

MINUTES OF THE CROCKETT CITY COUNCIL MEETING HELD ON THE 3rd DAY OF NOVEMBER 2008 IN THE CITY HALL COUNCIL CHAMBERS, LOCATED AT 200 NORTH FIFTH IN THE CITY OF CROCKETT, HOUSTON COUNTY TEXAS AT 6:00 P.M.

THE COUNCIL MET IN REGULAR SESSION WITH THE FOLLOWING MEMBERS PRESENT: WAYNE MASK, JAMES HALL, DARIUS KITCHEN, NATHAN GARDNER, JACKIE JONES & BILL HOLCOMB. CITY OFFICIALS PRESENT: CITY ADMINISTRATOR RONALD DUNCAN, CITY SECRETARY MITZI THOMPSON, INTERIM POLICE CHIEF MIKE MCKAY AND FIRE CHIEF DARRELL DECKARD.

1. OPEN MEETING WITH INVOCATION AND PLEDGE

Mayor Mask called the formal session open. Mayor Mask gave the invocation and all joined in the pledge.

2. RECOGNITION OF VISITORS

Mayor Mask recognized all visitors present.

3. APPROVAL OF MINUTES: REGULAR MEETING – OCTOBER 6, 2008

Council member Jones made a motion to approve the minutes of the October 6, 2008 Regular Meeting. Council member Gardner seconded the motion. Motion passes 5-0.

4. REPORTS: MAYOR – Signed proclamation honoring Municipal Court Week, Municipal Court Judge Mo Amjad spoke about Warrant List

CITY ADMINISTRATOR – Completed FEMA paperwork, budget books on desk

5. POLICE DEPARTMENT REPORT

Interim Police Chief McKay reported for the time period of October 13th thru November 2, 2008; 14 total manpower, 0 reserve manpower, 1,597 total manpower hours, 0 total reserve manpower hours, 440 total calls, 8 total accidents. A breakdown of the criminal reports is included in the packets.

A) NOMINATION/ELECTION OF NEW POLICE OFFICER

Mayor Pro Tem Holcomb made a motion to approve Alfredo Fajardo as a full time police officer. Council member Kitchen seconded the motion. Motion passes 5-0.

6. FIRE DEPARTMENT REPORT

Fire Chief Deckard reported for the month of October: 23 total calls. A breakdown is included in the packets.

7. CONSIDER AND APPROVE AN ORDINANCE GRANTING TO CENTERPOINT ENERGY RESOURCES CORP., DBA CENTERPOINT ENERGY TEXAS GAS OPERATIONS, THE RIGHT, PRIVILEGE AND FRANCHISE TO CONSTRUCT, INSTALL, EXTEND, REMOVE, REPLACE, ABANDON, OPERATE AND MAINTAIN ITS FACILITIES WITHIN THE PUBLIC RIGHTS-OF-WAY OF THE CITY OF CROCKETT, TEXAS FOR THE TRANSPORTATION, DELIVERY, SALE, AND DISTRIBUTION OF NATURAL GAS; CONTAINING OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE – SECOND AND FINAL READING

Mayor Pro Tem Holcomb made a motion to approve Ordinance granting to Centerpoint Energy Resources Corp., DBA Centerpoint Energy Texas Gas Operations, the right, the privilege and franchise to construct, install, extend, remove, replace, abandon, operate and maintain its facilities within the public rights-of-way of the City of Crockett, Texas for the transportation, delivery, sale, and distribution of natural gas; containing other provisions relating to the foregoing subject. Council member Kitchen seconded the motion.
Motion passes 5-0.

8. CONSIDER AND APPROVE A RESOLUTION OF THE CITY OF CROCKETT, TEXAS, AUTHORIZING THE CITIES AGGREGATION POWER PROJECT, INC. (CAPP) TO NEGOTIATE AN ELECTRIC SUPPLY AGREEMENT FOR DELIVERIES OF ELECTRICITY AND NECESSARY, RELATED SERVICES EFFECTIVE JANUARY 1, 2009; APPROVING CAPP CONTRACTING WITH FPL ENERGY AND DIRECT ENERGY AND AUTHORIZING THE MAYOR OR OTHER DESIGNATED CITY OFFICIAL TO SIGN A CONTRACT WITH CAPP FOR THE CITY'S ELECTRICITY NEEDS FOR THE PERIOD BEGINNING JANUARY 1, 2009 AND EXTENDING UP TO DECEMBER 31, 2013; COMMITTING TO BUDGET FOR ENERGY PURCHASES AND TO HONOR THE CITY'S COMMITMENTS TO PURCHASE POWER THROUGH CAPP FOR ITS ELECTRICAL NEEDS FOR THE PERIOD BEGINNING JANUARY 1, 2009, AND EXTENDING UP TO DECEMBER 31, 2013

Mayor Mask said that the City has been part of CAPP since 2002. Mr. Duncan stated that this is a basic CAPP agreement for the next five years. Mr. Duncan said that price wise the City is better staying with CAPP and that CAPP has a tremendous amount of buying power. Council member Hall made a motion to approve the Resolution of the City of Crockett, Texas, authorizing the Cities Aggregation Power Project, Inc. (CAPP) to negotiate an electric supply agreement for deliveries of electricity and necessary, related services effective January 1, 2009; approving CAPP contracting with FPL Energy and Direct Energy and authorizing the mayor or other designated city official to sign a contract with CAPP for the city's electricity needs for the period beginning January 1, 2009 and extending up to December 31, 2013; committing to budget for energy purchases and to honor the City's commitments to purchase power through CAPP for its electrical needs for the period beginning January 1, 2009, and extending up to December 31, 2013. Mayor Pro Tem Holcomb seconded the motion.
Motion passes 5-0.

9. CONSIDER AND APPROVE A RESOLUTION OF THE CITY OF CROCKETT, TEXAS AUTHORIZING THE CITY TO PARTICIPATE IN THE EAST TEXAS COUNCIL OF GOVERNMENTS (ETCOG), EAST TEXAS ENERGY CONSORTIUM ELECTRICITY COOPERATIVE POOL (ETEC), AUTHORIZING THE MAYOR TO SIGN AN INTERLOCAL AGREEMENT WITH THE ETCOG TO PARTICIPATE IN ETEC; AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT ON BEHALF OF THE CITY TO JOIN THE COOPERATIVE PURCHASING NETWORK; AND AUTHORIZING ETEC AND LPB ENERGY MANAGEMENT TO NEGOTIATE AN ELECTRICAL SUPPLY AGREEMENT FOR DELIVERIES OF ELECTRICITY AND NECESSARY RELATED SERVICES EFFECTIVE JANUARY 1, 2009; APPROVING LPB ENERGY NEGOTIATING WITH ELECTRICAL ENERGY PROVIDERS AND AUTHORIZING THE MAYOR OR OTHER DESIGNATED CITY OFFICAL TO SIGN A PROCUREMENT AGREEMENT CONTRACT WITH LPB ENERGY MANGEMENT FOR THE CITY'S ELECTRICAL NEEDS FOR A PERIOD OF UP TO FIVE YEARS; COMMITTING BUDGET FOR ENERGY PURCHASES AND TO HONOR THE CITY'S COMMITMENTS TO PURCHASE POWER THROUGH ETEC AND LPB ENERGY FOR ITS ELECTRICAL NEEDS FOR THE CONTRACT PERIOD BEGINNING JANUARY 1, 2009.

No action required.

10. CONSIDER AND APPROVE AN ORDINANCE OF THE CITY OF CROCKETT, TEXAS APPROVING AN ELECTRIC POWER CONTRACT WITH CITIES AGGREGATION POWER PROJECT, INC. ("CAPP") FOR ELECTRIC CAPACITY AND ENERGY, PROVIDING CAPACITY PAYMENTS AS PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS OF THE CITY, PLEDGING AND LEVYING AN AD VALOREM TAX TO SUCH PAYMENTS, PROVIDING FOR ENERGY PAYMENTS FOR ELECTRIC ENERGY SUBJECT O ANNUAL APPROPRIATION BY THE CITY, PROVIDING FOR THE ASSIGNMENT OF SUCH CAPACITY PAYMENTS TO SUPPORT DEBT ISSUED BY CAPP INCURRED TO ACQUIRE ELECTRIC CAPACITY RIGHTS FROM LUMINANT GENERATION COMPANY AND RELATED ENTITIES PURSUANT TO A 24-YEAR POWER PURCHASE AGREEMENT ("PPA"); AUTHORIZING THE CITY MANAGER OR OTHER APPROPRIATE CITY OFFICER OR EMPLOYEE TO EXECUTE AND DELIVER THE MEMBER CONTRACT; FURTHER AUTHORIZING THE CITY MANAGER OR OTHER APPROPRIATE CITY OFFICER OR CITY EMPLOYEE TO SIGN ADDITIONAL AGREEMENTS ARRANGED BY CAPP FOR ELECTRIC POWER NEEDED BY THE CITY IN THE PERIOD 2009-2013 IN EXCESS OF THE AMOUNT OBTAINED UNDER THE MEMBER CONTRACT; ACKNOWLEDGING, AUTHORIZING AND DIRECTING THE CITY MANAGER OR APPROPRIATE CITY OFFICER OR CITY EMPLOYEE TO SIGN AND RETURN CAPP'S DISCLOSURE LETTER; FURTHER AUTHORIZING THE CITY MANAGER OR APPROPRIATE CITY OFFICER OR OTHER CITY EMPLOYEE TO ACCEPT CONFORMING CHANGES TO THE MEMBER CONTRACT DEPENDENT ON THE FINAL TERMS OF THE

CAPP PPA; PROVIDING FOR VALIDITY AND SUFFICIENCY OF CITY EMPLOYEE'S OR CITY OFFICER'S SIGNATURE IF THE OFFICER OR EMPLOYEE LEAVES OFFICE OR EMPLOYMENT PRIOR TO THE DELIVERY OF THE MEMBER CONTRACT; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT

Mr. Duncan said that CAPP is trying to go out and purchase up front 60% of the power requirements of member cities in a long term contract with an electric provider (\$250 million dollars). Mr. Duncan explained the City's monthly payment would be \$9,000.00 for 50% of electricity at approximately 3 1/2 cent per kilowatt hour and the remainder amount would be in a separate billing. Mr. Duncan said that the City could get a lower price by going with a long term agreement but there are several risks involved. After much council discussion, there was no action on item.

11. COMMENTS FROM AUDIENCE OR COUNCIL
12. ADJOURNMENT

With no more business to consider, meeting was adjourned at 6:50 P.M.

Wayne Mask, Mayor

ATTEST:

Mitzi Thompson, City Secretary