



**City of Willow Park  
City Council  
Regular Meeting  
Public Safety Building  
101 Stagecoach Trail, Willow Park, TX 76087  
Tuesday, February 9, 2016 at 7:00 p.m.  
Agenda**

**\*\*Please note that the meeting has moved to the Community Center at the Public Safety Building due to construction at City Hall.\*\***

**Section I – Presentations**

- 1. Call to Order**
- 2. Determination Of Quorum**
- 3. Invocation & Pledge of Allegiance**
- 4. Special Recognitions**
- 5. Citizen Presentations & Public Comment**

**Section II – Consent Agenda**

All items listed below are considered to be routine by the City Council and will be enacted with one motion. There will be no separate discussion of the items unless a Councilmember so requests, in which event the item will be removed from the consent agenda and considered in its normal sequence.

- 6. Approve and Act on Consent Agenda**
  - A. Approve City Council Meeting Minutes – January 12, 2015**

**Section III – Planning & Development**

No P&Z Items this month (8 items expected in March)

**Section IV- Public Works Items**

- 7. Discussion/Action: Receive Public Works & Capital Projects Report (Public Works Director Steve Martin)**

**Section V- General Items**

- 8. Discussion: Receive Bond Advisory Board recommendation concerning General Obligation Bond(s) for Road Improvements and new Public Safety Building (Mayor Richard Neverdousky)**

9. Discussion/Action: Act on Resolution 02-16 - authorizing the City to call and hold a Bond Election on May 7, 2016, a uniform election date, for the purpose of issuing, selling and delivering general Obligation Bonds to finance: (i) construction, improvement, demolition or other related actions for public safety facilities; and/or (ii) constructing, improving, maintaining streets, thoroughfares, bridges or any other necessary or related structures or ancillary functions. (City Attorney Rider Scott)
  
10. Discussion/Action: Receive the Annual Report of the Fire Department (Fire Chief Brent Sauble )
  - A. Annual Fire Activity Report
  - B. Status of Dispatch Conversion
  - C. Status of Fleet Improvements
  - D. Projected Staffing Needs based on Call Volume
  
11. Discussion: Discuss implementation of a fee to be imposed for the mobilization and dispatch of the Willow Park Fire Rescue personnel and equipment, in response to a municipal event or emergency and contracting with a third party to collect the fee. (Fire Chief Brent Sauble )

#### **Section VI – Council Requested Items**

12. Discussion/Action: Discuss a proposed agreement with Republic Services for Solid Waste collection services (Mayor Neverdousky) – **Item may be tabled until final contract has been reviewed by the City Attorney**
  
13. Discussion/Action: To revise and update regulations related to burn bans and use of fire to clear property for development (Councilmember James Mullins)
  
14. Discussion/Action – to act on Res. No. 03-16 providing authorization for Texas Coalition for Affordable Power, Inc. (TCAP) to negotiate an electric supply agreement for a term of five years for delivery to the City electric service, effective January 1, 2018; authorizing TCAP to act as an agent of the City for said purposes; committing to purchase the City’s electric power needs through the TCAP approved Agreement and to appropriate sufficient funds to do so during the term of the Agreement; and, providing for an effective date.

#### **Section VII - Informational**

15. Mayor & Council Member Announcements
  
16. City Administrator’s Report
  - A. City Hall Remodel
  - B. Litigation Ruling
  - C. Town Hall Meeting – Thursday, March 3, 2016
  - D. Chamber of Commerce Spotlight
  - E. National Incident Management System (NIMS) & CPR training

#### **Section VIII – Executive Session**

The City Council reserves the right to adjourn into executive session at any time during the course of the this meeting to discuss an matters listed on the agenda, as authorized by the Texas Government Code, including, but not limited to, Sections 55.1071 (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),418.175-183 (Deliberations about Homeland Security Issues), and as authorized by the Texas Tax Code, including, but not limited, Section 321.3022 (Sales Tax Information). The City Council may take action on any agenda item listed for executive session consideration upon reconvening in open session.

**17. Executive Session**

- A. Personnel – Position Classifications & Salary Survey
- B. Personnel – City Administrator Agreement
- C. Economic Development - Development Agreement(s)

**Section IX – Adjournment**

**18.** Discussion/Action: Authorize and Approve City Administrator Agreement with Matthew Brandon Shaffstall (Mayor Neverdousky)

**19.** Adjournment

I certify that the above notice of this meeting posted on the bulletin board at the municipal complex of the City of Willow Park, Texas on or before February 5, 2016 at 6:00 pm

Josh Armstrong  
City Secretary, City of Willow Park

If you plan to attend this public meeting and you have a disability that requires special arrangements at this meeting, please contact City Secretary’s Office at (817) 441-7108 ext. 4 or fax (817) 441-6900 at least two (2) working days prior to the meeting so that appropriate arrangements can be made.

Zone	Condition	Street	Street (Start)	Street (End)	Linear Feet	Street Type	Type of Replacement	Ribbon Curb	Cost Estimate	Drainage Contingency	Engineering Contingency	Overall
2016 Bond	1	Ranch House Road	Navajo Trail	End of Previous	2,250	Major Collector	Reconstruction	Yes	\$289,250	\$28,925	\$33,750	\$351,925
	4	Ranch House Road	Navajo Trail	Regent Row	2,600	Major Collector	Reconstruction	Yes	\$334,250	\$33,425	\$39,000	\$406,675
	*	Ranch House Road	Regent Row	Fox Hunt	5,808	Major Collector	Reconstruction	Yes	\$746,676	\$74,668	\$87,120	\$908,464
	4	Spanish Oak Cherokee	Ranch House Road	End	800	Local	Reconstruction	No	\$70,000	\$7,000	\$11,600	\$88,600
	1	Court	Navajo Trail	End	500	Local	Reconstruction	No	\$43,750	\$4,375	\$7,250	\$55,375
	1	Navajo Trail	Ranch House Road	End	1,000	Local	Reconstruction	No	\$87,450	\$8,745	\$14,500	\$110,695
	5	Lori Drive	Regent Row	Curve	1,250	Local	Reconstruction	No	\$109,350	\$10,935	\$18,125	\$138,410
	5	Fairway Drive	Ranch House Road	Fairway Court	1,500	Local	Overlay	No	\$87,700	\$8,770	\$19,500	\$115,970
	3	Fairway Court	Fairway Drive	End	200	Local	Reconstruction	No	\$17,500	\$1,750	\$2,900	\$22,150
									\$1,785,926	\$178,593	\$233,745	<b>\$2,198,264</b>



City of Willow Park  
516 Ranch House Rd.  
Willow Park, Texas 76087  
Phone: (817) 441-7108 · Fax: (817) 441-6900

**To:** Honorable Mayor Neverdousky and members of the Willow Park City Council

**From:** Matt Shaffstall, City Administrator

**Date:** February 3, 2016

**Item Number:** 9

**Subject:** 2016 May General Obligation Bond

### **Detail Memo**

**City Council Action Requested:** Call a bond election for capital improvements the May 2016 Uniform Election

**Background Information:** There are four options for the City Council to consider:

Option 1 (Bond Committee Recommendation): Call two separate bonds, one for \$4.5 million for a public safety building and one for \$2.2 million for streets.

Option 2: Combine the proposals into a single bond, but decrease the overall size of the bond by decreasing the number of streets replaced and downgrading the level of construction for the public safety building.

Option 3: Stagger the bonds. Call one bond election now, and plan on calling the next bond election in three years.

Option 4: None of the above. The City Council is under no obligation to call a bond election. To address these capital needs the city would then need to raise the Maintenance & Operation (M&O) portion of the ad valorem property tax rate annually to operate on a pay-as-you go basis.

The city has very little debt capacity over the next five years and any additional debt financing will result increasing the city's Interest & Sinking (I&S) portion of the ad valorem property tax rate.

Staff is concerned the overall cost of the combine projects is too high for the voters to accept at one time and risks the rejection of both projects. The combined projects would likely result in a seven cent tax increase, which would cost the average homeowner \$141.89 per year or \$11.82 per month.

Staff feels a more cautious approach would be Option 3 to stagger the bonds. It's council discretion on which project should occur first. Erick Macha, the city's financial



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advisor, is working up separate financial model for this option under the premise of capping the I&S tax rate at 21 cents, a tax increase to four cents, which would cost the average property owner \$81.08 per year or \$6.76 per month

**Board/Citizen Input:** Bond Committee recommendation (proceeding item)

**Financial Consideration:** Up to \$6.7 million, and 4 to 7 cent tax rate increase

**Attachment(s):** Resolution 02-16, Tax Analysis worksheets

# Bond Election Calendar for Texas Cities

May 2016 Election	Action
February 7	Earliest date to call for Bond Election
<b>February 19</b>	<b>Last day to call for Bond Election</b>
April 7	First day to publish notice of election
April 7	Last day for voter registration
April 18	Last day to post notice of election
April 25	First day of Early Voting
April 27	Last day to publish notice of election
May 3	Last day of Early Voting
<b>May 7</b>	<b>Election Day</b>
May 10	Earliest day to canvass election
May 18	Last day to canvass election

Schedule 1

Willow Park, Texas

2016 Bond Election - Tax Impact Analysis

\$4,605,000 Public Safety - \$2,275,000 Streets/Roads

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
FYE	Taxable Assessed Valuation	Growth	Existing Tax Supported Debt Service <sup>(1)</sup>	Calculated I&S Tax Rate <sup>(2)</sup>	\$4,500,000 Proceeds - Public Safety 8/15/2016 Delivery - 4.51%			\$2,200,000 Proceeds - Streets/Roads 8/15/2016 Delivery - 3.49%			Aggregate Tax Supported Debt Service	Calculated I&S Tax Rate <sup>(2)</sup>	Amount Needed to Maintain \$0.21 Tax Rate	FYE
					Principal	Interest	Debt Service	Principal	Interest	Debt Service				
2016	\$ 370,000,000		\$ 552,814	0.1700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 552,814	0.1700		2016
2017	379,250,000	2.50%	632,385	0.1701	-	198,880	198,880	-	76,590	76,590	907,855	0.2443	\$ 127,359	2017
2018	390,627,500	3.00%	640,631	0.1673	-	198,880	198,880	-	76,590	76,590	916,101	0.2393	112,190	2018
2019	396,486,913	1.50%	666,245	0.1715	-	198,880	198,880	-	76,590	76,590	941,715	0.2424	125,745	2019
2020	400,451,782	1.00%	678,952	0.1730	-	198,880	198,880	-	76,590	76,590	954,422	0.2432	130,292	2020
2021	404,456,299	1.00%	700,559	0.1767	-	198,880	198,880	-	76,590	76,590	976,029	0.2462	143,658	2021
2022	408,500,862	1.00%	642,513	0.1605	-	198,880	198,880	-	76,590	76,590	917,983	0.2293	77,288	2022
2023	412,585,871	1.00%	669,784	0.1657	-	198,880	198,880	-	76,590	76,590	945,254	0.2338	96,152	2023
2024	416,711,730	1.00%	74,898	0.0183	125,000	197,036	322,036	245,000	72,976	317,976	714,910	0.1751	-	2024
2025	420,878,847	1.00%	73,507	0.0178	130,000	193,210	323,210	255,000	65,474	320,474	717,190	0.1739	-	2025
2026	425,087,636	1.00%	72,116	0.0173	135,000	189,068	324,068	265,000	57,345	322,345	718,528	0.1725	-	2026
2027	429,338,512	1.00%	60,832	0.0145	140,000	184,598	324,598	285,000	48,403	333,403	718,832	0.1708	-	2027
2028	433,631,897	1.00%	64,601	0.0152	145,000	179,823	324,823	290,000	38,770	328,770	718,194	0.1690	-	2028
2029	437,968,216	1.00%	63,317	0.0148	150,000	174,733	324,733	300,000	28,590	328,590	716,640	0.1670	-	2029
2030	442,347,898	1.00%	62,033	0.0143	155,000	169,318	324,318	315,000	17,670	332,670	719,021	0.1659	-	2030
2031	446,771,377	1.00%	65,696	0.0150	160,000	163,528	323,528	320,000	6,000	326,000	715,223	0.1634	-	2031
2032	451,239,091	1.00%			165,000	157,351	322,351				322,351	0.0729	-	2032
2033	455,751,482	1.00%			175,000	150,631	325,631				325,631	0.0729	-	2033
2034	460,308,997	1.00%			180,000	143,353	323,353				323,353	0.0717	-	2034
2035	464,912,087	1.00%			185,000	135,686	320,686				320,686	0.0704	-	2035
2036	469,561,207	1.00%			195,000	127,514	322,514				322,514	0.0701	-	2036
2037	474,256,820	1.00%			205,000	118,404	323,404				323,404	0.0696	-	2037
2038	478,999,388	1.00%			215,000	108,429	323,429				323,429	0.0689	-	2038
2039	483,789,382	1.00%			225,000	97,979	322,979				322,979	0.0681	-	2039
2040	488,627,275	1.00%			235,000	87,054	322,054				322,054	0.0673	-	2040
2041	493,513,548	1.00%			250,000	75,535	325,535				325,535	0.0673	-	2041
2042	498,448,684	1.00%			260,000	63,293	323,293				323,293	0.0662	-	2042
2043	503,433,170	1.00%			275,000	50,319	325,319				325,319	0.0659	-	2043
2044	508,467,502	1.00%			285,000	36,739	321,739				321,739	0.0646	-	2044
2045	513,552,177	1.00%			300,000	22,553	322,553				322,553	0.0641	-	2045
2046	518,687,699	1.00%			315,000	7,639	322,639				322,639	0.0635	-	2046
			<u>\$ 5,720,880</u>		<u>\$ 4,605,000</u>	<u>\$ 4,225,948</u>	<u>\$ 8,830,948</u>	<u>\$ 2,275,000</u>	<u>\$ 871,358</u>	<u>\$ 3,146,358</u>	<u>\$ 17,698,185</u>		<u>\$ 812,683</u>	

(1) Includes portion of existing Series 2010, Series 2012 and all of Series 2015.

(2) Tax collection percentage of 98.0%. Actual I&S rate for FY 2016.

Maximum:	0.2462
Increase Above FY 2016:	0.0762

Schedule 2

Willow Park, Texas

2016 Bond Election - Tax Impact Analysis

\$2,275,000 Streets/Road - \$4,605,000 Public Safety

A FYE	B Taxable Assessed Valuation	C Growth	D Existing Tax Supported Debt Service <sup>(1)</sup>	E Calculated I&S Tax Rate <sup>(2)</sup>	F \$2,200,000 Proceeds - Streets/Roads 8/15/2016 Delivery - 3.47%			I \$4,500,000 Proceeds - Public Safety 8/15/2019 Delivery - 5.49%			L Aggregate Tax Supported Debt Service	M Calculated I&S Tax Rate <sup>(2)</sup>	N Amount Needed to Maintain \$0.21 Tax Rate	O FYE
					Principal	Interest	Debt Service	Principal	Interest	Debt Service				
2016	\$ 370,000,000		\$ 552,814	0.1700	\$ -	\$ -	\$ -				\$ 552,814	0.1700		2016
2017	379,250,000	2.50%	632,385	0.1701	75,000	72,851	147,851				780,236	0.2099	\$ -	2017
2018	390,627,500	3.00%	640,631	0.1673	90,000	71,153	161,153				801,784	0.2094	-	2018
2019	396,486,913	1.50%	666,245	0.1715	80,000	69,265	149,265	\$ -	\$ -	\$ -	815,510	0.2099	-	2019
2020	400,451,782	1.00%	678,952	0.1730	-	68,345	68,345	-	241,673	241,673	988,970	0.2520	164,840	2020
2021	404,456,299	1.00%	700,559	0.1767	-	68,345	68,345	-	241,673	241,673	1,010,577	0.2550	178,205	2021
2022	408,500,862	1.00%	642,513	0.1605	-	68,345	68,345	-	241,673	241,673	952,530	0.2379	111,835	2022
2023	412,585,871	1.00%	669,784	0.1657	-	68,345	68,345	-	241,673	241,673	979,802	0.2423	130,700	2023
2024	416,711,730	1.00%	74,898	0.0183	220,000	65,100	285,100	95,000	239,986	334,986	694,984	0.1702	-	2024
2025	420,878,847	1.00%	73,507	0.0178	225,000	58,424	283,424	95,000	236,566	331,566	688,497	0.1669	-	2025
2026	425,087,636	1.00%	72,116	0.0173	235,000	51,233	286,233	100,000	232,958	332,958	691,306	0.1659	-	2026
2027	429,338,512	1.00%	60,832	0.0145	255,000	43,265	298,265	105,000	229,009	334,009	693,105	0.1647	-	2027
2028	433,631,897	1.00%	64,601	0.0152	260,000	34,638	294,638	110,000	224,708	334,708	693,946	0.1633	-	2028
2029	437,968,216	1.00%	63,317	0.0148	270,000	25,493	295,493	115,000	220,065	335,065	693,875	0.1617	-	2029
2030	442,347,898	1.00%	62,033	0.0143	280,000	15,728	295,728	115,000	215,178	330,178	687,938	0.1587	-	2030
2031	446,771,377	1.00%	65,696	0.0150	285,000	5,344	290,344	125,000	209,955	334,955	690,994	0.1578	-	2031
2032	451,239,091	1.00%						130,000	204,280	334,280	334,280	0.0756	-	2032
2033	455,751,482	1.00%						135,000	198,250	333,250	333,250	0.0746	-	2033
2034	460,308,997	1.00%						140,000	191,820	331,820	331,820	0.0736	-	2034
2035	464,912,087	1.00%						150,000	184,858	334,858	334,858	0.0735	-	2035
2036	469,561,207	1.00%						155,000	177,306	332,306	332,306	0.0722	-	2036
2037	474,256,820	1.00%						165,000	169,144	334,144	334,144	0.0719	-	2037
2038	478,999,388	1.00%						170,000	160,433	330,433	330,433	0.0704	-	2038
2039	483,789,382	1.00%						180,000	151,155	331,155	331,155	0.0698	-	2039
2040	488,627,275	1.00%						190,000	140,878	330,878	330,878	0.0691	-	2040
2041	493,513,548	1.00%						205,000	129,521	334,521	334,521	0.0692	-	2041
2042	498,448,684	1.00%						215,000	117,446	332,446	332,446	0.0681	-	2042
2043	503,433,170	1.00%						230,000	104,653	334,653	334,653	0.0678	-	2043
2044	508,467,502	1.00%						240,000	91,140	331,140	331,140	0.0665	-	2044
2045	513,552,177	1.00%						255,000	76,781	331,781	331,781	0.0659	-	2045
2046	518,687,699	1.00%						270,000	61,425	331,425	331,425	0.0652	-	2046
2047	523,874,576	1.00%						285,000	45,191	330,191	330,191	0.0643	-	2047
2048	529,113,322	1.00%						305,000	27,934	332,934	332,934	0.0642	-	2048
2049	534,404,455	1.00%						325,000	9,506	334,506	334,506	0.0639	-	2049
			\$ 5,720,880		\$ 2,275,000	\$ 785,871	\$ 3,060,871	\$ 4,605,000	\$ 5,016,834	\$ 9,621,834	\$ 18,403,585		\$ 585,580	

(1) Includes portion of existing Series 2010, Series 2012 and all of Series 2015.

(2) Tax collection percentage of 98.0%. Actual I&S rate for FY 2016.

Maximum:	0.2550
Increase Above FY 2016:	0.0850

Schedule 2a  
Willow Park, Texas

2016 Bond Election - Tax Impact Analysis  
\$2,275,000 Streets/Roads - \$1,260,000 Public Safety (Capacity)

A FYE	B Taxable Assessed Valuation	C Growth	D Existing Tax Supported Debt Service <sup>(1)</sup>	E Calculated I&S Tax Rate <sup>(2)</sup>	F \$2,200,000 Proceeds - Streets/Roads 8/15/2016 Delivery - 3.47%			I \$1,200,000 Proceeds - Public Safety 8/15/2019 Delivery - 5.47%			L Aggregate Tax Supported Debt Service	M Calculated I&S Tax Rate <sup>(2)</sup>	N Amount Needed to Maintain \$0.21 Tax Rate	O FYE
					Principal	Interest	Debt Service	Principal	Interest	Debt Service				
2016	\$ 370,000,000		\$ 552,814	0.1700	\$ -	\$ -	\$ -				\$ 552,814	0.1700		2016
2017	379,250,000	2.50%	632,385	0.1701	75,000	72,851	147,851				780,236	0.2099	\$ -	2017
2018	390,627,500	3.00%	640,631	0.1673	90,000	71,153	161,153				801,784	0.2094	-	2018
2019	396,486,913	1.50%	666,245	0.1715	80,000	69,265	149,265	\$ -	\$ -	\$ -	815,510	0.2099	-	2019
2020	400,451,782	1.00%	678,952	0.1730	-	68,345	68,345	10,000	64,853	74,853	822,150	0.2095	-	2020
2021	404,456,299	1.00%	700,559	0.1767	-	68,345	68,345	-	64,705	64,705	833,609	0.2103	-	2021
2022	408,500,862	1.00%	642,513	0.1605	-	68,345	68,345	25,000	64,293	89,293	800,150	0.1999	-	2022
2023	412,585,871	1.00%	669,784	0.1657	-	68,345	68,345	25,000	63,455	88,455	826,584	0.2044	-	2023
2024	416,711,730	1.00%	74,898	0.0183	220,000	65,100	285,100	25,000	62,586	87,586	447,584	0.1096	-	2024
2025	420,878,847	1.00%	73,507	0.0178	225,000	58,424	283,424	25,000	61,686	86,686	443,617	0.1076	-	2025
2026	425,087,636	1.00%	72,116	0.0173	235,000	51,233	286,233	25,000	60,761	85,761	444,109	0.1066	-	2026
2027	429,338,512	1.00%	60,832	0.0145	255,000	43,265	298,265	25,000	59,799	84,799	443,895	0.1055	-	2027
2028	433,631,897	1.00%	64,601	0.0152	260,000	34,638	294,638	30,000	58,698	88,698	447,936	0.1054	-	2028
2029	437,968,216	1.00%	63,317	0.0148	270,000	25,493	295,493	30,000	57,460	87,460	446,270	0.1040	-	2029
2030	442,347,898	1.00%	62,033	0.0143	280,000	15,728	295,728	30,000	56,185	86,185	443,946	0.1024	-	2030
2031	446,771,377	1.00%	65,696	0.0150	285,000	5,344	290,344	30,000	54,880	84,880	440,919	0.1007	-	2031
2032	451,239,091	1.00%						35,000	53,433	88,433	88,433	0.0200	-	2032
2033	455,751,482	1.00%						35,000	51,840	86,840	86,840	0.0194	-	2033
2034	460,308,997	1.00%						35,000	50,204	85,204	85,204	0.0189	-	2034
2035	464,912,087	1.00%						40,000	48,403	88,403	88,403	0.0194	-	2035
2036	469,561,207	1.00%						40,000	46,423	86,423	86,423	0.0188	-	2036
2037	474,256,820	1.00%						45,000	44,254	89,254	89,254	0.0192	-	2037
2038	478,999,388	1.00%						45,000	41,914	86,914	86,914	0.0185	-	2038
2039	483,789,382	1.00%						45,000	39,529	84,529	84,529	0.0178	-	2039
2040	488,627,275	1.00%						50,000	36,888	86,888	86,888	0.0181	-	2040
2041	493,513,548	1.00%						55,000	33,869	88,869	88,869	0.0184	-	2041
2042	498,448,684	1.00%						55,000	30,706	85,706	85,706	0.0175	-	2042
2043	503,433,170	1.00%						60,000	27,400	87,400	87,400	0.0177	-	2043
2044	508,467,502	1.00%						65,000	23,806	88,806	88,806	0.0178	-	2044
2045	513,552,177	1.00%						65,000	20,036	85,036	85,036	0.0169	-	2045
2046	518,687,699	1.00%						70,000	16,088	86,088	86,088	0.0169	-	2046
2047	523,874,576	1.00%						75,000	11,846	86,846	86,846	0.0169	-	2047
2048	529,113,322	1.00%						80,000	7,313	87,313	87,313	0.0168	-	2048
2049	534,404,455	1.00%						85,000	2,486	87,486	87,486	0.0167	-	2049
			\$ 5,720,880		\$ 2,275,000	\$ 785,871	\$ 3,060,871	\$ 1,260,000	\$ 1,315,795	\$ 2,575,795	\$ 11,357,546		\$ -	

(1) Includes portion of existing Series 2010, Series 2012 and all of Series 2015.  
(2) Tax collection percentage of 98.0%. Actual I&S rate for FY 2016.

Maximum: 0.2103  
Increase Above FY 2016: 0.0403

Schedule 3

Willow Park, Texas

2016 Bond Election - Tax Impact Analysis

\$4,605,000 Public Safety - \$2,275,000 Streets/Roads

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
FYE	Taxable Assessed Valuation	Growth	Existing Tax Supported Debt Service <sup>(1)</sup>	Calculated I&S Tax Rate <sup>(2)</sup>	\$4,500,000 Proceeds - Public Safety 8/15/2016 Delivery - 4.51%			\$2,200,000 Proceeds - Streets/Roads 8/15/2019 Delivery - 4.58%			Aggregate Tax Supported Debt Service	Calculated I&S Tax Rate <sup>(2)</sup>	Amount Needed to Maintain \$0.21 Tax Rate	FYE
					Principal	Interest	Debt Service	Principal	Interest	Debt Service				
2016	\$ 370,000,000		\$ 552,814	0.1700	\$ -	\$ -	\$ -				\$ 552,814	0.1700		2016
2017	379,250,000	2.50%	632,385	0.1701	-	198,880	198,880				831,265	0.2237	\$ 50,769	2017
2018	390,627,500	3.00%	640,631	0.1673	-	198,880	198,880				839,511	0.2193	35,600	2018
2019	396,486,913	1.50%	666,245	0.1715	-	198,880	198,880	\$ -	\$ -	\$ -	865,125	0.2227	49,155	2019
2020	400,451,782	1.00%	678,952	0.1730	-	198,880	198,880	-	100,980	100,980	978,812	0.2494	154,682	2020
2021	404,456,299	1.00%	700,559	0.1767	-	198,880	198,880	-	100,980	100,980	1,000,419	0.2524	168,048	2021
2022	408,500,862	1.00%	642,513	0.1605	-	198,880	198,880	-	100,980	100,980	942,373	0.2354	101,678	2022
2023	412,585,871	1.00%	669,784	0.1657	-	198,880	198,880	-	100,980	100,980	969,644	0.2398	120,542	2023
2024	416,711,730	1.00%	74,898	0.0183	125,000	197,036	322,036	70,000	99,738	169,738	566,671	0.1388	-	2024
2025	420,878,847	1.00%	73,507	0.0178	130,000	193,210	323,210	70,000	97,218	167,218	563,934	0.1367	-	2025
2026	425,087,636	1.00%	72,116	0.0173	135,000	189,068	324,068	75,000	94,534	169,534	565,717	0.1358	-	2026
2027	429,338,512	1.00%	60,832	0.0145	140,000	184,598	324,598	90,000	91,350	181,350	566,779	0.1347	-	2027
2028	433,631,897	1.00%	64,601	0.0152	145,000	179,823	324,823	90,000	87,750	177,750	567,174	0.1335	-	2028
2029	437,968,216	1.00%	63,317	0.0148	150,000	174,733	324,733	95,000	83,933	178,933	566,982	0.1321	-	2029
2030	442,347,898	1.00%	62,033	0.0143	155,000	169,318	324,318	100,000	79,788	179,788	566,138	0.1306	-	2030
2031	446,771,377	1.00%	65,696	0.0150	160,000	163,528	323,528	100,000	75,438	175,438	564,661	0.1290	-	2031
2032	451,239,091	1.00%			165,000	157,351	322,351	505,000	61,875	566,875	889,226	0.2011	-	2032
2033	455,751,482	1.00%			175,000	150,631	325,631	525,000	38,438	563,438	889,069	0.1991	-	2033
2034	460,308,997	1.00%			180,000	143,353	323,353	555,000	13,181	568,181	891,534	0.1976	-	2034
2035	464,912,087	1.00%			185,000	135,686	320,686				320,686	0.0704	-	2035
2036	469,561,207	1.00%			195,000	127,514	322,514				322,514	0.0701	-	2036
2037	474,256,820	1.00%			205,000	118,404	323,404				323,404	0.0696	-	2037
2038	478,999,388	1.00%			215,000	108,429	323,429				323,429	0.0689	-	2038
2039	483,789,382	1.00%			225,000	97,979	322,979				322,979	0.0681	-	2039
2040	488,627,275	1.00%			235,000	87,054	322,054				322,054	0.0673	-	2040
2041	493,513,548	1.00%			250,000	75,535	325,535				325,535	0.0673	-	2041
2042	498,448,684	1.00%			260,000	63,293	323,293				323,293	0.0662	-	2042
2043	503,433,170	1.00%			275,000	50,319	325,319				325,319	0.0659	-	2043
2044	508,467,502	1.00%			285,000	36,739	321,739				321,739	0.0646	-	2044
2045	513,552,177	1.00%			300,000	22,553	322,553				322,553	0.0641	-	2045
2046	518,687,699	1.00%			315,000	7,639	322,639				322,639	0.0635	-	2046
			<u>\$ 5,720,880</u>		<u>\$ 4,605,000</u>	<u>\$ 4,225,948</u>	<u>\$ 8,830,948</u>	<u>\$ 2,275,000</u>	<u>\$ 1,227,160</u>	<u>\$ 3,502,160</u>	<u>\$ 18,053,987</u>		<u>\$ 680,473</u>	

(1) Includes portion of existing Series 2010, Series 2012 and all of Series 2015.

(2) Tax collection percentage of 98.0%. Actual I&S rate for FY 2016.

Maximum:	0.2524
Increase Above FY 2016:	0.0824

## Homeowner Tax Impact

Taxable Home Value		2 cent I&S Tax Rate Increase		4 cent I&S Tax Rate Increase		6 cent I&S Tax Rate Increase		8 cent I&S Tax Rate Increase	
		Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly
\$	25,000	\$ 5.00	\$ 0.42	\$ 10.00	\$ 0.83	\$ 15.00	\$ 1.25	\$ 20.00	\$ 1.67
	50,000	10.00	0.83	20.00	1.67	30.00	2.50	40.00	3.33
	75,000	15.00	1.25	30.00	2.50	45.00	3.75	60.00	5.00
	100,000	20.00	1.67	40.00	3.33	60.00	5.00	80.00	6.67
	125,000	25.00	2.08	50.00	4.17	75.00	6.25	100.00	8.33
	150,000	30.00	2.50	60.00	5.00	90.00	7.50	120.00	10.00
	175,000	35.00	2.92	70.00	5.83	105.00	8.75	140.00	11.67
	200,000	40.00	3.33	80.00	6.67	120.00	10.00	160.00	13.33



City of Willow Park  
516 Ranch House Road  
Willow Park, Texas 76087  
Phone: (817) 441-7108 · Fax: (817) 441-6900

**To:** Honorable Mayor Neverdousky and members of the Willow Park City Council

**From:** Chief Brent Sauble

**Date:** January 27, 2016

**Item Number:** TBD

**Subject:** Fire Recovery USA, Services Agreement and Ordinance

### **Detail Memo**

**City Council Action Requested:** Approve Service Agreement with Fire Recovery USA, and Ordinance allowing fire department to bill non-residence for fire and rescue services.

**Background Information:** The City of Willow Park Fire/Rescue Department responds to multiple motor vehicle accidents, vehicle fires, and rescue calls annually that are located on Interstate 20 or surrounding areas of the City limits of Willow Park. The fire department does not currently bill for any services. This ordinance and agreement would allow the fire department to bill **non-citizens** insurance companies for fire and rescue response. This would include motor vehicle accidents on Interstate 20, vehicle fires on interstate 20, fluid spills on interstate 20 or any company that spills fluids on Willow Park roadways. The fire department has already purchased the software through Fire House incident reporting system that would allow us to do this. The department would submit the reports that could be billed through Fire Recovery USA. The department would make sure that no City of Willow Park citizens are billed for any services rendered to them. This is a billing system for **non-citizens** only.

**Board/Citizen Input:** None

**Financial Consideration:** Recoup cost of non-citizen response for fire and rescue services.

**Attachment(s)** Fire Recovery USA, LLC Agreement, Sample Ordinance

## SERVICES AGREEMENT

This Services Agreement ("Agreement") is made effective as of \_\_\_\_\_, 2016 ("Effective Date"), by and between **FIRE RECOVERY USA, LLC**, a California limited liability company ("Company"), and **Willow Park Fire Rescue**, ("Fire Department"). The Company and Fire Department are referred to herein individually as a "party" and collectively as the "parties."

### RECITALS

WHEREAS, Company engages in the business of performing billing services ("Company Services") for United States Fire Departments in connection with the motor vehicle incidents and other emergency incidents at which the fire departments provide emergency services: and

WHEREAS, Fire Department seeks the services of Company to assist with the billing for services that Fire Department provides in connection with motor vehicle incidents and other emergency incidents; and

WHEREAS, Company and Fire Department desire to enter into this Agreement to memorialize their agreements regarding the Company Services to be provided to Fire Department.

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company and Fire Department agree as follows:

### ARTICLE 1 ENGAGEMENT

1.1. Engagement: Fire Department hereby engages Company to provide the Company Services described in Article 4 herein, and Fire Department hereby accepts such engagement, all on the terms and conditions set forth herein. Company will determine the method, detail and means of performing the services detailed below.

### ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1. Representations and Warranties of Company: Company hereby represents and warrants to Fire Department that, at all times during the term of this Agreement, Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California.

2.2. Representations and Warranties of Fire Department: Fire Department hereby represents and warrants to Company that, at all times during the term of this Agreement, Fire Department is a organized fire department established pursuant to the laws and ordinances of the state in which Fire Department is located.

**ARTICLE 3  
COMPANY STATUS AND QUALIFICATIONS**

3.1. Independent Contractor: Company enters into this Agreement, and will remain throughout the term of the Agreement, as an independent contractor. Company agrees that it will not become an employee, partner, agent or principal of Fire Department while this Agreement is in effect.

3.2. Payment of Income Taxes: Company is responsible for paying when due all income taxes, including estimated taxes, incurred as a result of the compensation paid by Fire Department to Company for services rendered under this Agreement. On request, Company will provide Fire Department with proof of timely payment. Company agrees to indemnify fire Department for any claims, costs, losses, fees, penalties, interest, or damages suffered by Fire Department resulting from Company's failure to comply with this provision.

3.3. Use of Employees or Subcontractors: Company may, at Company's own expense, use any employees or subcontractors as Company deems necessary to perform the services required of Company by this Agreement. Fire Department may not control, direct, or supervise Company's employees or subcontractors in the performance of those services.

3.4. Qualifications: Company represents that it is qualified and has the skills necessary to perform the services under this Agreement in a competent and professional manner, without the advice or direction of Fire Department.

3.5. Ownership Interest: Company will have no ownership interest in Fire Department.

3.6. No Benefit Contributions: Company shall have no obligation under this Agreement to compensate or pay applicable taxes or provide employee benefits of any kind to any person employed or retained by Fire Department.

3.7. Attorney-in-Fact: Fire Department appoints Company as Fire Department's attorney-in-fact for the following purposes:

- (a) Billing and Collections: To bill and collect ("Collections") all revenue earned by and due to Fire Department, in connection with Fire Department's provision of emergency services provided/rendered at the sites of motor vehicle incidents and other emergency incidents, and to receive all Collections on Fire Department's behalf and to sue for and give satisfaction for monies due on account and to withdraw any claims, suits, or proceedings pertaining to or arising out of Company's or Fire Department's right to collect such amounts; and
- (b) Endorsement: To take possession of and endorse in Fire Department's name any notes, checks, money orders, and any other instruments received as Collections.

**ARTICLE 4  
GENERAL RESPONSIBILITIES OF COMPANY**

4.1. Minimum Amount of Service: Company agrees to devote as much time and attention to the performance of the Company Services under this Agreement as may be, in

Company's sole discretion, required to accomplish the tasks described herein to accomplish the results for which the Company is responsible under this Agreement.

4.2. Company Services: Company agrees to perform the Company Services as set forth in the "List of Company Services" attached hereto as Schedule "A" and incorporated herein by reference; including those additional services requested by Fire Department and accepted in writing by the Company during the term of this Agreement.

4.3. Non-Exclusive Relationship: Company may represent, perform services for, and contract with as many additional clients, persons, or companies as Company, in Company's sole discretion, sees fit.

4.4. Time and Place of Performing Work: Company may perform the services under this Agreement at any suitable time and location Company chooses.

4.5. Materials and Equipment: Company will supply all materials and equipment required to perform the services under this Agreement.

4.6. Workers' Compensation: Company agrees to provide workers' compensation insurance for Company and Company's employees and agents and agrees to hold harmless and indemnify Fire Department for any and all claims arising out of any injury, disability, or death of any of Company's employees or agents.

4.7. Assignment: Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Company without the prior written consent of Fire Department, which consent shall not be unreasonably withheld.

## **ARTICLE 5 COMPENSATION OF COMPANY**

5.1. Compensation for Company Services: All Company Services provided pursuant to this Agreement will be provided in accordance with the terms, including compensation amounts and schedule of remittance, set forth in the "List of Company Services," attached hereto as Schedule A.

5.2. The provisions of Article 11 of this Agreement will govern any dispute associated with compensation.

## **ARTICLE 6 OBLIGATIONS OF FIRE DEPARTMENT**

6.1. Cooperation of Fire Department: The Fire Department agrees to comply with all reasonable requests of Company and provide access to all documents reasonably necessary to the performance of Company's duties under this Agreement. The Fire Department shall be responsible for initially insuring, and continuing to review, local and state laws in the Fire Department's jurisdiction to assure adequate legal authority for Company to engage in the Services described herein on behalf of Fire Department.

6.2. Assignment: Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Fire Department without the prior written consent of Company, which consent shall not be unreasonably withheld.

## **ARTICLE 7 FIRE DEPARTMENT AUTHORIZATION**

7.1. Authorization: Notwithstanding other provisions of this Agreement, Company shall obtain authorization from Fire Department prior to performing any of the following:

- (a) The sale conveyance, transfer, pledge exchange, assignment, hypothecation, or encumbrance of Fire Department's interest in any sums owed to Fire Department; and
- (b) All other limitations as stated by the terms of this Agreement.

## **ARTICLE 8 TERMINATION OF AGREEMENT**

8.1. Termination on Notice: Notwithstanding any other provision of this Agreement, either party may terminate this Agreement at any time by giving thirty days (30) written notice to the other party. Unless earlier terminated as set forth below, this Agreement shall be effective as of the date first set out above and shall continue for a period of one (1) year thereafter. This Agreement shall automatically renew for successive one (1) year periods, unless either party provides written notification to the other party of its decision not to renew this Agreement.

8.2. Termination on Occurrence of Stated Events: This Agreement will terminate automatically on the occurrence of any of the following events;

- (a) Bankruptcy or insolvency of either party;
- (b) The assignment of this Agreement by either party without the consent of the other party; the parties agree that neither party will unreasonably withhold consent to such an assignment.

8.3. Termination for Default: If either party defaults in the performance of this Agreement or materially breaches any of its provisions, the non-breaching party may terminate this Agreement by giving written notification to the breaching party. Termination will take effect immediately on receipt of notice by the breaching party or five days (5) after mailing of notice, whichever occurs first. For the purposes of this paragraph, material breach of this Agreement includes, but is not limited to, the following:

- (a) Company's failure to complete the services specified in the Description of Services;
- (b) Fire Department's material breach of any representation, warranty or agreement contained in this Agreement;
- (c) Company's material breach of any representation, warranty or agreement contained in this Agreement;

- (d) Fire Department's yearly billable run volume is at or below six runs (6).

## **ARTICLE 9 PROPRIETARY RIGHTS**

9.1. Confidential Information: Any written, printed, graphic, or electronically or magnetically recorded information furnished by Fire Department for Company's use are the sole property of Fire Department. This proprietary information includes, but is not limited to, customer requirements, customer lists, marketing information, and information concerning the Fire Department's employees, products, services, prices, operations, and subsidiaries. Company will keep this confidential information in the strictest confidence, and will not disclose it by any means to any person except with the Fire Department's approval, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to Company's employees, agents, and subcontractors. On termination of this Agreement, Company will return any confidential information in Company's possession to Fire Department.

9.2 Confidential Information: Any written, printed, graphic, electronically or magnetically recorded information, computer-based hardware, software, applications, software scripts, or software links furnished by Company for Fire Department's use are the sole property of Company. This proprietary information includes, but is not limited to, customer requirements, customer lists, marketing information, and information concerning the Company's employees, products, services, prices, operations, and subsidiaries. Fire Department will keep this confidential information in the strictest confidence, and will not disclose it by any means to any person except with the Company's approval, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to Fire Department's employees, agents, and subcontractors. On termination of this Agreement, Fire Department will return any confidential information in Fire Department's possession to Company.

## **ARTICLE 10 INDEMNIFICATION**

10.1. Indemnification: To the extent permitted by applicable law, the Company will indemnify and hold the Fire Department harmless from and against any and all loss, damage, liability, claims and/or injury resulting from all negligent actions performed by the Company, or its agents on the Company's behalf, in connection with this Agreement. However, this indemnification shall not apply with respect to any legal cause, action or consequential liability or losses as a result from inaccurate or incomplete information or unfounded or unreasonable submissions furnished to the Company by the Fire Department nor shall it apply to any act, omission or negligence of the Fire Department.

## **ARTICLE 11 GENERAL PROVISIONS**

11.1. Governing Law: This Agreement shall be governed in all respects by the laws of the State of California, without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction that would cause the application of the laws of any jurisdiction other than the State of California).

11.2. Entire Agreement: This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understanding of the parties.

11.3. Successors and Assigns: Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. No party may assign any of its rights or obligations hereunder without the express written consent of the other party hereto, which consent may not be unreasonably withheld; provided, however, any party may assign any and all of its rights and interests hereunder to one or more of its affiliates and designate one or more of its affiliates to perform its obligations hereunder; provided, however, that such party remains liable for full and total performance of its obligations hereunder.

11.4. Notices: Any notices authorized to be given hereunder shall be in writing and deemed given, if delivered personally or by overnight courier, on the date of delivery, if a Business Day, or if not a business day, on the first Business Day following delivery, or if mailed, three days after mailing by registered or certified mail, return receipt requested, and in each case, addressed, as follows:

If to the Company to:

Fire Recovery USA, LLC  
2271 Lava Ridge Court, Suite 120  
Roseville CA 95661  
Attention: Craig Nagler

with a copy to:

The Watkins Firm, APC  
4275 Executive Square, Suite 1020  
La Jolla, CA 92037  
Attention: Chris Popov, Esq.

If to Fire Department to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

with a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

Or, if delivered by telecopy, on a Business Day before 4:00 PM local time of addressee, on transmission confirmed electronically, or if at any other time or day on the first Business Day succeeding transmission confirmed electronically, to the facsimile numbers provided above, or to such other address or telecopy number as any party shall specify to the other, pursuant to the foregoing notice provisions. When used in this Agreement, the term "Business Day" shall mean a day other than a Saturday, Sunday or a Federal Holiday.

11.5. Waiver; Amendments: This Agreement, and the Transaction Documents, (i) set forth the entire agreement of the parties respecting the subject matter hereof, (ii) supersede any prior and contemporaneous understandings, agreements, or representations by or among the parties, written or oral, to the extent they related in any way to the subject matter hereof, and (iii) may not be amended orally, and no right or obligation of any party may be altered, except as expressly set forth in a writing signed by such party.

11.6. Counterparts: This Agreement may be signed in several counterparts.

11.7. Expenses: Each party shall bear its own expenses incurred with respect to the preparation of this Agreement and the consummation of the transactions contemplated hereby.

11.8. Arbitration:

(a) If at any time there shall be a dispute arising out of or relating to any provision of this Agreement, any Transaction Document or any agreement contemplated hereby or thereby, such dispute shall be submitted for binding and final determination by arbitration in accordance with the regulations then obtaining of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) resulting from such arbitration shall be in writing, and shall be final and binding upon all involved parties. The site of any arbitration shall be at a site agreed to by the parties and the arbitration decision can be enforced in a "court of competent jurisdiction".

(b) This arbitration clause shall survive the termination of this Agreement, any Transaction Document and any agreement contemplated hereby or thereby.

11.9. Waiver of Jury Trial; Exemplary Damages: THE PARTIES HERETO HEREBY WAIVE THEIR RIGHTS TO TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS AGREEMENT OR ANY TRANSACTION DOCUMENT. NO PARTY SHALL BE AWARDED PUNITIVE OR OTHER EXEMPLARY DAMAGES RESPECTING ANY DISPUTE ARISING UNDER THIS AGREEMENT OR ANY TRANSACTION DOCUMENT CONTEMPLATED HEREBY.

11.10 Cooperative Purchases: This Agreement may be used by other government agencies. Company has agreed to offer similar serves to other agencies under the same or similar terms and conditions as stated herein except that the revenue share percentage (Compensation) may be negotiated between the Company and other agencies based on the specific revenue expectations, agency reimbursed costs, and other agency requirements. The City/County/or Fire Department/Protection District will in no way whatsoever incur any liability in relation to specifications, delivery, payment, or any other aspect of purchase by other agencies.

*Signatures on following page:*

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

**COMPANY:**

**FIRE RECOVERY USA, LLC.**  
**a California limited liability company**

By: \_\_\_\_\_

Name: M. Craig Nagler

Title: Manager

**FIRE DEPARTMENT:**

**Willow Park Fire Rescue**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **SCHEDULE A**

### **LIST OF COMPANY SERVICES**

1. Fire Recovery USA agrees to bill the responsible party on the Fire Department's behalf for services provided/rendered during motor vehicle incidents and other emergency incidents. The billing rates (mitigation fees) are listed as EXHIBIT A, but may change over time. Fire Recovery USA will provide notice to Fire Department of changes in billing rates.
2. Fire Recovery USA will provide, as a normal matter of business; entry of claims and submission to the responsible party, collections of monies deemed due to the Fire Department, payments of the agreed upon percentage of said monies to Fire Department, and reporting of progress.
3. Fire Recovery agrees to bill to the best of its ability all claims provided to Fire Recovery USA by the Fire Department.
4. Fire Recovery USA will not begin litigation against a person, entity, or insurance carrier without prior written approval by the Fire Department.
5. Fire Recovery USA agrees to reimburse Fire Department a portion of the monies collected at a rate of 80 percent of the total monies collected on the Fire Department's claims.
6. Fire Recovery USA agrees to pay these monies collected to the Fire Department on a monthly or quarterly basis (at the option of the Fire Department), within seven (7) working days after the close and accounting of the monthly (or quarterly) billing cycle.
7. Fire Recovery USA agrees to make available reports via a password protected website to the Fire Department which detail billable claims outstanding (which are claims submitted, but not yet completed) and claims completed in the prior billing cycle.
8. Fire Recovery USA will not be responsible for, nor accept any liability for, any erroneous, invalid, or illegal procedure codes or claims submitted to Fire Recovery USA by the Fire Department on the Run Sheets.

## EXHIBIT A

### **MITIGATION RATES BASED ON PER HOUR**

The mitigation rates below are average “billing levels”, and are typical for the incident responses listed, however, when a claim is submitted, it will be itemized and based on the actual services provided.

#### **MOTOR VEHICLE INCIDENTS**

##### **Level 1 - \$435.00**

Provide hazardous materials assessment and scene stabilization. This will be the most common “billing level”. This occurs almost every time the fire department responds to an accident/incident.

##### **Level 2 - \$495.00**

Includes Level 1 services as well as clean up and material used (sorbents) for hazardous fluid clean up and disposal. We will bill at this level if the fire department has to clean up any gasoline or other automotive fluids that are spilled as a result of the accident/incident.

##### **Level 3 – CAR FIRE - \$605.00**

Provide scene safety, fire suppression, breathing air, rescue tools, hand tools, hose, tip use, foam, structure protection, and clean up gasoline or other automotive fluids that are spilled as a result of the accident/incident.

#### **ADD-ON SERVICES:**

##### **Extrication - \$1,305.00**

Includes heavy rescue tools, ropes, airbags, cribbing etc. This charge will be added if the fire department has to free/remove anyone from the vehicle(s) using any equipment. We will not bill at this level if the patient is simply unconscious and fire department is able to open the door to access the patient. This level is to be billed only if equipment is deployed.

##### **Creating a Landing Zone - \$400.00**

Includes Air Care (multi-engine company response, mutual aid, helicopter). We will bill at this level any time a helicopter landing zone is created and/or is utilized to transport the patient(s).

**Itemized Response:** You have the option to bill each incident as an independent event with custom mitigation rates, for each incident using, itemized rates deemed usual, customary and reasonable (UCR). These incidents will be billed, itemized per apparatus, per personnel, plus products and equipment used.

#### **ADDITIONAL TIME ON-SCENE**

Engine billed at \$400 per hour.

Truck billed at \$500 per hour.  
Miscellaneous equipment billed at \$300.

## **HAZMAT**

### **Level 1 - \$700.00**

**Basic Response:** Claim will include engine response, first responder assignment, perimeter establishment, evacuations, set-up and command.

### **Level 2 - \$2,500.00**

**Intermediate Response:** Claim will include engine response, first responder assignment, hazmat certified team and appropriate equipment, perimeter establishment, evacuations, set-up and command, Level A or B suit donning, breathing air and detection equipment. Set-up and removal of decon center.

### **Level 3 - \$5,900.00**

**Advanced Response:** Claim will include engine response, first responder assignment, hazmat certified team and appropriate equipment, perimeter establishment, evacuations, first responder set-up and command, Level A or B suit donning, breathing air and detection equipment and robot deployment. Set-up and removal of decon center, detection equipment, recovery and identification of material. Disposal and environment clean up. Includes above in addition to any disposal rates of material and contaminated equipment and material used at scene. Includes 3 hours of on scene time - **each additional hour @ \$300.00 per HAZMAT team.**

### **ADDITIONAL TIME ON-SCENE (for all levels of service)**

Engine billed at \$400 per hour.  
Truck billed at \$500 per hour.  
Miscellaneous equipment billed at \$300

## **FALSE ALARM BILLING RATES**

- (a) The first (3) false alarms within twelve months in a calendar year is free of charge.
- (b) The fourth false alarm in a twelve-month calendar year is billed at \$100.00.
- (c) The fifth false alarm in a twelve-month calendar year is billed at \$200.00.
- (d) The sixth through the eighth false alarms in a twelve month calendar year are billed at \$300.00 per event not exceed \$500.00 per calendar day.

## **FIRE INVESTIGATION**

**Fire Investigation Team - \$275.00 per hour.**  
**Includes:**

- Scene Safety
- Investigation
- Source Identification
- K-9/Arson Dog Unit
- Identification Equipment
- Mobile Detection Unit
- Fire Report

**The claim begins when the Fire Investigator responds to the incident and is billed for logged time only.**

### **FIRES**

**Assignment - \$400.00 per hour, per engine / \$500.00 per hour, per truck**

#### **Includes:**

- Scene Safety
- Investigation
- Fire / Hazard Control

This will be the most common “billing level”. This occurs almost every time the fire department responds to an incident.

**OPTIONAL: A fire department has the option to bill each fire as an independent event with custom mitigation rates.**

**Itemized, per person, at various pay levels and for itemized products use.**

### **ILLEGAL FIRES**

**Assignment - \$400.00 per hour, per engine / \$500.00 per hour, per truck**

When a fire is started by any person or persons that requires a fire department response during a time or season when fires are regulated or controlled by local or state rules, provisions or ordinances because of pollution or fire danger concerns, such person or persons will be liable for the fire department response at a cost not to exceed the actual expenses incurred by the fire department to respond and contain the fire. Similarly, if a fire is started where permits are required for such a fire and the permit was not obtained and the fire department is required to respond to contain the fire the responsible party will be liable for the response at a cost not to exceed the actual expenses incurred by the fire department. The actual expenses will include direct labor, equipment costs and any other costs that can be reasonably allocated to the cost of the response.

### **WATER INCIDENTS**

### **Level 1**

**Basic Response:** Claim will include engine response, first responder assignment, perimeter establishment, evacuations, first responder set-up and command, scene safety and investigation (including possible patient contact, hazard control). This will be the most common "billing level". This occurs almost every time the fire department responds to a water incident.

**Billed at \$400 plus \$50 per hour, per rescue person.**

### **Level 2**

**Intermediate Response:** Includes Level 1 services as well as clean up and material used (sorbents), minor hazardous clean up and disposal. We will bill at this level if the fire department has to clean up small amounts of gasoline or other fluids that are spilled as a result of the incident.

**Billed at \$800 plus \$50 per hour, per rescue person.**

### **Level 3**

**Advanced Response:** Includes Level 1 and Level 2 services as well as D.A.R.T. activation, donning breathing apparatus and detection equipment. Set up and removal of decon center, detection equipment, recovery and identification of material. Disposal and environment clean up. Includes above in addition to any disposal rates of material and contaminated equipment and material used at scene.

**Billed at \$2,000 plus \$50 per hour per rescue person, plus \$100 per hour per HAZMAT team member.**

### **Level 4**

**Itemized Response:** You have the option to bill each incident as an independent event with custom mitigation rates for each incident using itemized rates deemed usual, customary and reasonable (UCR). These incidents will be billed, itemized, per trained rescue person, plus rescue products used.

### **BACK COUNTRY OR SPECIAL RESCUE**

**Itemized Response:** Each incident will be billed with custom mitigation rates deemed usual, customary and reasonable (UCR). These incidents will be billed, itemized per apparatus per hour, per trained rescue person per hour, plus rescue products used.

**Minimum billed \$400 for the first response vehicle plus \$50 per rescue person. Additional rates of \$400 per hour per response vehicle and \$50 per hour per rescue person.**

### **CHIEF RESPONSE**

This includes the set-up of Command, and providing direction of the incident. This could include operations, safety, and administration of the incident.

**Billed at \$250 per hour.**

**MISCELLANEOUS / ADDITIONAL TIME ON-SCENE**

Engine billed at \$400 per hour.

Truck billed at \$500 per hour.

Miscellaneous equipment billed at \$300.

**MITIGATION RATE NOTES**

The mitigation rates above are average “billing levels”, and are typical for the incident responses listed, however, when a claim is submitted, it will be itemized and based on the actual services provided.

These average mitigation rates were determined by itemizing costs for a typical run (from the time a fire apparatus leaves the station until it returns to the station) and are based on the actual costs, using amortized schedules for apparatus (including useful life, equipment, repairs, and maintenance) and labor rates (an average department’s “actual personnel expense” and not just a firefighter's basic wage). The actual personnel expense includes costs such as wages, retirement, benefits, workers comp, insurance, etc.

**LATE FEES**

If the invoice is not paid within 90 days, a Late Charge of 10% of the invoice, as well as 1.5% per month, as well as the actual cost of the collections, will be assessed to the responsible party.

## **Authorizing TCAP to Procure Electricity for 2018-2022**

This resolution is designed to support the second of several opportunities for TCAP members to contract for electricity for the post-2017 time period. If interested in contracting for a five-year term (2018-2022) during 2016, the authorizing resolution must be passed by the governing body of the interested TCAP member by February 25, 2016. The deadline will allow definition of the load to be served under each of three different electric supply options, which must be at least a minimum of 50 megawatts. Also, the deadline will give the wholesale provider ample opportunity to lock a fixed-price, equal to or less than a specific benchmark for each ERCOT zone, before June 30, 2016. When that supply scenario is locked, each member that passed the authorizing resolution must immediately sign a contract for that power. Please Note: The draft resolution is in Word and blanks must be filled in to identify the member, the preferred supply option and several individuals by name or position who will sign the contract when the appropriate price point is reached.

### **Explanation of Whereas Clauses:**

#### **What is TCAP?**

As reflected in the fourth and seventh Whereas clauses, TCAP is a non-profit, political subdivision corporation, owned and controlled by its 171 political subdivision members, the vast majority of whom are cities. TCAP was formed in 2011 from the merger of Cities Aggregation Power Project (“CAPP”) and South Texas Aggregation Project (“STAP”), both of which were created in 2001, shortly before retail deregulation became effective on January 1, 2002. TCAP is governed by a 15 member board of directors, all of whom must be city employees or elected city officials. Typically, board members have been mayors, city managers, assistant city managers, finance directors or city attorneys.

#### **Market Benefits of TCAP**

An individual city, citizen or commercial customer can only purchase power directly from a Retail Electric Provider (“REP”) which under Texas law exists to give the impression of a competitive market. REPs cannot generate electricity, nor can they own wires. REPs are unnecessary middlemen between the wholesale and retail markets. As reflected in the second and fourth Whereas clauses, TCAP, as a political subdivision corporation, uniquely can go directly to the wholesale market. CAPP and STAP, prior to their merger into TCAP, separated contracts between a wholesale supplier and an independent REP, providing TCAP consultants with greater insight into the margins of various market participants than would be possible for most consumers. A broker or a REP would hand a form contract to an individual consumer. In the case of TCAP, no form contract is acceptable and, because of the size of TCAP’s load, both wholesale suppliers and REPs are willing to negotiate contract terms that are beneficial to TCAP members, enabling the refunds members have consistently received, special terms for adds and deletes, including an ability to add new loads at current market prices even if the market price is lower than the price of the master agreement.

## **TCAP's benefits regarding pricing**

TCAP's membership consumes approximately 1.4 billion kWh annually which amounts to approximately \$100 million in revenue for the wholesale provider at current contract prices. The value of the aggregated load is extremely appealing to wholesale market participants, enabling TCAP to get the market competitive pricing at any particular moment. As reflected in the third Whereas clause, in addition to the size of its load, TCAP derives benefit from geographic diversity. TCAP members reside in all four ERCOT zones and are spread between the entire length and breadth of Texas, from Wichita Falls to Harlingen and Fort Stockton to Palestine. Since consumption is influenced by weather and since weather conditions are seldom the same across all of Texas, it is unlikely that all TCAP members are reaching peak consumption simultaneously. If the peaks of all TCAP members were totaled, the sum would equal 313.1 MW. But a wholesale supplier looks at the peak consumption of TCAP as an aggregated load rather than the sum of the peaks of all members. TCAP's peak demand is 246.9 MW. That reduction in peak is a specific and unique benefit of aggregation. And unlike other aggregation groups that accept counties and school districts as members, TCAP has focused its membership on cities and other political subdivisions that have a relationship with cities to maintain the very favorable load factor of cities with high off peak consumption from street lights which provides favorable pricing terms.

## **History of CAPP, STAP, TCAP pricing**

As reflected in the fifth and eighth Whereas clauses, aggregated cities have historically been interested in flat, fixed-price, full-requirements contracts and price stability. The resolution under consideration maintains that goal for a five-year period at a price much lower than the current contract price. In 2002, CAPP and STAP were able to obtain prices for energy at 4 cents per kWh. Very quickly after retail deregulation was implemented, natural gas prices started to rise, and they continued on an upward trend until late 2008. In late 2008, CAPP cities were paying approximately 13.5 cents per kWh. Fear that natural gas price volatility would continue to result in high electricity rates, CAPP cities were excited to lock-in long term rates beginning in 2009 that were significantly lower than prices experienced in the 2007-2008 time frame. STAP cities experienced their highest rate in 2006 at slightly more than 9 cents per kWh. STAP cities saw prices drop to around 7.8 cents per kWh in 2008 and were happy to find a contract that would stabilize prices in the 7 to 8 cent range for an extended period. When CAPP and STAP members signed new contracts in late 2008, no one could have predicted that the economy was about to enter a multi-year recession and that fracking would bring a glut of natural gas to a market with reduced demand, putting natural gas and electricity prices into a downward trend. Fortunately, gas prices have continued to drop and now TCAP members have an opportunity to again capture rates in the range of, and hopefully below, 4 cents per kWh.

## **Contract Requirements**

As explained in the tenth Whereas clause, there is no legal requirement that a city engage in a competitive bidding process prior to contracting for electricity. The primary expectation of contracting for wholesale energy in a deregulated energy market is that a purchaser sign a contract accepting a particular offered price within 24 hours of receipt of the offer. NYMEX gas futures prices change daily, and since gas prices drive electricity prices, it is unlikely that any

given price quote for wholesale electricity during a given period will remain open for more than a day. As explained in the ninth Whereas clause, TCAP members are expected to immediately execute a contract once TCAP's supplier is able to lock in a price at or below the benchmark prices specified in the resolutions for a five-year period commencing January 1, 2018. That is why Section 2 of the resolution requires the naming of specific individuals with whom TCAP can correspond and provide a contract for signing when appropriate.

### **Resolution's Objective**

As explained in the eleventh thru fourteenth Whereas clauses, after the size of the load for the 2015 contract opportunity is defined by February 25, 2016, TCAP's supplier will look for an opportunity to lock prices for the five-year term at or below specified benchmarks (4.1 – 4.25 cents per kWh). That may happen by the second week of March, but if it appears that prices are trending downward, TCAP will direct its designated supplier, NextEra, to daily monitor the market to hopefully capture a price under lower than benchmarked prices. The window of opportunity for capturing a reasonable price at or below the benchmarks will expire by June 30, 2016. TCAP will develop another supply opportunity in the Fall of 2016 for any members not contracting in this offering.

### **TCAP benefits to the consuming public**

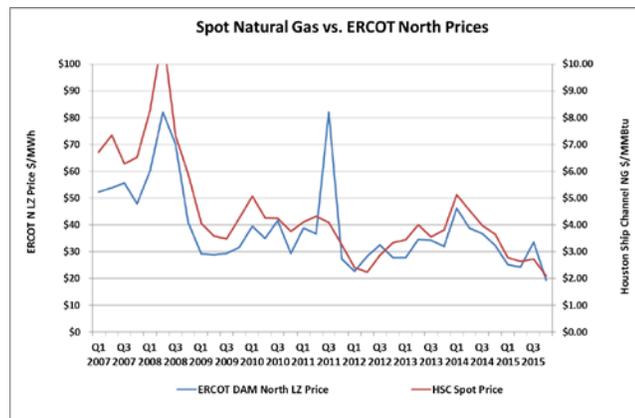
Whereas clause six references TCAP becoming a forceful voice for consumer protections and market reform to benefit the public as well as political subdivisions. When CAPP and STAP merged in 2011, one of the guiding principles established in meetings with members and through subsequent board priority-setting meetings was that TCAP should advocate for reforms in the market that would enhance competition and benefit the general public. TCAP has become the closest thing to a consumer advocate that exists in the deregulated marketplace on both the wholesale and retail sides of the business. TCAP membership not only provides political subdivisions with resources to monitor markets, capture reasonable prices and best available terms, stabilize budgets, address problems with invoices and help with governmental reports, provide best of class portals to understand consumption patterns, membership also affords an opportunity to represent to constituents that they have an advocate on their behalf.

### **CHOICE OF SUPPLY OPTION**

Whereas Clause 13 identifies three different supply options that TCAP has arranged as choices for each member. Option 1 is a fixed price for all consumption regardless of time of day. The price will not exceed 4.1 cents per kWh in the North and West ERCOT zones. It will not exceed 4.25 cents per kWh in the Houston and South zones. The actual price is likely to be less than the benchmark prices. The prices will become effective January 1, 2018. Given that these prices are to be locked in 2016 and will not expire until December 31, 2022, they are reflective of the lowest prices for electricity experienced since the retail market was deregulated January 1, 2002. Generally speaking, there ought to be an expectation that the price of energy will climb marginally for each year of the contract term beyond two years. The possibility of locking-in energy prices at or below 4 cents per kWh for a period that terminates in seven years is truly remarkable based upon the history of deregulation.

In the Spring of 2015, TCAP consultants received indicative fixed-prices around 4.5 cents per kWh. They then developed two supply options to the fixed price full requirements contract that offered attractive savings opportunities. Both Options 2 and 3 have variable components related to the energy spot market. While the average spot price in the past three years has been \$32.14/Mwh (2013), \$38.50/Mwh (2014), \$25.53/Mwh (2015), respectively, it is important to note that spot market prices can change every 15 minutes, therefore it is impossible to provide members a precise price for Options 2 and 3. While they provide an opportunity for savings off of the benchmarked prices for Option 1, savings cannot be guaranteed, and thus Option 2 and 3 involve risk to that does not exist with Option 1. A TCAP member that is completely risk adverse should select Option 1.

Option 2 fixes a price for the peak usage period and then turns to the spot market for all off-peak usage. When TCAP was developing these products in 2014, there was a large enough gap between fixed price options and spot prices that this option looked very attractive. Now, with market prices at historic recent term lows, both spot prices and fixed prices have fallen and their price differential has shrunk to the point that future savings from the spot market may not be as great as the risk of future price increases. The following graph shows how low current spot market prices have gone.



Option 2 was developed with the anticipation that spot prices during the off peak period would be in the range of \$10/MWh to \$40/MWh (\$0.01-\$0.04/kWh) over time for spot purchases. Our latest quotes for fully fixed priced products (Option 1) includes off peak pricing fixed at under \$20/MWh. These low Option 1 fixed prices for off peak usage may make it harder for future off peak spot prices to create additional savings under Option 2 over time even though the customer will be incurring market price risk.

Option 3 begins with the purchase of a block of power to cover the base use of all members who commit to this option. Block power, since it is a firm commitment 24 hours a day, is the cheapest form of energy available in the wholesale market. Daytime peak consumption will be partly covered by a fixed price for solar power with all other consumption supplied by the spot market.

In considering Option 2, TCAP consultants would tell you that with current prices about a half cent less than the price that existed when Option 2 was conceptualized last Spring, it will be difficult for Option 2 to generate savings sufficient to justify its selection. Option 3 with its

majority reliance on the cheapest form of energy has a greater probability than Option 2 of producing savings over Option 1. But again, with such low Option 1 fixed priced products now available to TCAP members, and since there are no guarantees that Options 2 or 3, which utilize spot market pricing, will remain as attractive as they were even a few months ago.

### **EXPLANATION OF “BE IT RESOLVED” SECTIONS**

- Section 1.** Authorizes TCAP to submit the members load, along with the load of other authorizing members, to be aggregated into a pool by TCAP’s wholesale supplier for a contract commencing January 1, 2018 and terminating December 31, 2022 with the understanding that the fixed, full-requirements price under Option 1 must not exceed 4.1 cents per kWh in the North and West zones and must not exceed 4.25 cents in the Houston and South zones.
- Section 2.** Sets conditions precedent that the aggregated load exceed 50 MW, that the resolution be passed before February 25, 2016, and that NextEra has until June 3, 2016 to lock in a fixed price for the aggregated load that does not exceed benchmark prices. It also requires the designation of a specific individual, by name or title, who are authorized to sign a contract within 24 hours of submittal, assuming the conditions have been met.
- Section 3.** Consistent with the last two Whereas clauses, this section commits the member to budget for and approve funds necessary to pay for the member’s proportionate share of the aggregated load that TCAP commits to with NextEra. TCAP will contract with NextEra based upon representations of authorizing members, each of whom will be provided with a Commercial Electric Service Agreement (“CESA”) with GEXA, the current REP, that extends current retail service terms with the lower wholesale price arranged with NextEra for the 2018-2020 time period.
- Section 4.** In order for TCAP to be informed of the passage of the resolution so that the member’s load can be aggregated by NextEra, this section specifies that a copy of the resolution should be sent to TCAP’s Executive Director and General Counsel.

**RESOLUTION \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF \_\_\_\_\_, TEXAS, AUTHORIZING THE TEXAS COALITION FOR AFFORDABLE POWER, INC. (TCAP) TO NEGOTIATE AN ELECTRIC SUPPLY AGREEMENT FOR FIVE YEARS FOR DELIVERIES OF ELECTRICITY EFFECTIVE JANUARY 1, 2018; AUTHORIZING TCAP TO ACT AS AN AGENT ON BEHALF OF THE CITY TO ENTER INTO A CONTRACT FOR ELECTRICITY; AUTHORIZING \_\_\_\_\_ or \_\_\_\_\_ TO EXECUTE AN ELECTRIC SUPPLY AGREEMENT FOR DELIVERIES OF ELECTRICITY EFFECTIVE JANUARY 1, 2018 AND COMMITTING TO BUDGET FOR ENERGY PURCHASES IN 2018 THROUGH 2022 AND TO HONOR THE CITY'S COMMITMENTS TO PURCHASE POWER FOR ITS ELECTRICAL NEEDS IN 2018 THROUGH 2022 THROUGH TCAP**

1. **WHEREAS**, the City of \_\_\_\_\_, Texas (City) is a member of Texas Coalition For Affordable Power, Inc. (TCAP), a non-profit, political subdivision corporation dedicated to securing electric power for its more than 170 members in the competitive retail market; and

2. **WHEREAS**, TCAP has unique rights under Texas law to negotiate directly in the wholesale market and arrange separate contracts for power supply and retail services which provides TCAP leverage to achieve contract provisions that single city negotiations with a Retail Electric Provider (REP) would be unlikely to produce; and

3. **WHEREAS**, TCAP's geographic diversity across all four ERCOT zones produces an aggregated peak load that is lower than the total of individual peak loads of the individual TCAP members, allowing price benefits in the wholesale market that are not likely to be available to any given TCAP member alone; and

4. **WHEREAS**, TCAP and its predecessor organizations, Cities Aggregation Power Project, Inc. (CAPP) and South Texas Aggregation Project, Inc. (STAP), negotiated favorable

contract terms that resulted in rebates from the wholesale supplier and reasonable commodity prices for delivered electricity since 2002 resulting in stable budgets for electricity for members; and

5. **WHEREAS**, commodity prices for electricity experienced significant volatility between 2002 and 2009, with prices ranging from 4 cents to over 13 cents per kWh, causing CAPP and STAP members to welcome a five year contractual commitment that came close to cutting the 2008 prices in half, with that contract being extended until December 31, 2017, with a negotiated price reduction of about 1 cent per kWh; and

6. **WHEREAS**, TCAP has become a forceful voice for consumer protections and market reform to benefit the public and well as cities and other political subdivisions; and

7. **WHEREAS**, TCAP is owned by its members and distributes monetary and other resources according to relative load size of members and is controlled by a 15 member Board of Directors, all of whom must be city employees of members who represent diversity in size and geography; and

8. **WHEREAS**, wholesale power prices within the deregulated Texas market are largely determined by the NYMEX gas futures prices for natural gas which are currently low and relatively stable, but which change daily; and

9. **WHEREAS**, daily price changes require retail customers to execute a contract immediately upon receipt of a favorable offer; and

10. **WHEREAS**, pursuant to Texas Local Government Code Section 252.022(a)(15) expenditures for electricity are exempt from competitive bidding requirements; and

11. **WHEREAS**, on any given day, TCAP is able to capture a favorable wholesale price for any period of time, comparable to or better than any given REP or broker; and

12. **WHEREAS**, TCAP intends to continue to contract with its current wholesale supplier, NextEra, because the relationship with NextEra is such that NextEra is willing, after it knows the size of a given load, to execute a contract at or below prescribed price and terms; and

13. **WHEREAS**, the City desires to execute a contract for electricity for the period beyond the expiration of its current contract on December 31, 2017, that locks-in favorable wholesale prices under one of three different supply options:

Option 1 - fixed-price, full-requirements at a price not to exceed 4.1 cents per kWh for the North and West zones or 4.25 cents per kWh for the South and Houston zones;

Option 2 - fixed price for on-peak hours and variable spot market prices for off-peak hours;

Option 3 - block energy at a fixed price to cover the base load hours, a fixed price for solar energy to cover mid-day peak hours (approximately 10% of total load) and variable spot market prices for all remaining consumption; and

14. **WHEREAS**, TCAP will allow members six weeks from receipt of this resolution to consider whether to participate in this second opportunity to contract for post-2017 electrical supply, and thereafter allow NextEra until June 30, 2016 to contact for power for five years at a price not to exceed 4.1 cents per kWh in the North and West zones and a price not to exceed 4.25 cents per kWh in the South and Houston zones for Option 1 , so long as the aggregated load for any of the three supply options reaches at least 50 megawatts; and

15. **WHEREAS**, wholesale suppliers demand assurance that TCAP will pay for all contracted load; and

16. **WHEREAS**, the City needs to assure TCAP that it will sign a Commercial Electric Supply Agreement (CESA) reflecting the contract extension and budget for energy

purchases for the post-2017 period and honor its commitment to purchase power for its electrical needs for 2018 through 2022 through TCAP,

**THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF**

\_\_\_\_\_, TEXAS:

**Section 1:**

That the TCAP Board of Directors and its consultants and advisors are agents authorized to negotiate for the City's electricity needs as a member of TCAP for the period 2018 through 2022 at a price not to exceed 4.1 cents per kWh for the North and West zones and a price not to exceed 4.25 cents per kWh in the Houston and South zones for supply Option 1;

**Section 2:**

The City prefers to participate in supply Option \_\_\_\_\_ with the following understanding: a) while supply Option 1 is a full-requirements, fixed-price option, Options 2 (fixed price on-peak, variable spot prices for off-peak usage) and 3 (fixed price for base load, fixed price for a portion of peak load, and variable spot market for remainder) have variable price components and savings over Option 1 cannot be guaranteed, and b) if there is insufficient desire among members to achieve a 50 MW threshold for either Option 2 or 3, the member selecting the inadequately subscribed option will be placed in the Option 1 category. If no option is selected, TCAP will assume that a passed Resolution approves of Option 1.

**Section 3:**

Assuming this resolution is passed before February 25, 2016 and the combined load of TCAP members passing this resolution exceeds 50 megawatts for the preferred Option and NextEra is able to provide TCAP an opportunity prior to June 30, 2016 to contract for power to be delivered to members at a price not to exceed 4.1 cents per kWh for the North and West zones and not to exceed 4.25 cents per kWh in the Houston and South zones for supply Option 1 for the period January 1, 2018 through December 31, 2022, any one of the following individuals is hereby authorized to sign an electric supply agreement for the City within 24 hours of receipt of a contract that has been approved and recommended by the TCAP Board of Directors: \_\_\_\_\_ or \_\_\_\_\_ or \_\_\_\_\_.

**Section 4:**

That the City will commit to purchase power to meet all of its electricity needs eligible for competition pursuant to the TCAP approved supply agreement and approve funds necessary to pay electricity costs proportionate to the City's load under the supply agreement (whether wholesale or retail) arranged by TCAP and signed by TCAP's Executive Director or President or other TCAP representatives authorized by the TCAP Board.

**Section 5:**

That a copy of this resolution shall be sent to Jay Doegey, Executive Director, TCAP, 15455 Dallas Parkway, Suite 600, Addison, Texas 75001 and Geoffrey M. Gay, legal counsel to TCAP at 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

**PRESENTED AND PASSED** on this the \_\_\_\_ day of \_\_\_\_\_, 2016, by a vote of \_\_\_\_\_ ayes and \_\_\_\_\_ nays at a regular meeting of the City Council of \_\_\_\_\_, Texas.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_

# COMMERCIAL ELECTRICITY SERVICE AGREEMENT

(Fixed Price Around the Clock)

This Commercial Electricity Service Agreement, including all of the Attachments, Schedules, and Exhibits, which are attached and incorporated (collectively, the “**Agreement**”), is entered into between Gexa Energy, LP (“**Gexa**”), a Texas limited partnership, and \_\_\_\_\_ (“**Customer**”). Gexa and Customer may be referred to individually as a “**Party**” or collectively as the “**Parties**”.

## SECTION 1: RETAIL ELECTRIC SALES AND SERVICES

**1.1 Appointment and Scope.** Customer appoints Gexa as its Retail Electric Provider (“**REP**”) for the ESI ID(s) served under this Agreement. Customer authorizes Gexa to: (i) act as Customer’s REP for all purposes; and (ii) provide the services required of a REP including, without limitation, the procurement, scheduling and delivery of electricity throughout the Term to each of the ESI ID(s). Customer’s appointment imposes no other duties on Gexa other than those specified in this Agreement and the REP Services Agreement.

**1.2 Agreement to Purchase.** Customer shall purchase its electricity requirements from Gexa throughout the Term for each of the ESI ID(s) except as otherwise provided. The electricity and services Customer receives from Gexa is for Customer’s exclusive proprietary use. Customer alone shall pay for electricity and services provided and for electricity and services Customer fails to take pursuant to its contractual obligations. If Gexa fails to deliver sufficient quantities of electricity to the TDSP for delivery to Customer or fails to schedule the delivery of sufficient quantities of electricity (collectively, a “**Scheduling Failure**”) the TDSP is obligated by law and by its tariff to deliver sufficient electricity to satisfy Customer’s needs. If a Scheduling Failure occurs, Gexa shall financially settle, at no additional cost or expense to Customer, with its Qualified Scheduling Entity (as defined by ERCOT) for the purchase of electricity necessary to cover the Scheduling Failure.

### 1.3 Term.

**(a) Effective Date.** Gexa shall provide retail electric service under this Agreement to each ESI ID beginning on the Effective Date, which will occur either on or after the Expected Start Date stated in Attachment B for any new customer or if Customer is an existing customer then the Expected Start Date is the meter read date following the expiration of the Customer’s prior Agreement with Gexa, until December 31, 2022 (that period, the “**Term**”). The end of the Term for each respective ESI ID is the meter read date occurring in December 2022. As a result of variations in the timing of the Effective Date described in this Section 1.3 the Term may include a partial calendar month in addition to the number of months set forth in Attachment B, if any.

**(b) Delayed Effective Date.** Gexa shall use commercially reasonable efforts to cause the Effective Date for each ESI ID to occur on the Expected Start Date. If the Effective Date for an ESI ID occurs more than 20 days after the Expected Start Date, Customer may provide Gexa with evidence of the amount of electricity purchased by Customer from its current REP in connection with that ESI ID during the period on and after the 21st day after the Expected Start Date until the Effective Date (the “**Delayed Effective Date Period**”), and the total amount paid by Customer to its current REP for the electricity it purchased during the Delayed Effective Date Period (the “**Delayed Effective Date Electricity Amount**”). Upon receipt of evidence from Customer Gexa shall calculate and provide Customer a credit against future purchases under this Agreement equal to the positive amount resulting from the following calculation: (a) the Delayed Effective Date Electricity Amount minus (b) the amount that Customer would have paid to Gexa pursuant to this Agreement during the Delayed Effective Date Period for the same amount of electricity purchased by Customer from its current REP during that period in connection with the affected ESI ID(s); provided, that any credit is subject to the aggregate limit for all TCAP customers stated in Exhibit A to the First Amendment of the REP Services Agreement between Gexa and TCAP, and that Gexa shall not be required to provide a credit with respect to any period during a Delayed Effective Date Period where the delay was caused by an event outside of Gexa’s control.

**(c) Service After Term.** If service continues beyond the Term, it will be on a month-to-month basis, and the Agreement will continue in effect for the ESI ID(s) except that the Energy Price will be the greater of: (i) the Energy Price as set forth in Section 2.1 below, or (ii) the aggregate weighted average of the Market Rate (as defined herein) as determined for all of the ESI ID(s), for as long as service continues. If Customer has not switched from Gexa to another supplier at the expiration of the Term, Gexa shall serve Customer at the rate set forth in this Section for a minimum of 60 days. After those 60 days, Gexa may continue to serve Customer or terminate the Agreement and disconnect Customer.

**1.4 Modifications to ESI IDs.** Gexa shall work with Customer in good faith during the Term to reasonably accommodate and assist Customer with the management of its electricity needs. If at any time during the Term, Customer wants to i) add or delete one or more ESI IDs, ii) otherwise modify the ESI ID information as a result of a decision by Customer to open, close or sell a facility owned or leased by Customer, iii) expand an existing facility, or iv) increase an existing facility’s metered load, then Customer shall provide written notice to Gexa of such change. If, in

Gexa's reasonable judgment, i) the addition is a separately metered load having (a) a peak demand expected to be less than 0.25 MW at all times during the first twelve months following commercial operation or (b) an annual average expected to be less than 0.125 MW during the first twelve months following commercial operation; or ii) does not result in a net increase of (a) 0.25 MW in peak demand or (b) 0.125 MW in average usage for an existing facility, Gexa shall use commercially reasonable efforts to promptly implement such changes, including providing required notices to ERCOT. If the addition is a separately metered load having (a) a peak demand expected to be in excess of 0.25 MW at any time during the first twelve months following commercial operation, (b) an annual average expected to be in excess of 0.125 MW during the first twelve months following commercial operation, or (c) results in a net increase of 0.25 MW in peak usage or 0.125 MW of average annual usage after consideration of any contemporaneous offsetting load decreases, as per the Letter Agreement (defined below), Gexa shall provide service to that account in accordance with the terms and conditions for Special Loads as stated in the April 27, 2011 Letter Agreement, as amended \_\_\_\_\_, 2016 (and via a Special Load Addendum thereto), among NEPM II, LLC, as assignee of NextEra Energy Power Marketing, LLC, ("PMI"), and Texas Coalition for Affordable Power ("TCAP") and Gexa (the "**Letter Agreement**"), and the April 27, 2011 Master Power Purchase and Sale Agreement Confirmation between PMI and Gexa, as amended \_\_\_\_\_, 2016 (the "**Confirmation**"). Gexa shall make periodic reports regarding changes to the billing status of any ESI ID(s) available to Customer and TCAP. Amendments that add or remove ESI ID(s) as a result of changes made pursuant to this section are incorporated into this Agreement, and are effective on the Effective Date for each ESI ID(s) added to this Agreement or the date that retail electric service for any removed ESI ID(s) ceases or is transferred to another REP.

## **SECTION 2: RETAIL ELECTRIC ENERGY SERVICE CHARGES**

### **2.1 Energy Price.**

(a) The Energy Price for the period commencing January 1, 2018 and ending December 31, 2022 is equal to \$\_\_\_\_\_/MWh. For the purposes of Section 3 the Energy Price shall be converted to dollars per kWh.

(b) The Energy Price shall include a charge intended to reflect (i) the anticipated Ancillary Services charges and (ii) the anticipated difference between the Load Zone price for the applicable load zone(s) in which the load is located and the appropriate trading hub price for those zone(s) (that charge the "**Ancillary Services and Nodal Basis Rate**"). Gexa shall charge or credit Customer, as appropriate, for the difference between the Ancillary and Nodal Basis Rate and the actual costs for each item incurred to serve TCAP customers (that charge or credit the "**Ancillary Services and Nodal Basis Adjustment**"). Ancillary Services and Nodal Basis Adjustments are calculated and charged or credited on a quarterly basis. Gexa shall collect or credit them in the manner specified in the Letter Agreement.

(c) If, during the Term, the aggregate TCAP load within an ERCOT defined load zone is greater than the Excess Load Amount under Schedule I of the Letter Agreement or less than the Shortfall Load Amount under Schedule I of the Letter Agreement, the Customer may be subject to its pro-rata share of the TCAP Aggregate Load Threshold Adjustment. Load Threshold Adjustments are calculated on a monthly basis and charged or credited on a quarterly basis and Gexa shall collect or credit them in the manner specified in the Letter Agreement.

(d) If, during the Term, the Loss Factor as provided in the Letter Agreement, which represents the multiplier required to account for the difference between Customer's load at its meter and the load required at the wholesale level to serve Customer (primarily transmission and distribution line losses), differs from the actual loss factor, then Gexa shall charge or credit Customer, as appropriate, for the difference between the Loss Factor and the actual loss factor (that charge or credit the "**Loss Factor Adjustment**"). Loss Factor Adjustments are calculated and charged or credited on an annual basis. Gexa shall compute and collect or credit them in the manner specified in the Letter Agreement.

**2.2 Additional Pass-Through Charges.** Gexa shall pass through and identify separately on Customer's bill with no mark-up Delivery Charges, Non-Recurring Charges, or Taxes that are not included in the Energy Price(s). All charges are exclusive of Taxes.

**2.3 Tax Exempt Status.** Customer shall provide Gexa with all required exemption certificates if Customer is exempt from paying any Taxes. Gexa shall not recognize an exemption without the exemption certificates and shall not be required to refund or credit previously paid Taxes unless the taxing entity sends the refund to Gexa. Gexa shall, however, assign to Customer any applicable claims for refund.

## **SECTION 3: BILLING AND PAYMENT**

**3.1 Billing and Payment.** Gexa shall invoice Customer's accounts on a monthly basis and shall bill Customer on a consolidated basis for all ESI IDs upon Customer's request. Gexa shall provide a summary bill for all accounts and detailed information for each account. Customer shall remit payment within 30 days of receiving the invoice. Gexa shall base the invoice amount on actual data provided by ERCOT and the TDSP. If ERCOT or the TDSP does not provide actual data in a timely manner, Gexa shall use estimated data to calculate the invoice and, upon receipt of actual data, reconcile the charges and adjust them as needed in subsequent invoices.

**3.2 Late Penalties, Interest on Overdue Payments, Invoice Disputes.** If Customer fails to remit all undisputed amounts on or before the due date, interest will accrue on any due and unpaid amounts from the due date at a rate of one percent per month, or the highest rate permitted by law, whichever is less. If Customer disputes a portion of an invoice it shall provide Gexa a written explanation specifying the amount in dispute and the reason for the dispute

within 20 days of the invoice date. If Customer does not provide timely notice, Customer shall owe all amounts by the due date. Notwithstanding the above, if Customer notifies Gexa of a disputed invoice, regardless of whether Customer has already paid the invoice, Gexa shall make records in its possession that are reasonably necessary for Customer to determine the accuracy of the invoice available to Customer during normal business hours; provided, however that neither party may request an adjustment or correction of an invoice unless written notice of such dispute is given within twelve months after the due date of such invoice; provided further, that such twelve month limit does not apply in the case of TDSP meter tampering charges first billed to Gexa that prevent Gexa from reasonably adjusting invoices prior to the twelve month period. In all cases, Gexa and Customer shall use good faith efforts to resolve disputes. In the event the Parties are unable to resolve a dispute within ten days of the notice date, either Party may begin legal proceedings to seek resolution. Any amounts determined owed shall be paid within three days after a decision.

**3.3 Aggregator Fees.** Pursuant to the REP Services Agreement between Gexa and TCAP, Gexa is obligated to pay TCAP an amount determined by multiplying a TCAP Aggregation Fee by the volume consumed in association with the ESI IDs (the "**Aggregator Fee**"). Customer shall pay the Aggregator Fee. The initial Aggregator Fee is \$ [REDACTED] per kWh, however, it may be changed by the TCAP Board of Directors at any time. Gexa shall state the Aggregator Fee as a separate line item on the Customer's bill.

**3.4 Billing Guarantee.** Gexa shall issue an invoice based on actual or estimated usage to Customer for every ESI ID at least one time per month. If, for reasons other than Force Majeure, Gexa fails to invoice an ESI ID within 120 days of any scheduled meter read, Gexa irrevocably waives its right to invoice Customer for any energy consumed at that ESI ID for the meter read cycle that should have been invoiced, unless not less than 10 days prior to the expiration of such 120 day period, Gexa provides Customer with a written explanation of the circumstances that prevent Gexa from issuing that invoice and the expected time by which an invoice can be issued. In such event, Customer and Gexa shall determine a reasonable extension period, not to exceed 30 days, within which an invoice will be issued. Gexa shall adjust or true-up each invoice no more than twice and Gexa shall issue such adjustments within 210 days of the initial issue date. Notwithstanding the foregoing, Gexa may issue an invoice or partial invoice arising from meter tampering charges without limitation and within a reasonable time after first billed to Gexa by the TDSP.

#### **SECTION 4: CUSTOMER INFORMATION, CREDIT AND DEPOSITS**

**4.1 Customer Information.** By entering into this Agreement and appointing Gexa as Customer's agent for electricity service, Customer authorizes Gexa to obtain certain information that Gexa may need to provide Customer's electric service, including Customer's address, telephone number, account numbers, historical usage information, and historical payment information from Customer's TDSP, and Customer further authorizes its TDSP to release that information to Gexa.

**4.2 Deposits and Other Security.** A Party (the "**Requesting Party**") may require the other Party (the "**Providing Party**") to provide a deposit (or additional deposit if an initial deposit was also required), letter of credit, or other form of credit assurance reasonably acceptable to the Requesting Party (collectively, "**Performance Assurance**") during the Term of this Agreement if: (i) the Requesting Party determines in its reasonable discretion that there has been a material adverse change in the Providing Party's or its guarantor's (if applicable) credit status or financial condition (which, if applicable, will mean that its credit or bond rating has dropped lower than BBB- by Standard & Poor's Rating Group or Baa3 by Moody's Investor Services or ceases to be rated by either of these agencies); or (ii) Customer has been delinquent in paying the electric bill more than twice during the past twelve months. Any Performance Assurance, less any outstanding balance owed by Providing Party to the Requesting Party, will be returned to the Providing Party once the Providing Party's or its guarantor's (if applicable) credit or financial condition becomes satisfactory or, if applicable, to a credit or bond rating of BBB- or Baa3 or higher, whichever occurs earlier; or, if the Performance Assurance relates to delinquent payments, the Providing Party has paid all outstanding balances and has made all payments within the dates set forth in this Agreement for a period of six consecutive months.

#### **SECTION 5: EARLY TERMINATION; DAMAGES**

**5.1 Cancellation by Customer for Insufficient Appropriations.** If, during Customer's annual appropriations determination, the applicable governmental authorities do not allocate sufficient funds to allow Customer to continue to perform its obligations under this Agreement (an "**Appropriations Failure**"), then Customer or Gexa shall have the right to terminate this Agreement in full or as to any affected ESI ID upon 30 days advance written notice effective at the end of the period for which appropriations are made; provided, that if appropriations are subsequently allocated for electricity for the ESI IDs covered by this Agreement, then the termination may be revoked at Gexa's option and those appropriations shall continue to apply to this Agreement and shall not be used for an electricity supply agreement with another REP. Upon a termination of this Agreement for Appropriations Failure, in full or as to any ESI ID(s), Customer shall pay all amounts due Gexa under this Agreement, including the Customer Early Termination Damages.

**5.2 Customer Early Termination Damages.** Except in connection with the closure of a facility associated with an ESI ID pursuant to Section 1.4, in connection with a Force Majeure Event, or as otherwise provided or excused in this Agreement if Customer cancels this Agreement before the end of the Term and refuses to accept electric supply delivery from Gexa for any ESI ID(s), Gexa may charge Customer early termination damages equal to the amount determined as follows: the result of (a) the Expected Usage for each ESI ID subject to Customer's cancellation or

refusal of electric supply delivery (“**Customer Terminated Usage**”) times the REP Services Fee specified in the REP Services Agreement; plus (or minus, as applicable) (b) the Wholesale Transaction Termination Payment, as defined below (the result of the entire preceding calculation the “**Customer Early Termination Damages**”). If the Customer Early Termination Damages are charged due to an Event of Default by Customer, then the Customer Early Termination Damages will also include Gexa’s reasonable costs relating to the determination and collection of Customer Early Termination Damages, including attorney and consultant fees incurred. The provisions in Section 3 related to Billing and Payment apply to the billing, due date, and collection of Customer Early Termination Damages. Customer agrees that Customer Early Termination Damages are a reasonable estimate of the damages due Gexa for failure to accept electric supply, and are not punitive in nature.

**5.3 Termination for Wholesale Supply Failure.** If, during the Term, the Wholesale Transaction is terminated as a result of a default by PMI (“**Wholesale Supply Failure**”), then this Agreement will also terminate effective on the date the Wholesale Agreement terminates. In the event of a termination for Wholesale Supply Failure, Gexa shall pay Customer a Wholesale Transaction Termination Payment if required by Section 5.5.

**5.4 Gexa Early Termination Damages.** Except for a Wholesale Supply Failure, a Force Majeure Event, or as otherwise provided or excused in this Agreement if Gexa cancels this Agreement and refuses to provide electric supply delivery to Customer for any or all ESI ID(s), Customer shall have the right to charge Gexa an early termination penalty equal to the amount determined as follows: the result of the Expected Usage for each ESI ID subject to Gexa’s cancellation or refusal of electric supply delivery (“**Gexa Terminated Usage**”) times the REP Services Fee specified in the REP Services Agreement (that result the “**Gexa Early Termination Damages**”). If the Gexa Early Termination Damages are charged due to an Event of Default by Gexa, then the Gexa Early Termination Damages will also include Customer’s reasonable costs relating to the determination and collection of Gexa Early Termination Damages, including attorney and consultant fees incurred. Gexa agrees the Gexa Early Termination Damages are a reasonable estimate of the damages due Customer for failure to deliver electric supply, and are not punitive in nature.

**5.5 Wholesale Transaction Termination Payment.** If the Wholesale Transaction is terminated then Gexa shall calculate the portion of the Termination Payment (as defined in the EEI Master Agreement) paid under the Wholesale Transaction attributable to Customer’s load (the “**Wholesale Transaction Termination Payment**”). Customer or Gexa shall pay the Wholesale Transaction Termination Payment to the other, as appropriate, in the manner described below and without regard to who is a defaulting party. If Gexa owes PMI a Termination Payment under the Wholesale Transaction, Customer shall pay Gexa the portion of the Termination Payment attributable to Customer’s load. If PMI owes Gexa a Termination Payment under the Wholesale Transaction, Gexa shall pay Customer the portion of such Termination Payment attributable to Customer’s load. To the extent a Termination Payment due from Gexa to PMI is adjusted in Gexa’s account to reflect the full benefit of TCAP transacting with a replacement REP, Gexa shall make corresponding adjustments to the Wholesale Transaction Termination Payment on a pro-rata basis. Gexa shall remit a Wholesale Transaction Termination Payment due Customer, within 30 days of Gexa receiving the payment from PMI. Customer shall remit a Wholesale Transaction Termination Payment due Gexa within 30 days of Gexa’s invoice. Gexa shall use commercially reasonable efforts to collect Termination Payments from PMI that include amounts due Customer.

**SECTION 6: NOTICES AND PAYMENT**

**6.1 General Notice.** Except as otherwise required by Applicable Law, all notices are deemed duly delivered if hand delivered or sent by United States, prepaid first class mail, facsimile, or by overnight delivery service. Notice by facsimile or hand delivery is effective on the day actually received, notice by overnight United States mail or courier is effective on the next business day after it is sent, and notice by U.S. Mail is effective on the second day after it is sent. The Parties shall send notices to the addresses below or any other address one Party provides to the other in writing:

a. If to Customer:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. If to Gexa:  
Gexa Energy, LP  
20455 State Highway 249, Suite 200  
Houston, Texas 77070

**6.2 Payments.** The Parties shall send payments to the addresses below or any other address one Party provides to the other in writing:

a. If to Customer:  
\_\_\_\_\_

- 
- 
- 
- b. If to Gexa:  
Gexa Energy, LP  
20455 State Highway 249, Suite 200  
Houston, Texas 77070

## SECTION 7: DEFINITIONS

**7.1 Definitions.** In addition to terms defined elsewhere in this Agreement, when used with initial capitalization, whether singular or plural, capitalized terms have the meanings set forth in this Section 7.1. All other capitalized terms not otherwise defined shall have the meanings given them in the following documents, with any conflicting definitions contained in those documents applied in the following order: PURA, the PUCT Substantive Rules, and the ERCOT Protocols.

1. **“Actual Usage”** means the actual amount of electric energy (in kWh) used at the ESI ID(s) as determined by the TDSP.
2. **“Delivery Charges”** means those charges or credits from the TDSP pursuant to its tariff, including, but not limited to: Transmission and Distribution Charges, System Benefit Fund Charge, Nuclear Decommissioning Charge, Competitive Transition Charge, Standard Customer Metering Charge, Customer Charge, Merger Savings and Rate Reduction Credit, Excess Mitigation Credit and Utility Imposed Reactive Power Charges.
3. **“Effective Date”** means the date of the first meter reading of an ESI ID provided to Gexa by the TDSP after the TDSP and ERCOT shall have timely performed any required enrollment and cancellation procedures necessary to switch Customer’s REP to such ESI ID to Gexa.
4. **“Electricity Related Charges”** means, unless noted otherwise: Ancillary Services Charge, Congestion, ERCOT Administrative Fee, Delivery Loss Charge, Transmission Loss Charge, Renewable Energy Credit Charge, Residential Energy Credit Charge, Unaccounted For Energy Charge, Qualified Scheduling Entity Charge, Imbalance Settlement Charge.
5. **“Energy Price(s)”** means the rates per unit of measure specified in Section 2.1 and includes all Electricity Related Charges.
6. **“ERCOT”** means the Electric Reliability Council of Texas.
7. **“ERCOT Protocols”** means the document adopted, published, and amended from time to time by ERCOT, and initially approved by the PUCT, to govern electric transactions in the ERCOT Region, including any attachments or exhibits referenced in the document, that contains the scheduling, operating, planning, reliability, and settlement policies, rules, guidelines, procedures, standards, and criteria of ERCOT, or any successor document thereto.
8. **“ESI ID(s)”** means the Electric Service Identifiers for the property service addresses identified on Attachment B to this Agreement or if Customer is an existing Gexa customer then the list of service addresses currently served by Gexa, as such list may be modified from time to time as provided in Section 1.4.
9. **“Expected Usage”** means either the amount stated in Attachment B calculated for the remaining Term, or if no amounts are stated or Customer is an existing Gexa customer then the average actual monthly Customer energy usage from the comparable month from the previous year (or if an average cannot be computed due to limited service by Gexa or other circumstances, an average monthly usage as is reasonably determined by Gexa) times the number of months remaining in the Term.
10. **“kWh”** means kilowatt hour.
11. **“LMP” or “Locational Marginal Price”** means the price calculated for the applicable trading hub pursuant to the ERCOT Protocols.
12. **“Market Rate”** means 140% of the load-weighted average of the hourly LMPs at the corresponding trading hub, as determined for any delivery period.
13. **“Nodal Market”** means the implementation of wholesale market design by ERCOT with locational marginal pricing for resources.
14. **“Nodal Congestion”** means the positive difference in price between the real-time settlement point price as determined by ERCOT for the trading hub and the real-time settlement point price as determined by ERCOT for the load zone associated with the customer Facilities.

15. **“Non-Recurring Charges”** means any charges imposed by the TDSP or other third parties on a non-recurring basis for services, repairs or additional equipment needed for Customer’s electric service.

16. **“PUCT”** means Public Utility Commission of Texas.

17. **“Special Loads”** has the meaning given it in the Letter Agreement.

18. **“Taxes”** means all taxes, assessments, levies, duties, charges, fees and withholdings of any kind levied by a duly-constituted taxing authority and all penalties, fines, and additions to tax, and interest thereon that are directly related to the services provided under this Agreement, but does not include the System Benefit Fund fee and fees and charges imposed by ERCOT. By way of example only, Taxes includes: Sales Tax, Miscellaneous Gross Receipts Tax, PUCT Assessment Fees and Franchise Fees.

19. **“TCAP”** means Texas Coalition for Affordable Power, an aggregation pool of governmental and other entities organized and administered by TCAP of which Customer is a member for the ESI IDs.

20. **“TDSP”** or **“Transmission and Distribution Service Provider”** means an entity regulated by the State of Texas, which transmits or distributes electric energy.

21. **“Wholesale Transaction”** means the transaction evidenced by the Confirmation whereby Gexa will purchase and PMI will provide full requirements energy and related services necessary to satisfy electricity consumption of TCAP members as served by retail provider Gexa.

**Attachments:**

Attachment A

Attachment B (for new TCAP Customers only)

Terms and Conditions of Service

Offer Sheet (ESI ID list and Expected Start Date)

<b>CUSTOMER:</b> _____	<b>GEXA:</b> <b>Gexa Energy, LP, By its General Partner Gexa Energy GP, LLC</b>
By:	By:
Printed:	Printed:
Title:	Title:
Date:	Date:

## Terms and Conditions of Service Attachment A

These Terms and Conditions of Service form an integral part of the Commercial Electricity Service Agreement between Customer and Gexa. In addition to the terms defined elsewhere in this Agreement, when used with initial capitalization, whether singular or plural, capitalized terms have the meanings set forth in Section 7.1 of this Agreement. Customer should thoroughly review the entire Agreement, including these Terms and Conditions of Service, before executing this Agreement.

### A. REPRESENTATIONS AND WARRANTIES

**A.1 Customer's Representations and Warranties.** As a material inducement to entering into this Agreement, Customer represents and warrants to Gexa as follows: (a) it is a duly organized entity and is in good standing under the laws of Texas; (b) the execution and delivery of the Agreement are within its powers, have been duly authorized by all necessary action, and do not violate the terms or conditions of contracts it is party to or laws applicable to it; (c) performance of this Agreement will be duly authorized by all necessary action and will not violate the terms or conditions of contracts it is party to; (d) as of the date sales of electricity by Gexa to Customer under the Agreement start, Customer will have all regulatory authorizations necessary for it to legally perform its operations and such performance will not violate the terms or conditions of contracts it is party to or laws applicable to it; (e) this Agreement is a legal, valid, and binding obligation of Customer enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, and other laws affecting creditor's rights generally, and with regard to equitable remedies, subject to the discretion of the court before which proceedings to obtain the same may be pending; (f) there are no bankruptcy, insolvency, reorganization, receivership, or other similar proceedings pending or being contemplated by it, or to its knowledge threatened against it; (g) there are no suits, proceedings, judgments, rulings, or orders by or before any court or any government authority that could materially adversely affect its ability to perform the Agreement; and (h) as of the Effective Date and throughout the Term, there is no other contract for the purchase of electricity by Customer for the ESI ID(s), or, if such a contract presently exists, that it will terminate prior to delivery under this Agreement. Customer further represents and warrants that it has complied with the requirements of Section 2162, *Texas Government Code* and all applicable contracts (including, but not limited to, Contract 050110-CCG-EM) awarded by the Council on Competitive Government regarding the bidding or awarding of this Agreement.

**A.2 Gexa's Representations and Warranties.** As a material inducement to entering into this Agreement, Gexa represents and warrants to Customer as follows: (a) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation and is qualified to conduct its business in those jurisdictions necessary to perform the Agreement; (b) the execution and delivery of the Agreement are within its powers, have been duly authorized by all necessary action, and do not violate the terms or conditions of its governing documents or contracts it is party to or any laws applicable to it; (c) performance of the Agreement will be duly authorized by all necessary action and will not violate the terms or conditions of its governing documents or contracts it is party to; (d) as of the date sales of electricity by Gexa to Customer under the Agreement start, Gexa will have all regulatory authorizations necessary for it to legally perform its operations and such performance will not violate the terms or conditions of its governing documents, contracts it is party to, or laws applicable to it; and (e) the Agreement constitutes a legal, valid, and binding obligation of Gexa enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, and other laws affecting creditor's rights generally, and with regard to equitable remedies, subject to the discretion of the court before which proceedings to obtain the same may be pending.

**A.3 Forward Contract.** (i) This Agreement constitutes a forward contract within the meaning of the United States Bankruptcy Code ("**Code**"); (ii) Gexa is a forward contract merchant; and (iii) either Party is entitled to the rights under, and protections afforded by, the Code.

### B. DISCLAIMERS OF WARRANTIES; LIMITATION OF LIABILITIES

**B.1 LIMITATIONS OF LIABILITY.** LIABILITIES NOT EXCUSED BY REASON OF FORCE MAJEURE OR AS OTHERWISE PROVIDED, ARE LIMITED TO DIRECT ACTUAL DAMAGES. GEXA IS NOT LIABLE TO CUSTOMER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES OR LOSS OF REVENUES OR PROFIT. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE. EXCEPT FOR (a) THE GEXA EARLY TERMINATION DAMAGES DUE IF GEXA DEFAULTS, (b) THE CUSTOMER EARLY TERMINATION DAMAGES DUE IF CUSTOMER DEFAULTS, AND (c) THE WHOLESALE TRANSACTION TERMINATION PAYMENT, THE LIABILITY OF EITHER PARTY TO THE OTHER FOR ANY OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF ALL DOLLARS PAID BY CUSTOMER TO GEXA (IF CUSTOMER) OR RECEIVED BY GEXA (IF GEXA) PURSUANT TO THIS AGREEMENT. THERE ARE NO THIRD PARTY BENEFICIARIES TO THIS AGREEMENT.

**B.2 Duty to Mitigate.** Each Party shall mitigate damages and use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance.

**B.3 WAIVER OF CUSTOMER PROTECTION RULES AND CONSUMER RIGHTS.** THE PARTIES FURTHER ACKNOWLEDGE THAT THE CUSTOMER PROTECTION RULES ADOPTED BY THE PUBLIC UTILITY COMMISSION (AS CONTAINED IN ITS SUBSTANTIVE RULES 25.471 ET SEQ.) ("**CUSTOMER PROTECTION RULES**") DO NOT APPLY TO THIS AGREEMENT EXCEPT FOR THE FOLLOWING RULES: 25.481, 25.485 (b),(d), AND (e), AND 25.495. EXCEPT AS SET FORTH IN THIS SECTION, CUSTOMER EXPRESSLY WAIVES THE CUSTOMER PROTECTION RULES TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW. CUSTOMER FURTHER WAIVES ITS RIGHTS UNDER THE DECEPTIVE TRADE PRACTICES--CONSUMER PROTECTION ACT, SECTION 17.41, ET. SEQ., BUSINESS & COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. CUSTOMER REPRESENTS AND WARRANTS TO GEXA THAT: (a) CUSTOMER IS NOT IN A

SIGNIFICANTLY DISPARATE BARGAINING POSITION IN RELATION TO GEXA; (b) CUSTOMER IS REPRESENTED BY LEGAL COUNSEL THAT WAS NEITHER DIRECTLY NOR INDIRECTLY IDENTIFIED, SUGGESTED OR SELECTED BY GEXA; AND (c) CUSTOMER VOLUNTARILY CONSENTS TO THIS WAIVER AFTER CONSULTATION WITH ITS LEGAL COUNSEL.

**B.4 UCC/Disclaimer of Warranties.** The electricity delivered is a "good" as that term is understood in the Texas B&CC (UCC §2.105). The Parties waive the UCC to the fullest extent allowed by law and the UCC requirements do not apply to this Agreement, unless otherwise provided. If there is a conflict between the UCC and this Agreement, this Agreement controls. Neither Party controls nor physically takes possession of the electric energy prior to delivery to Customer's ESI ID(s). Therefore, neither Party is responsible to the other for any damages associated with failure to deliver the electric energy, nor for damages it may cause prior to delivery to Customer's ESI ID(s). Once the electric energy is delivered to Customer's ESI ID(s) it is deemed in possession and control of Customer. ELECTRICITY SOLD UNDER THIS AGREEMENT WILL MEET THE QUALITY STANDARDS OF THE APPLICABLE LOCAL DISTRIBUTION UTILITY AND WILL BE SUPPLIED FROM A VARIETY OF SOURCES. GEXA MAKES NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT, AND GEXA EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. GEXA EXPRESSLY NEGATES ALL OTHER REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING ANY REPRESENTATION OF WARRANTY WITH RESPECT TO CONFORMITY, TO MODELS OR SAMPLES, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.

**B.5 Force Majeure.** Gexa shall make commercially reasonable efforts to provide electric service, but does not guarantee a continuous supply of electricity. Gexa does not generate electricity nor does it transmit or distribute electricity. Causes and events out of the control of Gexa and Customer ("**Force Majeure Event(s)**") may result in interruptions in service or the ability to accept electricity. If either Party is unable to perform its obligations, in whole or in part, due to a Force Majeure Event, then the obligations of the affected Party (other than the obligation to pay any amounts owed to Gexa that relate to periods prior to the Force Majeure Event) are suspended to the extent made necessary by such Force Majeure Event. Therefore, neither Party is liable to the other Party for damages caused by Force Majeure Events, including acts of God, acts of, or the failure to act by, any governmental authority (including the PUCT or ERCOT and specifically including failure by ERCOT to make Customer meter read data available), accidents, strikes, labor troubles, required maintenance work, events of "force majeure" or "uncontrollable force" or a similar term as defined under the applicable transmission provider's tariff, inability to access the local distribution utility system, non-performance by the supplier or the local distribution utility, changes in laws, rules, or regulations of any governmental authority (including the PUCT or ERCOT) that would prevent the physical delivery of energy to Customer's facilities, or any cause beyond such Party's control. The Parties agree that Appropriations Failures and Scheduling Failures are not Force Majeure Events.

## C. CONFIDENTIALITY AGREEMENT

**C.1 Confidentiality.** Customer is a governmental body subject to public information laws, including Chapter 552 of the Texas Government Code. These laws may require disclosure of information, and upon the written request of a Party (that party, the "**Disclosing Party**"), the other Party (that party, the "**Receiving Party**") shall keep confidential and not disclose any Confidential Information which is disclosed to the Receiving Party by the Disclosing Party except for disclosures to Authorized Parties or as required by law. "**Confidential Information**" means the terms of this Agreement and any other information in written or other tangible form which is marked as "Confidential" when it is disclosed to the Receiving Party, except that Confidential Information shall not include information which (i) is available to the public, (ii) becomes available to the public other than as a result of a breach by the Receiving Party of its obligations hereunder, (iii) was known to the Receiving Party prior to its disclosure by the Disclosing Party, or (iv) becomes known to the Receiving Party thereafter other than by disclosure by the Disclosing Party. The provisions of this Section apply regardless of fault and survive termination, cancellation, suspension, completion or expiration of this Agreement for a period of two (2) years. Customer authorizes Gexa to provide TCAP with all information requested by TCAP about Customer's account and billings. "**Authorized Parties**" means those officers, directors, employees, agents, representatives and professional consultants of the Parties, and of the Parties' affiliates, that have a need to know the Confidential Information for the purpose of evaluating and performing this Agreement.

## D. DEFAULT AND REMEDIES

**D.1 Events of Default.** An event of default ("**Event of Default**") means: (a) the failure of Customer to make, when due, any payment required under this Agreement for any undisputed amount if that payment is not made within fifteen (15) business days after receipt of written notice (facsimile or electronic mail are valid forms of notice for this paragraph) from Gexa; or (b) any representation or warranty made by a Party proves to be false or misleading in any material respect; (c) except as provided in clause (a) above or otherwise in this section D.1, the failure of any Party to perform its obligations under this Agreement and that failure is not excused by Force Majeure and remains uncured following 20 business days written notice of the failure; (d) the defaulting Party (i) makes an assignment or any general arrangement for the benefit of creditors; or (ii) files a petition or otherwise commences, authorizes or acquiesces to a bankruptcy proceeding or similar proceeding for the protection of creditors, or has such a petition filed against it and that petition is not withdrawn or dismissed within 20 business days after filing; or (iii) otherwise becomes insolvent; or (iv) is unable to pay its debts when due; or (v) fails to establish, maintain or extend Credit in form and in an amount acceptable to Gexa when required; or (e) the Wholesale Transaction is terminated due to a default by Gexa under CESAs with other TCAP members or due to a default by PMI under the Wholesale Transaction. If an Event of Default listed in subsection (d) occurs, it is deemed to have automatically occurred prior to such event.

**D.2 Remedies upon an Event of Default.** If an Event of Default occurs and is continuing, upon written notice to the defaulting

Party, the non-defaulting Party may (a) commence an action to require the defaulting Party to remedy such default and specifically perform its duties and obligations in accordance with the Agreement; (b) exercise any other rights and remedies it has at equity or at law, subject to the Agreement's Limitations of Liabilities; and/or (c) suspend performance; provided, however, that suspension shall not continue for longer than ten (10) Business Days unless the non-defaulting Party has declared an early termination with proper notice. If Customer is responsible for an Event of Default and fails to cure within ten (10) days of written notice (such additional cure period does not apply to default for non-payment), in addition to its other remedies, Gexa may (i) terminate this Agreement; and (ii) charge Customer the Customer Early Termination Penalty pursuant to Section 5 of this Agreement. Notwithstanding the above, Gexa shall not disconnect or order disconnection of service to Customer unless the following events have all occurred: (1) Customer has an Event of Default for nonpayment under Section D.1(a) above, (2) Gexa gives Customer a ten (10) day written disconnection notice; and (3) Customer does not pay all undisputed outstanding payments owed by the end of the ten (10) day notice period. .

#### **E. MISCELLANEOUS PROVISIONS**

**E.1 Disclaimer.** This Agreement does not constitute, create, or otherwise recognize the existence of a joint venture, association, partnership, or other formal business entity of any kind among the Parties and the rights and obligations of the Parties are limited to those set forth in this Agreement.

**E.2 Headings.** The descriptive headings of the Articles and Sections of this Agreement are inserted for convenience only and are not intended to affect the meaning, interpretation or construction of this Agreement.

**E.3 Waiver.** Except as otherwise provided, failure of a Party to comply with an obligation, covenant, agreement, or condition may be waived by the other Party only in a writing signed by the Party granting the waiver, but that waiver does not constitute a waiver of, or estoppel with respect to a subsequent failure of the first Party to comply with that obligation, covenant, agreement, or condition.

**E.4 Assignment.** Except as provided in the Letter Agreement, Customer shall not assign this Agreement, in whole or in part, or any of its rights or obligations pursuant to the Agreement without Gexa's prior written consent, which shall not be unreasonably withheld. Gexa may withhold consent if a proposed assignee fails to be at least as creditworthy as Customer as of the Effective Date. Gexa may: (a) transfer, sell, pledge, encumber or assign the revenues or proceeds of this Agreement in connection with any financing or other financial arrangement; (b) transfer or assign this Agreement to a Gexa affiliate with operating capability and financial condition substantially similar to Gexa; (c) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of Gexa with an operating capability and financial condition substantially similar to Gexa as of the execution date of this Agreement; and/or (d) transfer or assign this Agreement to a certified REP with an operating capability and financial condition substantially similar to Gexa as of the execution date of this Agreement. In the case of (b), (c), or (d), any such assignee shall agree in writing to be bound by these Terms and Conditions of Service, and upon assignment, Gexa shall have no further obligations under this Agreement. Gexa shall not assign the Agreement to a non-affiliated entity (including its guarantor) that has a credit rating lower than BBB- without the prior written consent of TCAP, which shall not be unreasonably withheld.

**E.5 No Third-Party Beneficiaries.** This Agreement does not confer any rights or remedies on any person or party other than the Parties, their successors and permitted assigns; except that the Parties recognize that TCAP is entitled to receive the Aggregator Fee .

**E.6 Severability.** If a provision of this Agreement is held to be unenforceable or invalid by a court or regulatory authority of competent jurisdiction, the validity and enforceability of the remaining provisions are unaffected by that holding, and the Parties shall, to the extent possible, negotiate an equitable adjustment to the provisions of this Agreement in order to preserve the original intent and purpose of this Agreement.

**E.7 Entire Agreement; Amendments.** This Agreement constitutes the entire understanding between the Parties, and supersedes any and all previous understandings, oral or written, with respect to the subjects it covers. This Agreement may be amended only upon the mutually signed, written agreement of the Parties.

**E.8 Further Assurances.** The Parties shall promptly execute and deliver, at the expense of the Party requesting such action, any and all other and further instruments and documents which are reasonably requested in order to effectuate the transactions contemplated in this Agreement.

**E.9 Emergency, Outage and Wire Service.** In the event of an emergency, outage or service need, Customer shall call the TDSP for the service area of the ESI ID experiencing the emergency, outage or service need.

**E.10 Customer Care.** Customer may contact Gexa Customer Care if Customer has specific comments, questions, disputes, or complaints toll free at 1-866-961-9399, Monday to Friday 7:00 a.m. – 8:00 p.m. CST and Saturday from 8:00 a.m. – 2:00 p.m.. Gexa shall assist and cooperate with Customer regarding communications with a TDSP relating to service to any ESI ID served by Gexa under this Agreement.

#### **E.11 Governing Law.**

**a.** This Agreement is governed by and construed and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas, without regard to the State of Texas conflict of laws provisions.

**b.** All disputes between the Parties under this Agreement which are not otherwise settled will be decided by a court of competent jurisdiction in Harris County, Texas, and the Parties submit to the jurisdiction of the courts of the State of Texas and the Federal District Courts in Houston, Harris County, Texas. All disputes are governed under the laws of the State of Texas.

**c.** Subject to the provisions of E.11.a. above, this Agreement is subject to, and in the performance of their respective obligations under this Agreement the Parties shall comply with, all applicable federal, state and local laws, regulations and requirements (including the rules, regulations and requirements of quasigovernmental and regulatory authorities with jurisdiction over the Parties, including ERCOT) (collectively, "*Applicable Law*").

**E.12 No Presumption Against Drafting.** Both Parties contributed to the drafting of this Agreement. The rule of construction that any ambiguity is construed against the party who drafted this Agreement does not apply to this Agreement.

**E.13 Counterparts; Facsimile Copies.** This Agreement may be executed in counterparts, all of which constitute one and the

same Agreement and each is deemed an original. A facsimile copy of either Party's signature is considered an original for all purposes, and each Party shall provide its original signature upon request.

**E.15 Offer for Electric Service; Refusal of Service.** This Agreement, including these Terms and Conditions of Service, constitute an offer for electric service, and is expressly conditioned on acceptance of this Agreement by Gexa. Gexa may refuse to provide electric service to Customer subject to the requirements of Applicable Law.

City of Willow Park																					
Pay Steps Detail																					
Pay Steps	Probationary	1		2		3		4		5		6		7		8		9		10	
		Start	Step	Merit																	
40 hour week	up to 3 months	Set By Pay Table	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	
Public Safety	up to 6 months	Set By Pay Table	2%	2%	2%	2%	3%	2%	2%	2%	2%	2%	3%	2%	2%	2%	2%	2%	2%	3%	2%
Supervisory				2.5%		2.5%		2.5%		2.5%		2.5%		2.5%		2.5%		2.5%		2.5%	
Department Director			2%	3%	2%	3%	3%	3%	2%	3%	2%	3%	3%	3%	3%	2%	3%	2%	3%	3%	3%

Probationary status must be completed prior to Initial Pay Step assignment  
Initial Pay Step assignment is based on ability and experience, not longevity  
Initial Pay Step assignment is recommended by Department Head and approved by City Administrator

City of Willow Park				
Non-Exempt (Hourly) Wage Scale				
	Notes	Probation	Start (1)	Max (10)
Municipal Court				
Court Administrator	Additional 0.5% merit		\$14.75	\$21.00
			\$30,680	\$43,680
Court Tech		\$13.00	\$14.75	\$20.00
		\$27,040	\$30,680	\$41,600
Development Services				
Planning Tech		\$13.00	\$14.75	\$20.00
		\$27,040	\$30,680	\$41,600
Utility Billing				
Utility Billing Clerk			\$13.00	\$18.50
			\$27,040	\$38,480
Public Works				
Crew Member III	Additional 0.5% merit, Must have B-Water to move past step 5		\$18.00	\$25.00
			\$37,440	\$52,000
Crew Member II	Must have an A-Driver, C-Water, 2-Wastewater Collections to move past step 1		\$15.00	\$21.00
			\$31,200	\$43,680
Crew Member I	Must have an A-Driver & C-Water to move past step 5	\$12.50	\$13.00	\$18.00
		\$26,000	\$27,040	\$37,440
PW Secretary			\$13.00	\$18.50
			\$27,040	\$38,480
WW Operator	Must have C-Wastewater Treatment to move past step 3	\$12.50	\$14.00	\$20.00
		\$26,000	\$29,120	\$41,600
Fire Department				
Lieutenant	Additional 0.5% merit		\$15.00	\$20.00
	Reg. 2,666 OT 238		\$45,345	\$60,460.00
Firefighter		\$12.00	\$13.00	\$18.00
	Reg. 2,666 OT 238	\$36,276	\$39,299	\$54,414
Police				
Patrol Sargent	Additional 0.5% merit		\$20.00	\$28.00
	2184 hour		\$43,680	\$61,152
Patrol Officer		\$16.00	\$17.00	\$24.00
		\$34,944	\$37,128	\$49,920

2% Step 2% Merit with Manual Adjustment

		Probationary	1		2	
Market			1	Step	Merit	
Court Administrator		*2.5% merit	\$14.75	\$15.05	\$15.41	
			\$30,680		\$32,061	
Planning Tech	\$18.44		\$13.00	\$14.75	\$15.05	\$15.34
Court Tech			\$13.00	\$14.75	\$15.05	\$15.34
			\$27,040	\$30,680		\$31,907
Utility Billing Clerk			\$13.00	\$13.26	\$13.52	
PW Secretary			\$13.00	\$13.26	\$13.52	
			\$27,040		\$28,122	
Crew Member III	\$20.81	*2.5% merit	\$18.00	\$18.36	\$18.81	
			\$37,440		\$39,125	
Crew Member II			\$15.00	\$15.30	\$15.60	
			\$31,200		\$32,448	
Crew Member I	\$14.87		\$12.50	\$13.00	\$13.26	\$13.52
			\$26,000	\$27,040		\$28,122
WW Operator	\$18.44		\$12.50	\$14.00	\$14.28	\$14.56
			\$26,000	\$29,120		\$30,285
					2.0%	
Lieutenant		*2.5% merit	\$15.00	\$15.30	\$15.68	
Reg. 2,666 hours			39,990		41,790	
OT. 238 hours			5,355		5,596	
Annual Total			\$45,345		\$47,386	
Firefighter	\$15.77		\$12.00	\$13.00	\$13.26	\$13.52
Reg. 2,666 hours			31,992	34,658		36,044
OT. 238 hours			4,284	4,641		4,827
Annual Total			\$36,276	\$39,299		\$40,871
Patrol Sargent		*2.5% merit	\$20.00	\$20.40	\$20.90	
			\$43,680		\$43,472	
Patrol Officer	\$20.10		\$16.00	\$17.00	\$17.34	\$17.68
			\$34,944	\$37,128		\$36,774

3		4		5		6		7
Step	Merit	Step	Merit	Step	Merit	Step	Merit	Step
\$15.72	\$16.11 \$33,503	\$16.43	\$16.83 \$35,011	\$17.17	\$17.59 \$36,586	\$17.94	\$18.38 \$38,233	\$18.75
\$15.65	\$15.95	\$16.27	\$16.59	\$16.92	\$17.26	\$17.60	\$17.95	\$18.30
\$15.65	\$15.95 \$33,183	\$16.27	\$16.59 \$34,511	\$16.92	\$17.26 \$35,891	\$17.60	\$17.95 \$37,327	\$18.30
\$13.79	\$14.06	\$14.34	\$14.62	\$14.92	\$15.21	\$15.51	\$15.82	\$16.13
\$13.79	\$14.06 \$29,246	\$14.34	\$14.62 \$30,416	\$14.92	\$15.21 \$31,633	\$15.51	\$15.82 \$32,898	\$16.13
\$19.19	\$19.66 \$40,885	\$20.05	\$20.54 \$42,725	\$20.95	\$21.47 \$44,648	\$21.89	\$22.43 \$46,657	\$22.88
\$15.91	\$16.22 \$33,746	\$16.55	\$16.87 \$35,096	\$17.21	\$17.55 \$36,500	\$17.90	\$18.25 \$37,960	\$18.61
\$13.79	\$14.06 \$29,246	\$14.34	\$14.62 \$30,416	\$14.92	\$15.21 \$31,633	\$15.51	\$15.82 \$32,898	\$16.13
\$14.85	\$15.14 \$31,496	\$15.45	\$15.75 \$32,756	\$16.06	\$16.38 \$34,066	\$16.71	\$17.03 \$35,429	\$17.37
2.0%		3%		2.0%		2.0%		3%
\$15.99	\$16.38 43,670 5,848 \$49,518	\$16.87	\$17.28 46,072 6,169 \$52,241	\$17.63	\$18.06 48,145 6,447 \$54,592	\$18.42	\$18.87 50,312 6,737 \$57,049	\$19.44
\$13.79	\$14.06 37,486 5,020 \$42,506	\$14.48	\$14.76 39,360 5,271 \$44,631	\$15.06	\$15.35 40,935 5,482 \$46,416	\$15.66	\$15.97 42,572 5,701 \$48,273	\$16.45
\$21.32	\$21.84 \$45,428	\$22.50	\$23.04 \$47,927	\$23.50	\$24.08 \$50,083	\$24.56	\$25.16 \$52,337	\$25.92
\$18.03	\$18.39 \$38,245	\$18.94	\$19.31 \$40,158	\$19.69	\$20.08 \$41,764	\$20.48	\$20.88 \$43,435	\$21.51

	8		9		10		
Merit	Step	Merit	Step	Merit	Step	Merit	
\$19.21 \$39,953	\$19.59	\$20.07 \$41,751	\$20.47	\$20.98 \$43,630	<b>\$21.00</b>	<b>\$21.00</b> \$43,680	
\$18.66 \$18.66 \$38,820	\$19.04	\$19.41 \$19.41 \$40,373	\$19.80	<b>\$20.00</b> <b>\$20.00</b> \$41,600	<b>\$20.00</b>	<b>\$20.00</b> <b>\$20.00</b> \$41,600	
\$16.45 \$16.45 \$34,214	\$16.78	\$17.11 \$17.11 \$35,583	\$17.45	\$17.79 \$17.79 \$37,006	\$18.15	<b>\$18.50</b> <b>\$18.50</b> \$38,480	
\$23.44 \$48,757	\$23.91	\$24.50 \$50,951	\$24.99	<b>\$25.00</b> \$52,000	<b>\$25.00</b>	<b>\$25.00</b> \$52,000	
\$18.98 \$39,478	\$19.36	\$19.74 \$41,057	\$20.13	\$20.53 \$42,699	\$20.94	<b>\$21.00</b> \$43,680	
\$16.45 \$34,214	\$16.78	\$17.11 \$35,583	\$17.45	\$17.79 \$37,006	<b>\$18.00</b>	<b>\$18.00</b> \$37,440	
\$17.71 \$36,846	\$18.07	\$18.42 \$38,320	\$18.79	\$19.16 \$39,853	\$19.54	\$19.93 \$41,447	<b>\$20.00</b>
	2.0%		2.0%		3%		
\$19.91 53,079 7,108 \$60,187	<b>\$20.00</b>	<b>\$20.00</b> 53,320 7,140 \$60,460	<b>\$20.00</b>	<b>\$20.00</b> 53,320 7,140 \$60,460	<b>\$20.00</b>	<b>\$20.00</b> 53,320 7,140 \$60,460	
\$16.77 44,701 5,986 \$50,687	\$17.10	\$17.44 46,489 6,225 \$52,714	<b>\$18.00</b>	<b>\$18.00</b> 47,988 6,426 \$54,414	<b>\$18.00</b>	<b>\$18.00</b> 47,988 6,426 \$54,414	
\$26.55 \$55,216	\$27.08	\$27.74 \$57,701	<b>\$28.00</b>	<b>\$28.00</b> \$58,240	<b>\$28.00</b>	<b>\$28.00</b> \$58,240	
\$21.93 \$45,606	\$22.36	\$22.80 \$47,430	\$23.26	\$23.83 \$49,565	\$24.54	<b>\$24.00</b> \$49,920	

City of Willow Park			
Exempt (Salary) Wage Scale			
	Notes	Start (1)	Max (10)
Administration			
City Administrator	Contract, additional 1% merit	\$40.00	\$62.25
		\$83,200	\$129,480
City Secretary	additional 1% merit	\$24.04	\$33.66
		\$50,000	\$70,000
Budget & Financial Analyst	additional 1% merit	\$18.00	\$28.73
		\$37,440	\$59,757
Public Works			
Public Works Director	additional 1% merit	\$26.25	\$40.90
		\$55,000	\$85,000
Police			
Police Chief	additional 1% merit	\$28.85	\$40.90
		\$60,000	\$85,000
Police Captain	additional 1% merit	\$21.64	\$31.25
		\$45,000	\$65,000
Fire			
Fire Chief	additional 1% merit	\$28.85	\$40.90
		\$60,000	\$85,000
Fire Captain	additional 1% merit	\$21.64	\$31.25
		\$45,000	\$65,000
Fire Inspector	additional 0.5% merit	\$21.64	\$28.85
		\$45,000	\$60,000

Salary/Exempt	Market	1		2		3
		1	Step	Merit	Step	
				2.0%		2.0%
City Administrator <i>*Contract</i>	\$51.88	\$40.00 \$83,200	\$40.80	\$42.00 \$87,360	\$42.84	
City Secretary	\$27.64	\$24.04 \$50,003	\$24.52	\$25.24 \$52,503	\$25.75	
Budget & Financial Analyst	\$25.40	\$18.00 \$37,440	\$18.36	\$18.90 \$39,312	\$19.28	
Public Works Director	\$27.64	\$28.85 \$55,016	\$26.45	\$26.98 \$57,767	\$27.77	\$28.33
Police Chief	\$40.55	\$28.85 \$60,008	\$29.43	\$30.29 \$63,008	\$30.90	
Police Captain	\$29.54	\$28.85 \$45,011	\$21.64	\$22.07 \$47,262	\$22.72	\$23.18
Fire Chief	\$38.27	\$28.85 \$60,008	\$29.43	\$30.29 \$63,008	\$30.90	
Fire Captain	\$29.54	\$21.64 \$45,011	\$22.07	\$22.72 \$47,262	\$23.18	
Fire Inspector	\$29.54	\$31.25 \$45,011	\$21.64	\$22.07 \$47,262	\$22.72	\$23.18

	4		5		6		7	
Merit	Step	Merit	Step	Merit	Step	Merit	Step	Merit
	3%		2.0%		2.0%		3%	
\$44.10 \$91,728	\$45.42	\$46.75 \$97,232	\$47.68	\$49.08 \$102,093	\$50.06	\$51.54 \$107,198	\$53.08	\$54.63 \$113,630
\$26.50 \$55,129	\$27.30	\$28.09 \$58,436	\$28.66	\$29.50 \$61,358	\$30.09	\$30.97 \$64,426	\$31.90	\$32.83 \$68,292
\$19.85 \$41,278	\$20.44	\$21.04 \$43,754	\$21.46	\$22.09 \$45,942	\$22.53	\$23.19 \$48,239	\$23.89	\$24.58 \$51,133
\$29.16 \$60,655	\$30.04	\$30.91 \$64,294	\$31.53	\$32.46 \$67,509	\$33.11	\$34.08 \$70,885	\$35.10	\$36.12 \$75,138
\$31.81 \$66,159	\$32.76	\$33.72 \$70,128	\$34.39	\$35.40 \$73,635	\$36.11	\$37.17 \$77,317	\$38.29	\$39.40 \$81,955
\$23.86 \$49,625	\$24.57	\$25.29 \$52,602	\$25.80	\$26.55 \$55,232	\$27.09	\$27.88 \$57,994	\$28.72	\$29.55 \$61,474
\$31.81 \$66,159	\$32.76	\$33.72 \$70,128	\$34.39	\$35.40 \$73,635	\$36.11	\$37.17 \$77,317	\$38.29	\$39.40 \$81,955
\$23.86 \$49,625	\$24.57	\$25.29 \$52,602	\$25.80	\$26.55 \$55,232	\$27.09	\$27.88 \$57,994	\$28.72	\$29.55 \$61,474
\$23.86 \$49,625	\$24.57	\$25.29 \$52,602	\$25.80	\$26.55 \$55,232	\$27.09	\$27.88 \$57,994	\$28.72	<b>\$28.85</b> <b>\$60,008</b>

8		9		10	
Step	Merit	Step	Merit	Step	Merit

2.0%		2.0%		3%	
\$55.72	\$57.36 \$119,311	\$58.51	\$60.23 \$125,277	\$62.04	<b>\$62.25</b> <b>\$129,480</b>
\$33.49	<b>\$33.66</b> <b>\$70,013</b> 33.653846	<b>\$33.66</b>	<b>\$33.66</b> <b>\$70,013</b>	<b>\$33.66</b>	<b>\$33.66</b> <b>\$70,013</b>
\$25.08	\$25.81 \$53,690	\$26.33	\$27.10 \$56,375	\$27.92	\$28.73 \$59,757
\$36.85	\$37.93 \$78,895	\$38.69	\$39.83 \$82,839	\$41.02	<b>\$40.90</b> <b>\$85,072</b>
\$40.19	<b>\$40.90</b> <b>\$85,072</b>	<b>\$40.90</b>	<b>\$40.90</b> <b>\$85,072</b>	<b>\$40.90</b>	<b>\$40.90</b> <b>\$85,072</b>
\$30.15	\$31.03 \$64,547	<b>\$31.25</b>	<b>\$31.25</b> <b>\$65,000</b>	<b>\$31.25</b>	<b>\$31.25</b> <b>\$65,000</b>
\$40.19	<b>\$40.90</b> <b>\$85,072</b>	<b>\$40.90</b>	<b>\$40.90</b> <b>\$85,072</b>	<b>\$40.90</b>	<b>\$40.90</b> <b>\$85,072</b>
\$30.15	\$31.03 \$64,547	<b>\$31.25</b>	<b>\$31.25</b> <b>\$65,000</b>	<b>\$31.25</b>	<b>\$31.25</b> <b>\$65,000</b>
\$28.85	<b>\$28.85</b> <b>\$60,008</b>	<b>\$28.85</b>	<b>\$28.85</b> <b>\$60,008</b>	<b>\$28.85</b>	<b>\$28.85</b> <b>\$60,008</b>

Certification Pay	Rates	Police	Police -Dispatch	Fire	Public Works	Municipal Court
Required		Basic Peace Officer	Basic Telecommunicator	Basic Fire Fighter & Basic EMT	D - Water	
I	\$50/mo. (\$23.07/pay period)	Intermediate Peace Officer	Intermediate Telecommunicator	Intermediate Fire Fighter	C - Water or C-WW	Court Admin. Level 1
II	\$75/mo. (\$34.62/pay period)	Advanced Peace Officer	Advanced Telecommunicator	Advanced Fire Fighter or EMT Intermediate	B- Water or B- WW	Court Admin. Level 2
III	\$100/mo. (\$46.15/pay period)	Master Peace Officer	Master Telecommunicator	Master Fire Figther or EMT Paramedic	A - Water or A - WW	Court Admin. Level 3

Communicaiton Stipend		Admin.	Public Safety	Public Works	Legislative
Phone Stipend	\$45/mo. (\$20.77/pay period)	City Administrator, Finance, City Secretary, Dev. Services Dir.	Chief, Captain, PD Sergant, FD Fire Inspector	Director, PW III, PW II Wastewater Op.	Mayor, City Council
Emergency Management	\$30/mo. (\$13.85/pay period)	City Administrator	Chief, Captain,	Director	Mayor
Webmaster	\$250/mo. (\$115.38/pay period)	Finance, City Secretary			
Bilingual	\$83.33/mo. (\$38.46/pay period)				

**City of Willow Park****Holiday Schedule**

	<b>Holiday</b>	<b>Date Observed</b>
1	New Year's Day	January 1st
2	Martin Luther King Jr.'s Birthday	Third Monday in January
3	President's Day	Third Monday in February
4*	Personal Day/Good Friday	Friday before Easter Sunday
5	Memorial Day	Last Monday in May
6	Independence Day	July 4th
7	Labor Day	First Monday in September
8	Columbus Day	Second Monday in October
9	Veterans Day	November 11th
10	Thanksgiving	Fourth Thursday in November
11	Day after Thanksgiving	Fourth Friday in November
12	Christmas Eve	December 24th
13	Christmas Day	December 25th
*	Personal Day/September 11 (Fire Dept)	September 11th

**Skeleton Crew Day**

1	Constituion Day	September 17th
2	New Year's Eve	December 31st
3	Texas Independence Day	March 2nd

City	Population	Salary			Insurance		Retirement		Vehicle		Other			Term & Seperation		Total Financial Compensation
		Min.	Max.	Actual	Family Health Insurance Paid by City	"Keyman" Life Insurance	Portion Paid by City	Defered Compensation	City Issued Vehicle	Vehicle Stipend	Stipend/ Additional Duties	Leave Benefits beyond standard employee benefits	Other	Term	Severance	
Aledo	2,896	N/A	N/A	\$86,944					\$4,000			Treat as 5 year		3, evergreen	12 Months	\$90,944
Bowie	5,197	\$95,547	\$143,321	\$95,547		Yes			\$6,000					Indefinite	6 Months	\$101,547
Celina	6,660	N/A	N/A	\$181,500					\$6,000	Phone				5	24 Months	\$187,500
Decatur	6,330	N/A	N/A	\$137,574	Yes			Yes, no city match	Yes	Phone				5	12 Months	\$137,574
Everman	6,110	N/A	N/A	\$86,300	Yes		100% paid by City			Phone				2	6 months	\$86,300
Hudson Oaks	1,865	N/A	N/A	\$111,789				Yes, no city match		Phone				Indefinite	8 Months	\$111,789
Joshua	6,040	\$98,050	\$147,076	\$98,051	Yes				\$9,600	Phone, Moving		Relocation	Indefinite	12 Months	\$107,651	
Justin	3,250	N/A	N/A	\$94,770						Phone				Indefinite	6 Months	\$94,770
Kaufman	6,640	N/A	N/A	\$137,500		Yes			\$6,000			3 weeks	Relocation	2, evergreen	9 Months	\$143,500
Keene	6,150	N/A	N/A	\$92,445	Yes	Yes	100/70		\$7,200					3	4 Months	\$99,645
Kennedale	6,870	N/A	N/A	\$135,000	Yes				\$6,000			1 year notice		4	12 Months	\$141,000
Melissa	6,190	N/A	N/A	\$125,100	Yes			\$16,500	\$7,200	Phone		15 days		Indefinite	12 Months	\$148,800
Roanoke	6,750	N/A	N/A	\$196,838			100% paid by City		\$10,200					Indefinite	12 Months	\$207,038
Sunnyvale	5,280	N/A	N/A	\$116,000					\$7,200	Phone		Relocation	16 mo.	6 Months	\$123,200	
<i>Average</i>	<i>5,445</i>			<i>\$121,097</i>					<i>\$6,636</i>						<i>10 Months</i>	<i>\$127,233</i>
Willow Park - Current		N/A	N/A	\$79,600	No	No		N/A	No	0	Phone	No	Relocation	3	3 Months	\$79,600
Willow Park - Proposed		\$83,300	\$129,480	\$92,245	Yes	Yes		N/A	No	\$6,000	Phone	No		3, evergreen	6 Months	\$98,245