

City of Freeport

NOTICE OF PUBLIC MEETING
THE FREEPORT CITY COUNCIL
MONDAY, APRIL 7th, 2008, 6:00 P.M.
MUNICIPAL COURT ROOM
FREEPORT POLICE DEPARTMENT, 430 N. BRAZOSPORT BLVD.
AGENDA
FORMAL SESSION

1. Call to Order.
2. Invocation.
3. Pledge of Allegiance.
4. Consideration of the approval of the March 17th, 2008 Council Minutes.
Pg. 385-388
5. Attending Citizens and Their Business.
6. **Proclamation:** Proclaiming April as "Child Abuse Prevention Month".
Pg. 389
7. **Proclamation:** Proclaiming April 2008 as "Fair Housing Month".
Pg. 390
8. Consideration of the approval of Ordinance No. 2008-2195 amending the 2007-2008 budget. Pg. 391-396
9. Consideration of the approval of Resolution No. 2008-2166 authorizing the Mayor to sign a deed conveying Block 716, Lot 16, 18, 20 and Block 717, Lot 2, 4, Velasco Townsite, known as 1200 North Ave. N. , to George Matamoros. Pg. 397-403
10. Consideration of the approval of Resolution No. 2008-2167 suspending the effective date of the rates and Tariffs contained in the statement of intent filed with the City on March 6th, 2008 by CenterPoint Energy (Entex) for ninety (90) days. Pg. 404-446
11. Consideration of the approval of a commercial a tax abatement application for Concepts West Logistic Center, 102 West 8th Street, Freeport, Texas.
Pg. 447-462

12. Consideration of the approval of accepting Credit/Debit cards as a method of payment for Water & Sewer bills. Pg. 463
13. Consideration of the approval of a request from the Freeport League to waive the carnival and vendor permit fees for Riverfest on April 25th thru 26th, 2008 at the Freeport Municipal Park Pg. 464
14. Consideration of the approval of a request from the Freeport Host Lions Club to sell alcohol, have a public dance and have fireworks display for Riverfest on April 25th & 26th at the Freeport Municipal Park. Pg. 465
15. Consideration of the approval of a request from Main Street to close the following streets; North ends of West Park and East Park, 2nd Street from Velasco to Memorial Park and the North bound lane of Velasco from 2nd street to Ave. B. from 7:00 a.m. to 10:00 a.m. for the Flapjack Run on Saturday, April 26th, 2008. Pg. 466
16. Consideration of the approval of selling the City's interest on Block 100, Lot 5, Freeport Townsite, known as 815 West Broad. Pg. 467-469
17. Consideration of the approval of selling the City's interest on Block 6, South 1/2- of Lot 18, Freeport Townsite, known as 502 E. 7th Street. Pg. 470-472
18. Consideration of the approval of selling the City's interest on Block 779, Lot 1 & 2, Velasco Townsite, known as 1622-1624 North Ave. Q. Pg. 473-475
19. Consideration of the approval of selling the City's interest on BCIC 14, Lot 13-14, A-49, Velasco Heights Annex, known as 1717 -1721 Yellowstone. Pg. 476-478
20. Consideration of the approval of selling the City's interest on Block 7, Lot 8, Freeport Townsite, known as 727 West 11th Street. Pg. 479-481
21. Consideration of the approval of selling the City's interest on Block 7, Lot 11, Southview Gardens Subdivision, known as 715 West 11th Street. Pg. 482-484

Elected Official Report

Work Session

Administration Report

- A. Discussion concerning amending Chapter 154 Subdivisions of the Code of Ordinances to include plats and replats within the extra territorial jurisdiction of the City. Pg. 485-505

This notice is posted pursuant to the Texas Open Meeting Act. (Chapter 551, Government Code)

In compliance with the American with Disabilities Act, the City of Freeport will provide for reasonable accommodations for persons attending City Council Meetings. Request should be received 48 hours prior to the meetings.

Please contact the City Secretary office at 979.233.3526.

I, Delia Muñoz, City Secretary, City of Freeport, Texas, hereby certify that this agenda was posted on the official bulletin board/glass door of City Hall, facing the rear parking lot of the building, with 24 hour a day public access, 200 W. 2nd Street, Freeport, Texas, on April 1, 2008 at or before 5:00 p.m.

Delia Muñoz
City Secretary

Consideration of the approval of the March 3rd, 2008 Council Minutes.

On a motion by Councilman Saccomanno, seconded by Councilwoman Garcia, with all present voting "aye", Council unanimously approved the March 3rd, 2008 minutes.

Attending Citizens and Their Business.

Joyce Adkins complained about the City Hall and Police Departments phone system.

Joaquin Damian complained about George Elizondo's application for City Council. He asked Council to consider eliminating the light on Ave. A. & Velasco Boulevard.

Presentation of the annual financial audit for fiscal year 2006-2007 by Tom Masters of Kennemer-Masters, LLC.

Tom Masters, audit coordinator of Kennemer, Masters & Lunford, LLC presented the annual audit and answered Council's question of the financial statements of the City of Freeport for year ending September 30, 2007.

Mayor McDonald was attending a SBCA meeting and resumed his responsibilities at 6:18 p.m.

Consideration of the approval of Ordinance No. 2008-2193 amending Ordinance No. 2008-2185 of said City, which called the annual election of officers for the second Saturday in May, 2008, being May 10th, 2008 to change the polling place for voters residing within the City but outside of Brazoria County Precinct No. 8.

On a motion by Councilman Smith, seconded by Councilwoman Garcia, with all present voting "aye", Council unanimously approved Ordinance No. 2008-2193 amending Ordinance No. 2008-2185 of said City, which called the annual election of officers for the second Saturday in May, 2008, being May 10th, 2008 to change the polling place for voters residing within the City but outside of Brazoria County Precinct No. 8.

Consideration of the approval of Ordinance No. 2008-2194 amending Ordinance No. 2008-2186 of said City, which called a Charter Amendment Election for the second Saturday in May, 2008, being May 10, 2008, to change the polling place for voters residing within the City but outside of Brazoria County Precinct No. 8.

On a motion by Councilman Smith, seconded by Councilman Saccomanno, with all present voting "aye", Council unanimously approved Ordinance No. 2008-2194 amending Ordinance No. 2008-2186 of said City, which called a Charter Amendment Election for the second Saturday in May, 2008, being May 10th, 2008, to change the polling place for voters residing within the City but outside of Brazoria County Precinct No. 8.

Consideration of the approval of selling the City's interest on Block 715, Lot 17, Velasco Townsite, known as 1211 North Ave. M.

On a motion by Councilman Smith, seconded by Councilman Saccomanno, with all present voting 3 to 1, Council approved Nat Hickey's recommendation to deny selling the City's interest on Block 715, Lot 17, Velasco Townsite, known as 1211 North Ave. M. Mayor McDonald opposed.

Consideration of the approval of bids and awarding the contract for Block 716, Lot 16, 18, 20 and Block 717, Lot 2, 4, Velasco Townsite, known as 1200 North Ave. N.

On a motion by Councilman Smith, seconded by Councilman Saccomanno, with all present voting "aye", Council unanimously approved the bids and awarded the contract to George Matamoros for Block 716, Lot 16, 18, 20 and Block 717, Lot 2, 4, Velasco Townsite, known as 1200 North Ave N.

Elected Official Report

Councilman Smith reported that the Senior Citizens have been asked to participate on a EMS Drill in April.

Councilman Saccomanno reported that Main Street met on March 11, 2008 and had a special guest from the Texas Historical Commission. Mr. Robert Johnson presented good data and ideas on the economic impact on restoring the City's downtown.

Mayor McDonald attended a SPCA meeting in Lake Jackson and complimented the animal control officer.

Mayor McDonald opened the Work Session at 6:41 p.m.

Work Session

Administration Report

Gary Beverly reported the Joy Rod Run event was well attended. The annual Easter Egg Hunt is scheduled for 10:00 a.m., Saturday-March 22, 2008 at the Freeport Municipal Park. Sunrise service underneath the pavilion on Sunday. A request from citizen's to address drainage, adding 18" culverts at Ave H. which will delay project about 2-3 weeks. A new telephone system installed and changing long distance carriers from CTI to AT&T. A \$4000.00 yearly savings on long distance. The City is experiencing lines that are shorting out due to moisture, AT&T have said they will solve the problems. The 911 line has not been down. Mr. Beverly and Waste Management's personnel are working together to improve services, Waste Management has postponed any rate increases. He is looking for a new PA system for Council Chambers. He will talk to the Texas Historical Commission about potential funding.

Adjourn

On a motion by Councilman Saccomanno, seconded by Councilman Smith, with all present voting "aye", the meeting was adjourned at 6:56 p.m.

Delia Munoz
City Secretary

Larry L. McDonald
Mayor

PROCLAMATION

WHEREAS, child abuse prevention is a community problem and finding solutions depends on involvement among people throughout the community; and

WHEREAS, statistics of children who are abused and neglected escalate each year; and

WHEREAS, the effects of child abuse are felt by whole communities, and need to be addressed by the entire community; and

WHEREAS, effective child abuse prevention programs succeed because of partnerships created among social service agencies, schools, religious organizations, law enforcement agencies, and the business community; and

WHEREAS, youth-serving prevention programs offer positive alternatives for young people and encourage youth to develop strong ties to their community; and

WHEREAS, all citizens should become more aware of child abuse and its prevention within the community and become involved in supporting parents to raise their children in a safe, nurturing environment.

NOW, THEREFORE, I Larry McDonald, Mayor of the City of Freeport, Texas, do hereby proclaim April as

CHILD ABUSE PREVENTION MONTH

and call upon all citizens to work together to prevent child abuse, thereby strengthening the community in which we live.

Approved this ____ day of _____, 2008

Larry McDonald, Mayor

Attest:

Delia Munoz, City Secretary

PROCLAMATION

WHEREAS, the Department of Housing and Urban Development has initiated the sponsorship of activities during the month of April of each year designed to reinforce the Department's commitment to the concept of Fair Housing and Equal Opportunity; and

WHEREAS, the City of FREEPORT affirmatively supports federal objectives related to Fair Housing and Equal Opportunity.

NOW, THEREFORE, I, LARRY L. McDONALD, Mayor of the City of FREEPORT, Texas, do hereby proclaim the month of April, 2008 as:

"FAIR HOUSING MONTH"

and urge all local officials and public and private organizations to join activities designed to further Fair Housing objectives.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of FREEPORT to be affixed this the 7TH day of APRIL, 2008.

Mayor

ORDINANCE NO. 2008-2195

AN ORDINANCE OF THE CITY OF FREEPORT, TEXAS, CONTAINING A PREAMBLE; CONTAINING FINDINGS OF FACTS; AMENDING THE BUDGET FOR THE FISCAL YEAR 2007-2008; CONTAINING SAVINGS CLAUSES; CONTAINING A SEVERANCE CLAUSE; AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, pursuant to the provisions of Subsection (a) of Section 102.007 of Chapter 102 of the Local Government Code and the provisions of Article 9 of the Home Rule Charter of the City of Freeport (hereinafter sometimes "the City"), the budget for the 2007-2008 fiscal year of the City was finally approved by the City Council, being the governing body thereof, by its Ordinance No.2007-2173-B, read, passed and adopted on the 10th day of September, 2007, (hereinafter sometimes "the Budget"); and,

WHEREAS, Subsection (b) of Section 102.009 of the Local Government Code provides that, after final approval of the budget, the governing body of a municipality may spend municipal funds only in strict compliance with the budget, except in an emergency, but Section 102.010 of said Code provides that the provisions of Chapter 102 thereof do not prevent the governing body of such municipality from making changes in the budget for municipal purposes; and

WHEREAS, Subsection (C) of Section 102.009 of said Code provides that the governing body of a municipality may authorize an expenditure as an amendment to the original budget only in the case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention; and,

WHEREAS, Section 9.16 of the City's Home Rule Charter provides that the budget may be amended and appropriations altered in accordance therewith in cases of public necessity, the actual fact of which shall have been declared by the City Council; and,

WHEREAS, the adoption of this ordinance and the amendment of the Budget is necessary for and in the best interest of the health, safety and general welfare of the inhabitants of the City.

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

SECTION ONE (1): FINDINGS OF FACT

In connection with the amendment and revision of the Budget, the City Council of the City makes the following findings:

(1) The amendments and revisions set forth in the Budget were the result of numerous public workshop meetings called and conducted in the manner required by the Texas Open Meetings Act, codified as Chapter 551, Government Code.

(2) A public hearing was held on the Budget on September 10, 2007, and conducted in the manner required by Section 102.006 of the Local Government Code and the City's Home Rule Charter.

(3) Notice of such public hearing was published in the Brazosport Facts, a newspaper of general circulation in and the official newspaper of the City in the manner and time required by Chapter 102 of said Code and the City's Home Rule Charter.

(4) A grave public necessity exists and to meet an unusual and unforeseen conditions that could not have been included in the original budget through the use of reasonably diligent thought and attention and the Budget must be amended and revised with respect of the new or additional expenditures set forth in Exhibit "A" attached hereto and made a part hereof, such unusual and unforeseen conditions also being set forth in said Exhibit "A".

(5) The proposed changes are set forth in Exhibit "A" attached hereto and made a part hereof.

(6) All of the changes set forth in Exhibit "A" are for municipal purposes.

(7) The several amounts stated in Exhibit "A" as the amended or revised expenditures are hereby appropriated to and for the objects and purposes therein named.

(8) The contingent appropriations, as amended and revised in said Exhibit "A", do not exceed three (3%) percent of the total amended and revised budget appropriations reflected therein.

(9) The amended and revised expenditures of the general fund and the debt service fund contained in the Budget, as amended by said Exhibit "A", do not exceed the resources of each fund, as amended and revised.

SECTION ONE (2):

The existing budget of the City of Freeport, Texas, for the fiscal year 2007 -2008 is hereby amended and revised as reflected in said Exhibit "A".

SECTION THREE (3):

As required by Subsections © and (d) of Section 102.009 of the Local Government Code, upon the passage and adoption of this ordinance, the amended and revised budget adopted hereby shall be filed with the City Secretary of the City to be maintained in the official records of the City, and a certified copy of this ordinance, with Exhibit "A" attached thereto, shall be filed by the City Secretary with the County Clerk of Brazoria County, Texas, and the State Comptroller of Public Accounts for the State of Texas.

SECTION FOUR (4):

nothing contained in this ordinance shall cause any rights heretofore vested to be altered, affected or impaired in any way and all such rights may be hereafter enforced as if this ordinance had not been adopted.

SECTION FIVE (5):

In the event any section or provision of this ordinance is found to be unconstitutional, void or inoperative by the final judgment of a court of competent jurisdiction, such defective provision, if any, is hereby declared to be severable from the remaining sections and provisions of this ordinance and such remaining sections and provisions shall remain in full force and effect.

SECTION SIX (6):

This ordinance shall take effect and be in force from and after its passage and adoption.


READ, PASSED AND ADOPTED this _____ day of March, 2008.

Larry McDonald, Sr., Mayor,
City of Freeport, Texas

ATTEST:

Delia Muñoz, City Secretary,
City of Freeport, Texas

APPROVED AS TO FORM ONLY:



Wallace Shaw, City Attorney,
City of Freeport, Texas

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200 West 2nd Street
Freeport, TX 77541
PH: (979) 233-3526
FX: (979) 373-0113

Council

MEMORANDUM

To: Mayor and Council

From: Gary Beverly 

Re: Request for Amendment of Budgeted Funds

Date: April 7, 2008

We are requesting the following amendments to the 2007-2008 Budget:

BUDGET AMENDMENTS	ACCT#	ACCOUNT DESCRIPTION	BUDGET AMENDMENTS	
			DEBITS	CREDITS
1 Capital Purchase	10 525-899	Capital Outlay	9,265	
	10 100-012	Seized Funds		9,265
<i>New jail doors at the Police Department.</i>				
2 Capital Purchase	10 525-899	Capital Outlay	5,015	
	10 100-012	Seized Funds		5,015
<i>Graffiti Cam System at the Police Department.</i>				
3 Capital Purchase	10 525-899	Capital Outlay	10,013	
	10 100-012	Seized Funds		10,013
<i>Night Vision Thermal Imaging Camera at the Police Department.</i>				

SUMMARY EFFECT ON GOVERNMENTAL FUNDS:

BUDGET ADJUSTMENTS	ACCT#	CURRENT BUDGET	BUDGET AMEND	AMENDED BUDGET
Capital Outlay	10 525-899	112,286	24,293	136,579
		112,286	24,293	136,579
Net effect on Fund Balance:				\$24,293

These funds are specifically "Restricted" for Police Department use.

RESOLUTION NO. 2008-2166

A RESOLUTION OF THE CITY OF FREEPORT, TEXAS, CONTAINING A PREAMBLE; MAKING FINDINGS OF FACT; ACCEPTING THE BID OF AND AUTHORIZING THE MAYOR AND CITY SECRETARY TO EXECUTE AND ATTEST, RESPECTIVELY, AND THE MAYOR TO ACKNOWLEDGE AND DELIVER TO GEORGE A. MATAMOROS, THE SUCCESSFUL BIDDER THEREFOR, A SPECIAL WARRANTY DEED CONVEYING TO HIM Lots 16, 18 AND 20, BLOCK 716, AND LOTS 2 AND 4, BLOCK 717, ALL IN THE VELASCO TOWNSITE OF THE CITY OF FREEPORT; CONTAINING A SEVERANCE CLAUSE; PROVIDING THAT THIS RESOLUTION SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER ITS PASSAGE AND ADOPTION; AND PROVIDING THAT THE ORIGINAL OF THIS RESOLUTION SHALL BE MAINTAINED BY THE CITY SECRETARY IN THE PERMANENT RECORDS OF SAID CITY.

WHEREAS, the City of Freeport, Texas, ("the City") is a "Home Rule City" and a "Home Rule Municipality" lying and situated in Brazoria County, Texas, as described in and defined by Section 5, Article XI of the Constitution of Texas and Section 1.005 of the Local Government Code of Texas, respectively; and,

WHEREAS, Section 2.01 of the Home Rule Charter of the City authorizes it to sell any real property owned by the City; and,

WHEREAS, Section 272.001 requires that before a municipality may sell any land or exchange it for other land, notice to the general public, including a description of the land and its location and the procedure by which sealed bids to purchase such land or offers to exchange such land may be submitted, must be published on two separate dates in a newspaper, if any, of general circulation published in the county in which such land is located and that such sale or exchange cannot be made until after the 14th day after the date of the second publication; and,

WHEREAS, the City Council of the City, having determined to sell or exchange for other land the hereinafter described land owned by the City, did cause public notice thereof to be published twice in the Brazosport Facts, a newspaper of general circulation in Brazoria County, Texas, where such land is located; and,

WHEREAS, the only bid therefor was the one received from George A. Matamoros for \$1,750.00 for all of the hereinafter described lots, which bid was received within the time specified in such notice; and,

WHEREAS, the City Council of the City has determined and does here now declare that accepting such bid will be in the best interest of the inhabitants of the City.

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

First, the City Council of the City of Freeport, Texas, finds that the fact recited in the preamble hereof are true.

Second, the City Council of the City hereby accepts the bid of George A. Matamoros therefor and authorizes the Mayor and City Secretary thereof, upon the receipt by the City Manager of the consideration specified in such bid, to execute and attest, respectively, and the Mayor to acknowledge and deliver to such purchaser a Special Warranty Deed conveying to him the following described real property owned by the City, to-wit:

Lots 16, 18 and 20, Block 716, and Lots 2 and 4, Block 717, all in the Velasco Townsite of the City of Freeport, in, Brazoria County, Texas, according to the map or plat of said townsite recorded in Volume 32, page 14 of the Deed Records of said county.

Third, in the event any section or provision of this resolution is found to be unconstitutional, void or inoperative by the final judgment of a court of competent jurisdiction, such defective provision, if any, is hereby declared to be severable from the remaining sections and provisions of this ordinance and such remaining sections and provisions shall remain in full force and effect.

Fourth, this resolution shall take effect and be in force from and after its passage and adoption.

Fifth, the original of this resolution, after execution and attestation, shall be maintained by the City Secretary in the permanent records of the City.


READ, PASSED AND ADOPTED this ____ day of _____, 2008.

Larry McDonald, Sr., Mayor,
City of Freeport, Texas

ATTEST:

Delia Muñoz, City Secretary,
City of Freeport, Texas

APPROVED AS TO FORM ONLY:



Wallace Shaw, City Attorney,
City of Freeport, Texas

C:\Freeport.Rsl\1200NAveN-RSL

THE STATE OF TEXAS X

COUNTY OF BRAZORIA X KNOW ALL MEN BY THESE PRESENTS:

SPECIAL WARRANTY DEED

That the CITY OF FREEPORT, a municipal corporation located in Brazoria County, Texas, hereinafter called GRANTOR, for the valuable consideration hereinafter specified, have GRANTED, SOLD and CONVEYED and by these presents do GRANT, SELL and CONVEY unto GEORGE A. MATAMOROS of Brazoria County, Texas, hereinafter called GRANTEE, the following described real property lying and situated in the County of Brazoria and State of Texas, to-wit:

Lots 16, 18 and 20, Block 716, and Lots 2 and 4, Block 717, all in the Velasco Townsite of the City of Freeport, in, Brazoria County, Texas, according to the map or plat of said townsite recorded in Volume 32, page 14 of the Deed Records of said county.

This conveyance is made and accepted subject to any and all valid and subsisting easements, restrictions, rights-of-way, conditions, exceptions, covenants and other encumbrances properly of record affecting the title to the above described property, including any existing utility lines, and the disclaimers of warranties set forth below.

TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging, unto Grantee, his heirs and assigns, forever; and Grantor does hereby bind itself, its successors and assigns, to Warrant and Forever Defend all and singular the said premises unto Grantee, his heirs and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through and under Grantor but not otherwise.

Notwithstanding any provision herein to the contrary, Grantor makes no warranty of any nature or kind, whether statutory, express or implied, with respect to the physical condition of the above-described property, and by the acceptance of this deed, Grantee accepts such property "AS IS", "WHERE IS", "WITH ALL FAULTS" and without any representations or warranties by Grantor (except the warranty of title expressly set forth below).

GRANTEE ACKNOWLEDGES THAT GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES (OTHER THAN WARRANTY OF TITLE AS PROVIDED ABOVE), PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESSED OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY BEING CONVEYED, INCLUDING WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED THEREFROM, © THE SUITABILITY THEREOF FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY SUCH PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS, OR NAY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS OF SUCH PROPERTY FOR A PARTICULAR PURPOSE, (F) THE MANNER OR QUALITY OF CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO SUCH PROPERTY, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF SUCH PROPERTY, (H) ANY OTHER MATTER WITH RESPECT TO SUCH PROPERTY, AND SPECIFICALLY, THAT THE CITY HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, OR THE DISPOSAL OR EXISTENCE IN OR ON SUCH PROPERTY OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER.

Pg. 402

HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT SUCH PROPERTY, GRANTEE IS RELYING SOLELY ON THE GRANTEE'S OWN INVESTIGATION OF SUCH PROPERTY, AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE GRANTOR; that GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF THE GRANTOR WITH RESPECT TO SUCH PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT THE GRANTOR HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OF COMPLETENESS OF SUCH INFORMATION; that THE GRANTOR IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO SUCH PROPERTY OR THE OPERATION THEREOF FURNISHED BY ANY REAL ESTATE BROKER, OR ANY AGENT, EMPLOYEE OR SERVANT OF THE CITY OR OTHER PERSON; GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF SUCH PROPERTY AS PROVIDED FOR THEREIN IS MADE ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" CONDITION AND BASIS.

The consideration for this conveyance is the following:

First, the sum of Ten and no/100 (\$10.00) Dollars and other good and valuable consideration to Grantor cash in hand paid by Grantee, the receipt of which is hereby acknowledged.

Second, the assumption by Grantee of any taxes for the year 2007, the same having been prorated to the date hereof.

EXECUTED this _____ day of _____, 2008.

THE CITY OF FREEPORT, TEXAS, Grantor

By _____
Larry McDonald, Sr., Mayor

ATTEST: _____
Delia Muñoz, City Secretary

THE STATE OF TEXAS X

COUNTY OF BRAZORIA X

This instrument was acknowledged before me on the _____ day of _____, 2008, by LARRY McDONALD, SR., as MAYOR of the CITY OF FREEPORT, TEXAS.

Notary Public, State of Texas

MAILING ADDRESS OF GRANTEE:

1117 North Ave. O
Freeport, TX 77541

AFTER RECORDING, RETURN TO

George A. Matamoros
1117 North Ave. O
Freeport, TX 77541

C\Freeport.Sal\1200NAveN-Deed

RESOLUTION NO. 2008-2167

A RESOLUTION OF THE CITY OF FREEPORT, TEXAS ("CITY") SUSPENDING THE EFFECTIVE DATE OF THE RATES AND TARIFFS CONTAINED IN THE STATEMENT OF INTENT FILED WITH THE CITY ON MARCH 6, 2008, BY CENTERPOINT ENERGY ENTEX ("CENTERPOINT") FOR NINETY (90) DAYS; REQUIRING CENTERPOINT TO REIMBURSE ALL REASONABLE RATE CASE EXPENSES; AUTHORIZING A CITY REPRESENTATIVE TO JOIN A COALITION OF CITIES TO DIRECT EXPERTS AND SPECIAL COUNSEL TO ACT ON THE CITY'S BEHALF; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING SUCH OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE FOR THE RESOLUTION.

WHEREAS, on or about March 6, 2008, CenterPoint Energy Entex filed a Statement of Intent to increase gas rates for its retail customers located in the Texas Coast Division; and

WHEREAS, the gas utility rates for CenterPoint Energy Entex have not been reviewed for over thirty years; and

WHEREAS, over the last thirty years there have been material changes in the corporate structure of CenterPoint Energy Entex; and

WHEREAS, CenterPoint Energy Entex is seeking to significantly increase the cost of non-gas costs (base rates) for residential customers; and

WHEREAS, in order to review the costs and rate changes proposed by CenterPoint it is necessary to suspend the effective date for 90 days; and

WHEREAS, in order to efficiently, meaningfully and comprehensively review the rate filing by CenterPoint Energy Entex it is advantageous for the City to join with other similarly affected cities in a coalition of cities; and

WHEREAS, typically coalitions of cities, in response to rate requests by gas utilities, provide direction to rate experts and utility lawyers.

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

Section 1. That the findings set out in the preamble are in all things approved and adopted.

Section 2. The effective date for the CenterPoint Statement of Intent and related tariffs are effectively suspended for 90 days, from April 10, 2008 until July 9, 2008.

Section 3. The statutory timeline may be further extended if CenterPoint does not provide timely and meaningful public notice of its request to increase rates or if its rate filing package is materially deficient.

Section 4. The City authorizes the City Manager, Gary Beverly, at his/her reasonable discretion, after consultation with the City Attorney, to join the Texas Coast Utilities Coalition (“TCUC”), a coalition of similarly situated cities, for the purpose of providing direction and input in the City’s best interest to rate experts or utility lawyers hired by the coalition.

Section 5. The City retains its right to withdraw from the coalition of cities at any time without any financial obligation to the remaining coalition members or to the experts or lawyers hired by the coalition.

Section 6. The City is authorized to intervene in any proceeding at the Railroad Commission of Texas related to CenterPoint's Statement of Intent and any appeals thereof.

Section 7. CenterPoint is ordered to pay the City's reasonable rate case expenses in a timely manner.

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

Section 9. This resolution shall be effective immediately upon passage.

PASSED AND APPROVED this ____ day of _____, 2008.

Larry McDonald, Sr., Mayor
City of Freeport, Texas

ATTEST:

Delia Munoz, City Secretary
City of Freeport, Texas

APPROVED AS TO FORM:


Wallace Shaw, City Attorney
City of Freeport, Texas

C/Freeport.Rsl/CenterPoint-Susp-Rsl



Council

MEMORANDUM

To: Mayor and City Council
From: Gary Beverly 
Re: CenterPoint Gas Rate Increase
Date: April 07, 2008

On March 6, 2008 CenterPoint Gas filed with the City of Freeport, as they did with other cities in the Gulf Coast area, an intent to increase rates. This filing gave cities 35 days (April 10th) to accept, suspend, or deny the rate increase. To accept the rate increase requires no action by the city. To suspend or deny requires action by city council, with a public hearing required for denial.

I have spent time since the filing reviewing the information provided. In addition, I have talked with neighboring city managers concerning what they plan to do, as well as attorneys representing two coalitions made up of various cities in the area. Most cities in the area, including Lake Jackson and Clute, have chosen to at least suspend by the April 10th deadline.

Although the rate increase for monthly service would increase by \$42/year, CenterPoint is asking for a 17% increase in Non-gas charges. The significant majority of this increase would only be passed to residential customers, not industry. In addition, recognizing that CenterPoint is a publicly owned company with stockholders, they are asking for a rate of return of 11%, which would be the highest return for gas companies in the state.

Based upon many of these factors, as well as others that I will discuss at the council meeting, I believe that we should join our neighboring cities and at least make CenterPoint justify their request before the Railroad Commission. We represent our citizens in this case, and based on the information I have received, I believe CenterPoint has not justified their case. I therefore recommend that we suspend the proposed rate increase and join the Texas Coast Utilities Coalition which will hire the law firm Herrera-Boyle to represent us and the coalition in reviewing, negotiating, and if necessary litigating this case.

If you have any questions, let me know!

CenterPoint Energy

Texas Coast Division

- CenterPoint Energy plans to file a statement of intent to change its rates, terms and conditions of natural gas service in the city and in its Texas Coast Division.
 - *Note: The statement of intent has nothing to do with electric service provided by CenterPoint Energy.*
- The total cost of service and rate base for Texas Coast Division is based on a test year ending September 30, 2007, adjusted for known and measurable changes to reflect a proforma period through December 31, 2008.
- The Company's revenues in the Texas Coast Division are not keeping pace with increasing operating costs and capital investment, which are required to maintain safe, adequate, and reliable service.
 - We have worked hard to contain and reduce our operating costs and to continue to provide safe, adequate, and reliable service at reasonable rates.
 - Unfortunately, our cost for labor, materials and supplies, and other operating expenses continue to rise.
 - And, we also continue to make substantial investments to expand and improve our natural gas distribution system.
- Historically, we have been able to rely upon customer growth and a cost of service tracker program that is in effect in some cities to help defer the need to file a general rate case.
 - In fact, the Texas Coast Division has not had a general rate case in over 30 years.
 - However, the traditional cost of service tracker reflects only O&M expenses, and certain expenses that are not covered by the tracker have risen.
 - At the same time, the Company has experienced a reduction in use per customer due to energy conservation and other factors, which negatively impacts our revenues.
 - As a result, our current rates for service to customers in the Texas Coast Division do not provide us with a reasonable opportunity to recover our operating expenses and the cost of financing our investment in our natural gas distribution system.
- The Company plans to file Statements of Intent on March 6, 2008 with the Texas Railroad Commission and the 47 cities in our Texas Coast Division.
 - The Railroad Commission will review our filing over a six-month period. It has original jurisdiction over rates established in the environs and appellate jurisdiction over rates set for the cities.
 - The proposed rate schedules will reflect uniform, division-wide rates, charges and terms and conditions of service for the cities and environs of the Texas Coast Division.

CenterPoint Energy

Texas Coast Division

- The principal objectives of the rate case are to –
 1. establish uniform rates and services within our Texas Coast Division, as we have done in our Beaumont/East Texas, Houston, and South Texas Divisions;
 2. establish a revenue requirement that will allow us to recover our operating costs and earn a fair return on our investment;
 3. establish tariffs to recover gas costs and franchise fees and gross receipts taxes through separate rates, as we have done elsewhere in Texas;
 4. eliminate the forfeited discount payment provision
 5. reduce the frequency of future rate cases; and
 6. continue to provide adequate, safe and reliable service.
- The filing does not affect the cost of gas billed to our customers, which makes up about 70 percent of the bill.
 - The Company does not mark up the cost of gas; instead, it passes the cost through to customers at the same price the Company paid.
 - Through the rate design structure, the Company proposes to completely segregate gas and non-gas costs to make gas costs more transparent through a separate rider.
 - We will continue to manage our gas supply portfolio in a manner which appropriately balances adequacy, reliability, cost, and price stability.
- The rate case filing proposes to change the base rate portion of a customer's natural gas bill, which makes up about 30 percent of the total bill, and covers the cost of distributing natural gas.
 - Distribution costs include operating and maintaining the Company's natural gas distribution system, taxes and fees paid to government entities, depreciation, income, and interest.
 - To lessen the need for future rate cases, the Company will be proposing modifications to our cost of service tracker.
- We will be proposing a Tax Adjustment tariff that will give us more flexibility in working with your city and other cities on franchise agreements in the future.
 - This same tariff has been implemented in our Houston, South Texas and Beaumont/East Texas divisions.
 - It will allow us to "flow through" changes in franchise fees and gross receipts taxes to our customers as those changes occur.
 - Once the Tax Adjustment tariff is approved, we will be able to offer to your city a standard franchise agreement that was recently approved by the City of West University Place and which we are proposing to other cities.
- The effects of proposed statement of intent on the Company's revenues and the impact to a residential customer as it relates to your city are located on the next page.

Texas Coast Rate Case

Attachment A

City	Residential Customers	Sm Comm. Customers	Lrg Volume Customers	Total Customers	Total Additional Revenues	Total Percent Increase	Avg. Res. Monthly bill Increase w/FFD in Base
Freeport	2,311	175	10	2,496	\$86,126	4.57%	\$2.88

*14.50 minimum bill
 APRIL 10th goes in effect.*

*2 → 5%
 Pg. 409
Thursday*



March 6, 2008

Mayor and City Council
City of Freeport
Freeport, Texas

Re: Statement of Intent to Increase Rates for CenterPoint's Texas Coast Division

Ladies and Gentlemen:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas ("CenterPoint" or the "Company") files this Statement of Intent to Increase Rates ("Statement of Intent") for the City of Freeport, Texas ("City"), which is a part of CenterPoint's Texas Coast Division. CenterPoint is a gas utility as defined by the Gas Utility Regulatory Act ("GURA"), and the cities within CenterPoint's Texas Coast Division, including the City, have exclusive original jurisdiction to set rates for the utility pursuant to § 103.001 of GURA. Within its Texas Coast Division and affected by this filing, CenterPoint provides service to 238,028 customers, as adjusted. Of this total, CenterPoint serves approximately 2,311 residential customers, 175 small commercial and 10 large volume customers in the City. For many years, CenterPoint has provided the City with safe, adequate and reliable natural gas service at reasonable rates. By this Statement of Intent, CenterPoint notifies the City of its intent to increase its rates effective April 10, 2008. Simultaneously with this filing, CenterPoint is filing with the Railroad Commission of Texas a Statement of Intent to Increase Rates in the Unincorporated Areas of its Texas Coast Division in order to establish uniform rates throughout the Texas Coast Division.

CenterPoint has not filed a general rate case in its Texas Coast Division in over thirty years, and during that time has worked hard to contain and even reduce operating costs while continuing to provide safe and reliable service. Unfortunately, our costs for labor, materials and supplies, and other operating expenses continue to rise. The Company has also made substantial additional investments in the natural gas system infrastructure for the Texas Coast Division. Additionally, CenterPoint has experienced a reduction in use per customer as a result of conservation, more efficient appliances, more energy efficient building construction, and other factors that negatively impact our revenues. Consequently, revenues are not keeping pace with increasing costs. As a result of these capital investments, cost increases, and reductions in consumption per customer, CenterPoint's current rates for service to Texas Coast Division customers no longer provide a reasonable opportunity for CenterPoint to recover its operating costs and earn a fair return on its investment.

Accordingly, pursuant to § 104.102 of GURA, TEX. UTIL. CODE CH. 101 *et seq.*, CenterPoint files this Statement of Intent with attached Rate Schedules containing the proposed revisions to the Company's rates and terms and conditions of service applicable in your City. (The proposed Rate Schedules appear in Exhibit A.) The effect of the Company's proposed new rate schedules and tariff changes is to increase CenterPoint's net annual revenues in the Texas Coast Division by approximately \$7.360 million per year, of which amount approximately \$86,060 will be collected from customers in the City. If approved, the proposed revisions to the rate schedules amount to an increase per month of \$2.88 for the average residential customer in your City. The changes represent a total increase to the Company's revenues of approximately 4.57% and do not constitute a "major change" as that term is defined in § 104.101 of GURA.

In addition to the proposed increases to rates for the residential, small commercial, and large volume classes, CenterPoint proposes to expand the Cost of Service Adjustment ("COSA") clause already on file in many of the Texas Coast cities. The current COSA has operated in certain Texas Coast cities since 1978, and is a major reason why CenterPoint has gone thirty years without a general rate filing. The amended COSA Rate Schedule provides for an annual review by Texas Coast cities of the Company's expenses, revenues, and plant investment, and a corresponding adjustment to the Company's rates to reflect annual changes (either increases or decreases, if warranted). An annual review and adjustment to rates would result in smaller, incremental rate changes rather than the major rate changes that can occur when the Company goes long intervals between rate cases. In addition, the COSA Rate Schedule will provide greater transparency by ensuring that Texas Coast cities have a more frequent opportunity to review the Company's expenditures and revenues. The COSA Rate Schedule will not in any way affect a city's authority over the Company's rates, and the Texas Coast cities will continue to have the statutory right to require the Company to file a full rate case at any time.

CenterPoint is further proposing to unbundle its sales service rates, *i.e.*, collect the cost of gas purchased for sales service through a separate Purchased Gas Adjustment ("PGA") Rate Schedule, which will allow the Company to recover all of its purchased gas costs through the PGA Rate Schedule rather than through base rates. Also, CenterPoint proposes a Tax Adjustment Rate Schedule to collect revenue-related taxes as a separate, tariffed item rather than as an average amount embedded in the cost of service. This change will allow the Company to collect these taxes from the customers located in the specific areas where the revenues, and therefore the costs, originate, and to limit the collection of such taxes to the actual level of such taxes specific to that location. CenterPoint also proposes to delete the current discount for early payment from its general sales rate schedules. CenterPoint further proposes to add a service charge for after-hours service calls in order to account for the costs associated with after-hours dispatching, which includes recalling service personnel and travel time to the customers' premise.

Finally, the Company requests reimbursement of all rate case expenses incurred by CenterPoint and the City as allowed by law. The exact amount will not be known until the case is completed.

Publication of required notice containing information relative to this Statement of Intent will be made in accordance with applicable statutes and rules.

If you desire any additional information concerning these changes, we will be available at any time to discuss them with you.

Very truly yours,



Richard A. Zapalac
Regional Vice President
Gas Operations

DELIVERED TO:

_____, _____ of
NAME OFFICE (Mayor, City Secretary, etc.)

the City of Freeport on this ____ day of March, 2008.

SIGNATURE



March 12, 2008

Mayor and City Officials
City of Freeport
Freeport, Texas

RE: Pending Statement of Intent to Change Rates

Ladies and Gentlemen:

I am writing to confirm to you that if the City of Freeport approves the rates proposed by CenterPoint Energy and if the Railroad Commission of Texas shall subsequently establish a lower level of division-wide base rates for customers in CenterPoint Energy's Texas Coast Division, CenterPoint Energy shall file such lower level of base rates with the City of Freeport immediately on the issuance of the final, non-appealable order of the Railroad Commission establishing such lower base rates.

By approving the proposed rates, the City of Freeport and its citizens will avoid potentially substantial litigation expenses associated with proceedings undertaken by other municipalities or coalitions of municipalities or the Railroad Commission of Texas.

If you have any questions, please contact Doug Ward at 281-342-8881.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Richard A. Zapalac", written over a faint circular stamp.

Richard A. Zapalac
Regional Vice President-Texas

cc: George Hepburn
Keith Wall
Doug Ward

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
RESIDENTIAL SERVICE
RATE SCHEDULE NO. R-2072**

APPLICATION OF SCHEDULE

This schedule is applicable to any customer to whom service is supplied in a single private dwelling unit and its appurtenances, the major use of which is for household appliances, and for the personal comfort and convenience of those residing therein.

Natural gas supplied hereunder is for the individual use of the customer at one point of delivery and shall not be resold or shared with others.

MONTHLY RATE

For bills rendered on and after the effective date of this rate schedule, the monthly rate for each customer receiving service under this rate schedule shall be the sum of the following:

(a) The Base Rate consisting of:

- (1) Customer Charge – \$14.50;
- (2) Commodity Charge –
 - First 30 Ccf \$0.0704
 - Over 30 Ccf \$0.0536

(b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's Tax Adjustment Rate Schedule.

(c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Ccf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
GENERAL SERVICE-SMALL
RATE SCHEDULE NO. GSS-2072**

APPLICATION OF SCHEDULE

This schedule is applicable to natural gas service to any customer engaging in any business, professional or institutional activity, for all uses of gas, including cooking, heating, refrigeration, water heating, air conditioning, and power.

This schedule is applicable to any general service customer for commercial uses and industrial uses, except standby service, whose average monthly usage for the prior calendar year is 150,000 cubic feet or less. Natural gas supplied hereunder is for the individual use of the customer at one point of delivery and shall not be resold or shared with others.

MONTHLY RATE

For bills rendered on and after the effective date of this rate schedule, the monthly rate for each customer receiving service under this rate schedule shall be the sum of the following:

- (a) The Base Rate consisting of:
 - (1) Customer Charge – \$12.50;
 - (2) Commodity Charge –

First 150 Ccf	\$0.1103
Over 151 Ccf	\$0.0367
- (b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's Tax Adjustment Rate Schedule.
- (c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Ccf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-603**

AVAILABILITY

This schedule is available at points on existing facilities of adequate capacity and suitable pressure in the area designated in the Rate Book of **CENTERPOINT ENERGY RESOURCES CORP., D/B/A CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS** (hereinafter called "Company").

APPLICATION OF SCHEDULE

This schedule is applicable to any general service customer for commercial uses and industrial uses whose average monthly usage for the prior calendar year is more than 150,000 cubic feet. Gas supplied hereunder is for the individual use of the Consumer at one point of delivery and shall not be resold or shared with others. If the Consumer has a written contract with Company, the terms and provision of such contract shall be controlling.

MONTHLY RATE

For bills rendered on and after the effective date of this rate schedule, the monthly rate for each customer receiving service under this rate schedule shall be the sum of the following:

(a) The Base Rate consisting of:

(1) Customer Charge -- \$12.50;

(2) Commodity Charge --

First 1,500 Ccf	\$0.0904
1,500 – 10,000 Ccf	\$0.0588
Over 10,000 Ccf	\$0.0498

(b) Tax Adjustment – The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's Tax Adjustment Rate Schedule.

(c) Gas Cost Adjustment – The applicable Purchased Gas Adjustment (PGA) Rate – as calculated on a per Mcf basis and adjusted periodically under the applicable Purchased Gas Adjustment (PGA) Rate Schedule – for all gas used.

WRITTEN CONTRACT

In order to receive a delivery from Company of more than 25 Mcf during any one day, the Consumer must execute a written contract with Company on Company's form of contract covering the sale of gas by Company to it. In the case of existing Consumers, the maximum gas usage during any one day shall be obtained from the records of the Company, except in cases where the existing Consumer will be purchasing increased volumes of gas from Company because of expansions or for any other reasons, in which event the Company may estimate usage by such Consumer. Also in the case of new Consumers, the Company may estimate usage by the Consumer. Any such estimates made by Company shall be binding on Consumer in determining whether or not a contract is required. Such written contract shall be executed by Consumer upon request of Company and Company shall not be obligated to serve any such Consumer more than 25 Mcf during any one day until such written contract is executed and delivered by Consumer.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-603**

MEASUREMENT

The term "cubic foot of gas" for the purpose of measurement of the gas delivered and for all other purposes is the amount of gas necessary to fill a cubic foot of space when the gas is at an absolute pressure of 14.65 pounds per square inch and at a base temperature of sixty (60) degrees Fahrenheit.

The term "Mcf" shall mean 1,000 cubic feet of gas.

The Sales Unit shall be one Mcf.

Assumed Atmospheric Pressure - The average atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch, irrespective of actual elevation or location of the point of delivery above sea level or variation in such atmospheric pressure from time to time.

Orifice Meters - When orifice meters are used for the measurement of gas, such orifice meters shall be constructed and installed, and the computations of volume made, in accordance with the provisions of Gas Measurement Committee Report No. 3 of the American Gas Association as revised September, 1969 ("A.G.A. Report No. 3), with any subsequent amendments or revisions which may be mutually acceptable.

The temperature of the gas shall be determined by a recording thermometer so installed that it may record the temperature of the gas flowing through the meter or meters. The average of the record to the nearest one (1) degree Fahrenheit, obtained while gas is being delivered, shall be the applicable flowing gas temperature for the period under consideration.

The specific gravity of the gas shall be determined by a recording gravitometer owned and operated by the pipeline company from whom Company purchases its gas, so installed that it may record the specific gravity of the gas flowing through the meter or meters; provided, however, that the results of spot tests made by the pipeline company with a standard type specific gravity instrument shall be used at locations where the pipeline company does not have a recording gravitometer in service. If the recording gravitometer is used, the average of the record to the nearest one-thousandth (0.001), obtained while gas is being delivered, shall be the applicable specific gravity of the gas for the period under consideration. If the spot test method is used, the specific gravity of the gas delivered hereunder shall be determined once monthly, the result obtained, to the nearest one-thousandth (0.001), to be applicable during the succeeding billing month.

Adjustment for the effect of supercompressibility shall be made according to the provisions of A.G.A. Report No. 3, hereinabove identified, for the average conditions of pressure, flowing temperature and specific gravity at which the gas was measured during the period under consideration, and with the proportionate value of each carbon dioxide and nitrogen in the gas delivered included in the computation of the applicable supercompressibility factors. Company shall obtain appropriate carbon dioxide and nitrogen fraction values as may be required from time to time.

Positive Displacement Meters and Turbine Meters - When positive displacement meters and/or turbine meters are used for the measurement of gas, the flowing temperature of the gas metered shall be assumed to be sixty (60) degrees Fahrenheit, and no correction shall be made for any variation therefrom; provided however, that company shall have the option of installing a recording thermometer, and if company exercises such option, corrections shall be made for each degree variation in the applicable flowing temperature for the period under consideration.

The volumes of gas determined shall be adjusted for the effect of supercompressibility as follows:

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
GENERAL SERVICE-LARGE VOLUME
RATE SCHEDULE NO. GSLV-603**

- (A) When the flowing temperature of gas is assumed to be sixty (60) degrees Fahrenheit, the supercompressibility factor shall be the square of the factor, F_{pv} , computed in accordance with the principles of the A.G. A. Report No. 3, hereinabove identified, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average pressure at which the gas was measured.
- (B) When the flowing gas temperature is recorded and applied according to the option above, the supercompressibility factor shall be the square of the factor, F_{pv} , computed in accordance with the principles of the American Gas Association Gas Measurement Committee Report No. 3, hereinabove identified, for a pure hydrocarbon gas of six-tenths (0.6) specific gravity and for the average conditions of pressure and flowing temperature at which the gas was measured.

SUPPLY INTERRUPTIONS

Total or partial interruption of gas deliveries due to acts of God, the elements, requirements for residential and other uses declared superior to Consumers by law, or to other causes or contingencies beyond the control of Company or not proximately caused by Company's negligence, shall not be the basis for claims-delivery and receipt of gas to be resumed whenever any such cause or contingency shall end.

CHARGES FOR UNAUTHORIZED OVER-RUN GAS

Any gas taken during any day by Consumer which exceeds the maximum daily quantity specified in Consumer's contract with Company shall be considered to be unauthorized over-run gas. Any gas taken by Consumer after the effective hour of an order calling for a complete curtailment of all gas deliveries, and prior to the authorized resumption of natural gas service, hereunder shall be considered to be unauthorized over-run gas. Any gas taken by Consumer after the effective hour of an order calling for a partial curtailment, and prior to the authorized resumption of natural gas service, which exceeds the stated amount of gas deliveries Consumer may take during such partial curtailment, shall be considered to be unauthorized over-run gas. Company shall bill, and Consumer shall pay for unauthorized over-run gas at the rate of \$10.00 per Mcf, in addition to the Monthly Rate specified herein for such gas. The payment of such additional charge for unauthorized over-run gas shall not, under any circumstances, be considered as giving the Consumer the right to take unauthorized over-run gas, nor shall such payment be considered to exclude or limit any other remedies available to Company against the Consumer for exceeding the maximum daily quantity specified in Consumer's contract with Company, or for failure to comply with curtailment orders issued by Company hereunder.

The additional amount specified above charged for unauthorized over-run gas shall be adjusted, either plus or minus, to conform to the change made by Company's supplier in its rate schedule under which Company purchases its gas supply for resale under this schedule.

RULES AND REGULATIONS

Service under this schedule shall be furnished in accordance with the Company's General Rules and Regulations, as such rules may be amended from time to time. A copy of the Company's General Rules and Regulations may be obtained from Company's office located at 1111 Louisiana Street, Houston, Texas.

CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
COST OF SERVICE ADJUSTMENT
RATE SCHEDULE NO. COSA-1

A. APPLICABILITY

This Cost of Service Adjustment Clause applies to the Residential Service, General Service – Small, and General Service – Large Volume rate schedules of CenterPoint Energy Texas Gas currently in force in the Company's Texas Coast service area.

B. EFFECTIVE DATE

Rate adjustments shall be made in accordance with the procedures described below on an annual basis. The Company shall make its annual filing no later than May 15, with the rate adjustments to be effective with the bills rendered on or after July 1st of each year. The first filing pursuant to this Rider shall be no later than May 15, 2009, and shall be based on the financial results for the calendar year ending December 31, 2008.

C. COMPONENTS OF THE RATE ADJUSTMENT

Calculation of the rate adjustment will be based on calendar year operating expenses, return on investment, and Texas Franchise Tax. The calendar year operating expenses shall be those reported to the Railroad Commission of Texas in the annual report of the Company. The rate adjustment shall be included in the monthly customer charge of the Residential Service, General Service – Small, and General Service – Large Volume rate schedules.

C.1 Operating Expenses - Operating expenses will be determined by the ending amounts for the applicable calendar year.

The applicable expenses are:

Depreciation and Amortization Expense (Account Nos. 403-407)*
Taxes Other Than FIT (Account No. 408)**
Operation and Maintenance Expenses (Account Nos. 870-894)
Customer Related Expenses (Account Nos. 901-916)
Administrative & General Expenses (Account Nos. 920-932)
Interest on Customer Deposits (Account No. 431)

* Based on the last approved depreciation methods and lives.

** Excluding City Franchise Fees, Gross Receipts, and any other revenue-based tax. Rate adjustments due to changes in revenue-based taxes will be governed by the Company's Tax Adjustment Rate Schedule.

This information will be presented with supporting calculations.

C.2 Return on Investment - The rate of return will remain constant at the level authorized in the most recent rate case. The return on investment is the pre-tax rate of return multiplied by the year-end rate base balance for the applicable calendar year.

The rate base balance is composed of:

Net Utility Plant in Service*

Plus:

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
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TEXAS COAST DIVISION
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COST OF SERVICE ADJUSTMENT
RATE SCHEDULE NO. COSA-1**

Storage Gas (12 month average – Actual)

Plus:

Other Rate Base Items**

Less:

Customer Deposits (Account No. 235)
Customer Advances (Account No. 252)
Deferred Federal Income Taxes

* Net Utility Plant in Service as reported in the annual report to the Railroad Commission of Texas adjusted to exclude asset retirement obligation amounts.

** These items will reflect the Materials and Supplies inventories, prepayments, and cash working capital amounts approved in the most recent general rate case.

C.3 Texas Franchise Tax – The Texas Franchise Tax will be the calendar year-end amount as recorded in FERC Account No. 409.

C.4 Cost of Service Adjustment – The amount to be collected through the Cost of Service Adjustment will be the sum of the amounts from Sections C.1, C.2, and C.3, less the calendar year actual non-gas revenue and other revenue (i.e., transportation revenue and service charges), adjusted for the revised Texas Franchise Tax described in Chapter 171 of the Texas Tax Code.

The formula to calculate the Cost of Service Adjustment is:

$(C.1 \text{ Operating Expenses} + C.2 \text{ Return on Investment} + C.3 \text{ Texas Franchise Tax} - \text{Actual non-Gas and Other Revenues}) \div (1 - \text{Texas Franchise Tax statutory rate})^*$

* Currently, the Texas Franchise Tax statutory rate is 1%.

C.5 Cost of Service Adjustment Rate

The Cost of Service Adjustment will be converted into a per-customer per-month amount to produce the Cost of Service Adjustment Rate. The per customer adjustment will be the Cost of Service Adjustment as calculated in Section C.4 divided by the average number of gas sales customers for the Texas Coast Division as reported in the Company's annual report to the Railroad Commission of Texas. The Cost of Service Adjustment Rate will be this per customer adjustment amount divided by 12 to produce a monthly adjustment amount, either an increase or decrease, which will be included in the Residential Service, General Service – Small, and General Service – Large Volume customer charges.

The Company shall record its best estimate of the total amount to be collected through the Cost of Service Adjustment so as to reflect in its books and records a fair representation of actual earnings. Such estimate shall be adjusted, if necessary, upon filing of the Cost of Service Adjustment calculations with the regulatory authority with original jurisdiction and again to reflect the final amount to be collected through the Cost of Service Adjustment. Such adjustment shall not be included in the computation of the Cost of Service Adjustment.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
COST OF SERVICE ADJUSTMENT
RATE SCHEDULE NO. COSA-1**

D. REGULATORY REVIEW OF ANNUAL RATE ADJUSTMENT

The regulatory authority with original jurisdiction will have a period of not less than forty-five (45) days within which to review the proposed annual rate adjustment prior to its taking effect with the bills rendered on or after July 1st of each year. This Cost of Service Adjustment Rate Schedule does not limit the legal rights and duties of the regulatory authority. The Company's annual rate adjustment will be made in accordance with all applicable laws. If at the end of the forty-five (45) day review period, the Company and the regulatory authority with original jurisdiction have not reached agreement on the proposed Cost of Service Adjustment Rate, the Company shall have the right to appeal the regulatory authority's action. Upon the filing of any appeal, the Company shall have the right to implement the proposed Cost of Service Adjustment Rate, subject to refund.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
PURCHASED GAS ADJUSTMENT
RATE SCHEDULE NO. PGA-5**

1. PURCHASED GAS ADJUSTMENT (PGA) APPLICABILITY

The Monthly Rate contained in the Company's total billing to residential and general service customers shall include the cost of natural gas purchased for resale hereunder.

2. RATE CALCULATION

The Purchased Gas Adjustment (PGA) Rate shall be calculated according to the following formula and included in the Monthly Rate:

$$\text{PGA Rate (per Mcf sold)} = [(G * R) \pm DA] \text{ rounded to the nearest } \$0.0001$$

$$\text{PGA Rate (per Ccf sold)} = \text{PGA Rate (per Mcf sold)} \div 10$$

Definitions:

G = The Company's best estimate of the cost of natural gas (per Mcf) to be purchased for resale hereunder during the period that the PGA Rate is to be effective. The cost of natural gas shall include the cost of gas supplies purchased for resale hereunder, upstream transportation charges, storage charges, the cost of gas withdrawn from storage less the cost of gas injected into storage, any transaction-related fees, gains or losses and other transaction costs associated with the use of various financial instruments used by the Company to stabilize prices.

R = Ratio derived by dividing the actual Mcf purchased for the customers billed hereunder for the twelve months ended the preceding August by the actual Mcf sold to the customers billed hereunder during the same period.

DA = Surcharge or surcredit, calculated on a per Mcf basis, relating to Deferred Purchased Gas Cost Accounts, as defined below.

3. PGA FILINGS

PGA filings shall be filed with the Railroad Commission of Texas (the "Regulatory Authority") by the last business day of the month immediately preceding the month the proposed new PGA factor will be implemented. The PGA filing shall include a calculation of the estimated PGA Rate together with supporting documents. Each such tentative PGA Rate shall become effective for bills rendered on and after the first day of the calendar month and shall continue to be in effect until the next filing, unless after the PGA filing, the Regulatory Authority takes action to disapprove or modify such PGA rate. In the event that the Regulatory Authority takes such action, then the PGA rate shall be in effect on an interim basis pending the final decision of the Regulatory Authority, and any person designated by the Regulatory Authority shall have the right and power to order the filing of any reasonable additional information. Any adjustment to the PGA Rate relating to a prior period shall be made prospectively.

4. DEFERRED PURCHASED GAS COST ACCOUNTS

The Company shall establish and maintain Deferred Gas Cost Account(s) in which shall be recorded: (a) the balance of over or under recoveries of the cost of gas purchased for resale hereunder, determined for the period ending on the last day prior to the effective day of this revised Purchased Gas Adjustment rate schedule, including subsequent corrections and amendments thereto; and (b) any over or under recovery of the cost of gas purchased for resale hereunder resulting from the operation of the PGA procedure commencing with the first day of this revised purchased gas cost adjustment. Such ongoing over or under

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
PURCHASED GAS ADJUSTMENT
RATE SCHEDULE NO. PGA-5**

recovery shall include: (a) gas cost revenue recovery amounts for the revenue month; (b) the cost of gas purchased for resale hereunder for the same month as the revenue month; (c) carrying charge or credit amounts calculated based on the arithmetic average of the beginning and ending month balance of under or over recovery for the revenue-cost month times the rate of interest applicable to customer deposits; and (d) carrying charge calculated based on the arithmetic average of the beginning and ending balance of gas in storage inventory for the prior calendar month times the pre-tax rate of return as determined in Docket No.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
TAX ADJUSTMENT
RATE SCHEDULE NO. TA-5**

The Customers shall reimburse the Company for the Customers' proportionate part of any tax, charge, impost, assessment or fee of whatever kind and by whatever name (except ad valorem taxes and income taxes) levied upon the Company by any governmental authority under any law, rule, regulation, ordinance, or agreement (hereinafter referred to as "the Tax"). If the law, rule, regulation, ordinance, or agreement levying the Tax specifies a method of collection from Customers, then the method so specified shall be utilized provided such method results in the collection of taxes from the Customers equal to the taxes levied on the Company. If no method of collection is specified, then the Company shall collect an amount calculated as a percentage of the Customers' bills. The percentage shall be determined so that the collection from Customers within the Company's Beaumont/East Texas Division is equal to the taxes levied on the Company.

The initial Tax Adjustment Rate shall be based on the Taxes that are levied upon the Company on the effective date of this Rate Schedule. The Company will initiate a new or changed Tax Adjustment Rate beginning with the billing cycle immediately following the effective date of the new or changed Tax as specified by the applicable law, rule, regulation, ordinance, or agreement, provided that the Company has the customer billing data necessary to bill and collect the Tax. If at any time there is a significant change which will cause an unreasonable over or under collection of the Tax, the Company will adjust the Tax Adjustment Rate so that such over or under collection will be minimized. The Tax Adjustment Rate (calculated on a per Ccf or per Mcf basis, as appropriate) shall be reported to the applicable governmental authority by the last business day of the month in which the Tax Adjustment Rate became effective.

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
SCHEDULE OF MISCELLANEOUS SERVICE CHARGES
RATE SCHEDULE NO. MISC-7**

GAS SERVICE

1.	Institution of service to residential or general service	\$40
	After-hours surcharge for each after-hours service call	\$47
2.	Restore service after termination for non-payment, cut-off by customer or agent or for convenience of customer	\$40
	After-hours surcharge for each after-hours service call	\$47
3.	Turning off service to active meter – account not finalled (per trip)	\$20
	After-hours surcharge for each after-hours service call	\$47
4.	Special meter test at customer's request (see General Rules and Regulations for special situations)	\$15
5.	Change customer meter	\$55
6.	Change residential meter location: Minimum charge	\$350
	Additional meters in manifold each	\$55
	(Plus cost of materials)	
7.	Tap Charge	N.C.*
8.	Installation of remote read device where company cannot get access to read meter	\$180
9.	Disconnect service at main	\$300
	(Plus other related costs)	
10.	Restore service at main after termination for non-payment	\$300
	(Plus cost of materials)	
11.	Temporary transfer of individually metered multi-family service from vacating tenant to apartment complex owner. (Applicable to read and transfer transactions only. Precedent written agreement required.)	N.C.

*Except where Company is required to pay tap charge to pipeline supplier to serve the consumer, the consumer shall reimburse Company.

OTHER CHARGES

12.	Collection call - trip charge	\$20
13.	Returned check	\$20

**CENTERPOINT ENERGY RESOURCES CORP.
D/B/A CENTERPOINT ENERGY ENTEX
AND CENTERPOINT ENERGY TEXAS GAS
TEXAS COAST DIVISION
RATE SHEET
SCHEDULE OF MISCELLANEOUS SERVICE CHARGES
RATE SCHEDULE NO. MISC-7**

DEPOSITS

Up to the maximum amount allowed under the Railroad Commission of Texas Quality of Service Rule §7.45(5)(C)(ii) (the "one-sixth rule"). If there is no billing history on the customer's account, then the one-sixth rule will be applied to the customer's account based on similarly-situated customers located in the geographic area.

TAX ADJUSTMENT

The Tax Adjustment will be calculated and adjusted periodically as defined in the Company's Tax Adjustment Rate Schedule.

Mr. Brocato's Direct Line: (512) 322-5857
Email: tbrocato@lglawfirm.com

MEMORANDUM

TO: Gulf Coast Coalition of Cities

FROM: Geoffrey Gay
Thomas Brocato *T.B.*

DATE: March 24, 2008

RE: CenterPoint Energy Gas Rate Increase Request

The purpose of this memorandum is to respond to various statements being communicated by CenterPoint to cities regarding their pending rate case. In particular, it has come to our attention that CenterPoint has been putting pressure on cities to not participate in the case by suggesting that the requested increase is not significant and that cities will be forced to pay exorbitant rate case expenses only if they participate in the case.

On March 6, the Company filed statements of intent to increase rates throughout its Texas Coast Division by \$7.36 million annually. According to the Company, this is the "first general rate case in over thirty years." However, in most of the cities that it serves, CenterPoint has had automatic adjustment clauses in place that allow for *annual* rate increases without having to file a full rate case with the cities. Thus, its rates have increased, but the cities have not had the opportunity, until now, to determine whether changes in the cost of money, expenses, investment and revenues justify higher rates.

The Company has also indicated that the proposed increase is small and not worth bothering over. In fact, the \$7.36 million increase translates into a 15.7% increase to the cost of distributing gas (i.e. base rates). The Company makes it appear to be a 4-5% increase by including in the figures the cost of natural gas which is not at issue in the numbers. The proposed increase is approximately \$42 per year to an average residential customer. In addition to the base rate increase, the Company also proposes to increase the monthly customer charge for residential customers from \$11.98 to \$14.50. Even more disconcerting is the proposed cost of service adjustment sought by CenterPoint. This mechanism is designed to *avoid* meaningful rate review while inflating company profits, claiming that ratepayers will save money by avoiding costly rate cases. If approved, it would allow the Company to begin collecting both operating and capitol expenses in an expedited manner with little regulatory review.

Many of the cities have received letters from CenterPoint confirming that if they approve the rate proposed by the Company and if the Railroad Commission of Texas (RRC) shall subsequently, establish a lower level of division-wide base rates for customers in CenterPoint's Texas Coast Division, CenterPoint Energy will file such lower level of base rates with the city on the issuance of the final, non-appealable order of the Commission establishing lower rates. The

Company goes on to states that by approving the proposed rates a city will avoid "potentially substantial litigation expenses."

There are numerous concerns and inaccuracies contained in this letter. Primarily, it is an attempt to eliminate opposition to the Company's request by getting the cities out of the case. In prior rate cases, CenterPoint has attempted to negotiate a favorable result with the least amount of opposition and then attempt to force that result on all other parties who have jurisdiction and a justiciable interest. Given this past history, we believe it is particularly important for the Gulf Coast Coalition of Cities to be involved in the ratemaking process

In addition, the Company's letter assumes that the costs of participation in the case will exceed the benefits that can be gained. This is incorrect. Participation by Cities in a review of rates charged by utilities results in significant benefits to customers that far outweigh the costs of litigation. The amount saved by Cities' efforts is several times the amount spent to investigate the request, even when the litigation costs of the Company (which far exceed Cities' litigation costs) are included.

As part of its arguments, the Company has compared the amount of the proposed rate increase to the amount of expected rate case expenses. Their comparison, however, is incorrect. Notwithstanding the prior discussion regarding the amount of expenses, one should keep in mind that recovery of rate case expenses is surcharged over a fixed period and when the precise amount is recovered the surcharge is dropped. But the revenue requirement deficiency is an annualized amount. The appropriate comparison should be premised on the expected time that rates will be in place (i.e. three years). A more accurate comparison would be \$7.36 million x 3 (\$22 million) versus the amount of rate case expenses.

Furthermore, there is little chance that the RRC will implement a significantly lower rate than the Company's request if the cities do not participate in the RRC proceeding. In Texas, Cities are the defenders of ratepayers and the public interest before the RRC. There is no public counsel at the RRC and the Staff of the Commission depends upon Cities to evaluate, respond to and cross-examine a gas utility's rate filing and expert witnesses. The cities are the only viable consumer representative that would put on a case at the RRC. The Commission's staff simply does not have the resources to analyze the Company's case as well as the cities. If Cities do not participate in the ratemaking process, it is very likely that the CenterPoint requested increase will be approved as filed.

In the event the cities approve the rate increase the citizens will be charged the full amount of the Company's proposed rate increase effective April 10. While cities that suspend the effective date will save their residents several months of higher rates even if the entire rate request is ultimately approved. In the unlikely event the RRC *did* adopt a lower rate the letter says that the Company would "immediately on the issuance of a final, non-appealable order" file with the cities to implement the rate. The concern here is that the time between a city approving the rates proposed by CenterPoint and when the RRC would issue a final, non-appealable order could be significant. As such, cities would have paid the higher rates for a significant time until the lower rate is filed at the cities with no offsetting benefit. Lastly, with respect to the Company's veiled threat of substantial litigation expenses it should be noted that under the law, cities are entitled to be reimbursed for the reasonable cost of their participation in

ratemaking proceedings. These costs have historically been collected from all customers since the cities' participation benefits all consumers. Accordingly, there is no direct cost to cities.

There are two important things to understand about CenterPoint's offer. First, CenterPoint does not control how and to whom rate case expenses are allocated. The regulatory authorities (cities and the RRC) determine the allocation. Both the RRC and the Public Utility Commission have a long-standing policy of allocating rate case expenses to the entire customer base of the utility, and thus industrials outside municipal boundaries pay a significant portion of rate case expenses. The justification for this decades-long policy is that all customers benefit from the efforts undertaken by Cities to investigate and reduce the Company's rate request. Therefore, it is only fair that all customers pay for the benefit of those efforts through their rates. Situations when the RRC has allocated rate case expenses to a particular city or group of cities are the very rare exception and are attributable to the city taking action inconsistent with the statute or unnecessarily duplicating effort – neither scenario is present in this case.

The Company has stated that the RRC cannot order a surcharge on rates for recovery of rate case expenses associated with the appeal of city customers whose rates are not at issue on appeal. While this is technically correct, the cost to ratepayers in the cities that accept the CenterPoint rates during the time of suspension, litigation and appeal is likely to exceed the cost of a rate case expense surcharge on all customers.

The Company has told certain cities that the other cities are not participating so they should not either. Although we have not done an exhaustive survey we are aware of 27 cities scheduled to consider the suspension resolution. No city that we are aware of has failed to pass the resolution (Webster tabled it until April 1) or decided to not participate. In the past we have had success in settling cases at the city level on terms beneficial to cities. That can only be done if cities stick together and participate.

As noted previously, a municipality must take action to suspend the effective date of the rate increase within 35 days of the filing with the city. Ratepayers almost always benefit from suspension for the maximum period authorized by law. **Unless your city takes action to suspend the implementation of the filing by the April 10th effective date, the rate increase can be charged to all customers within your city after April 10, 2008.**

For over the past decade the GCCC has looked out for the interests of cities and their citizens. Cities are most effective at protecting the interests of their citizens in rate cases when they unite, develop a common public policy strategy and hire common consultants and lawyers to pursue that strategy and ensure that rates are based on reasonable and necessary expenses and prudent investment.

If you have any concerns or question please do not hesitate to contact Geoffrey or Thomas at 512-322-5857.

**CENTERPOINT ENERGY
GAS UTILITY
GENERAL RATE CASE**

Presentation by Herrera & Boyle

Baytown Community Center

March 26, 2008

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4. Major Changes in O&M Expenses
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9. Two Coalitions
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11. ACM Cities
12. Cost of Municipal Participation

HERRERA & BOYLE

- Each lawyer is board certified in administrative law by the State Bar of Texas.
- Each lawyer has more than 25 years of handling public utility cases.
- Jim Boyle established the Office of Public Utility Counsel and was first Public Counsel.
- Freddie Herrera has been counsel for the City of Austin's electric utility for four years and for a private utility for fifteen years.

CENTERPOINT ENERGY GAS TEXAS COAST DIVISION

- \$7.36 million increase.
- \$43.00 annual residential increase.
- Set in place more annual increases.
- 17% base rate increase (non-gas).
- Requested residential customer charge by CenterPoint would be the highest in Texas.

MAIN ISSUE

ANNUAL COST OF SERVICE ADJUSTMENT (“COSA”)

Many Problems

- No incentive to operate efficiently or reasonably.
- No adjustment to capital additions for prudence or reasonableness.
- No resources provided to cities to review annual rate filing.
- No possibility of meaningful reviews given short time periods for the review (shrunk review period by 80 days).
- No limit on rate case expenditures by CenterPoint.
- No review of operating and maintenance expenses for reasonableness.
- Placing all increases in customer charge promotes waste of natural gas and punishes low-use customers.

MAJOR CHANGES IN O&M EXPENSES

	Test Year Expenses	Adjustment	% Increase
Customer Accounts	\$7,357,772	\$1,237,570	16.8%
Admin & General	\$7,608,590	\$1,382,358	18.1%

MAJOR CHANGES IN RATE BASE

	Current Test Year	Adjustment	% Increase
Distribution Plant	\$166,246,708	\$15,076,044	9%
Cash Working Capital	\$3,229,347	\$348,842	10.8%
Storage Gas	\$6,632,355	\$14,951,659	225%

Approximately \$1 million of the increase.

RETURN ON EQUITY

	<u>Requested</u>	<u>Settled</u>
CenterPoint Entex	11%	
Atmos Energy (Mid-Tex)	11%	9.6%
CenterPoint Arkla	10.75%	9.65%
Northern States Power	10.75%	9.71%

- Since January 1, 2008, the Fed has cut the federal funds rate by more than 150 basis points (1.5%).
- Reduction in return on equity to 9% will reduce rate increase by approximately \$1.4 million.

ALLOCATION OF PROPOSED INCREASE

		COMMERCIAL	
TOTAL	RESIDENTIAL	SMALL	LARGE
\$7,357,617	\$7,011,627	\$345,900	\$0

BENEFITS OF INTERVENTION

- Defers Implementation of New Rates Until After Review.
- Presents Opportunity to Review Company's Case.
- Presents Opportunity for Discovery.
- Discovery Provides Opportunity to Negotiate From Strength – Knowledge is power.

TWO COALITIONS OF CITY GROUPS ARE OF GREAT BENEFIT

Second Group in Recent Gas Case

- Reduced settlement of first group by more than \$10 million.
- Increased franchise fee to 5% of gross receipts without having to give up original jurisdiction or other concessions.

Three City Groups

- Disallowed more than \$130 million for defective pipes which had to be replaced.
- Reduced rate increase to almost zero due to each group having different adjustments adopted by Railroad Commission.

RECOMMENDED ACTION

- Suspend or Deny?
- Environs case is pending before the Railroad Commission.
- Effect on rate case expenses.
- Effect on discovery.

ALLIANCE OF CENTERPOINT MUNICIPALITIES

- Bastrop
- Beaumont
- Center
- Crockett
- Daingerfield
- Huntsville
- Jacksonville
- Kilgore
- Lone Star
- Longview
- Lufkin
- Mineola
- Mount Pleasant
- Nacogdoches
- Nederland
- New Braunfels
- Rusk
- San Marcos
- Seguin
- Silsbee

COST OF MUNICIPAL PARTICIPATION

- Customers who benefit should be surcharged.
- Committee of city officials should carefully review municipal rate case expenses.
- Cost of participation usually is considerably less than benefits to ratepayers.
- Need to have significant municipal participation.

Gary Beverly

From: Kyle McCain [kmccain@ci.clute.tx.us]
Sent: Monday, March 31, 2008 2:29 PM
To: 'Kelvin.Knauf'; 'Andres Garza, Jr.'; 'Claire Manthei'; 'David K. Stall'; 'Garry Brumback'; 'Gary Beverly'; 'Ignacio Ramirez'; 'Jim Boyle'; 'Karen Horner'; 'Nathan Dietrich'; 'Paul Webb'; 'Susan Rash'; 'Travis Doughty'
Subject: RE: CenterPoint Entex Gas Rate Case

Thursday night, again with CPT telling the Council that they will suffer horrible consequences, the Clute City Council unanimously approved suspending the rates and joining the coalition with TCUC. We would have denied the rates, but a public hearing was not on the agenda.

Kyle

From: Kelvin.Knauf [mailto:Kelvin.Knauf@baytown.org]
Sent: Friday, March 28, 2008 8:31 AM
To: Andres Garza, Jr.; Claire Manthei; David K. Stall; Garry Brumback; Gary Beverly; Ignacio Ramirez; Jim Boyle; Karen Horner; Kyle McCain; Nathan Dietrich; Paul Webb; Susan Rash; Travis Doughty
Subject: CenterPoint Entex Gas Rate Case

Despite intense lobbying from CenterPoint Entex representatives to approve the requested rates and not join a coalition, the Baytown City Council last night approved a resolution suspending the effective date of the requested rate and authorized the City to join the Texas Coast Utilities Coalition.

If you have any questions or need more information, I or Ignacio Ramirez, Baytown City Attorney, will be glad to help.

Kelvin Knauf
Assistant City Manager
City of Baytown
281.420.6503

No virus found in this incoming message.
Checked by AVG.
Version: 7.5.519 / Virus Database: 269.22.0/1342 - Release Date: 03/25/2008 10:26 AM

HOW ARE RATE CASE EXPENSES RECOVERED FROM CUSTOMERS IN RATE PROCEEDINGS?

1. The Gas Utility Regulatory Act (“GURA”) allows a utility to recover from customers both the reasonable rate case expenses the utility directly incurs to put on its case, as well as any reimbursement to the municipality for its costs.¹
2. The regulatory authority (either the municipality having original jurisdiction over the utility’s rates or the Railroad Commission of Texas on appeal) only has the authority to order the recovery of rate case expenses from customers whose rates will change as a result of the case pending before the regulatory authority.

WHAT DOES THIS MEAN?

In Texas, a city gets the exclusive right to determine whether a rate request is reasonable for customers in that city. It is only if the utility appeals a city’s decision on rate relief to the Railroad Commission that the Commission gains the authority to set rates for those city’s customers. In contrast, if a city approves the requested rates or lets them go into effect, the Railroad Commission has no authority to change the rates for that city. This also means that on appeal, the Railroad Commission cannot order a surcharge on rates for recovery of rate case expenses associated with the appeal for city customers whose rates are not at issue on appeal.

WHY?

Because the Railroad Commission does not have authority to change the rates of customers in those cities that are not participating in the appeal case.

WHAT IS THE CONSEQUENCE OF THIS?

The consequence is that the Railroad Commission can only order the recovery of rate case expenses from those customers who live in the cities that deny the rate change and end up in an appeal before the Railroad Commission.

WHY HAVE ALL CUSTOMERS OF ATMOS MID-TEX PAID FOR RATE CASE EXPENSE IN THE PAST?

Because in past cases (GUD No. 9400 and GUD No. 9670) every city served by Atmos Mid-Tex participated in the appeal at the Railroad Commission.

HAS THE RAILROAD COMMISSION REJECTED SURCHARGING RATE CASE EXPENSES ON A CITY NOT PARTICIPATING IN AN APPEAL?

Yes. In GUD No. 9465, the utility filed for a rate change in four cities. The utility settled with the City of Port Arthur, Texas, agreeing to give that city most favored nation treatment from any resulting appeal. The other three cities denied the proposed rates and litigated an appeal at the Railroad Commission. Over those three cities’ objections, the Railroad Commission surcharged rate case expenses only on the three cities involved in the appeal and not on the settling city. Although the Commission approved a revenue increase of only \$518,950 for the three non-settling, rate case expenses for the utility and the three non-settling cities exceeded \$1 million, which worked out to about \$70 per person in litigation costs.

¹ See Railroad Commission of Texas case GUD No. 9002-9135, citing GURA §103.022 and §104.051.

IS THERE ANY GUARANTEE THAT THE RAILROAD COMMISSION WILL ALLOW THE CITY TO RECOUP ITS RATE CASE EXPENSES?

No. A city's recovery of rate case expense is not guaranteed. The Railroad Commission has become tougher on the recovery of rate case expenses by both cities and utilities.

Concepts West

1620 FM 523.

Oyster Creek, TX 77541

Phone: 979 230-0077

Gary Beverly
City Manager
City of Freeport
200 W. 2nd Street
Freeport, TX 77541

Dear Mr. Beverly;

Please find attached an application for tax abatement to support Concepts West's Logistic Center proposed to be located in the City of Freeport. The success of this application will be critical in making our decision whether to expand our operations into Freeport, expand existing operations in Oyster Creek or to move all operations outside of Brazoria County.

We ask that this matter be presented to Council at your earliest convenience. If you have any questions concerning this project I can be reached at 304-464-5444.

Thank you for your time,



Gregg G. Frazier
Director of Operations

APPLICANT INFORMATION

Company Name: Concepts West of Texas, LLC

Submittal Date: 3/19/08

Address: 1620 FM 523, Oyster Creek, TX 77541

Name/Address/Telephone of Company contact on this project

Gregg Frazier
221 Airport Industrial Park Road
Parkersburg, WV 26104

304-464-5444

PROJECT INFORMATION

Check type of facility to be abated:

Manufacturing	(X)	Regional Distribution	(X)
Regional Service	()	Regional Entertainment Center	()
Research	()	Other Basic Industry	()

Proposed facility address and legal description: (attach exhibit if necessary):

102 West 8th Street
Freeport, TX 77541

Lots 5-20 of Block 39, Lots 5-16 of Block 40 and Lots 39A and 40A of the City of Freeport as recorded in Volume 4, page 95 of the plat records of Brazoria County, Texas. 2

Attach a map showing the site.



Proposed facility located in the following taxing jurisdictions:

School District	Brazoria Independent School District
Drainage District	Velasco Drainage District
City	City of Freeport
Other Taxing Jurisdictions:	Brazoria County
	Brasosport College District
	Port Freeport

Describe product or service to be provided:

The facility will serve as a processing center and distribution facility for the chemical companies located in Brazoria County and the Greater Houston Area. Plastic and fine chemicals will be processed (physical and/or chemical change), packaged and distributed to customers who are primarily located more than 50 miles from Brazoria County. The facility will also provide packaging and logistic services to companies shipping product out of and into the Port of Freeport.

This application is for a: New Facility () Expansion () Modernization (X)

PROJECT DESCRIPTION

Please attach a statement which:

1. fully explains the project;
2. describes the site and existing improvements;
3. describes all proposed improvements;
4. provides a list of improvements and fixed equipment for which abatement is requested.

ECONOMIC IMPACT INFORMATION

A. Estimated cost of improvements:

Real Estate \$ 252,500

Personal Property \$ 406,327

B. Permanent employment estimates:

If existing facility, current plant employment: _____

Estimated number of jobs retained: () jobs created:(X)

Number of employees anticipated at start up: (5) within 1 yr. (15)

C. Construction employment estimates:

Construction to start: Month: April Year: 2008

Construction to be completed: Month: July Year: 2008

Number of construction jobs anticipated:

At start: 6 Peak 10 Finish: 2

D. School District impact estimates: (for projects over

Number of families transferred to area: -1-

Number of students added to ISD: -0-

E. City Impact estimates:

Volume of treated water required from city: 5,000 gals/day

Volume of effluent water to be treated by city: 5,000 gals/day

Has permitted been started? Yes () No (X)

F. Estimated appraised value on site:

IMPROVEMENTS	PROPERTY	LAND	Total
Valuation of existing property as of January 1, preceding this abatement Application	\$ 123,480	\$ 35,770	\$159,259
Valuation of Personal Property and Improvements, not subject to Abatement, excluding exempt Pollution Control Equipment, upon completion of the project subject to this application	\$ 221,179	\$ 35,770	\$256,949
Estimated value, upon completion of project of exempt pollution control equipment.	\$ 0	\$25,000	\$25,000
Estimated value of abated improvements after abatement agreement expires	\$ 272,569	\$35,770	\$308,339

G. Statement of planned efforts to use City of Freeport Vendors and services:

Please attach a statement describing willingness and planned efforts to use qualified City of Freeport vendors and services where applicable in the construction and operation of the facility.

DECLARATION

To the best of my knowledge, the above information is an accurate description of project details.



Company Official Signature

M. J. Martin, Principle
Printed Name and Title of
Company Official

3/20/2008
Date Signed

Concepts West's Freeport Logistic Center Description

Overview of Project

Concepts West is proposing the operations of a logistic center located in Freeport near the entrance to the port to provide services:

1. That are currently being provided for the major chemical producers in Freeport by companies located in the Houston Area.
2. That are required by potential port clients that are not currently available in the area and thus limits the competitiveness of the port.

Support of Current Chemical Companies

Currently the chemical companies located in the Freeport Area ship millions of tons of plastic and chemicals to the Houston area to be processed and/or packaged. These products travel by truck or train to the Houston Area since these services are not currently available in close proximity to the plants. The transfer of these products results in:

1. Tremendous volumes of hazardous and non hazardous material being shipped the length of Brazoria County by highway and rail.
2. Potential jobs created by the manufacturers in Brazoria County and the City of Freeport being exported to the Houston Area.
3. The loss of local port business because of the need to transport material to Houston for packaging and processing.

Providing Necessary Infrastructure to Support Port

Major improvements are being made to the Port of Freeport to attract new clientele. A key component to attracting new clients is the establishment of the necessary infrastructure around the port to support its activities. Concepts West's Freeport Logistic Center would provide some of these necessary support activities:

1. The processing of bulk product to packaged products suitable for export.
2. The loading of product in export containers.
3. The unloading of product from export containers.
4. The repackaging of imported product into packaging suitable for domestic distribution.

Potential Site and Existing Improvements

Description of Existing Site

Concepts West's Freeport Logistic Center will be located on property on the corner of West 8th Street and Cherry. There are five groups of lots being leased for the project.

Block 38 Lots 3-5:

Acreage: 0.46

Present Improvements: None

Block 39 Lots 5-20:

Acreage: 1.54

Present Improvements:

Lots 5-14 have an engineered metal building with an area of approximately 21,000 square feet on it. The building is in disrepair and a functioning business is not located in the facility.

Lots 15-16 are a concrete parking lot.

Lots 17-20 are a vacant lot.

Block 40 Lots 5-16

Acreage: 0.9

Present Improvements:

Lots 5-9 are vacant

Lots 10-16 have an engineered metal building with an approximate area of 11,700 square feet on it. The building is in disrepair and a functioning business is not located in the facility.

Block 39A and 40A

Acreage: 0.18

Present Improvements:

Both lots are concrete parking areas.

Proposed Improvements

Block 39 Lots 5-14

Building: The building will be improved to be suitable for processing, warehousing and distribution of plastic and fine chemicals. The required improvements include:

1. New energy efficient lighting
2. Upgrade of electrical service to 480 volts, 3 phase
3. Repair / Replacement of roof and sidewalls.
4. Removal of dilapidated offices and replacement with offices suitable for administration of the company.
5. Installation of processing equipment.

Block 40 Lots 10-16

Building: The building is in a condition that can not be used for processing, warehousing or distribution. Improvements will bring the building to an acceptable level for these operations:

1. The Building will be repaired including an energy efficient roofing system to replace the severely deteriorated ceiling.
2. New energy efficient lighting
3. Removal of dilapidated offices and replacement with offices suitable for administration.
4. Installation of processing equipment.

Improvements and Fixed Equipment Abatement Requested

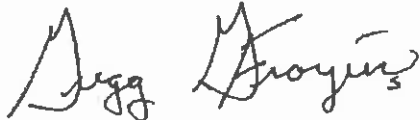
Moderization of Buildings

Moderization	\$200,000
Lighting	\$30,000
Office Improvements	\$12,500
Electrical Service Upgrade	\$10,000
	\$252,500

Processing Equipment	Qty	Abatement	Unit Price	Total
Drum Line	1	Y	\$60,000	\$60,000
Blender	1	Y	\$55,000	\$55,000
Screener	1	Y	\$10,000	\$10,000
Air Compress	2	Y	\$2,750	\$5,500
Air Drying System	1	Y	\$18,116	\$18,116
Bagger 4 (complete	1	Y	\$22,267	\$22,267
Bar Code Equipment	1	Y	8580	\$8,580
Bin	4	Y	\$11,776	\$47,104
Box Dumper	1	Y	\$323	\$323
Chiller	1	Y	\$2,494	\$2,494
Msc Fabled Equipment	1	Y	\$3,897	\$3,897
F 150 Pickup	1	N	\$9,407	\$9,407
Fork Lift	3	N	\$578	\$1,734
Fork Lift 2	1	N	\$9,068	\$9,068
New Fork Lift	1	N	\$1,240	\$1,240
Gravimetric Blender	1	Y	\$6,842	\$6,842
Metal Detection	1	Y	\$2,680	\$2,680
Mini Van	1	N	\$6,539	\$6,539
Refrigerator Driver	1	Y	\$4,284	\$4,284
Sorter	1	Y	\$3,421	\$3,421
Stretch Wrap	1	Y	\$1,154	\$1,154
Vacuum System (15 hp)	1	Y	\$4,477	\$4,477
Vacuum System (6 hp)	1	Y	\$1,257	\$1,257
Vacuum System (7.5 hp)	1	Y	\$2,444	\$2,444
Floor Scales	2	Y	\$1,500	\$3,000
Computer Equipment & Office	1	Y	\$10,000	\$10,000
Tractro		N	\$1,400	\$0
Yard Truck		N	\$531	\$0
Trailers	2	N	\$43,000	\$86,000
Dock Plate	1	N	1949	\$1,949
Super Sack Filling Line	1	Y	10000	\$10,000
Plant Air Accumulator	1	Y	1500	\$1,500
Air Movers	2	Y	400	\$800
Box Dumper	1	Y	1000	\$1,000
Calibration Weight-1500 lbs	1	N	250	\$250
Trash Hoppers	2	N	250	\$500
Stainless Steel Day Bins	7	N	500	\$3,500
				\$406,327

Certification To Use The City of Freeport Suppliers

Concepts West intends to utilize contractors and equipment manufactures located in the City of Freeport where the quality, lead time and price are equivalent.

A handwritten signature in cursive script, appearing to read "Gregg G. Frazier".

Gregg G. Frazier
Director of Operations

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BRAZORIA §

THAT LOWMAC PROPERTIES, L.P., a Texas limited partnership, acting herein by and through the duly authorized officer of its General Partner, LOWMAC, L.L.C., a Texas limited liability company, of the County of Brazoria, State of Texas, hereinafter called Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration to the Grantor, in hand paid by M. J. MARTIN, whose address is 303 Fort Street, Marietta, Ohio 45750, hereinafter called Grantee, the receipt and sufficiency of which is hereby acknowledged, has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY unto Grantee, all of the following described real property in Brazoria County, Texas, together with all improvements thereon and all rights, privileges and appurtenances thereto, to-wit:

- Tract 1:
Lots 3, 4 and 5, Block 38 AND Lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20, Block 39 AND Lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16, Block 40 of Freeport Townsite, Brazoria County, Texas, according to the recorded map or plat thereof recorded in Volume 2, Page 95 of the Plat Records, Brazoria County, Texas.
- Tract 2:
0.18 acre tract of land being part of the 60 foot right of way of Seventh Street as recorded in Volume 2, Page 95 of the Plat Records, Brazoria County, Texas and being more particularly described by metes and bounds attached hereto.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

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Tract 1:

Lots 3, 4 and 5, Block 38 AND Lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20, Block 39 AND Lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16, Block 40 of Freeport Townsite, Brazoria County, Texas, according to the recorded map or plat thereof recorded in Volume 2, Page 95 of the Plat Records, Brazoria County, Texas.

Tract 2:

0.18 acre tract of land being part of the 60 foot right of way of Seventh Street as recorded in Volume 2, Page 95 of the Plat Records, Brazoria County, Texas and being more particularly described by metes and bounds attached hereto.

TAXES have been prorated to date of closing and Grantee hereby assumes the payment of all ad valorem taxes on said property for the current year and for all subsequent years.

THIS CONVEYANCE IS MADE and accepted subject to the following matters, to the extent same are in effect at this time: Any and all reservations, restrictions, covenants, conditions, easements and mineral reservations or leases, if any, relating to the hereinabove described property, but only to the extent they are still in effect, and shown of record in the public records of Brazoria County, Texas, and to all zoning laws, regulations and ordinances of municipal and/or other governmental authorities, if any, but only to the extent that they are still in effect, relating to the hereinabove described property.

FURTHER, THIS CONVEYANCE IS MADE subject to any titles or rights asserted by anyone, including but not limited to persons, corporations, governments or other entities to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs, or oceans, or to any land extending from the line of mean low tide to the line of vegetation, or to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or to filled in lands, or artificial islands or to riparian rights, or the rights or interests of the State of Texas, or the public generally in the area extending from the line of mean low tide to the line of vegetation or their right of access thereto or right of easement along and across the same.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the Grantee, his heirs and assigns, forever; and Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular, the said premises unto the said Grantee, his heirs and

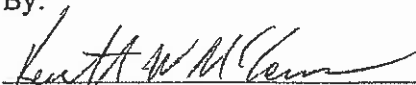
assigns, against every person whomsoever lawfully claiming, or to claim the same or any part thereof, by, through, or under Grantor, but not otherwise.

Grantor has executed and delivered this document, and Grantee has received and accepted this document and the Property AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, EXCEPT SOLELY THE LIMITED WARRANTY OF TITLE EXPRESSLY SET FORTH HEREIN, IT BEING THE INTENTION OF GRANTOR AND GRANTEE TO EXPRESSLY REVOKE, RELEASE, NEGATE AND EXCLUDE ALL REPRESENTATIONS AND WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES AS TO (i) THE CONDITION OF THE PROPERTY OR ANY ASPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY AND ALL EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES RELATED TO MERCHANTABILITY OR FITNESS OF A PARTICULAR USE OR PURPOSES; (ii) THE SOIL CONDITIONS, DRAINAGE, TOPOGRAPHICAL FEATURES, OR OTHER CONDITIONS OF THE PROPERTY OR WHICH AFFECT THE PROPERTY; (iii) ANY FEATURES OR CONDITIONS AT OR WHICH AFFECT THE PROPERTY WITH RESPECT TO ANY PARTICULAR PURPOSES, USE, DEVELOPMENT POTENTIAL, OR OTHERWISE; (iv) THE AREA, SIZE, SHAPE, CONFIGURATION, LOCATION, CAPACITY, QUANTITY, QUALITY, VALUE, CONDITION OR AMOUNT OF THE PROPERTY; (v) ALL EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE OR BY ANY DESCRIPTION OF THE PROPERTY; (vi) ANY ENVIRONMENTAL, GEOLOGICAL OR OTHER CONDITION OR HAZARD OR THE

ABSENCE THEREOF HERETOFORE, NOW OR HEREAFTER AFFECTING IN ANY MANNER ANY PART OF THE PROPERTY; AND (vii) ALL OTHER EXPRESS OR IMPLIED WARRANTIES AND REPRESENTATIONS BY GRANTOR WHATSOEVER, EXCEPT SOLELY THE LIMITED WARRANTY OF TITLE EXPRESSLY SET FORTH HEREIN.

EXECUTED, this the 11 day of March, 2008.

LOWMAC PROPERTIES, L.P.,
A Texas limited partnership,
By its sole General Partner,
LOWMAC, L.L.C.,
A Texas limited liability company,
By:




KENNETH W. McCOWN, Vice President

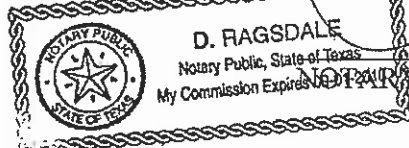
THE STATE OF TEXAS

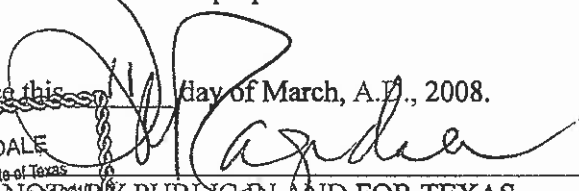
§
§
§

COUNTY OF BRAZORIA

Before me,  a Notary Public, on this day personally appeared KENNETH W. McCOWN, the Vice President of LOWMAC, L.L.C., a Texas limited liability company, the General Partner of LOWMAC PROPERTIES, L.P., a Texas limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 11 day of March, A.D., 2008.





NOTARY PUBLIC IN AND FOR TEXAS

Lowmac Properties/MJ Martin
Lowmac Special Warranty Deed 08.03.10 1D

0.18 ACRES
BEING PART OF THE 60 FOOT RIGHT-OF-WAY OF SEVENTH STREET
OUT OF THE CITY OF FREEPORT, TEXAS
JUNE 11, 2001

0.18 ACRES, being part of the 60 foot right-of-way of Seventh Street as recorded in Volume 2, Page 95 of the Plat Records of Brazoria County, Texas, out of the City of Freeport, said tract described as follows:

Commencing at a found concrete monument with brass disk at the centerline of Ash Street and the centerline of Fourth Street for the POINT OF COMMENCEMENT;

Thence South 73 degrees East, a distance of 950 feet to a set scribed "x" in concrete in line with the east right-of-way of Cherry Street at the centerline of Fourth Street;

Thence South 17 degrees West, a distance of 1055 feet to a set 60D nail at the east right-of-way of Cherry Street and the North right-of-way of Seventh Street;

Thence South 73 degrees East, a distance of 220 feet along the north right-of-way of Seventh Street as recorded in Volume 2, Page 95 of the Plat Records of Brazoria County, Texas to a set 1/2 inch iron rod at the southwesterly corner of Lot 16 of Block 40, and at the easterly line of a 20 foot alley as recorded in Volume 2, Page 95 of the Plat Records of Brazoria County, Texas, being deeded to Nomasco, Inc. in Clerk File (98)0477721 of the Official Records of Brazoria County, Texas, said set 1/2 inch iron rod being at the POINT OF BEGINNING;

Thence South 73 degrees East along said northerly right-of-way line of Seventh Street and along the southerly line of said Lot 16, a distance of 130 feet to a set 1/2 inch iron rod at the southeasterly corner of said Lot 16 of Block 40 at the westerly line of the West Park Street 60 foot right-of-way as recorded in Volume 2, Page 95 of the Plat Records of Brazoria County, Texas;

Thence South 17 degrees West, a distance of 60 feet along said westerly line of the said West Park Street to a set 1/2 inch iron rod at the southerly line of said Seventh Street right-of-way at the northeasterly corner of Lot 5, Block 39 as recorded in Clerk File (98)0477721 of the Official Records of Brazoria County, Texas;

Thence North 73 degrees West, a distance of 130 feet along said southerly right-of-way line of Seventh Street and along the northerly line of said Lot 5 to a set 1/2 inch iron rod at the northwesterly corner of Lot 5 and the easterly line of a 20 foot alley as recorded Volume 2, Page 95 of the Plat Records of Brazoria County, Texas;

Thence North 17 degrees East, a distance of 60 feet to a set 1/2 inch iron rod at the POINT OF BEGINNING, said tract being 0.18 acres more or less as shown on the attached map.

PROPERTY EXHIBIT

Stewart Title - Brazoria County
301 This Way, Suite 200
Lake Jackson, TX 77566

e-Recording
Doc# 2008013025
Pages 6
03/12/2008 09:54:46 AM
Official Public Records of
BRAZORIA COUNTY
JOYCE HUDMAN
COUNTY CLERK
Fees 32.00

Joyce Hudman

CONCEPTS WEST OF TEXAS LLC
221 Airport Industrial Park Road
Parkersburg, WV 26104
304-464-5444

BANK ONE, NA
COLUMBUS, OH 43271
25-3/440

1252

March 2008

PAY TO THE
ORDER OF

City of Freeport
Five Hundred

60/100

\$ 500.00

DOLLARS

MEMO

Tray Robertson J App

⑈001252⑈ ⑆044000037⑆

708150452⑈

[Signature]
AUTHORIZED SIGNATURE

Concepts West Corporation
221 Airport Industrial Park Road
Parkersburg, WV 26101

Gregg Frazier
Director of Operations


Phone: 304-464-5444
E-Mail: gfrazier@conceptswest.us
Cell: 937-545-8521



Council

MEMORANDUM

To: Mayor and City Council

From: Gary Beverly 

Re: Visa/MasterCard – Debit/Credit Card Payments

Date: April 7, 2008

I am requesting City Council to approve accepting Credit/Debit cards as a method of payment for Water & Sewer bills. Currently we accept in the Municipal Court with no problems. A 5% add-on for credit or debit card use will be added to cover the cost charged to the City.

If you have any questions, let me know!



P.O. Box 754 • Freeport, Texas 77542 • 979-233-0651

April 7, 2008

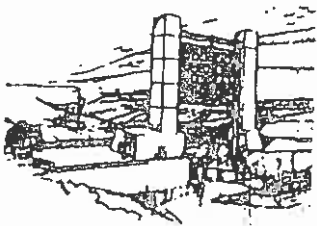
TO: Mayor and City Council

FROM: Board of Directors, Freeport League

The Freeport League will take part in Riverfest on April 25-26. We would like for the City Council to waive the Carnival and vendor permit fees.

Respectfully yours,

Roddy Mohler
President
Freeport League



Park/Council Special Request Form

Council Meeting Date April 7, 2008
Name of Organization Lions Club - Freeport Riverfest Committee
Name of Event Riverfest 2008
Date of Event April 25 + 26 2008
Type of Event Festival

On behalf of the organization I represent I
am requesting your permission to allow
us to do the following in Municipal Park:

The Parks Department has reviewed
the noted requests.
We forward our recommendations
for your consideration and approval.

- | | | |
|--|---|-----------------------------|
| <input checked="" type="checkbox"/> Sell alcohol on specified date | <input checked="" type="checkbox"/> yes | <input type="checkbox"/> no |
| security provided by: <u>Freeport Police + Area Agencies</u> | | |
| <input checked="" type="checkbox"/> Have a public dance | <input checked="" type="checkbox"/> yes | <input type="checkbox"/> no |
| Provide own agency to be used: _____ | | |
| <input type="checkbox"/> Erect temporary fencing | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| <input type="checkbox"/> Charge a general admission fee | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| <input type="checkbox"/> Close or use lanes on streets within the City
(see map attached showing affected streets.) | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| <input checked="" type="checkbox"/> Have fireworks display | <input checked="" type="checkbox"/> yes | <input type="checkbox"/> no |
| Other: _____ | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| Other: _____ | <input type="checkbox"/> yes | <input type="checkbox"/> no |

Thank you for your assistance

Sincerely,

[Signature]

Organization Representative

3/26/08

Date

Thank you.

Sincerely,

[Signature]

Director-Parks & Recreation

3/26/08

Date

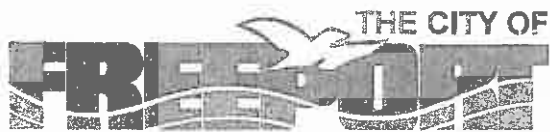
MEMORANDUM

TO: FREEPORT CITY COUNCIL
FROM: MAIN STREET FREEPORT
SUBJECT: STREET CLOSURES FOR FLAPJACK RUN
DATE: 4/7/08

Main Street Freeport requests permission to close the following streets for the 18th Annual Flapjack Run on Saturday, April 26, 2008. Streets to be closed include the north ends of West Park and East Park, 2nd Street from Velasco to Memorial Park, and the northbound lane of Velasco from 2nd Street to Ave. B.

These closures will be in effect from approximately 7:00 a.m. until 10:00 a.m.


Main Street Freeport



200 West 2nd Street • Freeport, TX 77541-5773

(979) 233-3526 • Fax: (979) 233-8867 • www.freeport.tx.us

PROPERTY MANAGEMENT MEMO

March 13, 2008

Gary Beverly
City Manager

re: Lot 5, Block 100, Freeport Townsite
815 West Broad Street
Acct 4200-0992-000

Please place the following item on the April 7, 2008, Council agenda:

Discuss / consider the sale of city interest in lot 5, Block 100
Freeport Townsite known as 815 West Broad Street, Freeport
Townsite.

An offer has been received by the Brazoria County Resale Committee, from Manuel Salas,
in the amount of \$2950, for this property.

Period taxes delinquent: 1987-2006		
Taxes extinguished by Sheriff sale	\$4462.41	
Liens due City	\$3598.96*	
Adjudged value of property		\$3050.00
Offer by Salas	\$2950.00	
Less court costs	3450.96	
Less post judgment costs	91.19	
Amount to distribute	(-\$592.15)	
Amount of distribution due Freeport		\$(-162.69)

Recommendation: Offer be denied.

*The City would be receiving 5.44% of the adjudged value of the property with the
other taxing entities receiving the remaining 94.56% of the value.

Liens due City are post judgment liens, including penalty & interest, calculated
through April 30, 2007

N C Hickey
Property Manager

BID ANALYSIS

Cause Number:	41662	Account Number:	4200-0992-000
Offer Amount:	\$2,950.00	Value \$:	\$2,940.00
Person Offering:	Manuel R. Salas	Adjudged Value\$:	\$2,940.00

Judgement Information

Taxing Entity	Tax Years	Amount Due
BC	1987-2006	\$736.41
Brazosport ISD	1987-2006	\$2,670.47
BRHND	1987-2006	\$139.85
Brazosport College	1987-2006	\$165.57
Velasco Drainage	1987-2006	\$141.07
City of Freeport	1987-2006	\$1,459.71
Total		\$5,313.08

Costs

Court Costs	\$613.00	Sheriff Fees	
Publication Fees	\$145.20	Research Fees	\$175.00
Ad Litem		Recording fee's	\$24.00
		Liens	2493.76
Total			\$3,450.96

Post Judgement Information

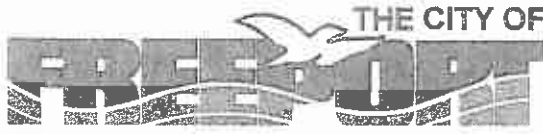
Taxing Entity	Tax Year's	
BC	2007	\$13.69
Brazosport ISD	2007	\$41.79
BRHND	2007	\$2.07
Brazosport College	2007	\$4.46
Velasco Drainage	2007	\$3.02
City of Freeport	2007	\$26.16
Post Judgment Total		\$91.19

<u>Proposed Distribution</u>	Offer Amount	Costs + P & J
	\$2,950.00	\$3,542.15
	Net to Distribute \$	-\$592.15

BC	13.86%	-\$82.07
Brazosport ISD	50.26%	-297.63
BRHND	2.63%	-15.59
Brazosport College	3.12%	-18.45
Velasco Drainage	2.66%	-15.72
City of Freeport	27.47%	-162.69
	0.00%	0.00

RECEIVED

MAR 12 2008



200 West 2nd Street • Freeport, TX 77541-5773
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PROPERTY MANAGEMENT MEMO

March 13, 2008

Gary Beverly
City Manager

re: S/2 lot 18, Block 6, Freeport Townsite
502 East 7th Street
Acct 4200-0102-000

Please place the following item on the April 7, 2008, Council agenda:

Discuss / consider the sale of city interest in south one-half of lot 18, block 6, Freeport Townsite, known as 502 East 7th Street, Freeport.

An offer has been received by the Brazoria County Resale Committee from Lewis Hawthorne, in the amount of \$500, for this property.

Period taxes delinquent: 1975-2001	
Taxes extinguished by Sheriff sale	\$2781.63
Adjudged value of property	\$ 700.00
Offer by Hawthorn	\$ 500.00
Less court costs	217.89
Less post judgment costs	28.81
Amount to distribute	246.70
Amount of distribution due Freeport	\$ 80.80

Recommendation: Offer be denied.

N C Hickey
Property Manager

attach

/s

S/2 lot 18, Block 6 - 4200-0102-000



O - Lien

BID ANALYSIS

4200-0102-000

Cause Number: [REDACTED]
 Offer Amount: [REDACTED] 500
 Person Offering: [REDACTED] Lewis Hare Hoone

Account Number: [REDACTED]
 Value \$: [REDACTED] 700
 Adjudged Value\$: [REDACTED] 700

Judgement Information

Taxing Entity	Tax Years	Amount Due
BC	1975-2000	\$374.73
BCED	1975-2000	\$118.74
Brazosport ISD	1975-2000	\$1,082.73
BRHND	1975-2000	\$105.66
Brazosport College	1975-2000	\$65.82
Velasco Drainage	1975-2000	\$146.48 #2
Road Dist 34	1975-2000	\$0.00
City of Freeport	1975-2000	\$887.35

Total \$2,781.63

Costs

Court Costs	\$0.00	Sheriff Fees	[REDACTED]
Publication Fees	[REDACTED]	Research Fees	\$217.89
Ad Litem	[REDACTED]	Recording fee's	[REDACTED]
Liens			0

Total \$217.89

Post Judgement Information

Taxing Entity	Tax Year's	Amount Due
BC	2001	\$4.08
BCED	2001	\$0.00
Brazosport ISD	2001	\$14.48
BRHND	2001	\$0.75
Brazosport College	2001	\$0.87
Velasco Drainage	2001	\$0.72
Road Dist 34	2001	\$0.00
City of Freeport	2001	\$7.91

Post Judgment Total \$28.81

Proposed Distribution

Offer Amount \$500.00
 Costs + P & J \$246.70
 Net to Distribute \$ \$253.30

BC	13.47%	\$	34.12
BCED	4.27%	\$	10.81
Brazosport ISD	38.92%	\$	98.60
BRHND	3.80%	\$	9.62
Brazosport College	2.37%	\$	6.00
Velasco Drainage	5.27%	\$	13.34
Road Dist 34	0.00%	\$	-
City of Freeport	31.90%	\$	80.80

RECEIVED

MAR 12 2008



200 West 2nd Street • Freeport, TX 77541-5773

(979) 233-3526 • Fax: (979) 233-8867 • www.freeport.tx.us

PROPERTY MANAGEMENT MEMO

March 13, 2008

Gary Beverly
City Manager

re: Lot 1-2, Block 779, Velasco Townsite
1622-1624 North Avenue Q
Acct 8110-3871-000

Please place the following item on the April 7, 2008, Council agenda:

Discuss / consider the sale of city interest in lot 1-2, Block 779
Velasco Townsite, known as 1622-1624 North Avenue Q,
Velasco Townsite, Freeport.

An offer has been received by the Brazoria County Resale Committee from Pascual Robles, in the amount of \$2500, for this property.

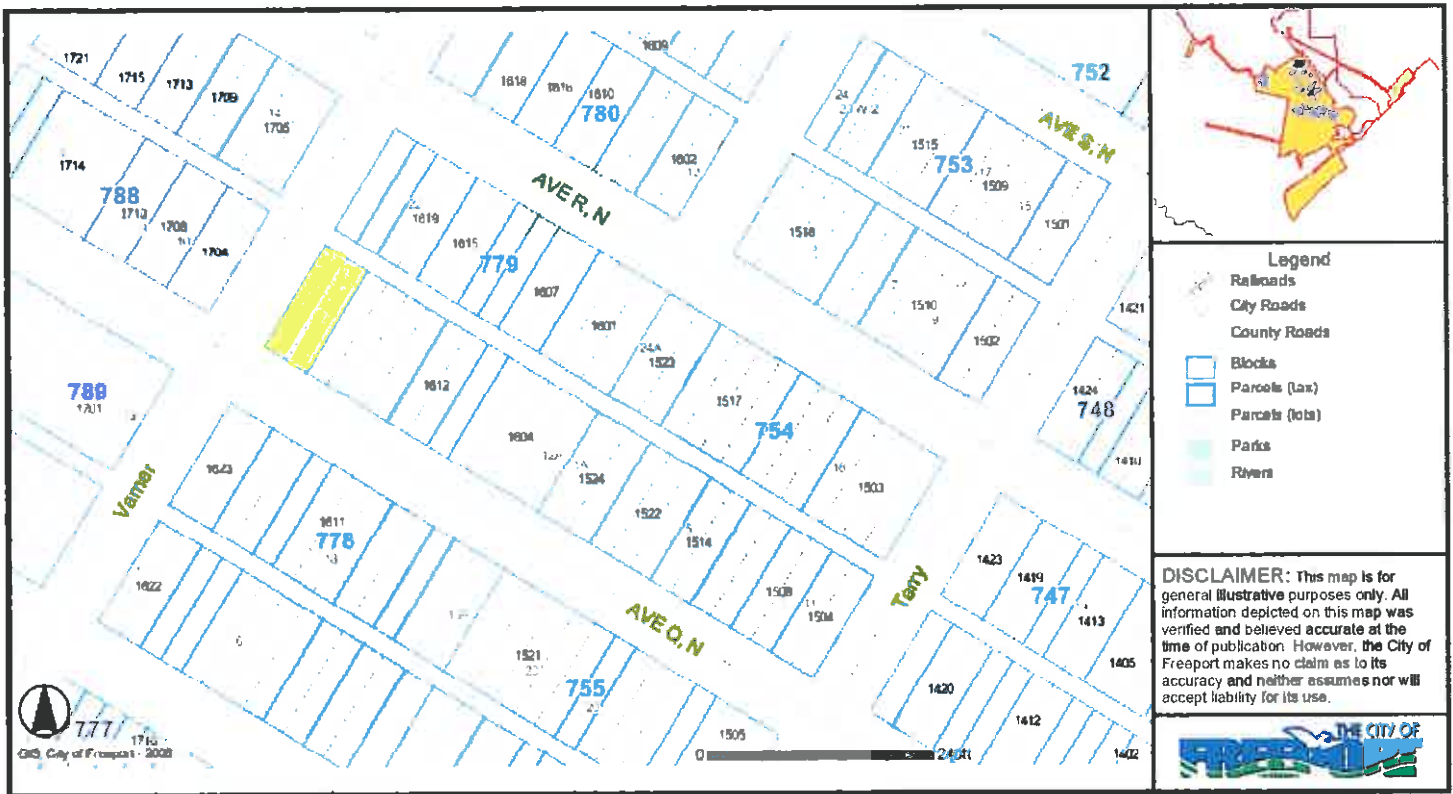
Period taxes delinquent: 1997-2002		
Taxes extinguished by Sheriff sale	\$3298.53	
Liens extinguished by Sheriff sale	\$ 0	
Adjudged value of property		\$2930.00
Offer by Robles	\$2500.00	
Less court costs	809.00	
Less post judgment costs	133.45	
Amount to distribute	1557.55	
Amount of distribution due Freeport		\$485.13*

Recommendation: Offer be considered.

*The City would be receiving 16% of the adjudged value of the property with the other taxing entities receiving the remaining 84% of the value.


N C Hickey
Property Manager

Lot 1-2, Block 779 - 8110-3871-000



0.12 acre

BID ANALYSIS

Cause Number:	95-5083	Account Number:	8110-3871-000
Offer Amount:	\$2,500.00	Value \$:	\$4,230.00
Person Offering:	PASCUAL ROBLES	Adjudged Value\$:	\$2,930.00

Judgement Information

Taxing Entity	Tax Years	Amount Due
BC	1979-2002	\$382.56
BCED	1979-2002	\$175.69
Brazosport ISD	1979-2002	\$1,414.65
BRHND	1979-2002	\$91.61
Brazosport College	1979-2002	\$88.06
Velasco Drainage	1979-2002	\$118.56 #2
City of Freeport	1979-2002	\$1,027.40
Total		\$3,298.53

Costs

Court Costs	\$496.00	Sheriff Fees	
Publication Fees	\$150.00	Research Fees	\$150.00
Ad Litem		Recording fee's	\$13.00
Liens			0
Total		\$809.00	

Post Judgement Information

Taxing Entity	Tax Year's	
BC	2003	\$19.38
BCED	2003	\$0.00
Brazosport ISD	2003	\$68.02
BRHND	2003	\$3.23
Brazosport College	2003	\$4.84
Velasco Drainage	2003	\$3.42
City of Freeport	2003	\$34.56
Post Judgment Total		\$133.45

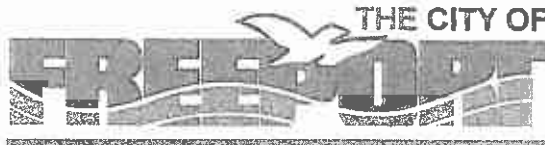
Proposed Distribution

Offer Amount	Costs + P & J
\$2,500.00	\$942.45
Net to Distribute \$	\$1,557.55

BC	11.60%	\$180.64
BCED	5.33%	82.96
Brazosport ISD	42.89%	667.99
BRHND	2.78%	43.26
Brazosport College	2.67%	41.58
Velasco Drainage	3.59%	55.98
City of Freeport	31.15%	485.13

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**PROPERTY MANAGEMENT
 MEMO**

March 13, 2008

Gary Beverly
 City Manager

re: Lot 13-14, A-49, BCIC Dov 14, Velasco Annex
 1717-1721 Yellowstone
 Acct 8115-0009-000

Please place the following item on the April 7, 2008, Council agenda:

Discuss / consider the sale of city interest in lot 13-14, A-49
 BCIC 14, Velasco Townsite known as 1717 -1721 Yellowstone,
 Velasco Heights Annex, Freeport.

An offer has been received by the Brazoria County Resale Committee from Richard Davenport, in the amount of \$6000, for this property.

Period taxes delinquent: 1985-1999		
Taxes extinguished by Sheriff sale	\$9045.19	
Liens extinguished by Sheriff sale	\$3635.00	
Adjudged value of property		\$9210.00
Offer by Davenport	\$6000.00	
Less court costs	411.50	
Less post judgment costs	2242.24	
Amount to distribute	3346.26	
Amount of distribution due Freeport		\$1018.56*

Recommendation: Offer be considered.

*The City would be receiving 11% of the adjudged value of the property with the other taxing entities receiving the remaining 89% of the value.


 N C Hickey
 Property Manager

Lot 13-14, Velasco Hgts Annex - 8115-0009-000



BID ANALYSIS

11267

8115-0009-000

Cause Number:

[Redacted]

Account Number:

[Redacted]

Offer Amount:

6000

Value \$:

9210

Person Offering:

Richard Davengport

Adjudged Value\$:

9210

Judgement Information

4/7

Taxing Entity	Tax Years	Amount Due
BC	1985-1999	\$1,175.70
BCED	1985-1999	\$552.23
Brazosport ISD	1985-1999	\$3,802.74
BRHND	1985-1999	\$311.50
Brazosport College	1985-1999	\$226.08
Velasco Drainage	1985-1999	\$423.69 #2
Road Dist 34	1985-1999	\$0.00
City of Freeport	1985-1999	\$2,753.25
Total		\$9,045.19

Costs

Court Costs	\$188.00	Sheriff Fees	
Publication Fees		Research Fees	\$228.50
Ad Litem		Recording fees	
Liens			0
Total		\$411.50	

Post Judgement Information

Taxing Entity	Tax Year's	Amount Due
BC	2000-2004	\$323.94
BCED	2000-2004	\$0.00
Brazosport ISD	2000-2004	\$1,126.58
BRHND	2000-2004	\$58.59
Brazosport College	2000-2004	\$71.47
Velasco Drainage	2000-2004	\$58.51
Road Dist 34	2000-2004	\$0.00
City of Freeport	2000-2004	\$607.15
Post Judgment Total		\$2,242.24

Proposed Distribution

Offer Amount	\$6,000.00	Costs + P & J	\$2,653.74
Net to Distribute \$		\$3,346.26	

BC	13.00%	\$434.95
BCED	6.11%	204.30
Brazosport ISD	39.83%	1,332.83
BRHND	3.44%	115.24
Brazosport College	2.50%	83.64
Velasco Drainage	4.68%	156.74
Road Dist 34	0.00%	0.00
City of Freeport	30.44%	1,018.56

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PROPERTY MANAGEMENT MEMO

March 13, 2008

Gary Beverly
City Manager

re: Lot 8, Block 7, Southview Garden S/D
727 West 11th Street, Freeport Townsite
Acct 7750-0151-000

Please place the following item on the April 7, 2008, Council agenda:

Discuss / consider the sale of city interest in lot 8, Block 7
Freeport Townsite known as 727 West 11th Street, Freeport
Townsite.

An offer has been received by the Brazoria County Resale Committee, from Thien Nguyen,
in the amount of \$1500, for this property.

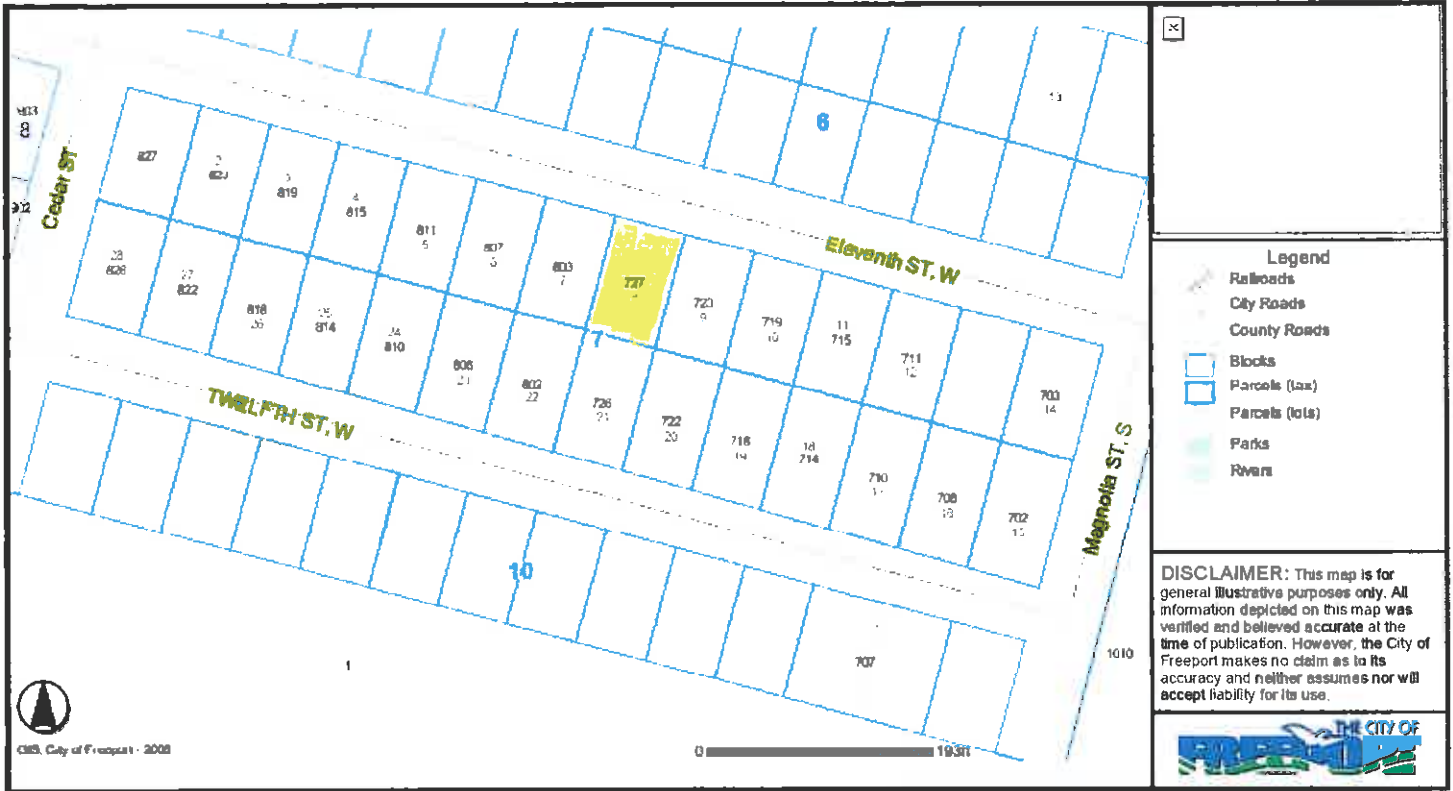
Period taxes delinquent: 1985-1999		
Taxes extinguished by Sheriff sale	\$4061.94	
Liens extinguished by Sheriff sale	\$3311.32	
Adjudged value of property		\$3050.00
Offer by Nguyen	\$1500.00	
Less court costs	712.20	
Less post judgment costs	190.13	
Amount to distribute	597.67	
Amount of distribution due Freeport		\$ 179.49*

Recommendation: Offer be denied.

*The City would be receiving 5.9% of the adjudged value of the property with the
other taxing entities receiving the remaining 94.1% of the value.


N C Hickey
Property Manager

Lot 8, Block 7, Southview Garden - 7750-0151-000



Lot 8 3311.32

BID ANALYSIS

Cause Number:	39373	Account Number:	7750-0151-000
Offer Amount:	\$1,500.00	Value \$:	\$3,050.00
Person Offering:	Thien Nguyen	Adjudged Value\$:	\$3,050.00

Judgement Information

Taxing Entity	Tax Years	Amount Due
BC	1987-2005	\$605.12
Brazosport ISD	1987-2005	\$1,875.42
BRHND	1987-2005	\$116.89
Brazosport College	1987-2005	\$133.26
Velasco Drainage	1987-2005	\$111.36
City of Freeport	1987-2005	\$1,219.89

Total \$4,061.94

Costs

Court Costs	\$362.00	Sheriff Fees	
Publication Fees	\$151.20	Research Fees	\$175.00
Ad Litem		Recording fee's	\$24.00
Liens			0

Total \$712.20

Post Judgement Information

Taxing Entity	Tax Year's	
BC	2006-2007	\$26.91
Brazosport ISD	2006-2007	\$94.03
BRHND	2006-2007	\$4.15
Brazosport College	2006-2007	\$8.67
Velasco Drainage	2006-2007	\$5.84
City of Freeport	2006-2007	\$50.53

Post Judgment Total \$190.13

Proposed Distribution

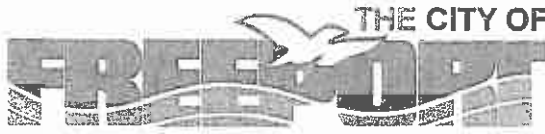
Offer Amount	Costs + P & J
\$1,500.00	\$902.33
Net to Distribute \$	\$597.67

BC	14.90%	\$89.04
Brazosport ISD	46.17%	275.95
BRHND	2.88%	17.20
Brazosport College	3.28%	19.61
Velasco Drainage	2.74%	16.39
City of Freeport	30.03%	179.49
	0.00%	0.00

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PROPERTY MANAGEMENT MEMO

March 13, 2008

Gary Beverly
City Manager

re: Lot 11, Block 7, Southview Garden S/D
715 West 11th Street, Freeport Townsite
Acct 7750-0154-000

Please place the following item on the April 7, 2008, Council agenda:

Discuss / consider the sale of city interest in lot 11, Block 7
Freeport Townsite known as 715 West 11th Street, Freeport
Townsite.

An offer has been received by the Brazoria County Resale Committee, from Thien Nguyen,
in the amount of \$1500, for this property.

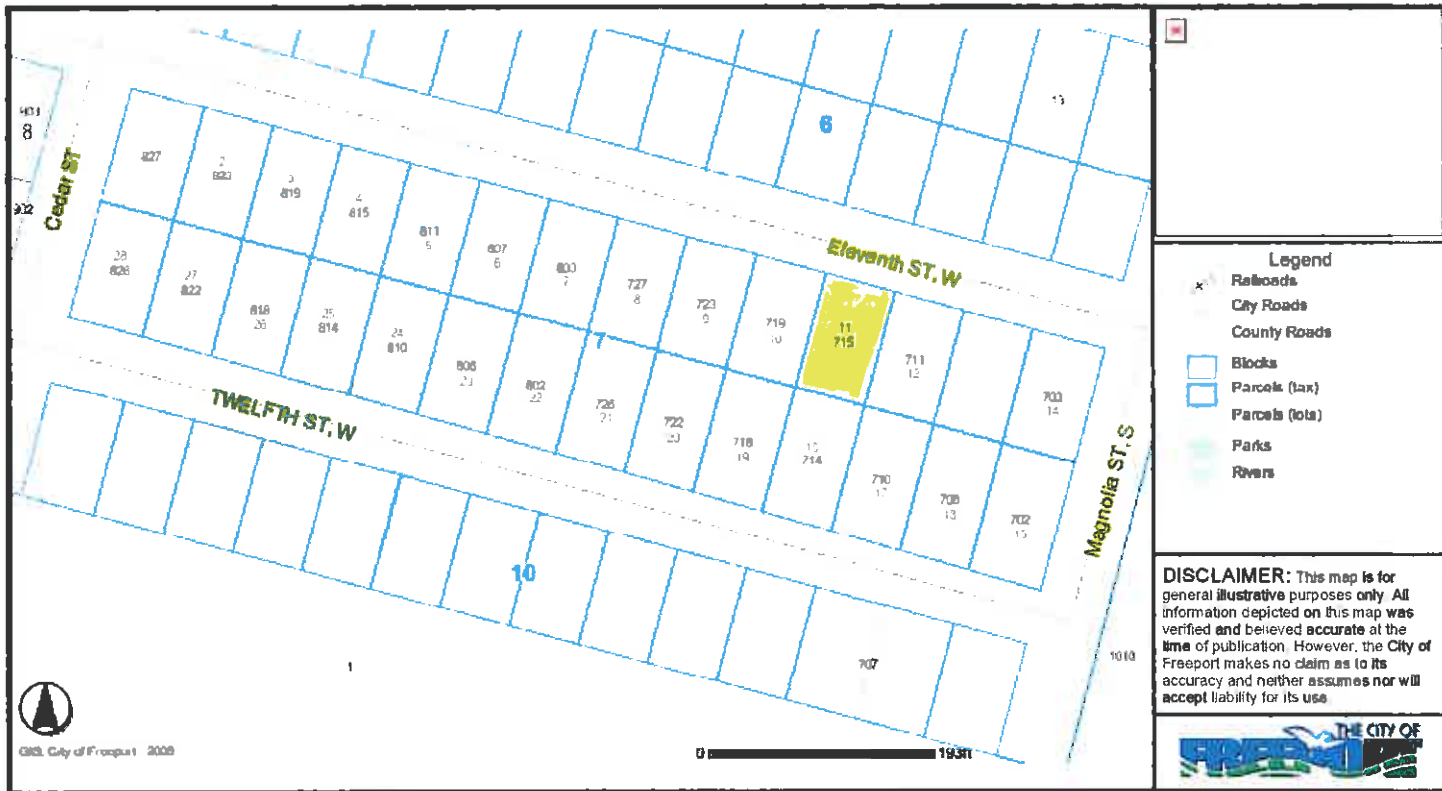
Period taxes delinquent: 1987-2000		
Taxes extinguished by Sheriff sale	\$4462.41	
Liens extinguished by Sheriff sale	\$ 240.00	
Adjudged value of property		\$3050.00
Offer by Nguyen	\$1500.00	
Less court costs	515.61	
Less post judgment costs	380.17	
Amount to distribute	604.22	
Amount of distribution due Freeport		\$ 171.40*

Recommendation: Offer be considered.

*The City would be receiving 5.44% of the adjudged value of the property with the
other taxing entities receiving the remaining 94.56% of the value.


N C Hickey
Property Manager

Lot 11, Block 7, Southview Garden - 7750-0154-000



BID ANALYSIS

Cause Number:	16066T01	Account Number:	7750-0154-000
Offer Amount:	\$1,500.00	Value \$:	\$3,050.00
Person Offering:	Thien Nguyen	Adjudged Value\$:	\$3,050.00

Judgement Information

Taxing Entity	Tax Years	Amount Due
BC	1987-2000	\$571.08
BCED	1987-2000	\$2,181.85
BRHND	1987-2000	\$137.46
Brazosport College	1987-2000	\$119.89
Velasco Drainage	1987-2000	\$186.29
City of Freeport	1987-2000	\$1,265.84

Total \$4,462.41

Costs

Court Costs	\$304.00	Sheriff Fees	
Publication Fees		Research Fees	\$211.61
Ad Litem		Recording fee's	
	Liens		0

Total \$515.61

Post Judgement Information

Taxing Entity	Tax Year's	
BC	2001-2003	\$54.64
BCED	2001-2003	\$190.22
BRHND	2001-2003	\$9.58
Brazosport College	2001-2003	\$11.49
Velasco Drainage	2001-2003	\$9.55
City of Freeport	2001-2003	\$104.69

Post Judgment Total \$380.17

Proposed Distribution

Offer Amount	\$1,500.00	Costs + P & J	\$895.78
Net to Distribute \$			\$604.22

BC	12.80%	\$77.33
BCED	48.89%	295.43
BRHND	3.08%	18.61
Brazosport College	2.69%	16.23
Velasco Drainage	4.17%	25.22
City of Freeport	28.37%	171.40
	0.00%	0.00



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PROPERTY MANAGEMENT MEMO

March 31, 2008

Gary Beverly
City Manager

Wallace Shaw has suggested the following item be placed on the April 7, 2008, Council Agenda:

Discuss / consider amending Code of Ordinances, Chapter 154, Subdivisions, to include **plats and re-plats** within the **extra territorial jurisdiction** of the City. Attached is chapter 242 of the Texas Local Government Code which authorizes the City to enter into an Interlocal Agreement with the County (exhibit A) and Chapter 212.002 (exhibit B) which authorizes a City to extend its regulation of Subdivisions into the ETJ.

Also attached is an excerpt from the City's minutes, volume 21, page 297, June 17, 2002, authorizing the City to enter into a Interlocal Agreement. (Exhibit C).

Also attached is a copy of Commissioner Court approval of Order No. 9, dated 7-23-02, establishing the Interlocal Agreement. Attached to Order No. 9 is a copy of the City's Interlocal Agreement Concerning the Regulation of Subdivision Platting. (Exhibit D)


N C Hickey
Property

attach

xc: Doug Caffey
W N Shaw
File

/s

accomplish the purposes of this chapter and the regulations adopted and orders and rulings made under it. Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

[Sections 241.045 to 241.900 reserved for expansion]

SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

§ 241.901. Conflict of an Airport Hazard Area Zoning Regulation With Another Regulation

(a) If an airport hazard area zoning regulation conflicts with any other regulation applicable to the same area, the more stringent limitation or requirement controls.

(b) Subsection (a) applies to any conflict with respect to the height of a structure or object of natural growth or any other matter.

(c) Subsection (a) applies to any regulation that conflicts with an airport hazard area zoning regulation whether the regulation was adopted by the political subdivision that adopted the airport zoning regulation or by another political subdivision.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

§ 241.902. Conflict of an Airport Compatible Land Use Zoning Regulation With Another Regulation

(a) If an airport compatible land use zoning regulation conflicts with any other regulation applicable to the same area, the airport compatible land use zoning regulation controls.

(b) Subsection (a) applies to any conflict with respect to the use of land or any other matter.

(c) Subsection (a) applies to any regulation that conflicts with an airport compatible land use zoning regulation, whether the regulation was adopted by the political subdivision that adopted the airport compatible land use zoning regulation or by another political subdivision.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

§ 241.903. Acquisition of Air Rights or Other Property

(a) A political subdivision may acquire from a person or other political subdivision an air right, aviation easement, or other estate or interest in property or in a nonconforming structure or use if:

(1) the acquisition is necessary to accomplish the purposes of this chapter;

(2) the property or nonconforming structure or use is located within the political subdivision, the political subdivision owns the airport, or the political subdivision is served by the airport; and

(3)(A) the political subdivision desires to remove, lower, or terminate the nonconforming structure or use;

(B) airport zoning regulations are not sufficient to provide necessary approach protection because of constitutional limitations; or

(C) the acquisition of a property right is more advisable than an airport zoning regulation in providing necessary approach protection.

(b) An acquisition under this section may be by purchase, grant, or condemnation in the manner provided by Subchapter B, Chapter 21, Property Code.¹

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

¹ V.T.C.A. Property Code, § 21.011 et seq.

CHAPTER 242. AUTHORITY OF MUNICIPALITY AND COUNTY TO REGULATE SUBDIVISIONS IN AND OUTSIDE MUNICIPALITY'S EXTRATERRITORIAL JURISDICTION

Section

242.001. Regulation of Subdivisions in Extraterritorial Jurisdiction Generally.

242.0015. Arbitration Regarding Subdivision Regulation Agreement.

242.002. Regulation of Subdivisions in Populous Counties or Contiguous Counties.

✓ § 242.001. Regulation of Subdivisions in Extraterritorial Jurisdiction Generally

(a) This section applies only to a county operating under Sections 232.001–232.005 or Subchapter B, C, or E, Chapter 232, and a municipality that has extraterritorial jurisdiction in that county. Subsections (b)–(g) do not apply:

(1) within a county that contains extraterritorial jurisdiction of a municipality with a population of 1.9 million or more;

(2) within a county within 50 miles of an international border, or to which Subchapter C, Chapter 232, applies; or

(3) to a tract of land subject to a development agreement under Subchapter G, Chapter 212, or other provisions of this code.

(b) For an area in a municipality's extraterritorial jurisdiction, as defined by Section 212.001, a plat may not be filed with the county clerk without the approval of the governmental entity authorized under Subsection (c) or (d) to regulate subdivisions in the area.

(c) Except as provided by Subsections (d)(3) and (4), a municipality and a county may not both regulate subdivisions and approve related permits in the extraterritorial jurisdiction of a municipality after an agreement under Subsection (d) is executed. The municipality and the county shall enter into a written agreement that identifies the governmental entity authorized to regulate subdivision plats and approve related permits in the extraterritorial jurisdiction. For a municipality in existence on September 1, 2001, the municipality and county shall enter into a written agreement under this subsection on or before April 1, 2002. For a municipality incorporated after September 1, 2001, the municipality and county shall enter into a written agreement under this subsection not later than the 120th day after the date the municipality incorporates. On reaching an agreement, the municipality and county shall certify that the agreement complies with the requirements of this chapter. The municipality and the county shall adopt the agreement by order, ordinance, or resolution. The agreement must be amended by the municipality and the county if necessary to take into account an expansion or reduction in the extraterritorial jurisdiction of the municipality. The municipality shall notify the county of any expansion or reduction in the municipality's extraterritorial jurisdiction. Any expansion or reduction in the municipality's extraterritorial jurisdiction that affects property that is subject to a preliminary or final plat, a plat application, or an application for a related permit filed with the municipality or the county or that was previously approved under Section 212.009 or Chapter 232 does not affect any rights accrued under Chapter 245. The approval of the plat, any permit, a plat application, or an application for a related permit remains effective as provided by Chapter 245 regardless of the change in designation as extraterritorial jurisdiction of the municipality.

(d) An agreement under Subsection (c) may grant the authority to regulate subdivision plats and approve related permits in the extraterritorial jurisdiction of a municipality as follows:

(1) the municipality may be granted exclusive jurisdiction to regulate subdivision plats and approve related permits in the extraterritorial ju-

isdiction and may regulate subdivisions under Subchapter A of Chapter 212 and other statutes applicable to municipalities;

(2) the county may be granted exclusive jurisdiction to regulate subdivision plats and approve related permits in the extraterritorial jurisdiction and may regulate subdivisions under Sections 232.001-232.005, Subchapter B or C, Chapter 232, and other statutes applicable to counties;

(3) the municipality and the county may apportion the area within the extraterritorial jurisdiction of the municipality with the municipality regulating subdivision plats and approving related permits in the area assigned to the municipality and the county regulating subdivision plats and approving related permits in the area assigned to the county; or

(4) the municipality and the county may enter into an interlocal agreement that:

(A) establishes one office that is authorized to:

(i) accept plat applications for tracts of land located in the extraterritorial jurisdiction;

(ii) collect municipal and county plat application fees in a lump-sum amount; and

(iii) provide applicants one response indicating approval or denial of the plat application; and

(B) establishes a single set of consolidated and consistent regulations related to plats, subdivision construction plans, and subdivisions of land as authorized by Chapter 212, Sections 232.001-232.005, Subchapters B and C, Chapter 232, and other statutes applicable to municipalities and counties that will be enforced in the extraterritorial jurisdiction.

(e) In an unincorporated area outside the extraterritorial jurisdiction of a municipality, the municipality may not regulate subdivisions or approve the filing of plats, except as provided by The Interlocal Cooperation Act, Chapter 791, Government Code.

(f) If a certified agreement between a county and municipality as required by Subsection (c) is not in effect on or before the applicable date prescribed by Section 242.0015(a), the municipality and the county must enter into arbitration as provided by Section 242.0015. If the arbitrator or arbitration panel, as applicable, has not reached a decision in the 60-day period as provided by Section 242.0015, the arbitrator or arbitration panel, as applicable, shall issue an interim decision regarding the regulation of plats and subdivisions and approval of related permits in the extraterritorial jurisdiction of the municipality. The

interim decision shall provide for a single set of regulations and authorize a single entity to regulate plats and subdivisions. The interim decision remains in effect only until the arbitrator or arbitration panel reaches a final decision.

(g) If a regulation or agreement adopted under this section relating to plats and subdivisions of land or subdivision development establishes a plan for future roads that conflicts with a proposal or plan for future roads adopted by a metropolitan planning organization, the proposal or plan of the metropolitan planning organization prevails.

(h) This subsection applies only to a county to which Subsections (b)-(g) do not apply, except that this subsection does not apply to a county subject to Section 242.002. For an area in a municipality's extraterritorial jurisdiction, as defined by Section 212.001, a plat may not be filed with the county clerk without the approval of both the municipality and the county. If a municipal regulation and a county regulation relating to plats and subdivisions of land conflict, the more stringent regulation prevails. However, if one governmental entity requires a plat to be filed for the subdivision of a particular tract of land in the extraterritorial jurisdiction of the municipality and the other governmental entity does not require the filing of a plat for that subdivision, the authority responsible for approving plats for the governmental entity that does not require the filing shall issue on request of the subdivider a written certification stating that a plat is not required to be filed for that subdivision of the land. The certification must be attached to a plat required to be filed under this subsection.

(i) Property subject to pending approval of a preliminary or final plat application filed after September 1, 2002, that is released from the extraterritorial jurisdiction of a municipality shall be subject only to county approval of the plat application and related permits and county regulation of that plat. This subsection does not apply to the simultaneous exchange of extraterritorial jurisdiction between two or more municipalities or an exchange of extraterritorial jurisdiction that is contingent on the subsequent approval by the releasing municipality.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, §§ 46(c), 87(n), eff. Aug. 28, 1989; Acts 1997, 75th Leg., ch. 1428, § 1, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 404, § 26, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 736, § 2, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1028, § 1, eff. Sept. 2001; Acts 2003, 78th Leg., ch. 523, §§ 1 to 4, eff. June 20, 2003.

Sections 12, 13 of Acts 2003, 78th Leg., ch. 523 provides:

"Sec. 12. If any provision of this Act or its application to any county, municipality, or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

"Sec. 13. Except as provided by Section 242.001(i), Local Government Code, as added by this Act, the changes in law made by this Act to Chapters 212, 232, and 242, Local Government Code, apply only to a development agreement or subdivision plat that is filed on or after the effective date of this Act, and to the subdivision covered by the plat. A development agreement or subdivision plat that is filed before the effective date of this Act, and the subdivision covered by the plat, are governed by the law in effect immediately preceding that date, and the former law is continued in effect for that purpose."

Section 2 of Acts 1997, 75th Leg., ch. 1428 provides:

"This Act takes effect September 1, 1997, and applies only to a plat for a subdivision of land that is filed on or after that date."

§ 242.0015. Arbitration Regarding Subdivision Regulation Agreement

(a) This section applies only to a county and a municipality that are required to make an agreement as described under Section 242.001(f). If a certified agreement between a county and a municipality with an extraterritorial jurisdiction that extends 3.5 miles or more from the corporate boundaries of the municipality is not in effect on or before January 1, 2004, the parties must arbitrate the disputed issues. If a certified agreement between a county and a municipality with an extraterritorial jurisdiction that extends less than 3.5 miles from the corporate boundaries of the municipality is not in effect on or before January 1, 2006, the parties must arbitrate the disputed issues. A party may not refuse to participate in arbitration requested under this section. An arbitration decision under this section is binding on the parties.

(b) The county and the municipality must agree on an individual to serve as arbitrator. If the county and the municipality cannot agree on an individual to serve as arbitrator, the county and the municipality shall each select an arbitrator and the arbitrators selected shall select a third arbitrator.

(c) The third arbitrator selected under Subsection (b) presides over the arbitration panel.

(d) Not later than the 30th day after the date the county and the municipality are required to have an agreement in effect under Section 242.001(f), the arbitrator or arbitration panel, as applicable, must be selected.

(e) The authority of the arbitrator or arbitration panel is limited to issuing a decision relating only to the disputed issues between the county and the municipality regarding the authority of the county or munic-

- Section**
 2.017. Conflict of Interest; Penalty.
 2.0175. Enforcement in Certain Counties; Penalty.
 2.018. Enforcement in General.
 [Sections 212.019 to 212.040 reserved for expansion]
- SUBCHAPTER B. REGULATION OF PROPERTY DEVELOPMENT**
- 2.041. Municipality Covered by Subchapter.
 2.042. Application of Subchapter A.
 2.043. Definitions.
 2.044. Plans, Rules, and Ordinances.
 2.045. Development Plat Required.
 2.046. Restriction on Issuance of Building and Other Permits by Municipality, County, or Official of Other Governmental Entity.
 2.047. Approval of Development Plat.
 2.048. Effect of Approval on Dedication.
 2.049. Building Permits in Extraterritorial Jurisdiction.
 2.050. Enforcement; Penalty.
- UBCHAPTER C. DEVELOPER PARTICIPATION IN CONTRACT FOR PUBLIC IMPROVEMENTS**
- 2.071. Developer Participation Contract.
 2.072. Duties of Parties Under Contract.
 2.073. Performance Bond.
 2.074. Additional Safeguards; Inspection of Records.
- SUBCHAPTER D. REGULATION OF PROPERTY DEVELOPMENT PROHIBITED IN CERTAIN CIRCUMSTANCES**
- 2.101. Application of Subchapter to Certain Home-Rule Municipality.
 2.102. Definitions.
 2.103. Traffic or Traffic Operations.
 2.104. Provision Not Enforceable.
 2.105. Subchapter Controls.
- SUBCHAPTER E. MORATORIUM ON PROPERTY DEVELOPMENT IN CERTAIN CIRCUMSTANCES**
- 2.131. Definitions.
 2.132. Definition.
 2.133. Suit to Enforce Restrictions.
 2.1335. Foreclosure by Property Owners' Association.
 2.134. Notice and Public Hearing Requirements.
 2.135. Justification for Moratorium; Written Findings Required.
 2.136. Expiration of Moratorium; Extension.
 2.137. Waiver Procedures Required.
 2.138. Effect on Other Law.
- SUBCHAPTER F. ENFORCEMENT OF LAND USE RESTRICTIONS CONTAINED IN PLATS AND OTHER INSTRUMENTS**
- 2.151. Municipality Covered by Subchapter.
 2.152. Definition.
 2.153. Suit to Enforce Restrictions.
 2.154. Limitation on Enforcement.
 2.155. Notice to Purchasers.
 2.156. Enforcement By Ordinance; Civil Penalty.

- Section**
 212.157. Governmental Function.
- SUBCHAPTER G. AGREEMENT GOVERNING CERTAIN LAND IN A MUNICIPALITY'S EXTRATERRITORIAL JURISDICTION**
- 212.171. Applicability.
 212.172. Development Agreement.
 212.173. Certain Coastal Areas.
 212.174. Municipal Utilities.
- SUBCHAPTER Z. MISCELLANEOUS PROVISIONS**
- 212.901. Developer Required to Provide Surety.
 212.902. School District Land Development Standards.
 212.903. Construction and Renovation Work on County-Owned Buildings or Facilities in Certain Counties.

SUBCHAPTER A. REGULATION OF SUBDIVISIONS

✓ § 212.001. Definitions

In this subchapter:

(1) "Extraterritorial jurisdiction" means a municipality's extraterritorial jurisdiction as determined under Chapter 42, except that for a municipality that has a population of 5,000 or more and is located in a county bordering the Rio Grande River, "extraterritorial jurisdiction" means the area outside the municipal limits but within five miles of those limits.

(2) "Plat" includes a replat.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, § 46(b), eff. Aug. 28, 1989.

✓ § 212.002. Rules

After a public hearing on the matter, the governing body of a municipality may adopt rules governing plats and subdivisions of land within the municipality's jurisdiction to promote the health, safety, morals, or general welfare of the municipality and the safe, orderly, and healthful development of the municipality.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

✓ § 212.0025. Chapter-Wide Provision Relating to Regulation of Plats and Subdivisions in Extraterritorial Jurisdiction.

The authority of a municipality under this chapter relating to the regulation of plats or subdivisions in the municipality's extraterritorial jurisdiction is sub-

ject to any applicable limitation prescribed by an agreement under Section 242.001.

Added by Acts 2003, 78th Leg., ch. 523, § 6, eff. June 20, 2003.

Sections 12, 13 of Acts 2003, 78th Leg., ch. 523 provides:

"Sec. 12. If any provision of this Act or its application to any county, municipality, or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

"Sec. 13. Except as provided by Section 242.001(i), Local Government Code, as added by this Act, the changes in law made by this Act to Chapters 212, 232, and 242, Local Government Code, apply only to a development agreement or subdivision plat that is filed on or after the effective date of this Act, and to the subdivision covered by the plat. A development agreement or subdivision plat that is filed before the effective date of this Act, and the subdivision covered by the plat, are governed by the law in effect immediately preceding that date, and the former law is continued in effect for that purpose."

✓ § 212.003. Extension of Rules to Extraterritorial Jurisdiction

(a) The governing body of a municipality by ordinance may extend to the extraterritorial jurisdiction of the municipality the application of municipal ordinances adopted under Section 212.002 and other municipal ordinances relating to access to public roads or the pumping, extraction, and use of groundwater by persons other than retail public utilities, as defined by Section 13.002, Water Code, for the purpose of preventing the use or contact with groundwater that presents an actual or potential threat to human health. However, unless otherwise authorized by state law, in its extraterritorial jurisdiction a municipality shall not regulate:

- (1) the use of any building or property for business, industrial, residential, or other purposes;
- (2) the bulk, height, or number of buildings constructed on a particular tract of land;
- (3) the size of a building that can be constructed on a particular tract of land, including without limitation any restriction on the ratio of building floor space to the land square footage;
- (4) the number of residential units that can be built per acre of land; or
- (5) the size, type, or method of construction of a water or wastewater facility that can be constructed to serve a developed tract of land if:
 - (A) the facility meets the minimum standards established for water or wastewater facilities by state and federal regulatory entities; and
 - (B) the developed tract of land is:

(i) located in a county with a population of 2.8 million or more; and

(ii) served by:

(a) on-site septic systems constructed before September 1, 2001, that fail to provide adequate services; or

(b) on-site water wells constructed before September 1, 2001, that fail to provide an adequate supply of safe drinking water.

(b) A fine or criminal penalty prescribed by the ordinance does not apply to a violation in the extraterritorial jurisdiction.

(c) The municipality is entitled to appropriate injunctive relief in district court to enjoin a violation of municipal ordinances or codes applicable in the extraterritorial jurisdiction.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, § 46(b), eff. Aug. 23, 1989; Acts 1989, 71st Leg., ch. 822, § 6, eff. Sept. 1, 1989; Acts 2001, 77th Leg., ch. 68, § 1, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 731, § 3, eff. Sept. 1, 2003.

Section 2(b) of Acts 2001, 77th Leg., ch. 68 provides:

"(b) The change in law made by this Act applies only to:

"(1) water and wastewater facilities under construction on the effective date of this Act; and

"(2) water and wastewater facilities for which construction begins on or after the effective date of this Act."

Section 7(b) of Acts 1987, 70th Leg., ch. 1102 provides:

"The addition by this Act of Sections 9A and 10 to Chapter 231, Acts of the 40th Legislature, Regular Session, 1927 (Article 974a, Vernon's Texas Civil Statutes), applies to a subdivision of land regardless of whether it was made before, on, or after September 1, 1987."

✓ § 212.004. Plat Required

(a) The owner of a tract of land located within the limits or in the extraterritorial jurisdiction of a municipality who divides the tract in two or more parts to lay out a subdivision of the tract, including an addition to a municipality, to lay out suburban, building, or other lots, or to lay out streets, alleys, squares, parks, or other parts of the tract intended to be dedicated to public use or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks, or other parts must have a plat of the subdivision prepared. A division of a tract under this subsection includes a division regardless of whether it is made by using a metes and bounds description in a deed of conveyance or in a contract for a deed, by using a contract of sale or other executory contract to convey, or by using any other method. A division of land under this subsection does not include a division of land into parts greater than five acres, where each

part has access and no public improvement is being dedicated.

(b) To be recorded, the plat must:

(1) describe the subdivision by metes and bounds;
 (2) locate the subdivision with respect to a corner of the survey or tract or an original corner of the original survey of which it is a part; and

(3) state the dimensions of the subdivision and of each street, alley, square, park, or other part of the tract intended to be dedicated to public use or for the use of purchasers or owners of lots fronting on or adjacent to the street, alley, square, park, or other part.

(c) The owner or proprietor of the tract or the owner's or proprietor's agent must acknowledge the plat in the manner required for the acknowledgment of deeds.

(d) The plat must be filed and recorded with the county clerk of the county in which the tract is located.

(e) The plat is subject to the filing and recording provisions of Section 12.002, Property Code.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, § 46(b), eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 624, § 3.02, eff. Sept. 1, 1989; Acts 1993, 73rd Leg., ch. 1046, § 1, eff. Aug. 30, 1993.

Section 7 of Acts 1987, 70th Leg., ch. 1102 provides:

"The amendment by this Act of Section 1 of and the addition by this Act of Section 1B to Chapter 231, Acts of the 40th Legislature, Regular Session, 1927 (Article 974a, Vernon's Texas Civil Statutes), apply only to a subdivision of land for which a plan, plat, or replat is first required to be filed on or after September 1, 1987, except for the validations made by Section 1B."

§ 212.0045. Exception to Plat Requirement: Municipal Determination

(a) To determine whether specific divisions of land are required to be platted, a municipality may define and classify the divisions. A municipality need not require platting for every division of land otherwise within the scope of this subchapter.

(b) In lieu of a plat contemplated by this subchapter, a municipality may require the filing of a development plat under Subchapter B if that subchapter applies to the municipality.

Added by Acts 1989, 71st Leg., ch. 1, § 46(b), eff. Aug. 28, 1989.

§ 212.0046. Exception to Plat Requirement: Certain Property Abutting Aircraft Runway

An owner of a tract of land is not required to prepare a plat if the land:

- (1) is located wholly within a municipality with a population of 5,000 or less;
- (2) is divided into parts larger than 2½ acres; and
- (3) abuts any part of an aircraft runway.

Added by Acts 1989, 71st Leg., ch. 1, § 46(b), eff. Aug. 28, 1989.

§ 212.005. Approval by Municipality Required

The municipal authority responsible for approving plats must approve a plat or replat that is required to be prepared under this subchapter and that satisfies all applicable regulations.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, § 46(b), eff. Aug. 28, 1989; Acts 1993, 73rd Leg., ch. 1046, § 2, eff. Aug. 30, 1993.

§ 212.006. Authority Responsible for Approval Generally

(a) The municipal authority responsible for approving plats under this subchapter is the municipal planning commission or, if the municipality has no planning commission, the governing body of the municipality. The governing body by ordinance may require the approval of the governing body in addition to that of the municipal planning commission.

(b) In a municipality with a population of more than 1.5 million, at least two members of the municipal planning commission, but not more than 25 percent of the membership of the commission, must be residents of the area outside the limits of the municipality and in which the municipality exercises its authority to approve subdivision plats.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, § 46(b), eff. Aug. 28, 1989.

§ 212.0065. Delegation of Approval Responsibility

(a) The governing body of a municipality may delegate to one or more officers or employees of the municipality or of a utility owned or operated by the municipality the ability to approve:

- (1) amending plats described by Section 212.016;
- (2) minor plats involving four or fewer lots fronting on an existing street and not requiring the

creation of any new street or the extension of municipal facilities; or

(3) a replat under Section 212.0145 that does not require the creation of any new street or the extension of municipal facilities.

(b) The designated person or persons may, for any reason, elect to present the plat for approval to the municipal authority responsible for approving plats.

(c) The person or persons shall not disapprove the plat and shall be required to refer any plat which the person or persons refuse to approve to the municipal authority responsible for approving plats within the time period specified in Section 212.009.

Added by Acts 1989, 71st Leg., ch. 345, § 1, eff. Aug. 28, 1989. Amended by Acts 1995, 74th Leg., ch. 92, § 1, eff. Aug. 23, 1995; Acts 1997, 75th Leg., ch. 566, § 1, eff. June 2, 1997; Acts 1999, 76th Leg., ch. 1130, § 2, eff. June 18, 1999; Acts 2001, 77th Leg., ch. 402, § 13, eff. Sept. 1, 2001.

✓ § 212.007. Authority Responsible for Approval: Tract in Extraterritorial Jurisdiction of More Than One Municipality

(a) For a tract located in the extraterritorial jurisdiction of more than one municipality, the authority responsible for approving a plat under this subchapter is the authority in the municipality with the largest population that under Section 212.006 has approval responsibility. The governing body of that municipality may enter into an agreement with any other affected municipality or with any other municipality having area that, if unincorporated, would be in the extraterritorial jurisdiction of the governing body's municipality delegating to the other municipality the responsibility for plat approval within specified parts of the affected area.

(b) Either party to an agreement under Subsection (a) may revoke the agreement after 20 years have elapsed after the date of the agreement unless the parties agree to a shorter period.

(c) A copy of the agreement shall be filed with the county clerk.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

§ 212.008. Application for Approval

A person desiring approval of a plat must apply to and file a copy of the plat with the municipal planning commission or, if the municipality has no planning commission, the governing body of the municipality.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

§ 212.009. Approval Procedure

(a) The municipal authority responsible for approving plats shall act on a plat within 30 days after the date the plat is filed. A plat is considered approved by the municipal authority unless it is disapproved within that period.

(b) If an ordinance requires that a plat be approved by the governing body of the municipality in addition to the planning commission, the governing body shall act on the plat within 30 days after the date the plat is approved by the planning commission or is considered approved by the inaction of the commission. A plat is considered approved by the governing body unless it is disapproved within that period.

(c) If a plat is approved, the municipal authority giving the approval shall endorse the plat with a certificate indicating the approval. The certificate must be signed by:

- (1) the authority's presiding officer and attested by the authority's secretary; or
- (2) a majority of the members of the authority.

(d) If the municipal authority responsible for approving plats fails to act on a plat within the prescribed period, the authority on request shall issue a certificate stating the date the plat was filed and that the authority failed to act on the plat within the period. The certificate is effective in place of the endorsement required by Subsection (c).

(e) The municipal authority responsible for approving plats shall maintain a record of each application made to the authority and the authority's action taken on it. On request of an owner of an affected tract, the authority shall certify the reasons for the action taken on an application.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

§ 212.010. Standards for Approval

(a) The municipal authority responsible for approving plats shall approve a plat if:

- (1) it conforms to the general plan of the municipality and its current and future streets, alleys, parks, playgrounds, and public utility facilities;
- (2) it conforms to the general plan for the extension of the municipality and its roads, streets, and public highways within the municipality and in its extraterritorial jurisdiction, taking into account access to and extension of sewer and water mains and the instrumentalities of public utilities;



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**PROPERTY MANAGEMENT
MEMO**

Excerpt from June 17, 2002, Freeport City Council minutes, volume 21, page 297:

Consideration of the approval of the Interlocal Agreement with Brazoria County concerning the regulation of subdivision platting in our ETJ.

On a motion by Councilman Phillips, seconded by Councilman Smith, with all present voting "aye" Council approved the Interlocal Agreement with Brazoria County concerning the regulation of subdivision platting within portions of the City's Extra Teritorial Jurisdiction.

These minutes read and approved this 1st day of July, 2002.

/s/ James A Barnett, Jr.
Mayor

ATTEST:

/s/ Delia Munoz
City Secretary

EXHIBIT C

DATE: 7.23.07

THE COMMISSIONERS COURT OF BRAZORIA COUNTY, TEXAS

REGULAR/SPECIAL SESSION

ORDER NO. 9

RE: INTERLOCAL AGREEMENT CONCERNING THE REGULATION OF
SUBDIVISION PLATTING - CITY OF FREEPORT

MOTION BY Commissioner Harris, SECONDED BY
Commissioner Stanley, that the following action be taken by
the Court:

Approve the Interlocal Agreement Concerning the Regulation of Subdivision
Platting with the City of Freeport. Further that the County Judge be authorized to sign
said agreement on behalf of Brazoria County.

VOTING

AYE

NAY

County Judge Willy
Commissioner Payne
Commissioner Clawson
Commissioner Harris
Commissioner Stanley

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**INTERLOCAL AGREEMENT CONCERNING
THE REGULATION OF
SUBDIVISION PLATTING**

This agreement is made at Angleton, Brazoria County, Texas, between BRAZORIA COUNTY, TEXAS, acting through its Commissioners' Court (hereinafter "the County") and the CITY OF FREEPORT, a municipality lying and situated therein, acting by and through its Mayor (hereinafter "the City").

NOW, THEREFORE, THE COUNTY AND THE CITY agree as follow:

1.0 The County presently regulates the platting of subdivisions in the area located outside of the corporate limits of various municipalities located within the County pursuant to Texas Local Government Code Sections 232.001-232.005. No part of the County is located within the extraterritorial jurisdiction of a municipality which has a population exceeding 1.9 million people. The County is not located within fifty miles of an international border and is not subject to the provisions of Texas Local Government Code Subchapter C, Chapter 232.

1.1 The County and the City wish to enter into an interlocal agreement pursuant to Texas Local Government Code Section 242.001(c) concerning the regulation of subdivisions located within the extraterritorial jurisdiction of the City.

1.2 Pursuant to Texas Local Government Code Section 242.001 (d) (1), the City shall have exclusive jurisdiction to regulate plats and approve related permits in that part of its extra-territorial jurisdiction that lies between the right descending bank of the Brazos River and the left descending bank of the waterway known as Jones Creek, east of Tract 4-P, Abstract 20, and that which lies east of Brazosport Boulevard (State Highway 288 south of State Highway 332 and State Highway 288B north of State Highway 332), between the right descending bank of the waterway known as Oyster Creek and the left descending bank of the Brazos River, that is not shown as being overlapped with that of another municipality, as set out, respectively, in Exhibits "A" and "B" attached hereto and incorporated herein by reference.

1.2A With respect to the portion of its extraterritorial jurisdiction described in Section 1.2 above, the City may regulate subdivisions pursuant to Texas Local Government Code, Chapter 212, and the ordinance and regulations of the City.

1.2B The claims of any other municipality to any of the territory described in Section 1.2 above shall not be affected by this agreement; and the exercise of exclusive jurisdiction to regulate plats and approve related permits in such territory by any other municipality under the terms of an agreement between the County and such other municipality entered into pursuant to Texas Local Government Code Section 242.001(c) does not affect the claim or rights of the City or such other municipality to such territory.

1.2C The County expresses no opinion regarding which municipality has exclusive jurisdiction to regulate platting and approve related permits in areas of extraterritorial jurisdiction with competing claims for such authority by multiple municipalities.

1.3 The County shall have exclusive jurisdiction, under this agreement only, to regulate subdivision plats and approve related permits in the remaining portion of the extraterritorial jurisdiction of the City as shown on Exhibit "A".

1.4 If the County determines that the City is not applying its subdivision regulations in the area described in 1.2 above, the County shall give written notice to the City of such noncompliance. If the City does not respond by enforcing its subdivision regulations within a reasonable time, then the County can seek appropriate legal relief to enforce this agreement.

1.5 The City will be responsible for enforcing federal emergency management agency regulations but the County shall continue to enforce onsite sewage regulations promulgated by the Texas Natural Resources Conversation Commission, where applicable, in the area described in Section 1.2 above.

1.6 The City shall provide two blue line or black line paper copies of approved construction drawings of improvements to the County Engineer for the area described in Section 1.2 above; and the County will provide the same information to the City for the area described in Section 1.3 above.

1.7 The City shall provide the County Engineer with one reproducible copy on stable base film of the recorded plat upon recording by the County Clerk for the area described in Section 1.2 above; and the County will provide the same information to the City for the area described in Section 1.3 above.

1.8 The City recognizes that roads which do not meet or exceed the standards established by the County may not be accepted into the county road system. The County and the City shall be named as joint obligees on any construction or performance and maintenance bonds required of a subdivision developer constructing improvements in any portion of the extraterritorial jurisdiction of as shown on Exhibit "A".

1.9 Within ten (10) working days of the receipt of a preliminary plat for a subdivision requiring construction of any road or street within the area described in Section 1.2 above, the City shall provide written notice to the County that such preliminary plat has been received by the City; and the County will provide the same information to the City for the area described in Section 1.3 above. This written notice shall include the general location of the subdivision and the name and address of the developer.

1.10 If the City hereafter annexes any portion of the area of its extraterritorial jurisdiction or should it later be determined by the final judgment of a court of competent jurisdiction, or by an extraterritorial jurisdiction agreement between the City and another municipality, that such other municipality has exclusive extraterritorial jurisdiction of any portion of the area now claimed by City as being within its extraterritorial jurisdiction, the City agrees to so notify the County in writing and the County agrees that the City shall not thereafter be responsible for any of its obligations set forth in this Agreement with respect the portion of such area included in such notice.

1.10A. Attached hereto and made a part hereof as Exhibit "C" is a true and correct copy of the Agreement between the City and the Town of Quintana, Texas, on the basis of which all of the unincorporated area located North of the Intracoastal Waterway and all of the unincorporated area located west of County Road 1495,, which is apportioned to the City.

1.11 This agreement shall take affect and be in force from and after the date of the last signature to be affixed hereto as indicated below.

1.12 This agreement is being executed in duplicate, one of which shall be retained by each party and each of which shall be treated as an original.

SIGNED this 17th day of June, 2002.

THE CITY OF FREEPORT, TEXAS

By *James A. Barnett, Jr.*
James A. Barnett, Jr., Mayor

Attest: *Delia Munoz*
Delia Munoz,
City Secretary

SIGNED this _____ day of _____, 2002.

BRAZORIA COUNTY, TEXAS

By _____
John Willy, County Judge

C:\Freeport.Msc\CoSdReg.Agr



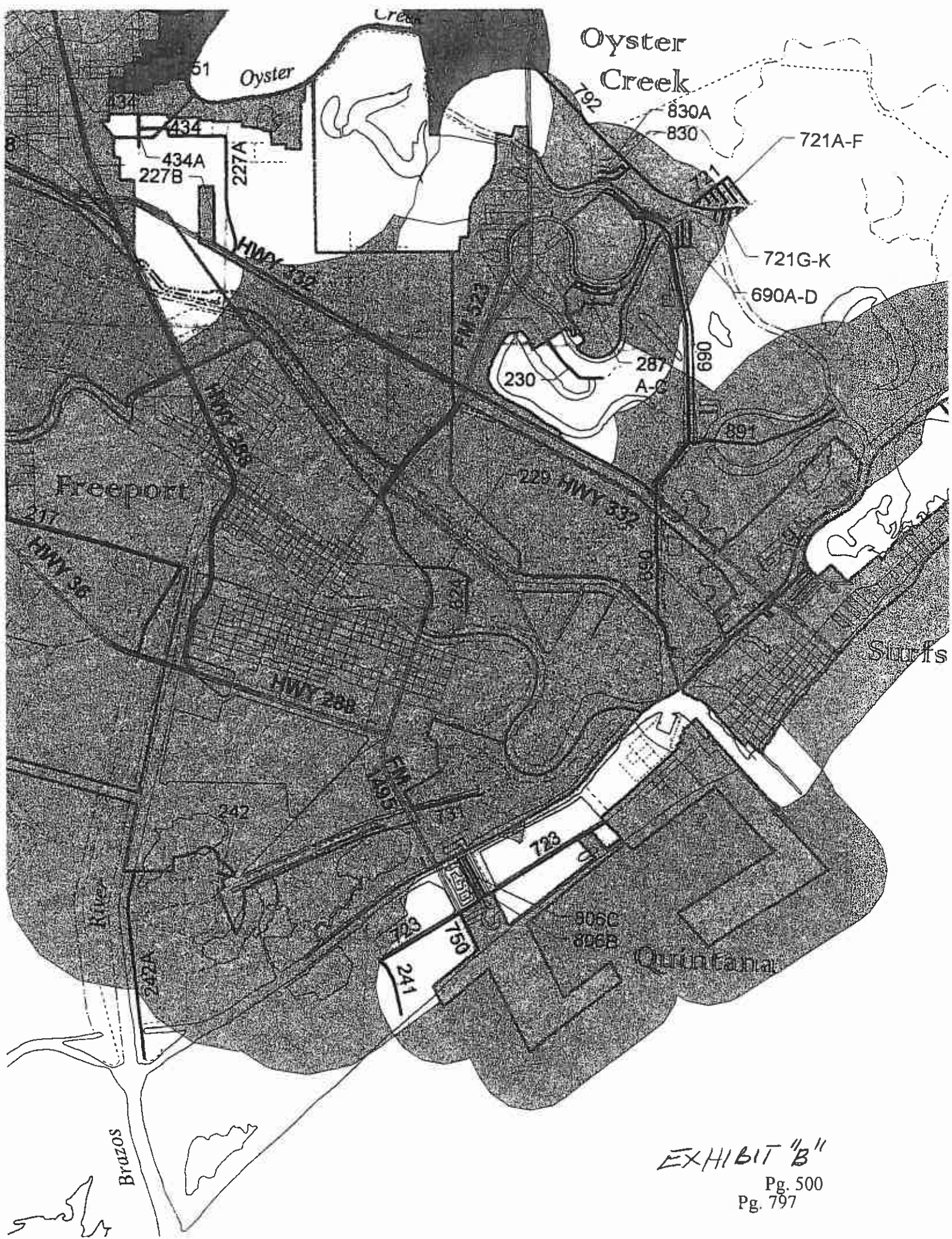


EXHIBIT "B"
Pg. 500
Pg. 797

AN AGREEMENT MUTUALLY ADJUSTING CERTAIN
EX TERRITORIAL JURISDICTION BOUNDARIES OF THE
CITY OF FREEPORT, TEXAS, AND THE TOWN OF QUINTANA, TEXAS

Section One--Declaration of Intent

The governing bodies of the Town of Quintana, Texas, a general law municipal corporation, and the City of Freeport, Texas, a home-rule municipal corporation, each organized under the laws of the State of Texas, and situated in Brazoria County, Texas, hereby declare their mutual desire to establish stable and recognized boundaries for the benefit of the general health and welfare of their respective citizens and do hereby agree and contract as herein specified to the following mutually agreeable adjustments in their respective extraterritorial jurisdiction (ETJ) under the terms and conditions herein expressed. It is in the interest of all parties to this agreement to effect by the terms of this agreement, their respective ETJs by waiver, consent, apportionment and reduction as is necessary in accordance with the provisions of the Texas Municipal Annexation Act, Article 970a, Texas Revised Civil Statutes, and all other applicable provisions of the laws of the State of Texas and the respective municipalities. All parties hereto agree that the below adjustments in their respective ETJ is fair and reasonable and such adjustments are in the best interest of and for the general health, safety and welfare of the inhabitants of each respective municipality. Each party hereby states that the matters set forth in this Section are true and correct and constitute material representations by the parties hereto.

Section Two--Extraterritorial Jurisdiction Boundaries Established

The governing bodies of the Town of Quintana, Texas, and the City of Freeport, Texas, hereby agree and consent that their mutual ETJ boundary shall run from a point of beginning, which point of beginning is 5,280 feet from the line of mean low tide of the Gulf of Mexico and which point is also on a line which is the southerly extension of the easterly boundary line of County Road 1495 into the Gulf of Mexico; thence in a northerly direction along said extension of the easterly boundary line of County Road 1495 and continuing in said northerly direction along said easterly boundary line of County Road 1495 to a

Exhibit "C", Page 1

point on a projection map of the Gulf Intracoastal Waterway for a point for corner; thence along a line which is parallel to and five feet south of the centerline of the Gulf Intracoastal Waterway in an easterly direction to a point determined by the intersection of said Gulf Intracoastal Waterway centerline with the extended centerline of the ship channel of Freeport Harbor separating the Town of Quintana and the Village of Surfside Beach, Texas, for a point for corner; thence along the centerline of the ship channel of Freeport Harbor in a southerly direction into the Gulf of Mexico, to a point which is 5,280 feet from the line of mean low tide.

It is the intent of the parties that the centerlines of the Freeport Harbor Channel and the Gulf Intracoastal Waterway as used herein, shall be determined based on the location thereof by the records of the U. S. Army Corps of Engineers on the date of the execution of this agreement.

Section Three--Enforceability

Each party to this agreement recognizes that the adjustments of ETJ boundaries of each party established by this agreement are unique and valuable contracts and that the breach of such obligation is not compensable in money damages and affords the parties no adequate remedy at law. Consequently, it is agreed and understood that this instrument shall not be terminated by any party hereto for any cause, but that upon breach of the provisions of this agreement, each party may avail themselves of all remedies at law and in equity, except termination, and that each party shall have the right and option to enforce the provisions of this agreement by specific performance, mandamus, injunction, declaratory judgment or such other lawful means as may be appropriate.

Section Four--Who Benefits from Contract's Provisions

The terms and provisions of this instrument shall be binding upon and inure to the benefit of each municipality, their successors or assigns.

Section Five--Annexations Not Accepted as Valid

None of the parties hereto, by their adoption of the provisions of this agreement, hereby accept or recognize as valid any annexations

Exhibit "C", Page 2

performed by any other party to the agreement for the purpose of any further negotiations or litigation over the respective ETJ of the parties except with regard to the enforcement of the specific provisions of this Agreement.

Section Six--Merger

All understandings, bargains and agreements of the parties hereto are merged in this agreement and all prior understandings, bargains, and agreements of the parties hereto, relative to the subject matter hereof, are superseded by this Agreement.

Section Seven--Map Attached

A map of the hereinabove described establishment of ETJ boundaries is marked as Exhibit "A" and made a part hereof for all purposes.

Section Eight--Severability

If any section, paragraph, sentence, clause, phrase or word of this agreement shall, for any reason, be finally adjudged by a court of competent jurisdiction to be unconstitutional or invalid, such final judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the section, paragraph, sentence, clause, phrase or word thereof so found unconstitutional or invalid. In addition, if any part, portion or section of the ETJ boundary established by this Agreement is found to be invalid or non-existent for any reason, such invalidity, if any, shall not affect any other portion, part or section of the boundary found to be invalid, nor affect the validity of any other boundary established by this agreement.

Section Nine--Interpretation of Agreement

None of the statements, provisions, terms or conditions of this Agreement shall be used at any future date to determine the intent of the parties as to any future establishment of corporate or ETJ boundary limits, nor the future intent of the parties as to any future annexations which they may make, except with regard to the express ETJ boundaries established by this agreement. Nothing herein shall be construed by anyone, whether a party to this agreement or not, to prevent any party hereto from, in the future, amending the terms or boundaries of this agreement with the consent of the other party or *Parties hereto,*

Exhibit "C", Page 3

Section Ten--Effective Date

All of the parties to this agreement hereby further agree that all necessary action for the adoption and implementation of the terms of this agreement have been taken by the governing bodies of each municipality. It is further agreed that this agreement shall become effective and binding upon the adoption of enabling resolutions by each of the municipal corporations made a party hereto.

EXECUTED this 4th day of November, A.D. 1985.


MARK X. VANDAVEER, MAYOR,
CITY OF FREEPORT, TEXAS

ATTEST:


JAN SPENCER, CITY SECRETARY,
CITY OF FREEPORT, TEXAS


WOODY IRVIN, MAYOR PRO TEM,
OF THE TOWN OF QUINTANA, TEXAS

ATTEST:


SHARON CORNETT, CITY SECRETARY,
TOWN OF QUINTANA, TEXAS

Exhibit "C", Page 4

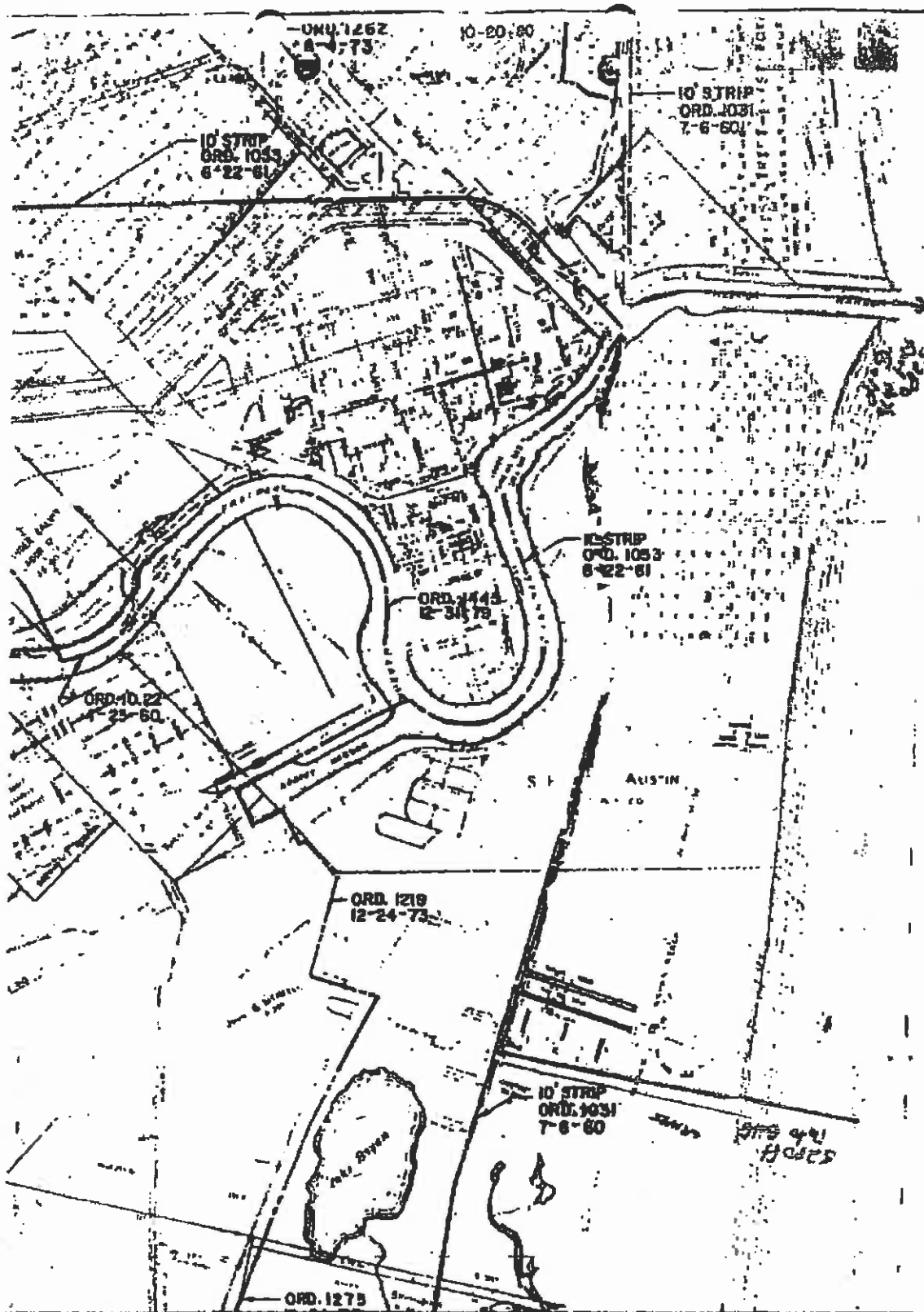


Exhibit "C", Page 5