

**CITY OF RUSSELLVILLE, KENTUCKY
ORDINANCE NO. 2010-08**

AN ORDINANCE OF THE CITY OF RUSSELLVILLE, KENTUCKY, PROVIDING FOR THE CREATION AND SALE OF A FRANCHISE FOR THE PRIVILEGE OF CONSTRUCTING, TRANSPORTING, OPERATING, MAINTAINING AND DISTRIBUTING NATURAL GAS ALONG AND UNDER PUBLIC RIGHT OF WAY WITHIN THE CITY OF RUSSELLVILLE, KENTUCKY, FOR A TERM OF TEN (10) YEARS IN CONSIDERATION FOR WHICH THE SUCCESSFUL FRANCHISEE SHALL PAY TO THE CITY AN ANNUAL SUM EQUAL TO 1½% OF ITS REVENUES; AND FURTHER ESTABLISHING A BID PROCEDURE FOR THE AWARD OF SAID FRANCHISE TO THE SUCCESSFUL BIDDER; AND PROVIDING FOR A SEVERABILITY CLAUSE, REPEALER CLAUSE AND AN EFFECTIVE DATE

** ** *

WHEREAS, the existing natural gas franchise agreement between the City of Russellville, Kentucky and Atmos Energy Corporation expires on August 20, 2010; and

WHEREAS, the City has determined that it is in the best interest of its citizens to create and offer for sale a new natural gas franchise;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL IN AND FOR THE CITY OF RUSSELLVILLE, KENTUCKY (hereinafter referred to as the "City") as follows:

SECTION I. BIDDING PROCEDURE

A. The Mayor of the City of Russellville, Kentucky, or such other person as the Mayor may designate, shall offer for sale, to the highest and best bidder, a ten (10) year franchise to enter upon, acquire, construct, operate, maintain and repairs in the public right of way of the City, a gas distribution system with the corporate boundaries of the City of Russellville, subject to the provisions of the Franchise Agreement attached hereto and incorporated herein by reference.

B. The Mayor of the City of Russellville, Kentucky, or such other person as the Mayor may designate, shall, as soon as practicable after passage and publication of this Ordinance, offer for sale, under sealed public bids, the franchise and privileges created herein. Such bids shall be in writing and shall be delivered to the Mayor or his designee, at City Hall, Russellville, Kentucky, by 5:00 p.m. on August 17, 2010 (the "Bid Deadline"). Advertisements for such bids shall be published in accordance with the requirements of KRS Chapter 424. All costs for such advertisements shall be borne by the successful Franchisee.

C. Sealed bids offered for the purchase of this franchise shall be publicly opened and read at 5:00 p.m. C.S.T. on August 17, 2010. All bids shall state the bidder's acceptance of the terms and provisions set forth in the attached franchise agreement.

D. The Mayor shall present all written bids to the City of Russellville at its first meeting scheduled after the Bid Deadline for the City's consideration and approval. The City reserves the right to accept any bid, to reject any and all bids received, to waive any irregularities or informalities in awarding the franchise and to accept what, in its opinion, is the best responsive and responsible bid. In the event all bids are rejected, the City reserves the right to direct by resolution or ordinance that the franchise created hereunder be offered again for sale until a satisfactory bid is received and approved.

SECTION II. SEVERABILITY CLAUSE

If any section, subsection, or clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected.

SECTION III. REPEALER CLAUSE

All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION IV. EFFECTIVE DATE

This ordinance shall be effective upon its passage and publication as required by law.

FIRST READING CONDUCTED on July 6, 2010.

SECOND READING AND PASSAGE after a public reading on July 20, 2010.



GENE ZICK, MAYOR

ATTEST:



BOB RIGGS, CITY CLERK

Ayes: Bell, Pat; Davenport, Jimmy; Jones, Russell; McPherson, Lanny; Nash, Doug;
Whipple, Jack.

Nays: None.

Absent: None.

Abstaining: None.

NOTICE OF SALE OF GAS FRANCHISE

NOTICE IS HEREBY GIVEN that the City of Russellville, Kentucky, will on August 17, at 5:00 p.m. at City Hall, Russellville, Kentucky, consider offers for sale to the highest and best bidder, plus all costs, including advertising cost, a franchise as defined in Ordinance 2010-08 adopted by the City Commission on July 20, 2010 the full text of which Ordinance, including the agreement containing the terms of the franchise, is available for inspection in the Office of the City Clerk, City Hall, Russellville, Kentucky between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday.

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Sealed Bids are to be delivered to Russellville City Hall, Russellville, Kentucky, to be publicly opened and read at 5:00 p.m., C.S.T. On August 17, 2010.

The City of Russellville reserves the right to accept any bid, to reject any and all bids, to waive any irregularities or informalities in awarding the franchise and to accept what, in its opinion, is the best responsive and responsible bid.

Bob Riggs

From: Gene Zick [gzick@russellvilleky.org]
Sent: Monday, July 19, 2010 6:47 AM
To: Bob Riggs
Subject: FW: Russellville Franchise
Attachments: Enabling Ord FINAL mosh 070910.doc; FRAN FINAL DRAFT REV'D 062410.doc; Bid Ad 4 061509.doc

FYI

From: Stallins, Anthony [mailto:Anthony.Stallins@atmosenergy.com]
Sent: Sunday, July 18, 2010 4:45 PM
To: gzick@russellvilleky.org
Cc: rhedges@bellsouth.net; Coomes, Kay; Stallins, Anthony
Subject: FW: Russellville Franchise

Good afternoon Mayor Gene,

We look forward to our meeting Tuesday afternoon for the second reading of Ordinance 2010-08. I've included 3 attachments. The first is the Enabling Ordinance from your first reading that Bob gave me after your council meeting. We've re-inserted our standard language in Section IV, "PUBLICLY READ AND FINALLY APPROVED ON SECOND READING,.....". Also I've included the "Bid Advertisement" that Bob may want to use in the newspaper ads and the Franchise Final Draft. As stated previously, the ads must run for 3 consecutive weeks and again please have the newspaper bill Atmos Energy for the running of the ads, (if there is any questions with the paper on payments, please contact me immediately). Please fell free to use both, however, if you or he do (other that inserting dates and times) decide to use something different, please let me know as soon as possible in order to run any changes through our legal department.

I've included a timeline for your review in order to make our August 20th date.

<u>Tuesday July 20</u>	<u>Friday July 23</u>	<u>Tuesday July 27</u>	<u>Tuesday August 3rd</u>
2 nd Reading of	1 st Public Notice	2 nd Public Notice	3 rd Public Notice
Ord. 2010-08	Newspaper Ad	Newspaper Ad	Newspaper Ad

Tuesday August 17th

Bid Opening

Awarding of Franchise

If you or Bob see anything wrong with the timeline or I can be of any additional help, please let me know.

Thanks again,

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