD 2012.2334-14.150FP.DWG

FINAL PLAT - NORTHPORT ADDITION

Memo

To: Honorable Mayor and Town Council
From: Drew Corn, Town Administrator
CC: Karen Bolyard, Finance Director
Shirley Rogers, Town Secretary
Date: August 11, 2016
Re: Health Benefits Costs for Fiscal Year 2016-2017

Rodney Dryden with Wellspring Insurance is the Town's benefits consultant and will present employee healthcare costs for Fiscal Year 2016-2017.

The initial budget estimate for employee benefits for FY 2017 was a fifteen percent increase over FY 2016. However, the renewal with the current healthcare provider (Blue Cross Blue Shield) was over twenty-five percent more than the current year. Mr. Dryden recently requested bids from competing healthcare providers but responses ranged from 37% to 41% higher than the current year. In consultation with Mr. Dryden, staff is recommended staying with the current healthcare provider but making plan changes.

Currently the Town pays the full costs of employee-only, low-deductible plan and provides a 50% subsidy for plans with dependent coverage. The higher deductible plans are offered to help lower costs for plans with dependents. In the proposed plan structure, the medium-deductible, employee-only plan will be offered at no cost to the employee. If the employee chooses the low-deductible plan, the employee can pay the difference which is about \$27 semimonthly for employee-only. By making this change the Town cost increase will be at the amount budgeted or fifteen percent.

The exact cost will not be determined until employees have had an opportunity to select one of three healthcare plans or opt out of coverage, and determine the number of dependents they intend to cover. Even then, if an employee has a change in family status, employee plan changes can occur during the plan year. Given the uncertainty of the final costs, staff recommends retaining the fifteen percent cost increase as proposed in the budget.

Please contact me at 940.242.5701 if you have any questions or comments.

Memo

To: Honorable Mayor and Town Council
From: Karen Bolyard, Director of Finance
CC: Drew Corn, Town Administrator
Shirley Rogers, Town Secretary
Date: August 11, 2016
Re: Creation of an Employee Benefit Trust

Under Chapter 222.002 of the Texas Insurance Code an annual tax is imposed on insurers who receive gross premiums for health insurance and other revenues for employee benefit services. Therefore, embedded in our premiums to the insurance companies is a 1.75% tax on gross premiums that the Town can seek exemption from.

Chapter 222.002(c)(5) of the Code allows an exemption for a municipality that has established a single nonprofit trust that provides coverage for their officers and employees. By creating a Town of Northlake Employee Benefit trust the Town would become exempt from having to pay the 1.75% tax on health, life, dental and vision insurances premiums.

To establish the single nonprofit entity, the Town would simply create the trust by resolution and pay the monthly premiums out of the trust. The trust account would be established at our current financial institution, Wells Fargo, and ACH payments for the insurance premiums will be remitted to the insurers from this account. To fund the trust employee payroll deductions and our employer payments will be placed monthly into the trust account.

Creation of the trust would provide an estimated \$5,665.00 in annual insurance premium savings.

If you have any questions regarding this report or need further information please contact me at 940-242-5706.

TOWN OF NORTHLAKE

3. Regular Meeting

TOWN OF NORTHLAKE

4. Public Input

TOWN OF NORTHLAKE

5. Consent Items

- E. Consider for approval of the Town Council Minutes of 7-28-16
- F. Consider for approval ICA for FY 16-17 Public Safety Application Support and Maintenance
- G. Consider for approval the FY 2017 Contract for Services between Town of Northlake, Texas and Trinity River Authority of Texas for work relating to analysis of water/wastewater, industrial inspections and/or sampling services
- H. Consider for approval an ordinance granting to Atmos Energy Corporation a franchise to construct, maintain and operate pipelines and equipment in the Town



**Town of Northlake, Texas
Town Council Meeting Minutes
Thursday, July 28, 2016
1400 FM 407 - Northlake Texas**

1. Mayor Peter Dewing called the regular work session to order at 5:30 pm and announced a quorum present

Members Present: Peter Dewing, Jean Young, Michael Ganz, Roger Session

Members Absent: Danny Simpson, Mike McBride

Staff Present: Drew Corn, Town Administration; Nathan Reddin, Development Director; Robert Crawford, Chief of Police, Eric Tamayo, Public Works Director; Karen Bolyard, Finance Director; and Shirley Rogers Town Secretary

Consultants present: Ashley Dierker, Legal Counsel

2. Briefing Items

- A. 2016 Northlake Comprehensive Plan Update

Brian Guenzel, Principal w SJR Planning briefed the council on steps that have been accomplished so far, outlined the future steps to be completed. The steering committee will meet again in September to finalize the last few steps

- B. Senior and Disabled Property Value Cap

Drew Corn briefed the council on potential options for tax relief for seniors (over 65) with review on current property tax collections and impact, discussed existing Northlake tax exemptions and caps, and provided an overview of exemptions and caps of other taxing entities and introduced tax relief options

- C. FY 2016 Quarterly Investment Report

Karen Bolyard stated the Town earned over \$7,000 in interest revenue from investments this quarter, showing an increased from the first quarter of 2016

- D. 2016 Quarterly Budget Report

Karen Bolyard stated the general fund ended the third quarter 5% higher than anticipated due to the collection of building permits, plan review fees and registration fees. Expenditures remain 9% below budget expectations. Sales taxes remain strong and exceeded budget by 5%, utility fund revenues are below budget expectations due to the timing of billing for services but other revenues are higher with overall expenditures below budget

- E. FY 2017 Proposed Budget Presentation

Drew Corn stated council's desire to keep the tax rate at 29.5¢, budget is based on this. Property taxes increased 37% overall with a 42% increase in commercial property values as the primary driver, residential properties values increased at 39%. Sales tax revenues have surpassed pre-2008 levels. Current budget is balanced with increased resources dedicated to public safety and public works positions needed to handle increased customer base and activity

3. Mayor Dewing called the regular meeting to order at 6:39 pm and stated a quorum present (Simpson and McBride absent)

Pledge of Allegiance - Moment of Silence was observed

4. Public Input

- 1) Jim Carter, representing himself, stated his desire to be re-appointed to the Board of Managers of Denco Area 9-1-1, listed his credentials, public service experience, community and charity services and the business organizations he belong to
- 2) Brian Montini, resident of Northlake, commented about the issue along Faught Road where a new water line was installed, asked the council to withhold any building permits until the developer corrected the issues with property owners; on the debt of certificate of obligations- did not feel Cleveland Gibbs Road should be included in the capital improvement project and stated if Faught and Florance roads were improved, would increase speeding on the roads and asked council to take the bond proposal to the voters letting them decide if they wanted the capital improvements

5. Consent Items

Councilmember Young asked to pull item I for further discussion

Councilmember Ganz moved to approve the consent items F, G, H, J, K, and L as presented. 2nd by Councilmember Sessions

Vote: Approved unanimous

- F. June 9, 2016 Town Council Minutes
- G. Resolution No. 16-19 approving the 'Draft' Denco Area 9-1-1 District FY 2017 Financial Plan
- H. Resolution No. 16-20 authorizing continued participation with the Atmos Cities Steering Committee and authorizing the payment of two and one-half cents per capita to the Atmos cities Steering Committee
- J. Interlocal Cooperation Agreement for Tax Collection between the Town of Northlake and Denton County
- K. Interlocal Cooperation Agreement for Tax Collection between the Northlake PID 1 (Harvest) and Denton County
- L. Interlocal Cooperation Agreement for Tax Collection between the Northlake PID 2 (The Highlands) and Denton County

Councilmember Young moved to approve consent item I as presented. 2nd by Councilmember Ganz

Vote: Approved unanimous

- I. Resolution No. 16-21 declaring certain personal property owned by the Town to be surplus property and authorize the Town Administrator to dispose of such property

6. Regular Items

- M. Councilmember Sessions moved to approve the Preliminary Plat of Harvest Meadows Phase 3, a proposed development consisting of 311 single-family residential lots and 11 non-residential/open space lots within the extraterritorial jurisdiction of the Town of Northlake on an 80.977-acre tract of land out of the Patrick Rock Survey, Abstract No. 1063, generally located on the west side of Cleveland-Gibbs Road approximately 150 feet north of 6th

Street. Belmont 407, LLC is the owner-applicant-developer. Jones & Carter, Inc. is the engineer/surveyor. Case # PP-16-004. 2nd by Councilmember Ganz

Vote: Approved unanimous

- N. Councilmember Sessions moved to approve resolution no. 16-22 voting for Jim Carter to the Board of Managers of the Denco Area 9-1-1 District. 2nd by Councilmember Young

Vote: Approved unanimous

- O. Councilmember Young made the motion to place a proposal to adopt the tax rate on a future agenda, schedule tax rate public hearings for the Fiscal Year 2016-2017 on August 11, 2016 and August 25, 2016 council meetings and set the date of the adoption of the tax rate by ordinance for September 8th, 2016 council meeting. 2nd by Councilmember Ganz

Vote: Approved unanimous

- P. Councilmember Sessions moved to set a public hearing date for the proposed 2016-2017 Town Budget, Northlake Economic Development Corporation and Community Development Corporation Budgets, Northlake Public Improvement District No. 1 (Harvest), and Northlake Public Improvement District No. 2 (The Highlands) for August 11, 2016. 2nd by Councilmember Young

Vote: Approved unanimous

- Q. Ordinance amending Article 11, Signs, of the Unified Development Code of the Town of Northlake by amending the maximum height and area requirements for pole signs and minimum setback requirements for various pole signs in Section 11.18, Definitions and Requirements. Case # UDC-16-001

- i. Mayor Dewing opened the Public Hearing at 7:01 pm to hear comments for or against the proposed changes

- 1) Gerald Borron, representing Bobby Cox Companies (Rosa's Café) stated he was in favor of all the changes presented in the ordinance
- 2) Chris Ferris, representing Northlake Partners stated he was in favor of all the changes included in the ordinance
- 3) Joel McGregor, resident of Northlake, stated he was in favor of all the changes included in the ordinance

Mayor Dewing closed the Public Hearing at 7:04 pm

- ii. Councilmember Session made the motion to approve ordinance no. 16-0728A including all changes with the exception of the height of signage in the area. 2nd by Councilmember Ganz

Vote: Approved unanimous

- R. Councilmember Ganz moved to approve ordinance no. 16-0728B of the Town of Northlake amending Chapter 5 "Business Regulations" to add Article 5.10, "Solicitors, Canvassers, and Handbill Distribution". 2nd by Councilmember Young

Vote: Approved unanimous

- S. Councilmember Young moved to approve ordinance no. 16-0728C amending Chapter 11, "Traffic and Vehicles," Article 11.02, "Traffic Control Devices," of the Code of Ordinances, Town of Northlake, Texas; providing for the installation of traffic control devices in certain situations. 2nd by Councilmember Ganz

Vote: Approved unanimous

- T. Councilmember Sessions moved to approve resolution no. 16-23 directing publication of notice of intention to issue certificates of obligation. 2nd by Councilmember Ganz

Vote: Approved unanimous

Boyd London, Financial Advisor with Hilltop Securities was on hand to answer questions from council members

7. Convene into Executive Session

Mayor Dewing convene the council into closed session at 7:51 pm pursuant to Texas Government Code, annotated, Chapter 551 Subchapter D:

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- 1) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision
 - i) Incentive package for Hempel U.S.A. Inc.
 - ii) Potential water tower site

Mayor Dewing reconvened the council into regular session at 8:33 pm

Action taken in open session under Section 551.085 Economic Development Negotiations:

- i) Councilmember Ganz made the motion and 2nd by Councilmember Young to approve the following:

Resolution no. 16-24 of the Town of Northlake, Texas, establishing a program and approving a Chapter 380 Agreement to promote economic development and stimulate business and commercial activity in the Town; and

Resolution no. 16-25 of the Town of Northlake, Texas, approving a tax abatement agreement to promote economic development and stimulate business and commercial activity in the Town, providing for required notices

Vote: Approved unanimous

- ii) Councilmember Sessions authorized Staff to continue negotiations for a water tower site. 2nd by Councilmember Ganz

Vote: Approved unanimous

8. Mayor Dewing adjourned the meeting at 8:34 pm

Passed and approved on this the 11th day of August, 2016

Town of Northlake, Texas

Peter Dewing, Mayor

Attest:

Shirley Rogers, Town Secretary

DEPARTMENT OF TECHNOLOGY SERVICES

701 KIMBERLY DRIVE, SUITE 285
DENTON, TX 76208-6301



940-349-4500
Fax: 940-349-4501
Isaac.White@dentoncounty.com
<http://www.dentoncounty.com>

Isaac White, Application Support Manager

July 28, 2016

Chief Crawford
Northlake Police Department
1400 FM 407
Northlake, TX 76247

Dear Chief Crawford:

Thank you for your participation in the Denton County Public Safety Consortium. Denton County strives to provide high levels of support and to facilitate interagency coordination.

Over this last few years we have increased our internet bandwidth making the software run faster. We are also hosting quarterly conference calls for better cross agency communication, decision making and software training.

Any agency who participates at the Enhanced Support level is welcome to register for any of the other classes Technology Services offers. The latest schedule can be found at the following website dentoncounty.com/training.

Each agency is responsible for payment of all maintenance costs on software currently in use by the agency. Payment may be made either directly to the software manufacturer or as a reimbursement to the County for maintenance paid on the agency's behalf. Enhanced Support fees and any maintenance cost reimbursements are detailed on Exhibit B.

Please return signed agreements to:
Isaac White
Denton County Technology Services
701 Kimberly Drive, Suite 285
Denton, TX 76208

Please review the attached ICA and SLA. If you have any questions, please do not hesitate to call or email me. When you are ready to proceed, please have the ICA approved and signed by your agency and return two (2) signed originals to me. Please make sure you select the desired level of support on the signature page. Upon approval of the ICA, we will send you an invoice for the appropriate fees.

The Denton County Technology Services Team looks forward to working with you and your agency. Together we will improve public safety in Denton County.

Sincerely,

Isaac White

STATE OF TEXAS

§
§
§

COUNTY OF DENTON

INTERLOCAL COOPERATION AGREEMENT
FOR PUBLIC SAFETY APPLICATION SUPPORT AND
MAINTENANCE

This Interlocal Cooperation Agreement for Public Safety Application Support and Maintenance, hereinafter referred to as "Agreement", is made by and between Denton County, a political subdivision of the State of Texas, hereinafter referred to as the "County", and

Name of Agency: **Northlake Police Department**

hereinafter referred to as "Agency".

WHEREAS, County is a duly organized political subdivision of the State of Texas engaged in the administration of county government and related services for the benefit of the citizens of Denton County, Texas; and

WHEREAS, Agency is duly organized and operating under the laws of the State of Texas engaged in the provision of municipal government and/or related services for the benefit of the citizens of Agency; and

WHEREAS, County and Agency agree that the utilization of combined support and maintenance of public safety systems will be in the best interests of both County and Agency,

WHEREAS, County and Agency desire to maximize the value in the utilized public safety applications to improve public safety and law enforcement throughout Denton County,

WHEREAS, County and Agency mutually desire to be subject to the provisions of the Interlocal Cooperation Act of the V.T.C.A. Government Code, Chapter 791; and

NOW THEREFORE, County and Agency, for the mutual consideration hereinafter stated, agree and understand as follows:

1. PURPOSE. The Denton County Department of Technology Services has the resources to provide public safety application support service throughout Denton County. Agency wishes to utilize County's available public safety application support services ("Services") during the term of this agreement.

2. TERM OF AGREEMENT. The term of this Agreement shall be for a one year period beginning October 1, 2016 and ending on September 30, 2017. Agency may select the desired level of support (either Basic or Enhanced) for each term of Agreement.

3. TERMINATION OF AGREEMENT. Either party may terminate this agreement, with or without cause, after providing sixty (60) days written notice to the other party.

4. BASIC SUPPORT. Each Agency that participates in the Denton County Shared Governance Communications & Dispatch Services System shall be eligible to receive basic support (as defined in [Exhibit "A"](#) – Service Level Agreement) from County at no additional cost.

5. ENHANCED SUPPORT. Each Agency that participates in the Denton County Shared Governance Communications & Dispatch Services System shall be eligible to select optional enhanced support (as defined in [Exhibit "A"](#) – Service Level Agreement) from County.

5.1 If this Agreement is terminated prior to the expiration of the term of Agreement, County shall send a pro-rated refund of the optional enhanced support fees back to Agency based on the amount of time left on the original agreement term.

5.2 In the initial term of Agreement, Enhanced Support services will begin in January 2015 and will be pro-rated for 9 months of services. In future years the Enhanced Support services will begin in October. Before January 2015, participating agencies will automatically receive Basic Support services.

5.3. Agency shall pay to County the Total Amount more fully described on [Exhibit "B"](#).

6. SOFTWARE LICENSES AND MAINTENANCE. "Software" shall be defined as supported applications as described in [Exhibit "A"](#) – Service Level Agreement. Each Agency that participates in the Denton County Shared Governance Communications & Dispatch Services System shall be responsible for its own Software licenses and maintenance.

6.1. Agency is responsible for purchasing any new Software licenses required by Agency.

6.2. Agency is responsible for payment of all maintenance fees on Software currently in use by Agency. Payment may be made either directly to the software manufacturer or as a reimbursement to County for maintenance paid on Agency's behalf. Maintenance fees that are paid by County on behalf of Agency are described in [Exhibit "B"](#). County will work with Agency and software manufacturer to transfer Agency specific maintenance costs to bill directly to Agency (instead of billing to County and requiring reimbursement from Agency).

6.3 If this Agreement is terminated prior to the expiration of the term of Agreement, maintenance fees already paid to the software manufacturer are not eligible for refund.

7. COUNTY SERVICES AND RESPONSIBILITIES. County agrees to provide the following services and responsibilities:

7.1 County shall provide either Basic Support Services or Enhanced Support Services as more fully described on [Exhibit "A"](#) based on Agency's selection.

7.2 If applicable, County shall provide any mutually agreed Additional Agency Specific Services as more fully described on [Exhibit "A"](#).

7.3 County shall have the sole discretion as to the method of providing the Services and shall be the sole judge as to the most expeditious and effective manner of handling and responding to service requests. County will devote sufficient time to insure the performance of all duties and obligations set forth herein.

8. AGENCY RESPONSIBILITIES. Agency agrees to the following responsibilities:

- 8.1 Furnish County with a current list of key contacts including an IT coordinator contact on page 1 of [Exhibit "A"](#).
- 8.2 Except as otherwise specifically provided by County Services and Responsibilities (in section 7 above), Agency is responsible for the costs and upgrades associated with maintaining all Agency computer equipment, network equipment, and software.
- 8.3 Agency agrees to abide by all laws of the United States and the State of Texas and all present or hereafter approved rules, policies and procedures of TLETS, NLETS, TCIC, NCIC and any other system now or in the future associated with TLETS concerning the collection, storage, processing, retrieval, dissemination and exchange of information for criminal justice purposes.
- 8.4 Agency shall select the desired level of support (either Basic or Enhanced) on the signature page to this Agreement.
- 8.5 Agency is responsible for sending payments to County (Denton County Auditor, Attn: Public Safety Application Support & Maintenance, 401 W. Hickory St, Ste 423, Denton, TX 76201) as more fully described in [Exhibit "B"](#) to this Agreement within 30 calendar days of approval of Agreement.

9. AGREEMENT. The parties acknowledge they have read and understand and intend to be bound by the terms and conditions of this Agreement. This Agreement contains the entire understanding between the parties concerning the subject matter hereof. No prior understandings, whether verbal or written, between the parties or their agents are enforceable unless included in writing in this agreement. This Agreement may be amended only by written instrument signed by both parties.

10. AGREEMENT LIASONS. Each party to this agreement shall designate a Liaison to insure the performance of all duties and obligations of the parties. The Liaison for each party shall devote sufficient time and attention to the execution of said duties on behalf of the Party to ensure full compliance with the terms and conditions of this Agreement.

11. ASSIGNMENT. Neither party shall assign, transfer, or sub-contract any of its rights, burdens, duties, or obligations under this Agreement without the prior written permission of the other party to this Agreement.

12. AGENCY LIABILITY. Agency understands and agrees that Agency, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, or representatives of County. Agency shall not be required to indemnify nor defend County for any liability arising out of the wrongful acts of employees or agents of County to the extent allowed by Texas law.

13. COUNTY LIABILITY. County understands and agrees that County, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, or representatives of Agency. County shall not be required to indemnify nor defend Agency for any liability arising out of the wrongful acts of employees or agents of Agency to the extent allowed by Texas law.

14. DISPUTES/RECOURSE. County and Agency agree that any disputes or disagreements that may arise which are not resolved at the staff level by the parties should be referred to the Appointed Liaisons for each entity. Any further disputes arising from the failure of either Agency or County to perform shall be submitted to mediation, with the parties splitting the mediation fees equally. It is further agreed and understood that the scope of matters to be submitted to dispute mediation as referenced above is limited to disputes concerning sufficiency of performance and duty to pay or entitlement, if any, to any reduced fee or compensation. Any other disputes or conflicts involving damages or claimed remedies outside the scope of sufficiency of performance and compensation adjustment shall be referred to a court of competent jurisdiction in Denton County, Texas.

15. EXHIBITS. Attached hereto, and referred to elsewhere in this Agreement are the following Exhibits, which are hereby incorporated by reference.

Exhibit A	Service Level Agreement v1.0
Exhibit B	Cost Schedule for Maintenance and Enhanced Support

16. MULTIPLE ORIGINALS. It is understood and agreed that this Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

17. NOTICES. All notices, demands or other writings may be delivered by either party by U.S. First Class Mail or by other reliable courier to the parties at the following addresses:

County:	1	Denton County Judge Denton County Commissioners Court 110 West Hickory, Room #207 Denton, Texas 76201
	2	Chief Information Officer (CIO) Denton County Technology Services 701 Kimberly Drive, Suite 285 Denton, Texas 76208
	3	Assistant District Attorney Denton County Criminal District Attorney's Office 1450 E. McKinney Street, 3 rd Floor PO Box 2344 Denton, Texas 76202

Name of Agency:	Northlake Police Department
Contact Person	Robert Crawford, Chief of Police
Address	1400 FM 407
City, State, Zip	Northlake, TX 76247
Telephone	940-648-4804 ext. 231

18. SEVERABILITY. The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties hereto, shall be governed by the laws of the State of Texas. Further, this Agreement shall be performed and all compensation payable in Denton County, Texas. In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties hereto that the remaining portions shall remain valid and in full force and effect to the extent possible.

19. THIRD PARTY. This Agreement is made for the express purpose of providing public safety application support and maintenance services, which both parties recognize to be a governmental function. Except as provided in this Agreement, neither party assumes any liability beyond that provided by law. This Agreement is not intended to create any liability for the benefit of third parties.

20. VENUE. This agreement will be governed and construed according to the laws of the State of Texas. This agreement shall be performed in Denton County, Texas.

21. WAIVER. The failure of County or Agency to insist upon the performance of any term or provision of this Agreement or to exercise or enforce any right herein conferred, or the waiver of a breach of any provision of this Agreement by either party, shall not be construed as a waiver or relinquishment to any extent of either party's right to assert or rely upon any such term or right, or future breach of such provision, on any future occasion.

22. AUTHORIZED OFFICIALS. Each party has the full power and authority to enter into and perform this Agreement. The persons executing this Agreement represent they have been properly authorized to sign on behalf of their governmental entity.

23. CURRENT FUNDS. All payments made by Agency to County pursuant to this Agreement shall be from current revenues available to Agency.

DENTON COUNTY, TEXAS

AGENCY

Please select the desired support level:

☒ Basic Support

-or-

☐ Enhanced Support

Mary Horn, County Judge
Denton County Commissioners Court
110 West Hickory, Room #207
Denton, Texas 76201
(940)349-2820

Signature

Peter Dewing, Mayor

Town of Northlake

1400 FM 407

Northlake, TX 76247

940-648-3290

EXECUTED duplicate originals on this

Date: _____

EXECUTED duplicate originals on this

Date: _____

Approved as to form:

Approved as to form:

Assistant District Attorney
Denton County Criminal District
Attorney's Office

Attorney for Agency



Version

Version	Date	Revision / Description
1.0	10/1/2014	Initial Version

Name of “Agency”

Northlake Police Department

Agency Locations

1400 FM 407, Northlake, TX 76247

Agency Contacts

Title	Name	Email	Phone
Agreement Liason	Robert Crawford	rcrawford@town.northlake.tx.us	940-648-4804 x. 231
IT Coordinator	Alex Arnold	aarnold@town.northlake.tx.us	940-648-4804 x. 233

Additional Agency Specific Services

Main IT Services performed through Fulcrum Group, Keller TX (817) 337-0300



County Contacts

Title	Name	Email	Phone
Agreement Liason & Application Support Manager	Isaac White	Isaac.White@dentoncounty.com	940-349-4357
Application Support Administrator	Cathy Stanley	Cathy.Stanley@dentoncounty.com	940-349-4357
Chief Information Officer	Kevin Carr	Kevin.Carr@dentoncounty.com	940-349-4500
Deputy Chief Information Officer	Brian King	Brian.King@dentoncounty.com	940-349-4500
Desktop Operations Manager	Shawn Buchanan	Shawn.Buchanan@dentoncounty.com	940-349-4357
Server Operations Manager	Ray Rose	Ray.Rose@dentoncounty.com	940-349-4357
Network Operations Manager	Don Click	Don.Click@dentoncounty.com	940-349-4357
HELP DESK		HelpDesk@dentoncounty.com	940-349-4357



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1. Service Overview

This is a Service Level Agreement (“SLA”) between the Agency and the Denton County Department of Technology Services (“DTS”) to document:

- the technical services provided to the Agency;
- the general levels of response, availability, and maintenance associated with these services;
- the responsibilities of DTS as a provider of these services and of Agency users receiving services; and
- processes for requesting services.

2. Service Description

2.1 Assumptions

- An “Incident” is defined as any interruption in the normal functioning of a supported service or system. Incidents that cannot be legitimately resolved within the timeframe of this SLA or that do not have an available workaround, will become part of a Problem Management process.
- A “Request” is defined as any new service, a change to an existing service, or removal of an existing service.
- An “Inquiry” is defined as a request for information.
- Services will be provided in adherence to any related policies, processes and procedures.

2.2 Supported Applications

The following software applications will be supported:

- SunGard MCT/MFR
- ONESolution RMS
- OpCenter
- Police2Police, Police2Citizen
- Any additional SunGard applications purchased under the Denton County contract and made available to other agencies.
- FIREHOUSE Software



2.3 Available Services

Basic Support Services: Agencies that choose the Basic Support option will be provided the following services:

- Client support services will be provided through the software vendor.
- Remote access to county hosted systems for supported applications.
- Password resets during normal business hours.
- Software update notifications for supported applications.
- Maintenance and support of Site-to-Site connections for County owned equipment only.
- Participation in the Denton County Law Enforcement Portal (p2c.dentoncounty.com).
- Access to the OpCenter web site.

Enhanced Support Services: Agencies that choose the Enhanced Support option will be provided the following services:

- All services provided under Basic Support Services.
- Access to Help Desk after-hours support for critical business issues.
- Software update assistance for supported applications.
- Maintenance and support of the Site-to-Site connection for both County and Agency equipment.
- Access to Training classes for the supported applications provided by DTS as well as other DTS training services.

Additional Services: Agencies may negotiate additional services specific to their own agency. Additional agency specific services are included on the first page of this SLA in the "Additional Agency Specific Services" section.

3. Roles and Responsibilities

3.1 County Responsibility

County responsibilities and/or requirements in support of this Agreement include:

- Making best efforts to resolve problems (or find workarounds) within the expected completion times based on the priority for all incidents and requests. Completion times depend on a number of factors including complexity, the availability of the user, access to external resources such as software fixes, and the existence of a solution.
- Providing assistance with basic installation of software relating to the listed applications.
- Acting as the liaison with vendors or external resources for supported services.
- Maintaining and updating all county owned software and hardware required to provide Services for the Supported Applications.
- Generating annual reports on service level performance.
- Notifying agencies of all scheduled and unscheduled maintenance via e-mail notifications from the DTS Help Desk.
- The County is responsible for the costs and maintenance of all County computer equipment, network equipment, and software.
- Ensuring the security of the County computer systems and network.



- Preventing unauthorized access to Agency information.
- Maintaining regular backups of files and data stored on county owned equipment.

3.2 Agency Responsibility

Agency responsibilities and/or requirements in support of this Agreement include:

- Payment of all maintenance fees on software currently in use by the Agency.
- Payment of all support services selected by the Agency.
- Notifying the County of personnel changes in a timely manner.
- Making best effort for availability of user(s) when resolving a service related incident or request.
- Submitting requests for service to the Denton County Help Desk.
- Communicating plans, changes of needs, and problems to the County in a timely manner.
- Except as otherwise specifically provided by this SLA, the Agency is responsible for the costs and maintenance of all Agency computer equipment, network equipment, and software.
- Ensuring all Agency owned systems meet minimum requirements for the Supported Applications.
- Ensuring the security of the Agency computer systems and network.
- Preventing unauthorized access to County information.
- Maintaining regular backups of files and data stored on agency owned equipment.
- Designating an "Information Technology (IT) Coordinator" to ensure that these responsibilities are carried out and to serve as the primary contact person between the agency and DTS. For Agencies who use the SunGard RMS and/or have a Site-to-Site connection, the IT Coordinator will also be responsible for resetting user passwords for their agency utilizing the SMS application. Because agencies have different needs, IT resources, and levels of internal expertise, the needs and resources of a given agency may not require the IT Coordinator to have an extensive technical background.



4. Service Support

4.1 Requesting Service

- Contact the Denton County Help Desk by one of the options below. In order to ensure the fastest possible service, please do not send requests to a specific County employee. Except for emergencies, drop-ins should be scheduled through the Help Desk.
- Phone – Call 940-349-HELP (4357)
Phone service is available during normal hours of operation. Messages left outside of normal hours will be processed the next business day. An on-call technician will be available outside of normal hours for emergency calls only.
- Email - Helpdesk@dentoncounty.com
E-mail requests will be processed during regular business hours. Email requests can be sent 24 hours a day, 7 days a week.
- Information Technology (IT) Coordinator
Please contact your IT Coordinator for services not listed.

4.2 Hours of Coverage

Service is available during standard operating hours of 8:00am – 5:00pm Monday – Friday, except on County holidays.

4.3 Incident and Request Response and Prioritization

- Incoming Service Requests will fall into priority levels of 'Critical', 'Urgent', 'High', 'Medium', 'Normal' and 'Low'. These levels will be identified by type (incident, request for service or inquiry), urgency and impact of the Service Request. If the incident cannot be resolved during the initial call, a DTS technician will be contacted to further research the issue. For responses to Service Requests, the goal for DTS is to respond in a timely manner.

4.4 Resolution

- DTS will use reasonable efforts to resolve Service Requests that are within the control of DTS responsibilities. Circumstances beyond DTS control (waiting for parts, response from user, or third party involvement) will constitute a temporary suspension of the SLA clock until appropriate response, replacement parts or services have been received.

4.5 Service Escalation

- If you are not satisfied with the level of service on a request, contact your IT Coordinator or the Technical Services Manager of DTS. They will respond to you with the action taken or to develop a solution that meets your needs.



4.6 Priority Levels

- DTS provides service based on the following Priority Levels.

Priority Level Characteristics

Priority Level	Expected Completion Time	Description
Incident Levels (Standard Business Hours 8am – 5pm, Monday through Friday)		
Critical	8 hours 80% of the time. (Continued repair until operational)	• An incident where systems are down or seriously impacted and/or products/services are unavailable. • Normally a global issue or a large number of Agency users are being affected. • There is no acceptable workaround to the problem (i.e., the job cannot be performed in any other way). The commitment of incident management resources is critical.
Urgent	1 business day 80% of the time.	• Issues affecting a large number of users • Requests that require immediate attention
High	2 business days 80% of the time.	• The issue causes any Agency user to be unable to work or perform some significant portion of their job. • Incidents where systems are degraded/unreliable; performance and/or legal agreements are at risk. • There is an acceptable and implemented workaround to the problem (i.e., the job can be performed in some other way). The commitment of incident management resources is high.
Medium	3 business days 80% of the time.	• An incident where performance and/or legal agreements may be degraded. The actual and potential business impact is low in terms of the user. (a few or less users are affected) • The issue causes a Agency user to be unable to perform some small portion of their job, but they are still able to complete most other tasks. May also include questions and requests for information.



		A temporary workaround, alternative, or circumvention is available. There is no commitment of incident management resources outside of business as usual.
Normal	5 business days 80% of the time.	An incident where performance and/or legal agreements are not at risk. The actual and potential business impact is minimal in terms of the user.
Low	10 days 80% of the time.	The customer has requested a new service or information pertaining to a feature, system or service.

4.7 Priority level Determination

- Priority levels will be automatically determined by:
 - Service Request Type (incident, request for service or inquiry).
 - Impact (Single user, 2 -9 users or 10 or more users).
 - Urgency (**High** – User(s) is unable to work, **Medium** – User’s work is impacted, **Low** – A workaround can be implemented or a user’s ability to work is not greatly impacted.)

Priority Levels (Incidents)

	Single User	2 – 9 users	10+ Users
High	High	High	Urgent
Medium	Medium	High	High
Low	Normal	Medium	Medium

4.8 Service Level Measurements

- Service levels will be measured based on the overall service level targets for each agency broken out by Priority Levels (Critical, Urgent, High, Medium, Normal, Low). These targets are based on each priority’s expected completion times. Service level reports will be run on a yearly basis and reviewed by DTS and Agencies at that time. The minimum number of total Service Requests required to meet the SLA percentage for a given Priority Level will be 12 or more. If an agency has less than 12 SR’s in any given priority level then the overall weighted percentage will apply to that priority.

4.9 Scheduled Maintenance

- DTS plans scheduled maintenance windows each week (usually on Thursday evenings, starting at 7 p.m. until 7a.m., the next day) to maintain and increase the security, availability, and performance of the network and supported applications. DTS works to minimize or avoid any disruption to public safety agencies during the maintenance windows. Agencies will be notified if we are aware of an anticipated interruption to public safety systems. A notification reminder will be sent out the morning of the scheduled maintenance day with information about the maintenance being performed.

4.10 Unscheduled Maintenance



- Occasionally DTS may be required to interrupt services to Agency users due to unpredictable maintenance requirements that had not been previously planned but require prompt attention and must have action taken to allow for system restoration and protection of county resources. When possible, email notification will be sent 24 hours, or more, prior to maintenance specifying the work to be performed.

5. Customer Service Survey

5.1 Survey Form

- Upon closure of a Service Request, Agency employees will receive a link to the Customer Satisfaction Survey. These surveys are important in gauging work quality within DTS and help improve customer service.

5.2 Customer Satisfaction Survey Ratings – Detailed Definitions

Technician went beyond what was required

- Quality of work is exceptional; performance far exceeds the needed requirement to fulfill the request.
- Quick to respond. Receptive to needs and was able to understand the request with informative questioning.
- The resolution was much faster than expected.
- Communication was frequent throughout the entire process and updates during the progress and upon finding a solution were completely understandable.
- Actions were taken quickly and an optimal solution was found.
- Technician showed an ability to quickly understand the request and utilized their skills to the fullest.
- Technician went out of their way in providing support.

Excellent

- Quality of work is excellent and an extra effort was taken in fulfilling the request.
- Quick response in initial contact. Receptive and willing to help.
- The resolution was faster than expected.
- Technician made sure to communicate status as well as inform user of solution.
- Technician went out of their way to properly resolve the issue.
- Technician came up with a solution to allow minimal interruption to the user.
- Technician took a complete interest in helping.

Satisfied

- Quality of work is acceptable.
- Initial contact was cordial and responsive to my needs.
- Has demonstrated the ability to handle the Service Request within an appropriate timeframe.
- Communicated the status as well as resolution.
- Solution met the requirement needed to resolve the issue.
- Performed the task with the proper technical skills and expertise.
- Technician was thorough in taking care of the Service Request.

Needs Improvement

- Quality of work is poor.

- Access to help was time consuming.
- Technician did not demonstrate the ability to handle issue within an appropriate timeframe.
- Poor communication. Issues were not explained or understood.
- Questionable resolution.
- Technician seemed unconfident with ability.
- Lack of interest, only helpful enough to get the task completed.

Dissatisfied

- Failed to meet expectations.
- Little or no response to requests.
- Issue persists.
- Little or no communication during work being done.
- No progress was made in response to corrective action.
- There is a definite lack of ability and/or willingness.
- Technician was rude.

Not Applicable

- Question being asked does not pertain to the request

EXHIBIT B
FY 2017 Cost Schedule for Maintenance and Optional Enhanced Support
Northlake Police Department

Application	Maint Amt	Qty	Total
OSSI MCT Client for Digital Dispatch	\$ 120.56	8	\$ 964.00
OSSI Mobile Client Maps	\$ 24.30	8	\$ 194.00
OSSI Client AVL Mobile License	\$ 18.17	8	\$ 145.00
OSSI - MFR Client - Racial Profiling	\$ 24.30	0	\$ -
OSSI - MFR Client- Base Incident/Offense	\$ 120.56	0	\$ -
OSSI Mobile Arrest Module	\$ 48.22	0	\$ -
OSSI Accident Wizard Workstation License Client	\$ 27.81	0	\$ -
OSSI - MFR Client Citation	\$ 80.31	0	\$ -
OSSI - MFR Client - Accident Reporting	\$ 80.31	0	\$ -
OSSI Client Base Records Management System	\$ 1,184.78	0	\$ -
Upgrade to Site License	\$ 1,793.34	0	\$ -
OSSI - Link Analysis Module	\$ 324.60	0	\$ -
OSSI RMS Map Display and Pin Mapping License - Site License	\$ 185.48	0	\$ -
OSSI Multi-Jurisdictional RMS Option	\$ 51.01	0	\$ -
OSSI Notification Module	\$ 208.67	0	\$ -
OSSI Racial Profiling Module-Site	\$ 46.37	0	\$ -
OSSI Sex Offender Module	\$ 139.11	0	\$ -
OSSI Crime Analysis Module - Site License	\$ 115.93	0	\$ -
OSSI Base Mobile Server Software Client	\$ 507.07	0	\$ -
OSSI AVL Server Host License	\$ 365.17	0	\$ -
OSSI Residential Security Watch Module	\$ 22.51	0	\$ -
OSSI Review Module for Field Reporting	\$ 375.14	0	\$ -
OSSI's Integrated Messaging Switch Software	\$ 208.67	0	\$ -
Total Maintenance Fees to be reimbursed to County			\$ 1,303.00
Optional Enhanced Support Fees			\$ 521.00
Total Maintenance + Optional Enhanced Support			\$ 1,824.00

CONTRACT FOR TECHNICAL SERVICES

I. CONTRACTING PARTIES

The Receiving Agency: City of Town of Northlake, whose authorized address is
1400 Fm 407, Northlake, TX 76247

The Performing Agency: Trinity River Authority of Texas, whose authorized address is 5300 South Collins, P. O. Box 240, Arlington, Texas 76004-0240, Attention: J. Kevin Ward, General Manager (or his designated representative).

II. STATEMENT OF SERVICES TO BE PERFORMED

In order to discharge the responsibilities associated with the enforcement of Federal, State, and City regulations, the Receiving Agency requires services of a laboratory qualified to perform water and wastewater analysis, and of personnel to conduct industrial inspection and/or sampling services, such services detailed in Section A, Subsection(s) 1-2-3, below.

A. PERFORMANCE OF SERVICES

1. Industrial Inspection Services

In keeping with the foregoing, the Receiving Agency employs the Performing Agency and the Performing Agency agrees to perform industrial inspection services within the parameters listed on the attached schedule sheet.

The Performing Agency shall perform all Industrial Pretreatment Inspections, review permit applications and prepare for submittal Permits to Discharge Industrial Wastes to the Sanitary Sewer in accordance with procedures established by the Trinity River Authority of Texas in accordance with 40 CFR Part 403.8. Industrial Pretreatment Inspections, Application reviews and permit preparations and submittals shall be in compliance with the Receiving Agency's Industrial Waste Ordinances, Sewer Ordinances Numbers 12-0112 B, and EPA General Pretreatment Regulations for Existing and New Sources. Records of Inspections, Applications and Permits shall be maintained as required by EPA General Pretreatment Regulations, 40 CFR § 403.12.

2. Industrial Sampling Services

In keeping with the foregoing, the Receiving Agency employs the Performing Agency and the Performing Agency agrees to perform industrial sampling services within the parameters listed on the attached schedule sheet and in accordance with the Receiving Agency's Industrial Waste Ordinances and Sewer Ordinances Numbers 12-0112 B.

The Performing Agency shall perform all sample collections, sample preservation, and maintenance of chain-of-custody records in accordance to the approved procedures set forth in Test Methods for Evaluating Solid Waste, EPA Manual SW-846, Methods for Chemical Analysis of Water and Wastes, EPA Manual EPA-600/4-79-020, and the Handbook for Sampling and Sample Preservation of Water and Wastewater, EPA Manual EPA-600/4-82-029. The samples shall be properly collected, preserved and delivered by the Performing Agency to the Performing Agency's laboratory located at 6500 West Singleton Blvd., Dallas, Texas. When feasible, the Performing Agency will conduct flow or time composited sampling. When composited sampling is not feasible, grab sampling will be performed.

3. Analytical Services

In keeping with the foregoing, the Receiving Agency employs the Performing Agency and the Performing Agency agrees to perform analytical services within the parameters listed on the attached schedule sheet.

The Receiving Agency will collect samples and deliver them to the laboratory for analysis. It is understood that these samples will be properly collected and preserved in accordance with applicable sections of A Practical Guide to Water Quality Studies of Streams, Federal Water Pollution Control Administration publication and Methods for Chemical Analysis for Water and Wastes, EPA manual, as well as the latest edition of Standard Methods for the Examination of Water and Wastewater. Additionally, requirements set by the National Environmental Laboratory Accreditation Conference will be followed as mandated by the Texas Commission on Environmental Quality for state accreditation. A chain-of-custody procedure shall be maintained in the field and the laboratory in accordance with procedures to be established by the Receiving Agency. The Receiving Agency will furnish chain-of-custody.

The Performing Agency will perform all analyses according to the approved procedures set forth in Standard Methods for the Examination of Water and Wastewater, current edition or the latest edition of Methods for Chemical Analysis of Water and Wastes, EPA manual. Additionally, requirements set by the National Environmental Laboratory Accreditation Conference will be followed as mandated by the Texas Commission on Environmental Quality for state accreditation. Samples will be analyzed by these methods on the production basis, to include appropriate analytical quality assurance procedures. Records will be kept for documentation of the Performing Agency's quality assurance program and copies will be available to the Receiving Agency upon request. Unusual interferences and problems will be reported to the Receiving Agency at its authorized address noted above. Research into specific techniques to overcome these difficulties will be undertaken when practical, and by mutual agreement. The chain-of-custody sheet submitted with each sample will designate the particular analysis or analyses to be made of each sample submitted. The laboratory will be operated in such a manner as to ensure the legal sufficiency of the sample handling; analytical and reporting procedures; and to remedy effects in the procedures should such be discovered.

The various laboratory personnel shall be directed upon receipt of written notice from the Receiving Agency 72 hours in advance, to appear and testify in enforcement actions. In such event, travel and per diem expenses for such employees shall be paid by the Receiving Agency. Travel and per diem for court appearances hereunder shall be based on current State laws.

Receiving Agency may deliver to Performing Agency samples for analyses separate and apart from those samples collected by the Performing Agency. When the Receiving Agency delivers samples to the Performing Agency for analyses, the Receiving Agency shall indicate the nature and extent of the analysis it desires to be conducted. Performing Agency shall not be responsible for the manner of collection or chain-of-custody or sheets which are matters entirely outside Performing Agency's control. Performing Agency shall receive, log and perform such analyses of samples in accordance with that part of the chain-of-custody procedures identified as Transfer of Custody and Storage attached hereto.

Samples analyzed to maintain the normal quality assurance program which the Performing Agency presently maintains in its laboratory will be charged to the Receiving Agency at the same rate as submitted samples.

B. TERMINATION

Either party to this Contract may terminate the Contract by giving the other party thirty day notice in writing at their authorized address as noted previously. Upon delivery of such notice by either party to the other and before expiration of the thirty day period, the Performing Agency will proceed promptly to cancel all existing orders, contracts, and obligations which are chargeable to this Contract. As soon as practicable after notice of termination is given, the Performing Agency will submit a voucher for work performed under this Contract through its termination. The Receiving Agency will pay the Performing Agency for the work performed less all prior payments. Copies of all completed or partially completed reports, documents, and studies prepared under this Contract will be delivered by the Performing Agency to the Receiving Agency when and if this Contract is terminated prior to the completion of the prescribed work.

C. AMENDING THE CONTRACT

The parties hereto without invalidating this Contract may alter or amend this Contract upon advance written agreement of both parties to exclude work being performed or to include additional work to be performed and to adjust the consideration to be paid hereunder by virtue of alterations or amendments.

III. BASIS FOR CALCULATING REIMBURSABLE COSTS

The financial basis for calculating reimbursable costs shall be as stated in Attachment A, said Attachment A shall be revised and updated annually. Any revisions will be incorporated by reference herein. A cost analysis shall be prepared each year by the Trinity River Authority of Texas and shall be approved by the Trinity River Authority of Texas Board of Directors prior to effective date of said revision.

The expenditures by the Trinity River Authority of Texas of funds paid to it under this Contract shall be subject to such State or Federal audit procedures as may be required by law and by accepted practices of the State or Federal auditor, or both, if requested. The Trinity River Authority of Texas shall be responsible for maintaining books of account that clearly, accurately and currently reflect financial transactions. The financial records must include all documents supporting entries on the account records which substantiate costs. The Trinity River Authority of Texas must keep the records readily available for examination for a period of three years after the close of the last expenditure.

IV. CONTRACT AMOUNT

The total costs charged by the Authority to the Receiving Agency shall not exceed dollars (\$ 3,000) per annum during the term of this Contract, unless mutually agreed by the parties hereto.

V. PAYMENT FOR SERVICES

The Performing Agency shall bill the Receiving Agency monthly for services performed. Charges for these services shall be based on the attached cost schedules.

The Receiving Agency shall pay the monthly billings of the Performing Agency within thirty days of their receipt.

VI. TERM OF CONTRACT

This Contract is to begin Oct 1, 2016 and shall terminate Sept 30, 2017, subject to Section II, paragraph B of this contract.

VII. INTERLOCAL AGREEMENT

Inasmuch as the Receiving Agency and the Performing Agency are political subdivisions of this state, and inasmuch as the testing of water and wastewater are critical to the maintenance of public health and such testing is therefore, a governmental function and service, this contract is entered into pursuant to the Interlocal Cooperation Act, Chapter 791, Texas Government Code.

Receiving Agency:

CITY OF Town of Northlake

BY: [Signature]

TITLE: Town Administrator

DATE: 8/5/16

ATTEST: _____
(SEAL)

Performing Agency:

TRINITY RIVER AUTHORITY OF TEXAS

BY: _____

GENERAL MANAGER

DATE: _____

ATTEST: _____
(SEAL)

CHAIN-OF-CUSTODY PROCEDURES

Sample Collection and Shipment

1. To the maximum extent achievable, as few people as possible should handle a sample.
2. Stream and effluent samples should be obtained using standard field sampling techniques and preservation procedures.
3. Chain-of-Custody sheets should be attached to each sample at the time it is collected. Sample containers must be appropriate for requested testing with appropriate preservation and legibly labeled. The tag or sheet contains basically laboratory (requested parameters) information; however, certain identifying items including City, City Code, Contact Name and Phone Number, Type Sample Matrix, Material Sampled, and Method of Preservation must be completed by the field personnel collecting the sample. In completing the Chain-of-Custody tag or sheet, care should be utilized to insure that all necessary information is correctly and legibly entered onto the form. A black ballpoint with water proof ink should be used at all times.
4. During shipment, samples should be appropriately cooled. TRA lab receiving technician will check temperature.

Transfer of Custody and Storage

1. All samples should be handled by the minimum possible number of persons.
2. All incoming samples shall be received by the laboratory technician or his alternate, and logged into a database. Information to be entered into the database shall include the client sample number, date received, source, time(s) sampled, date(s) sampled, and analyses requested and comments from the Chain of Custody.
3. Promptly after logging, the custodian technician will distribute the sample to an analyst or place the sample in the secure sample vault, which will be locked at all times except when samples are removed or returned by analysts. The sample will be tracked internally in the lab.
4. Samples shall be kept in the sample storage security area at all times when not actually being used by analysts, such as during overnight absences. The technician shall ensure that heat-sensitive samples, or other sample materials having unusual physical characteristics, or requiring special handling, are properly stored and maintained.
5. A log of sample removal and replacement will be kept in the secure sample vault and be retained as a permanent record of the laboratory.
6. The original Chain of Custody and a Sample Evaluation/Variance record shall be sent by the laboratory to the appropriate Receiving Agency control point as part of the final data report.

ATTACHMENT A

TECHNICAL SERVICES FEE SCHEDULE

FOR

LABORATORY ANALYSES,

INDUSTRIAL INSPECTIONS

AND

INDUSTRIAL SAMPLING

FISCAL YEAR 2017

December 1, 2016 through November 30, 2017

NELAP CERTIFICATE T104704287-10-TX

CHEMICAL ANALYSES

Liquid Samples

Alkalinity:
Total (*) (**) \$14.40

Biochemical Oxygen Demand:
5-Day (*) \$29.75
5-Day Carbonaceous (*) \$33.00
5-Day Filtered (Dissolved) \$41.00
7-Day \$38.00
Extra Dilution (Each) \$ 2.50

Chlorophyll "a" \$21.75
Chlorophyll "a" and Pheophytin \$32.00
Chemical Oxygen Demand (*) \$19.00
Chloride (*) \$13.75
Conductance, Specific (*) (**) \$12.50

Cyanide
Total (*) \$39.50
Amenable to Chlorination (*) \$52.75

Fluoride, Total (**) \$13.75
Glycols \$18.75
Hardness (*) (**) \$23.00

Nitrogen:
Ammonia (*) \$15.50
Ammonia by Distillation (*) \$24.50
Kjeldahl, Total (*) \$24.00
Nitrate (*) \$13.75
Nitrite (*) \$13.75
Total \$42.5

Oil and Grease (*) \$58.75

Organic Carbon:
Dissolved \$25.40
Total (*) (**) \$23.60

pH (*) \$11.50

Phosphorus:
Ortho (*) \$15.75
Total (*) \$26.75

Solids Testing (Gravimetric):
Total (TS) \$15.00
Total Dissolved (TDS) (*) \$23.75
Total Suspended (TSS) (*) \$19.00
Volatile Suspended (VSS) (*) \$10.25
(after TSS)
Percent Solids, Total and Volatile \$19.00

Sulfate (*) \$13.75

Turbidity (*) (**) \$12.00
UV254 \$23.00

Mercury (*) (**) \$26.00

Metals (EPA 200.8) (*) (**) (***) \$14.50 each

Aluminum	Lead
Arsenic	Manganese
Antimony	Molybdenum
Barium	Nickel
Beryllium	Selenium
Boron	Silver
Cadmium	Thallium
Chromium	Tin
Cobalt	Vanadium
Copper	Zinc
Iron	

Minerals (*) \$14.50 each

Calcium
Magnesium
Potassium (***)
Silica
Sodium

Solid Samples

Ammonia (***) \$24.50
Chemical Oxygen Demand \$41.00
Nitrogen, Kjeldahl, Total \$32.50
Phosphorus, Total (***) \$31.00
pH (***) \$18.25
Mercury (***) \$58.00
Metals Preparation \$32.00

NELAC Accreditation
*Non-Potable Water
**Drinking Water
*** Solids

MICROBIOLOGICAL ANALYSES

Drinking Water:

Total Coliform (MMO/MUG) (**)	\$ 16.75
Heterotrophic Plate Count	\$ 19.50

Other:

Coliform, Fecal (Membrane Filter) (*)	\$ 18.00
Coliform, Fecal (MPN) (***)	\$ 51.00
Coliform, Total (MPN-Q Tray)	\$ 16.75
E. Coli (MPN-Q Tray) (*)	\$ 16.75
Streptococcus, Fecal (Membrane Filter) (*)	\$ 19.00
Heterotrophic Plate Count	\$ 19.50
Microscopic General Examination	\$ 25.00

TRACE ORGANIC (GC-GC/MS) ANALYSES

EPA 624 (*)

3 Day (unpreserved)	\$160.00
BTEX (only)	\$144.00
Trip Blanks	\$105.00
Geosmin/MIB	\$ 99.00

EPA 625(*)

Total Semi-Volatiles	\$218.00
Semi-volatile Trip Blank	\$181.00

Pesticides/PCB

EPA 608 (*)	
Full List	\$273.00
Chlorinated Pesticides (only)	\$178.00
PCB (aqueous&solid)	\$178.00

EPA 8082

Polychlorinated Biphenyls (PCB)	\$197.00
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BY QUOTE

Chromium Hexavalent
Oil and Grease (solids)
Organophosphate Pesticide
Phenols
TCLP Metals
TCLP Organic Compounds
Total Petroleum Hydrocarbons (solids and liquids)

NELAC Accreditation
*Non-Potable Water
**Drinking Water
*** Solids

INDUSTRIAL PRETREATMENT SERVICES

SAMPLING

Composite Sample	\$ 160.00
Additional Composite Sample	\$ 95.00
Grab Sample	\$ 77.00
Additional Grab Sample	\$ 24.00
pH only	\$ 60.00
Field pH	\$ 16.00
Field Measurement	\$ 30.00
Sampling Event Cost for a Failed Sample	\$ 101.00
Industry Split Sample	\$ 22.00
Boat Fee	\$ 80.00
QA/QC Fee	\$ 17.00

~Grab Sampling
~Delivery to TRA Laboratory
~Field Testing Available
~Sample Preservation
~Proper Chain of Custody

PRETREATMENT ASSISTANCE

Inspection	\$ 358.00
Permit Preparation	\$ 630.00
Field Surveillance Event	\$ 412.00

~Installation of Automatic Composite Samplers
~Verification of Application Data
~Consultation with Industries on Industrial Pretreatment
~Chemical Inventory Review
~Industry Split Sampling

NELAC Accreditation
*Non-Potable Water
**Drinking Water
*** Solids

GENERAL SERVICE INFORMATION

1. Effective Date: December 1, 2016. All prices listed are per sample and subject to review.
2. All analyses are performed in accordance with "Standard Methods for the Examination of Water and Wastewater," 20th Edition, 1998 or most recent approved and/or EPA "Manual of Methods for Chemical Analysis of Water and Wastes," 1983 and the "3rd Edition of Solid Waste Manual SW 846."
3. Prices include a 10 percent charge added to the analyses cost to maintain the normal quality assurance program.
4. Standard turn-around time is considered 15 business days for most testing. Priority is half of the standard time. Customer requiring PRIORITY turn-around time will be billed at one and one-half (1 ½) times the routine rate. Customer requiring RUSH turn-around time, run immediately on the next or a special run, will be billed at two times the normal rate. It is recommended to call in advance of sample submission or inquire at the time of submission for estimated turn-around time.
5. The Laboratory will follow instructions as stated on the Chain-of-Custody submitted with samples. The Customer may be contacted by the lab representative on any variance issues and written instruction may be requested concerning the variance.
6. For EPA624 VOC 3 day analysis, do not lower the pH of the sample.
7. Sampling supplies will be provided upon request at a reasonable charge. Bacteriological sampling supplies are included in the cost of analyses.
8. Samples other than bacteriological samples should be delivered to the laboratory before 4:00 p.m. on weekdays. Samples cannot be accepted on weekends or holidays unless special arrangements are made in advance. Bacteriological samples should be delivered prior to 2:00 p.m. unless special arrangements are made in advance. For after-hour samples, please call and arrange for leaving in cold storage vault with analyses request form.
9. A monthly invoice for completed analyses is mailed the following month.
10. Laboratory hours are weekdays 7:00 a.m. to 4:30 p.m. To contact the lab about emergency samples use the number below.
11. Environmental Field, Engineering Field and Pretreatment Services office hours are Monday through Friday, 8:00 a.m. to 5:00 p.m. For after-hour emergencies, leave message with computer operator.
12. Environmental Field and Engineering Field Services are requested to be scheduled a minimum of 72 hours in advance.
13. Laboratory Certificate Number T104704287-10-2.

FOR MORE INFORMATION, CONTACT:

METRO: (972) 263-2251

FAX: (972) 975- 4414

WILLIAM B. CYRUS

**Manager
Technical Services**

JOHN DURBIN

**Manager
Collection System**

**CRAIG HARVEY
Laboratory Division
Chief**

**JENNIFER MOORE
Environmental Service
Coordinator**

**CHRIS PATIN
Technical Services Engineer**

**CATHY SIEGER
Quality Assurance
Coordinator**

**CRAIG CROWDER
Technical Services Engineer**

NELAC Accreditation
*Non-Potable Water
**Drinking Water
*** Solids

TOWN OF NORTHLAKE, TEXAS
ORDINANCE NO. 16-0811A

AN ORDINANCE GRANTING TO ATMOS ENERGY CORPORATION, A TEXAS AND VIRGINIA CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO CONSTRUCT, MAINTAIN, AND OPERATE PIPELINES AND EQUIPMENT IN THE TOWN OF NORTHLAKE, DENTON COUNTY TEXAS, FOR THE TRANSPORTATION, DELIVERY, SALE, AND DISTRIBUTION OF GAS IN, OUT OF, AND THROUGH SAID TOWN; PROVIDING FOR THE PAYMENT OF A FEE OR CHARGE FOR THE USE OF THE PUBLIC RIGHTS-OF-WAY; AND PROVIDING THAT SUCH FEE SHALL BE IN LIEU OF CERTAIN OTHER FEES AND CHARGES.

WHEREAS, Atmos Energy Corporation ("Grantee") is engaged in the business of providing gas utility service within the Town of Northlake and is using the Public Rights-of-Way for that purpose under the terms of an ordinance granting a franchise agreement and ordinance heretofore duly passed by the governing body of the Town; and

WHEREAS, the franchise will expire on October 28, 2016 and the Town and Grantee desire to enter into a new franchise agreement;

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

SECTION 1. GRANT OF AUTHORITY.

(A) That the Town hereby grants to Grantee consent to use and occupy, subject to the terms hereof, the Public Right-of-Way, for the purpose of laying, maintaining, constructing, protecting, operating, and replacing therein and thereon pipelines and all other appurtenant equipment to deliver, transport and distribute gas in, out of, and through Town for persons, firms, and corporations, including all the general public, and to sell gas to persons, firms, and corporations, including all the general public, within the Town corporate limits, as such limits may be amended from time to time during the term of this Franchise.

(B) The provisions set forth in this Ordinance represent the terms and conditions under which Grantee shall construct, operate, and maintain its System facilities within the Town. Grantee, by its acceptance of this Franchise, agrees that all such lawful regulatory powers –and rights as the same may be from time to time vested in the Town shall be in full force and effect and subject to the exercise thereof by the Town at any time.

(C) This Franchise does not grant to the Grantee the right, privilege or authority to engage in any other activities within the Town other than those set forth in Section 1(A).

SECTION 2. DEFINITIONS.

For the purpose of this Franchise, the following words and phrases shall have meaning given in this section. When not inconsistent with the context, words used in the present tense include future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is mandatory and "may" is permissive. Words not defined in this section shall be given their common and ordinary meaning.

"Affiliate" means any entity controlling, controlled by or under common control with the entity in question. As used in this definition, the term "control" means, with respect to an entity that is a corporation, the ownership, directly or indirectly, of more than 50% of the voting securities of such entity or, with respect to an entity that is not a corporation, the power to direct the management or policies of such entity, whether by operation of law, by contract or otherwise.

"Town" means the municipal corporation designated as the Town of Northlake and includes the territory as currently is or may in the future be included within the boundaries of the Town, with its principal office at 1400 FM 407, Northlake, Texas 76247.

"Franchise" or "Agreement" means the rights and obligations of the Town and the Grantee set forth in this Franchise ordinance, as the same may be amended from time to time, and includes those rights and duties provided under the laws of Texas and of the United States.

"Gas" means such gaseous fuels as natural, artificial, synthetic, liquefied natural gas, liquefied petroleum, manufactured, or any mixture thereof.

"Grantee" means Atmos Energy Corporation, but does not include its affiliates, subsidiaries or any other entity in which it has an ownership interest, with its principal office at 5430 LBJ Freeway, Dallas, Texas 75240.

"Gross Revenues" means all revenue derived or received, directly or indirectly, by the Grantee from or in connection with the operation of the System within the corporate limits of the Town and including, without limitation:

(A) all revenues received by the Grantee from the sale of gas to all classes of customers (excluding gas sold to another gas utility in the Town for resale of gas to its customers within Town) within the Town;

(B) all revenues received by the Grantee from the transportation of gas through the pipeline system of Grantee within the Town to customers located within the Town (excluding any gas transported to another gas utility in Town for the sale of gas to its customers within Town);

(C) the value of gas transported by Grantee for transport customers through the System of Grantee within the Town ("Third Party Sales"), (excluding the value of any gas transported to another gas utility in Town which has executed a franchise agreement with the Town for the sale of gas to its customers within Town), with the value of such gas to be established by utilizing Grantee's monthly weighted average cost of gas charged to industrial customers in the Mid-Tex division, as reasonably as is possible near the time as the transportation service is performed; and

(D) "Gross Revenues" shall also include amounts collected from customers for fees paid to the Town pursuant to this agreement and the following "miscellaneous charges": charges to connect, disconnect, or reconnect gas and charges to handle returned checks from consumers within the Town and State gross receipts fees.

(E) "Gross Revenues" shall not include:

(1) revenues billed but not ultimately collected or received by Atmos Energy;

- (2) contributions in aid of construction;
- (3) the revenue of any affiliate or subsidiary of Atmos Energy;
- (4) sales tax paid to the Town;
- (5) interest or investment income earned by Atmos Energy; and
- (6) monies received from the lease or sale of real or personal property, provided, however, that this exclusion does not apply to the lease of facilities within the Town's right of way.

"Public Rights-of-Way" means the public streets, medians, boulevards, roads, lanes, alleys, highways, public utility easements, viaducts, and bridges across water ways and other public places that are deeded or dedicated to the Town and are available for Grantee's use.

"Railroad Commission" means the Railroad Commission of the State of Texas or other authority succeeding to the regulatory powers of the Railroad Commission.

"Residents" means all persons, businesses, industry, governmental agencies, and any other entity whatsoever, located, in whole or part, within the Town that are or may be served by the Grantee hereunder.

"System" and/ or "System facilities" means all of the Grantee's pipes, pipelines, gas mains, laterals, feeders, regulators, meters, fixtures, connections or other appurtenant equipment used in or incident to providing delivery, transportation, distribution, and sales of natural gas for heating, lighting and power.

SECTION 3. USE OF RIGHT-OF-WAY.

(A) The grant to Grantee in Section 1 is subject to the terms and conditions contained herein, the Texas Constitution, the Town's ordinances, all as amended, and subject to applicable and controlling local, state, and federal laws, including the rules and regulations of any and all agencies thereof, whether presently in force or whether enacted or adopted at any time in the future. This franchise agreement shall in no way affect or impair the rights, obligations, or remedies of the parties under the Texas Public Utility Regulatory Act, other state or federal law, or the Texas Constitution. Nothing herein shall be deemed a waiver, release or relinquishment of either party's right to contest, appeal, or file suit with respect to any action or decision of the other party, including ordinances adopted by the Town, that Grantee believes is in violation of any federal, state, or local law or regulation.

(B) Grantee shall provide reasonable notice to the Town of planned work within the Public Right-of-Way and shall, except in cases of emergency conditions, obtain a permit if required by the Town's ordinances before commencing work. If so required, Grantee shall comply with permitting requirements that do not conflict with this Ordinance; provided however Grantee or contractors working on behalf of Grantee shall not be required to pay fees related to its use of the public right-of-way other than in accordance with Section 7 hereof.

(C) The location of all pipes, mains, laterals, and other equipment shall be subject to approval by the Town Administrator or designee prior to construction; provided however, said approval shall not be unreasonably withheld. In the event of a conflict between the location of the facilities of Grantee and

the location of the facilities of Town or other utility franchisees within the Public Rights-of-Way that cannot be resolved, the Town Administrator or designee shall resolve the conflict and determine the location of the respective facilities. Grantee shall not interfere with power, telephone, cable, or water facilities, sanitary or storm sewer facilities, or other municipal or public use of the Public Right-of-Way. Grantee has the right to request Town Council review of any actions concerning Grantee's use of the Public Right-of-Way. Town shall provide Grantee with its annual capital improvements plan as well as any updates or changes as soon as the plan, update, or change becomes available. Town shall notify Grantee as soon as reasonably possible of any projects that will affect Grantee's facilities located in the Public Rights-of-Way.

(D) The Grantee shall construct, maintain, and operate its System facilities in a manner which provides reasonable protection against injury or damage to persons or property.

(E) When the Grantee is required by Town to remove or relocate its mains, laterals, and other facilities to accommodate construction of streets and alleys by Town, and Grantee is eligible under Federal, State, County, Town or other local agencies or programs for reimbursement of costs and expenses incurred by Grantee as a result of such removal or relocation, and such reimbursement is required to be handled through Town, the Town shall include Grantee costs and expenses in an application by Town for reimbursement only when the Town applies for a grant or program where the eligible relocation costs are delineated separately such that the Town has constructive notice that Grantee relocation costs are eligible for reimbursement and only if Grantee submits a request together with its cost and expense documentation to Town a reasonable time prior to the filing of the application. Town shall provide reasonable notice to Grantee of the deadline for Grantee to submit documentation of the costs and expenses of such relocation to Town. In the event that the Town makes application for and receives reimbursement for a project where the Grantee's relocation costs and expenses are delineated separately as set forth above and does not provide sufficient notice to Grantee as set forth in this paragraph, the Town shall be responsible for fifty percent (50%) of the cost of the removal or relocation of Grantee's facilities. In the event that the Town receives only a portion of any reimbursement costs sought and the reimbursement received is not delineated separately such that Grantee's eligible relocation costs are clearly noted, the Town will reimburse Grantee only after the Town's costs have been paid in full. When Grantee is required to remove or relocate any System facility without reimbursement, Grantee shall have the right to seek recovery of relocation costs as provided for in applicable state and/or federal law. Nothing herein shall be construed to prohibit, alter, or modify in any way the right of Grantee to seek or recover a surcharge from customers for the cost of relocation pursuant to applicable state and/or federal law. Town shall not oppose recovery of relocation costs when Grantee is required by Town to perform relocation. Town shall not require that Grantee document request for reimbursement as a pre-condition to recovery of such relocation costs. Upon receipt of reimbursement from an agency or program as outlined above, the Town shall remit to the Grantee, within thirty (30) days of receipt, its portion related to the relocation or removal of its facilities only if the reimbursement received delineates separately Grantee's eligible relocation costs or the Town's costs have been paid in full. Notwithstanding the foregoing, Town shall not be responsible for reimbursement of any relocation costs if Grantee secures or is eligible to secure reimbursement of eligible costs from any other source other than through a statutory rate mechanism or other rate mechanism adopted by the Town. This paragraph applies exclusively to the Company's recovery of its relocation costs and, except as provided in Section 7(D), nothing herein shall prohibit the Town from denying or opposing a request by Company to increase or modify its other rates, charges, fees, or tariffs

(F) Town may request Grantee to relocate any part of its System facilities installed or maintained in the Public Right-of-Way to accommodate construction or improvement of a highway, road, street, public way, or other public work procured by Town which is not undertaken primarily for beautification or to accommodate a private developer. Grantee and Town agree that a project is not undertaken primarily for beautification unless more than fifty percent of the project costs are allocated to costs unassociated with those required to meet Town standards for highway, road, street, public way, or other public work including costs associated with water, sewer, drainage, paving and subgrade, curb and gutter, and sidewalk construction. Grantee shall be responsible for bearing the costs of such relocation to the extent that proposed Town facilities are determined to be in conflict with Grantee's existing facilities and as permitted by local, state or federal law. Such relocation shall be made by the Grantee within a reasonable period of time not to exceed sixty (60) days after notice of request from Town unless otherwise specifically agreed to by the Town or unless Grantee certifies to the Town in writing that no conflict exists between its facilities and the proposed Town facilities. Should Grantee submit evidence that it is unable to complete the relocation within said time due to no fault of Grantee, the Town Administrator or designee may agree with Grantee to extend such time. Town and Grantee shall collaborate on designs where there is the potential need for facilities to be relocated to a depth of greater than four (4) feet. Should Grantee have concerns regarding whether the requested placement of facilities is unsafe or inconsistent with the gas distribution industry standard safe operating practices, Grantee shall provide the Town with information detailing and substantiating such concerns and work with Town on a solution acceptable to both parties. Should Grantee certify that no conflict exists and it is later determined that Grantee's facilities conflict with proposed Town facilities resulting in a delay in the construction of Town facilities, Grantee shall reimburse Town for all expenses incurred as a result of the delay. Should Grantee agree to relocate any part of its System facilities and fail to perform the relocation causing a delay in the construction of Town facilities, Grantee shall reimburse Town for all expenses incurred as a result of the delay.

(G) Following relocation, Grantee shall repair, according to Town specifications, clean up, and restore to the condition it was in before being disturbed, all Public Rights-of-Way disturbed during the construction and repair of its System at its expense.

(H) The installation and replacement of any System facilities in Public Right-of-Way by the Grantee shall be subject to inspection and approval by the Town. The repair and maintenance of any System Facilities in Public Right-of-way by the Grantee shall be subject to inspection by the Town. The Grantee agrees to cooperate fully with the Town in conducting the inspection. Such inspections shall be conducted within a reasonable time after completion of the project. The Grantee shall promptly perform reasonable remedial action required by the Town pursuant to such an inspection. Notwithstanding anything in this section to the contrary, the authority to regulate and inspect the Grantee's system for compliance with the provisions of Part 192 of Title 49 of the Code of Federal Regulations is hereby reserved to those federal and state authorities having jurisdiction thereunder and nothing herein is intended to confer any such authority to Town unless expressly provided under applicable law.

(I) The Town reserves the right to lay and permit to be laid, power, sewer, Gas, water, and other pipe lines or cables and conduits, and to do and permit to be done, any underground and overhead work that may be deemed necessary or proper by the Town in, across, along, over, and under any Public Right-of-Way occupied by Grantee, and to change any curb or sidewalk or the grade of any street.

(J) If Town abandons any Public Rights-of-Way in which Grantee has facilities, such abandonment shall be conditioned on Grantee's right to maintain its use of the former Public Right-of-

Way and on the obligation of the party to whom the Public Right-of-Way is abandoned to reimburse Atmos Energy for all removal or relocation expenses if Grantee agrees to the removal or relocation of its facilities following abandonment of the Public Right-of-Way. If the party to whom the Public Right-of-Way is abandoned requests Atmos Energy to remove or relocate its facilities and Atmos Energy agrees to such removal or relocation, such removal or relocation shall be done within a reasonable time at the expense of the party requesting the removal or relocation. If relocation cannot practically be made to another Public Right-of-Way, the expense of any right-of-way acquisition shall be considered a relocation expense to be reimbursed by the party requesting the relocation.

SECTION 4. INDEMNIFICATION AND INSURANCE.

(A) IN CONSIDERATION OF THE GRANTING OF THIS FRANCHISE, GRANTEE AGREES TO INDEMNIFY AND HOLD HARMLESS THE TOWN, ITS OFFICERS, AGENTS, AND EMPLOYEES (THE "INDEMNITEES") FROM AND AGAINST ALL SUITS, ACTIONS, LIABILITY, OR CLAIMS OF INJURY TO ANY PERSON OR PERSONS, OR DAMAGES TO ANY PROPERTY BROUGHT OR MADE FOR OR ON ACCOUNT OF ANY DEATH, INJURIES TO, OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR FOR DAMAGE TO OR LOSS OF PROPERTY ARISING OUT OF, OR OCCASIONED BY GRANTEE'S INTENTIONAL OR NEGLIGENT ACTS OR OMISSIONS IN CONNECTION WITH GRANTEE'S OPERATIONS; THIS INDEMNIFICATION SHALL APPLY WHETHER OR NOT THE TOWN, ITS AGENTS, OFFICERS OR EMPLOYEES WERE NEGLIGENT.

(B) IT IS THE INTENT OF THE PARTIES BY AGREEMENT TO THIS SECTION 4 THAT IF A CLAIM IS MADE IN ANY FORUM AGAINST INDEMNITEES FOR ANY OF THE REASONS REFERRED TO IN SECTION 4(A), AND UPON RESOLUTION OF THE CLAIM:

(1) THERE IS NO FINDING BY A COURT OF COMPETENT JURISDICTION THAT INDEMNITEES WERE NEGLIGENT IN CONNECTION WITH ANY OF THE REASONS REFERRED TO IN SECTION 4(A), GRANTEE SHALL HOLD INDEMNITEES HARMLESS AND INDEMNIFY THEM FOR ANY DAMAGE, LOSS, EXPENSE, OR LIABILITY RESULTING FROM THE CLAIM, INCLUDING ALL REASONABLE ATTORNEY'S FEES, COSTS, AND PENALTIES INCURRED; OR

(2) THERE IS A FINDING BY A COURT OF COMPETENT JURISDICTION THAT GRANTEE AND INDEMNITEE WERE BOTH NEGLIGENT IN CONNECTION WITH ANY OF THE REASONS REFERRED TO IN SECTION 4, INDEMNITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

(C) This section does not waive any governmental immunity available to the Town under Texas law. This section is not intended to create a cause of action or liability for the benefit of third parties but is solely for the benefit of the Grantee and the Town. This section is not intended to limit the ability of Town or Grantee to settle claims through alternative dispute resolution.

(D) If any action, suit or proceeding is brought against the Town, its agents and employees, upon any claim arising out of Grantee's operations, Town shall give notice in writing to Grantee by registered or certified mail. The Town agrees to reasonably cooperate with Grantee in connection with such defense.

(E) Promptly after receipt by an Indemnatee of any claim or notice of the commencement of any action, administrative or legal proceeding, or investigation as to which the indemnity provided for in Section 4(A) hereof may apply, the Indemnatee shall notify the Grantee in writing of such fact. Grantee

shall assume the defense thereof with counsel designated by Grantee and reasonably satisfactory to the Indemnitee.

(F) Should an Indemnitee be entitled to indemnification under this Section (4) hereof as a result of a claim by a third party, and Grantee fails to assume the defense of such claim, the Indemnitee will, at the expense of Grantee, contest (or, with the prior written consent of Grantee, settle) such third party claim.

(G) Grantee shall insure its obligations and risks undertaken pursuant to this franchise in the form of a formal plan of self-insurance maintained in accordance with sound accounting and risk-management practices, or, at its option, maintain the following insurance coverages throughout the term of this Franchise:

(1) Commercial general or excess liability with minimum limits of five million dollars (\$5,000,000.00). To the extent that coverage is maintained on a claims made form, the minimum limits are ten million dollars (\$10,000,000) per occurrence and twenty million dollars (\$20,000,000) aggregate. This coverage shall include the following:

- (a) Completed operations to be maintained for one (1) year.
- (b) Personal and advertising injury.
- (c) Contractual liability
- (d) Explosion, collapse, or underground (XCU) hazards.

(2) Automobile liability coverage with a minimum policy limit of one million dollars (\$1,000,000.00) combined single limit. This coverage shall include all owned, hired, and non-owned automobiles. Pollution liability insurance, with a minimum coverage of \$10,000,000 per occurrence shall be provided for bodily injury and property damage resulting from pollutants which are discharged suddenly and accidentally. Such insurance shall provide coverage for clean-up costs.

(H) Prior to commencement of operations pursuant to this Agreement, the Grantee shall furnish the Town with proof of insurance.

(I) The Grantee will require its self-insurance to respond to the same extent as if the Town as an additional insured and waive subrogation rights against the Town.

SECTION 5. GAS SERVICE.

(A) Grantee shall be required to extend distribution mains in any Public Rights-of-Way up to one hundred feet (100') for any one residential customer only if such customer, at a minimum, uses gas for unsupplemented space heating and water heating. Grantee shall not be required to extend transmission mains in any Public Right-of-Way within Town or to make a tap on any transmission main within Town unless Grantee agrees to such extension by a written agreement between Grantee and a customer.

(B) Grantee shall keep and maintain its books, records, contracts, accounts, documents, and papers in any way related to this franchise ordinance and shall make them available for inspection by Town officials and employees upon reasonable notice.

(C) The Grantee shall install, repair, maintain, and replace its Facilities in a good and workmanlike manner.

(D) Grantee shall take such measures which will result in its Facilities meeting the standards required by applicable federal, state, and environmental laws.

SECTION 6. NON-EXCLUSIVE FRANCHISE.

The rights, privileges, and franchises granted by this Ordinance are not to be considered exclusive, and Town hereby expressly reserves the right to grant, at any time, like privileges, rights, and franchises as it may see fit to any other person or corporation for the purpose of transporting, delivering, distributing, or selling gas to and for Town and the inhabitants thereof.

SECTION 7. CONSIDERATION AND METHOD OF PAYMENT.

(A) Grantee shall pay Town on or before the 1st day of April, 2017, and on or before the same day of each succeeding year during the term of this franchise the last payment under the initial term being made on the 1st day of April, 2026, five percent (5%) of the Gross Revenues received by Grantee during the preceding calendar year.

(B) Grantee shall make the initial payment of the Franchise Fee pursuant to this Ordinance for the privilege period from January 1, 2017 through December 31, 2017, based on the Gross Revenues during the preceding calendar year (January 1, 2016 to December 31, 2016). Each subsequent payment shall be made on April 1 based on the calendar year preceding the year in which the payment is made, with the final payment under the initial term being due on April 1, 2026. Payments taking place prior to the effective date of this Ordinance shall be made in accordance with the previous franchise agreement.

(C) Grantee agrees that at the time of each payment, Grantee shall also submit to the Town a statement showing its Gross Revenues for the calendar year in which payment is made from the sale of gas to its customers, including but not limited to residential, commercial, and industrial customers, within said corporate limits, including the amount of revenues received by Grantee for the transportation of gas.

(D) Grantee may file with the Town a tariff or tariff amendment(s) to provide for the recovery of the franchise fees under this agreement. Town agrees that (i) as regulatory authority, it will adopt and approve the ordinance, rates or tariff which provide for 100% recovery of such franchise fees as part of Grantee's rates; (ii) if the Town intervenes in any regulatory proceeding before a federal or state agency in which the recovery of Grantee's franchise fees is an issue, the Town will take an affirmative position supporting 100% recovery of such franchise fees by Grantee and; (iii) in the event of an appeal of any such regulatory proceeding in which the Town has intervened, the Town will take an affirmative position in any such appeals in support of the 100% recovery of such franchise fees by Atmos Energy. Town agrees that it will take no action, nor cause any other person or entity to take any action, to prohibit the recovery of such franchise fees by Grantee. This paragraph applies exclusively to the Town's franchise fees and nothing herein shall prohibit the Town from denying or opposing a request by Company to increase or modify its other rates, charges, fees, or tariffs.

SECTION 8. OTHER TAXES.

(A) It is expressly agreed that the aforesaid payments shall be in lieu of any and all other and

additional occupation taxes, easement, franchise taxes or charges, municipal license, permit and inspection fees, bonds, street taxes, and street or alley rentals or charges except as provided in this section. Payment of the fees and other consideration due hereunder by the Grantee is not accepted by the Town in lieu of any reimbursement of regulatory costs, payment of taxes that are uniform and generally applicable to other persons conducting business within the Town, such as property, sales and use taxes or the costs to repair damages to the Public Right-of-way or to indemnify the Town as required herein. If the Town does not have the legal power to agree that the payment of the foregoing sums of money shall be in lieu of taxes, licenses, fees, street or alley rentals or charges, easement or franchise taxes or charges as aforesaid, then Town agrees that it will apply so much of said sums of money paid as may be necessary to satisfy Grantee's obligations, if any, to pay any such taxes, licenses, charges, fees, rentals, easement or franchise taxes or charges as aforesaid.

(B) Payment of the fees and other consideration due hereunder shall not in any way limit or inhibit any of the privileges of the Town whether under this Franchise ordinance or otherwise.

SECTION 9. TERM.

The initial term of this franchise shall expire at midnight on December 31, 2026. Unless written notice of its intent to renegotiate is provided by either the Town or Atmos at least 180 days prior to the expiration of the term, the franchise shall be extended for up to two (2) additional terms of five (5) years each on the same terms and conditions as set forth herein.

SECTION 10. OTHER FRANCHISES.

If Grantee should at any time after the effective date of this Ordinance agree to a new municipal franchise ordinance, or renew an existing municipal franchise ordinance, with another municipality in the Mid-Tex Division, as it exists on the effective date of this Agreement, which municipal franchise ordinance determines the franchise fee owed to that municipality for the use of its Public Right-of-way in a manner that, if applied to the Town, would result in a franchise fee greater than the amount otherwise due Town under this Ordinance, then the franchise fee to be paid by Grantee to Town pursuant to this Ordinance may, at the election of the Town, be increased so that the amount due and to be paid is equal to the amount that would be due and payable to Town were the franchise fee provisions of that other franchise ordinance applied to Town. The Town acknowledges that the exercise of this right is conditioned upon the Town's acceptance of all terms and conditions of the other municipal franchise *in toto*. The Town may request waiver of certain terms and Grantee may grant, in its sole reasonable discretion, such waiver.

SECTION 11. TOWN RULES AND REGULATION, DOCUMENTS AND REPORTS

(A) The Town expressly reserves, and the Grantee expressly recognizes, the Town's right and duty to adopt, from time to time, in addition to the provisions herein contained, such cost of service, cost of Gas, charter provisions, ordinances, rules, and regulations as the Town deems necessary.

(B) Grantee shall file with the Town, those documents required by law to be filed with the Town, and otherwise, upon Town's request, all tariffs, rules, regulations and policies under consideration with the Railroad Commission relating to the facilities and operations, any matters relating to the System facilities and operations, any matters affecting the use of Public Right-of-Way or this Franchise. Upon request, the Grantee shall provide the Town with a copy of filings it makes with the Railroad Commission affecting the same. In addition, upon request, the Grantee will provide the Town copies of the Grantee's

most recent annual report, all petitions, communication reports, advice letters, audits, complaints, and applications together with supporting pre-filed testimony and exhibits filed by the Grantee or third parties with the Railroad Commission.

SECTION 12. DEFAULT, REMEDIES, TERMINATION.

(A) In addition to all other rights and powers retained by the Town under this Franchise or otherwise, the Town reserves the right to forfeit and terminate the Franchise and all rights and privileges of the Grantee hereunder in the event of a breach of its terms and conditions. A breach by Grantee shall include, but shall not be limited to, the following:

(1) Violation of any provision of the Franchise or any rule, order, regulation or determination of the Town made pursuant to the Franchise;

(2) Attempt to evade any provision of the Franchise or to practice any fraud or deceit upon the Town or its Residents;

(3) Failure to begin or complete Gas facility construction or extension as agreed to with the Town;

(4) Failure to provide the services set forth in the Franchise; or

(5) Material misrepresentation of fact in the application for or negotiation of the Franchise.

(B) The foregoing shall not constitute a breach if the violation occurs without fault of the Grantee or occurs as a result of circumstances beyond its control which could not have been avoided as a result of the exercise of reasonable care. Grantee shall not be excused by mere economic hardship or by misfeasance or malfeasance of its directors, officers or employees.

(C) The Town may make a written demand that the Grantee comply with any such provision, rule, order, or determination under or pursuant to this Franchise. If the violation by the Grantee continues for a period of thirty (30) days following such written demand without written proof that the corrective action has been taken or is being actively and expeditiously pursued, the Town may take under consideration the issue of termination of the Franchise.

(D) If Grantee does not cure the default within such time frame, Town shall notify Grantee in writing of its right to have a hearing before the Town Council to present any objections or defenses Grantee may have that are relevant to the proposed termination. The notice shall specify a hearing date which shall be at least thirty (30) days from the date of the notice. After such hearing, the Town may determine whether to continue or to terminate the franchise. The final decision of the Town Council may be appealed to any court or regulatory authority having jurisdiction. Upon timely appeal by Grantee of the Town Council's decision terminating the franchise, the effective date of such termination shall be either when such appeal is withdrawn or a court order upholding the termination becomes final and unappealable, and until the termination becomes effective, the provisions of this franchise shall remain in effect for all purposes.

(E) Notwithstanding the foregoing, the rights and remedies of Town set forth in this section shall be in addition to, and not in limitation of, any other rights and remedies provided by law or in equity. Town and Grantee understand and intend that such remedies shall be cumulative to the maximum extent permitted by law and the exercise by Town of any one or more of such remedies shall not preclude the exercise by Town, at the same or different times, of any other such remedies for the same breach of this agreement.

(F) The prevailing party in the adjudication of any proceeding relating to this Agreement shall be authorized to recover its reasonable and necessary attorney's fees pursuant to Section 271.159 of the Texas Local Government Code.

SECTION 13. MISCELLANEOUS PROVISIONS.

(A) This Franchise is made for the exclusive benefit of the Town and the Grantee, and nothing herein is intended to, or shall confer any right, claim, or benefit in favor of any third party.

(B) No assignment or transfer of this franchise shall be made, in whole or in part, without approval of the Town Council of the Town unless otherwise superseded by state laws, rules, or regulations or Railroad Commission of Texas action and such approval shall not be unreasonably withheld or delayed; provided however that Grantee may assign this Agreement to an Affiliate without the Town's consent or approval, upon thirty (30) days' notice to the Town. The Town will grant such approval unless assignee is materially weaker than Grantee. For the purpose of this section, "materially weaker" means that the long term unsecured debt rating of the assignee is less than investment grade as rated by both S&P and Moody's. If the assignee is materially weaker, the Town may request additional documents and information reasonably related to the transaction and the legal, financial, and technical qualifications of the assignee. Upon approval or assignment to an Affiliate without approval as provided herein, the rights, privileges, and franchise herein granted to the Grantee shall extend to and include its successors and assigns. The assignment shall not become effective until assignee agrees in writing to be bound by the terms, conditions, provisions, requirements and agreements contained in this franchise.

(C) Any notices required or desired to be given from one party to the other party to this Ordinance shall be in writing and shall be given and shall be deemed to have been served and received (whether actually received or not) if (i) delivered in person to the address set forth below; (ii) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America and sent by certified mail, return receipt requested, and addressed to such party at the address hereinafter specified; or (iii) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.

TOWN
Drew Corn
Town Administrator
Town of Northlake
1400 FM 407
Northlake, Texas 76247

COMPANY
Jan Rugg
Manager of Public Affairs
Atmos Energy
3697 Mapleshade Lane.
Plano, Texas 75075

With a copy to:
Ms. Ashley D. Dierker
Taylor Olson Adkins Sralla & Elam LLP
6000 Western Place, Suite 200
Fort Worth, Texas 76107

(D) Nothing contained herein shall limit or restrict any legal rights that the Town may possess arising from any alleged violation of this Franchise.

(E) Neither the Town nor the Grantee shall be excused from complying with any of the terms and conditions of this Franchise by any failure of the other, or any of its officers, employers, or agents, upon any one or more occasions to insist upon or seek compliance with any such terms and conditions.

(F) The paragraph headings contained in this Ordinance are for convenience only and shall in no way enlarge or limit the scope or meaning of the various paragraphs hereof. Both parties have participated in the preparation of this Ordinance and this Ordinance shall not be construed either more or less strongly against or for either party.

SECTION 14. ACCEPTANCE AND EFFECTIVE DATE.

To accept this Franchise, Grantee must file with the Town Secretary its written acceptance of this franchise ordinance within sixty (60) days after its final passage and approval by Town. If such written acceptance of this franchise ordinance is not filed by Grantee, the franchise ordinance shall be rendered null and void. If Grantee accepts this Ordinance, this Ordinance shall become effective as of the date of approval by the Town. When this Ordinance becomes effective and Grantee makes its first payments due hereunder, any and all previous ordinances of Town granting franchises for gas delivery purposes that were held by Atmos Energy shall be cancelled.

PASSED AND APPROVED this 11 day of August, 2016

Town of Northlake, Texas

Peter Dewing, Mayor

Attest:

Shirley Rogers, Town Secretary

STATE OF TEXAS §
COUNTY OF DENTON §
TOWN OF NORTHLAKE §

I, Shirley Rogers, Town Secretary of the Town of Northlake, Denton County, Texas, do hereby certify that the above and foregoing is a true and correct copy of an ordinance passed by the Town Council of the Town of Northlake, Texas, at a regular session, held on the 11th day of August, 2016, as it appears of record in the Minutes of said regular session.

WITNESS MY HAND AND SEAL OF SAID TOWN, this the 11th day of August, 2016.

Shirley Rogers, Town Secretary
Town of Northlake, Texas

TOWN OF NORTHLAKE

6. Regular Items

- I. Public Hearing on the Proposed Budget for Fiscal Year 2016-17, beginning on October 01, 2016 and ending on September 30, 2017 for the Town of Northlake, Northlake Economic Development Corporation, Northlake Community Development Corporation, Northlake Public Improvement District No. 1 (Harvest), The Highlands Public Improvement District

- J. First public hearing on a proposed Property Tax Rate for Fiscal Year 2016-2017 of \$0.2950 per \$100 valuation to be considered for adoption by the governing body of the Town of Northlake, Texas at the September 8, 2016 meeting. The proposed tax rate would increase total taxes in Northlake by 37.0%

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

cc: Shirley Rogers, Town Secretary
Karen Bolyard, Finance Director

Date: August 11, 2016

Re: Fiscal Year 2016-2017 Proposed and 2015-2016 Revised Budget Hearings

The budget planning session to discuss priorities for the fiscal year 2016-2017 budget was held May 12, 2016. At the budget planning session, City Council set budget goals for the Town. The proposed budgets addresses these goals.

The 2016-2017 Proposed General Fund Budget is based on continuing the 29.5¢ tax rate. Property taxes increased 37% overall with a 42% increase in commercial property values the primary driver. Mineral values continued to fall with a 7% decrease over last year. Residential property values increased 39%. Sales tax revenues have surpassed pre-2008 levels and are at record highs. The current proposed budget is balanced with increased resources dedicated to public safety and public works positions needed to handle increased customer base and activity. A 2-5% across-the-board increase has been proposed which will reach 100% of the 2014 salary survey recommendations.

The proposed budget document was filed with the Town Secretary on July 29th and made available online on the same date at the Town website www.town.northlake.tx.us.

The 2016-2017 Proposed and 2015-2016 Revised Annual Budgets for all funds are:

<u>Fund Title</u>	<u>FY 2016 Revised</u>	<u>FY 2017 Proposed</u>
General Fund	\$3,385,093	\$3,507,366
Capital Projects Fund	\$0	\$6,700,000
Debt Service Fund	\$214,528	\$600,275
Other Special Revenue Funds	\$49,940	\$68,450
Hotel Occupancy Tax Fund	\$91,916	\$88,965
Economic Development Corporation	\$428,801	\$104,503
Community Development Corporation	\$435,102	\$102,674
Utility Fund	\$1,895,042	\$2,606,897
Utility Impact Fees Fund	\$748,472	\$160,522
Utility Capital Projects Fund	\$26,182	\$25,882

Fiscal Year 2016-2017 Proposed and 2015-2016 Revised Budget Hearings

July 28, 2016

Page 2 of 2

<u>Fund Title</u>	<u>FY 2016 Revised</u>	<u>FY 2017 Proposed</u>
Equipment Services Fund	\$173,185	\$565,492
Building Services Fund	\$187,343	\$145,460
PID #1 (Harvest)	\$146,300	\$309,900
PID #2 (The Highlands)	\$277,525	\$291,825
TIRZ #1 (Canyon Falls)	\$0	\$78,900

A detailed presentation was made to Council at the July 28th Council meeting. The budget hearing is to be held on August 11, 2016 with budget adoption to be considered on September 9, 2016.

Please contact me at 940.242.5701 if you have any questions or comments.

**TOWN OF NORTHLAKE, TEXAS
FISCAL YEAR BUDGET 2016-2017**

The Town of Northlake, Texas, will hold a public hearing to hear comments for or against a proposed budget for the fiscal year 2016-2017 on August 11, 2016, at 5:30 pm at Town Hall-Chamber Room, 1400 FM 407, Northlake, Texas

This budget will raise more total property taxes than last year's budget by \$304,514 or 37.0%, and of that amount \$164,953 is a revenue increase from new property added to tax roll this year.

A copy of the 'draft' proposed budget will be filed with the Town Secretary on 7-29-16 by the Town Administrator

Memo

To: Honorable Mayor and Town Council
From: Drew Corn, Town Administrator
cc: Shirley Rogers, Town Secretary
Karen Bolyard, Finance Director
Date: August 11, 2016
Re: First Public Hearing on Proposed Tax Rate for Fiscal Year 2016-2017

At the July 28th Northlake Town Council meeting, Council proposed a tax rate of 29.5¢. Per State statute, if a municipality imposes a tax rate that exceeds the effective tax rate, the municipality is required to have a record vote to place a proposal to adopt the tax rate on the agenda of a future meeting as an action item. The effective tax rate for 2016 is 27.88¢, which is lower than the proposed tax rate of 29.5¢ therefore per State statute the Town Council is required to hold two tax rate public hearings. As a reminder, the effective tax rate is the rate that would be applied to the previous year's property tax values that would provide the same amount of revenue as the current tax year.

The first tax rate public hearing will be held on August 11, 2016 and the second tax rate public hearing on August 25, 2016. State law requires that a tax rate be adopted no sooner than 3 days and no later than 14 days after the second public hearing. The tax rate adoption is scheduled for consideration at the September 9, 2016 Council meeting.

Per State law, a "Notice of Public Hearing on Tax Increase" has published in the Fort Worth Star Telegram as a quarter page ad seven days prior to the first tax rate public hearing or August 4, 2016. The notice included a comparison of the proposed tax rate with current year's tax rate. A copy of the notice accompanies this coversheet.

Please contact me at 940.242.5701 if you have any questions or comments.

NOTICE OF 2016 TAX YEAR PROPOSED PROPERTY TAX RATE FOR TOWN OF NORTHLAKE

A tax rate of \$0.295000 per \$100 valuation has been proposed by the governing body of TOWN OF NORTHLAKE.

This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of TOWN OF NORTHLAKE proposes to use revenue attributable to the tax rate increase for the purpose of adding new police and public works positions, financing reconstruction of roadways.

PROPOSED TAX RATE	\$0.295000 per \$100
PRECEDING YEAR'S TAX RATE	\$0.295000 per \$100
EFFECTIVE TAX RATE	\$0.278769 per \$100
ROLLBACK TAX RATE	\$0.331616 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for TOWN OF NORTHLAKE from the same properties in both the 2015 tax year and the 2016 tax year.

The rollback tax rate is the highest tax rate that TOWN OF NORTHLAKE may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES
CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Michelle French
Denton County Tax Assessor-Collector
1505 E McKinney Street Denton, TX
940-349-3500
michelle.french@dentoncounty.com
tax.dentoncounty.com

You are urged to attend and express your views at the following public hearings on proposed tax rate:

First Hearing: 08/11/2016 5:30 PM at
Town Hall 1400 FM 407 Northlake, TX
Second Hearing: 08/25/2016 5:30 PM at
Town Hall 1400 FM 407 Northlake, TX

TOWN OF NORTHLAKE

7. TIRZ Board Meeting

NOTICE OF MEETING
TOWN OF NORTHLAKE BOARD OF DIRECTORS
TAX INCREMENT REINVESTMENT ZONE NUMBER ONE
1400 FM 407-Chamber Room
Northlake Texas 76247

NOTICE IS HEREBY GIVEN that the Board of Directors of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (the "Zone"), will hold a public meeting to commence at 5:30 pm on August 11, 2016 at Northlake Town Hall, 1400 FM 407, Northlake Texas 76247

The matters to be considered and acted upon at the meeting will include the following:

1. Call meeting to order
2. Approval of June 9, 2016 Meeting Minutes
3. Canyon Falls Trails Update
4. Adjourn the meeting

CERTIFICATE

I HEREBY CERTIFY that the above and foregoing is a true, full and correct copy of a notice that was posted on a bulletin board located at a place at Northlake Town Hall, 1400 FM 407, Northlake Texas 76247, convenient to the public at all times at 4:00 pm on August 5, 2016

A handwritten signature in black ink, reading "Shirley Rogers". The signature is written in a cursive, flowing style.

Shirley Rogers
Town Secretary

**MEETING MINUTES OF THE BOARD OF DIRECTORS OF TAX INCREMENT
REINVESTMENT ZONE NUMBER ONE, TOWN OF NORTHLAKE, TEXAS**

The Board of Directors of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (the "Zone"), convened in a meeting at 7:09 p.m. on June 9, 2016 at the Northlake Town Hall, 1400 FM 407, Northlake, Texas 76247, and notice of the meeting, giving the time and place thereof having been given to each member of the Board of Directors and posted in compliance with applicable law, including Chapter 551, Texas Government Code. The roll of the duly constituted members of the Board of Directors was called, which members are as follows, to-wit:

Peter Dewing, Chairman
Danny Simpson, Director
Jean Young, Director
Mike McBride, Director
Michael Ganz, Director
Roger Sessions, Director

and all of such persons were present thus constituting a quorum of the Board of Directors.

Meeting Minutes and Adoption of Proposed FY 2017 Budget

The Board of Directors considered the approval of minutes of January 14, 2016 organizational meeting and the adoption of FY 2017 Proposed Budget. By motion duly made by Director Danny Simpson, seconded by Director Jean Young and carried by a unanimous vote of all directors present, the Board of Directors approved the meeting minutes and the adoption of the FY 2017 Proposed Budget by Resolution No. TIRZ 16-03, which Budget shall be submitted for the approval by the Town Council of the Town of Northlake, Texas during their meeting on August 11, 2016.

Adjournment

There being no further business to come before the Board of Directors, the meeting was adjourned at 7:11 pm.

Approved on August 11, 2016

Tax Increment Financing Zone Number One

Peter Dewing, Chairman

Mike McBride, Secretary

TOWN OF NORTHLAKE

8. Executive Session

The Town Council may enter into Executive Session during the meeting to seek legal advice from its attorney on any posted agenda item, or to discuss any item that is authorized by the Texas Open Meetings Act to be discussed in closed session including:

- a. Section 551.071 authorizes a governmental body to consult with its attorney in an executive session to seek his or her advice on legal matter. It provides as follows: A governmental body may not conduct a private consultation with its attorney except:
 - 1) when the governmental body seeks the advice of its attorney about:
 - (a) pending or contemplated litigation; or
 - i) 'Town of Northlake vs City of Justin (Cause No. 15-08170-367)
- b. Section 551.072 deliberates the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person
 - 1) Town Hall Space Lease
- c. Section 551.087 deliberations regarding economic development negotiations
 - 1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from, a business prospect that the governmental body seeks to have locate, stay, expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or
 - 2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision
 - i) Potential Water Tower Site