

**REGULAR COUNCIL MEETING  
JANUARY 5, 2009  
MINUTES**

**1. Call to Order**

The Town Council of the Town of Shady Shores, Texas convened in a regular meeting on January 5, 2009 at 7:00 p.m., Shady Shores Community Center, 101 South Shady Shores Road, Shady Shores, Texas. Notice of the meeting was posted as required by Title 5, Chapter 551 of the government Code. The following members were present: Mayor Olive Stephens, Mayor Pro Tem Nita Watkins, Council members Polly Carter, Charles Grimes, and Sherry Starr. Absent was Jerry Williams due to illness. A quorum was present.

**2. Pledge Allegiance to the Flag.**

The Pledge of Allegiance to the United States Flag and the Texas Flag was recited by all present.

**3. Discuss on-going projects with Town Engineer, Mike Saunders.**

Town Engineer, Mike Saunders was not present.

**4. Discussion and take appropriate action regarding Interlocal Cooperation Contract between the Texas Department of Public Safety and Shady Shores to implement the provisions of Texas Transportation Code Chapter 706.**

**ACTION TAKEN: NITA WATKINS MADE A MOTION TO APPROVE AN INTERLOCAL COOPERATIONS CONTRACT BETWEEN THE TEXAS DEPARTMENT OF PUBLIC SAFETY AND THE TOWN OF SHADY SHORES TO IMPLEMENT PROVISIONS OF TEXAS TRANSPORTATION CODE CHAPTER 706. SECONDED BY SHERRY STARR.**

**FOR: UNANIMOUS THE MOTION CARRIED: 4-0**

**5. Discussion and take appropriate action to adopt a Resolution suspending the effective date of COSERVE GAS LTP's requested rate change.**

**RESOLUTION NO. 702**

**A RESOLUTION OF THE TOWN OF SHADY SHORES, TEXAS, SUSPENDING THE EFFECTIVE DATE OF COSERV GAS LTD.'S REQUESTED RATE CHANGES TO PERMIT THE TOWN TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH OTHER CITIES WITHIN THE COSERV SYSTEM TO HIRE LEGAL AND CONSULTING SERVICES AND TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION; REQUIRING REIMBURSEMENT OF CITIES; RATE CASE EXPENSES; AUTHORIZING INTERVENTION IN THE PROCEEDING AT THE RAILROAD COMMISSION; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY.**

**WHEREAS**, on or about December 18, 2008, Co Serve Gas Ltd. ("Co Serv"), filed with the Town of Shady Shores a Statement of Intent to change gas rates in all municipalities within the Co Serv System, and

**WHEREAS**, it is reasonable for the Town of Shady Shores to cooperate with other cities in a review of the Company's Statement of Intent and to coordinate the hiring and direction of legal counsel and consultants and to negotiate with the Company and direct any necessary litigation: and

**WHEREAS**, Gas Utility Regulatory Act 104.107 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days: and

**WHEREAS**, Gas Utility Regulatory Act 103.022 provides that costs incurred by cities in ratemaking activities are to be reimbursed by the regulated utility.

**THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SHADY SHORES, TEXAS:**

1. That the January 23, 2009 effective date of the rate request submitted by CoServ be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.
2. That the Town is authorized to cooperate with other cities in the CoServ service area to lure and direct legal counsel and consultants, negotiate with the Company, and to intervene and participate in any necessary administrative proceedings or court litigation associated with an appeal of city action.
3. That the Town's reasonable rate case expenses shall be reimbursed by CoServ.
4. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place and purpose of said meeting was given as required.
5. A copy of this Resolution shall be sent to Charles D. Harrell, Chief Financial Officer, CoServ Gas Ltd., 7701 South Stemmons, Corinth, Texas 76210-1842 and to Kristen Doyle, counsel for Cities Served by CoServ at Lloyd Gosselink Rochelle & Townsend, P.C. 816 Congress Avenue, Ste. 1900, Austin, Texas 78701.
- 6.

**ACTION TAKE: NITA WATKINS MADE A MOTION TO ADOPT RESOLUTION 702 SUSPENDING THE EFFECTIVE DATE OF COSERV GAS LTD'S. REQUESTED RATE CHANGE SECONDED BY POLLY CARTER.**

**FOR: UNANIMOUS THE MOTION CARRIED 4-0**

**6. Reports from Council and Committee Chairpersons**

**Mayor Olive Stephens-Budget, finance, annual audit, 2008-2009 budget, Planning and Zoning applications, Board of Adjustments applications, Committee Appointments, Landscape Committee**

Budget

Annual Audit

Planning and Zoning applications available

Board of Adjustments applications available

Landscape Committee report not complete—land fill not taken care of—sewer line to accessory building

Landscape Chairman to give Mayor some costs on trees.

Landscape Committee report to be on February agenda

**Mayor Pro tem Nita Watkins-Financials, Roads Funding**

Thank you notes to Scouts and Pat Botts, Kim Meiers, Norma Barker and all those who made the open house a success

**Councilmember Sherry Starr—Special projects ( December 13, 2008 Open House)**

Open house went fine. About 120-125 people were present.

**Councilmember Polly Carter- Special projects (December 13, 2008 Open House), Corps Committee**

Thanked Sherry Starr for her planning a successful open house

**Councilmember Charles Grimes-Corps Committee, Police Department (November police report)**

October police report—54 calls—response time 3.44 minutes

Still waiting on instructions from the Corps

**Councilmember Jerry Williams-Shoreline report**

**7. CITIZENS COMMENTS**

Karlis Otamkis spoke on Mustang drainage

**8. Approval of Minutes**

**(a) DECEMBER 1, 2008 REGULAR MEETING**

**ACTION TAKEN: POLLY CARTER MADE A MOTION TO APPROVE THE MINUTES OF THE DECEMBER 1, 2008 REGULAR MEETING. SECONDED BY SHERRY STARR.**

**FOR: UNANIMOUS THE MOTION CARRIED 4-0**

**9. EXECUTIVE SESSIION—Pursuant to the provisions of Chapter 551, Texas Government Code, Vernon’s Texas Codes Annotated, the Town Council will hold a closed meeting as follows:**

**RECESS TO CLOSED EXECUTIVE SESSION IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN GOVERNMENT CODE SECTIONS 551.071 CONFIDENTIAL LEGAL ADVICE FROM TOWN ATTORNEY.**

**a) pending or contemplated litigation—city drainage projects—Mustang Estates**

**ACTION TAKEN: POLLY CARTER MADE A MOTION TO RECESS TO CLOSED EXECUTIVE SESSION. SECONDED BY NITA WATKINS.**

**FOR: UNANIMOUS THE MOTION CARRIED 4-0**

**AT 7:40 P.M. TOWN COUNCIL WENT INTO EXECUTIVE SESSION.**

**10. RECONVENE INTO REGULAR MEETING**

**AT 8:40 COUNCIL RECONVENED INTO REGULAR MEETING SESSION.**

**11. TAKE ANY APPROPRIATE DELIBERATION AND ACTION ON EXECUTIVE SESSION SUBJECTS.**

**a) pending or contemplated litigation—city drainage projects—Mustang Estates**

**ACTION TAKEN: AFTER RECONVENING INTO REGULAR MEETING SESSION AT THE MAYOR’S REQUEST THE TOWN ATTORNEY MADE THE FOLLOWING STATEMENT:**

**“The recommendations are pretty straight forward I think—The recommendation is to contact the city engineer ---Ask him to go back out to the Mustang drainage project—and evaluate its current status—regardless of how we got here—but anyway—the current status—make a recommendation back to the mayor and council upon what else if anything needs to be done for the function and fitness for purpose—that way the council can evaluate what the recommendation is—prioritize when and if and how it will be done—and can pay for it. And move forward. That is the recommendation.”**

**Darryn Ross spoke on this issue.**

**Karlis Otamkis also spoke on this issue.**

**12. Adjourn**

**ACTION TAKEN: SHERRY STARR MADE A MOTION TO ADJOURN. SECONDED BY NITA WATKINS.**

**FOR: UNANIMOUS THE MOTION CARRIED 4-0**

**As authorized by section 551.071(2) of the Texas Government Code, this meeting may be convened into closed executive session for the purpose of seeking confidential legal advice from the city attorney on any agenda item listed herein.**

**\_\_\_\_\_ Olive Stephens, Mayor**

**ATTEST: \_\_\_\_\_**

**Town Secretary**