

**MINUTES OF THE SPECIAL CALLED MEETING OF THE CITY COUNCIL OF THE
CITY OF LUFKIN, TEXAS HELD ON THE 30th DAY OF AUGUST, 2005**

On the 30th day of August 2005, the City Council of the City of Lufkin, Texas convened in a Special Called Meeting in the Council Chambers of City Hall with the following members, thereof to wit:

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| Louis Bronaugh | Mayor |
| Rose Faine Boyd | Mayor pro tem |
| R. L. Kuykendall | Councilmember, Ward No. 1 |
| Lynn Torres | Councilmember, Ward No. 3 |
| Don Langston | Councilmember, Ward No. 4 |
| Jack Gorden, Jr. | Councilmember, Ward No. 5 |
| Paul L. Parker | City Manager |
| Renee Thompson | City Secretary |
| Robert Flournoy | City Attorney |
| Keith Wright | Asst. City Manager/Public Works |
| Kenneth Williams | Asst. City Manager/Administrative Services |
| David Koonce | Human Resource Director |
| Doug Wood | Finance Director |
| Belinda Southern | Finance Department |
| Bill Cameron | City of Lufkin Webmaster |

being present, and

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| Dennis Robertson | Councilmember, Ward No. 6 |
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being absent, when the following business was transacted:

1. The meeting was opened by Mayor Louis Bronaugh who welcomed visitors present.
2. **FIRST READING THE ORDINANCE WHICH SHALL CONSTITUTE AN INTERIM ORDER OF THE CITY COUNCIL OF THE CITY OF LUFKIN, TEXAS TO REQUIRE CENTERPOINT ENERGY ENTEX TO PUBLISH NOTICE OF ITS CHANGES IN RATES FOR A TYPICAL RESIDENTIAL CUSTOMER AND A TYPICAL COMMERCIAL CUSTOMER AND THE CHANGES IN SERVICE CHARGES IN A CONSPICUOUS MANNER; TO REQUIRE CENTERPOINT TO RE-FILE ITS STATEMENT OF INTENT UTILIZING A CURRENT HISTORIC TEST YEAR, ENDING MARCH 31, 2005 AND TO REQUIRE CENTERPOINT TO CONTACT THE CITY MANAGER ON THE DATE WHEN IT INTENDS TO RE-FILE ITS STATEMENT OF INTENT USING A CURRENT TEST YEAR AND WHEN CENTERPOINT INTENDS TO PUBLISH NOTICE CONSISTENT WITH THIS ORDINANCE; - APPROVED - FINDING AND DETERMINING THAT THE MEETING WHICH THIS ORDINANCE WAS PASSED WAS IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; MAKING OTHER FINDINGS RELATED TO CENTERPOINT'S STATEMENT OF INTENT; AND DECLARING AN EFFECTIVE DATE**

Mayor Louis Bronaugh stated that the first item for consideration was the Ordinance which shall constitute an Interim Order of the City Council of the City of Lufkin, Texas to require CenterPoint Energy Entex to publish notice of its changes in rates for a typical residential customer and a typical commercial customer and the changes in service charges in a conspicuous manner; to require CenterPoint to re-file its Statement of Intent utilizing a current historic test year, ending March 31, 2005 and to require CenterPoint to contact the City Manager on the date when it intends to re-file its Statement of Intent using a current test year and when CenterPoint intends to publish notice consistent with this Ordinance; finding and determining that the meeting which this Ordinance was passed was in accordance with the requirements of the Texas Open Meetings Act; making other findings related to CenterPoint's Statement of Intent; and declaring an effective date. City Manager Paul Parker stated that Council had in their packets a copy of the Interim Ordinance relating to the action that Council took in an earlier Council meeting postponing the rate increase from CenterPoint Energy. City Manager Parker added that this Ordinance requires that CenterPoint use a different test year for their data. City Manager Parker explained that the data supplied to the environs ended on March 31, 2004. City Manager Parker stated that the law, by the City's interpretation, states that the last day of the test year must occur on the last day of the quarter

from which the most current twelve months of data is currently available. City Manager Parker explained that this Ordinance requires CenterPoint to base its request on twelve months of data ending on March 31, 2005. City Manager Parker stated that the second thing that this Ordinance requires is for CenterPoint to file written notice in the local newspaper the actual increase for the City of Lufkin area. City Manager Parker pointed out that the notice that was originally published in the newspaper was a general ordinance that covered the CenterPoint area and added that in the article it stated that the increase did not constitute a major change in rates. City Manager Parker explained that this statement did not really explain to our consumers what the specific change is for Lufkin and this Ordinance would require CenterPoint to publish the specific rate increases for the Lufkin area. City Manager Parker added that the Ordinance also asks CenterPoint to respond to the City by September 14, 2005 about whether they would comply with this request. City Manager Parker stated that this would allow the City to exercise the local jurisdiction on rate case review and added that there are many cities in the area that are in this Alliance that are looking at the rate case and most will take very similar actions. City Manager Parker added that Staff would recommend that Council approve the Ordinance.

Councilmember Rose Faine Boyd moved to approve the Ordinance which shall constitute an Interim Order of the City Council of the City of Lufkin, Texas to require CenterPoint Energy Entex to publish notice of its changes in rates for a typical residential customer and a typical commercial customer and the changes in service charges in a conspicuous manner; to require CenterPoint to re-file its Statement of Intent utilizing a current historic test year, ending March 31, 2005 and to require CenterPoint to contact the City Manager on the date when it intends to re-file its Statement of Intent using a current test year and when CenterPoint intends to publish notice consistent with this Ordinance; finding and determining that the meeting which this Ordinance was passed was in accordance with the requirements of the Texas Open Meetings Act; making other findings related to CenterPoint's Statement of Intent; and declaring an effective date. Councilmember R. L. Kuykendall seconded the motion. A unanimous affirmative vote was recorded.

3. PUBLIC HEARING TO VOTE ON ADOPTING THE EFFECTIVE TAX RATE

Mayor Louis Bronaugh stated that the next item for consideration was to hold a public hearing to vote on adopting the effective tax rate. City Manager Parker stated that this is the second Public Hearing to allow Council to proceed with the adoption of the 2006 Budget and the effective tax rate at the September 6, 2005 Council Meeting. City Manager Parker added that the City is keeping the tax rate at the same level as last year which is \$0.5585 per each one hundred dollars (\$100.00) valuation of property. City Manager Parker explained that the amount of revenue would increase by approximately \$513,000 to \$514,000.

Mayor Bronaugh then announced that the Lufkin City Council will meet to vote on the proposed tax rate on Tuesday, September 6, 2005, at 5:00 p.m. in Room 102 (Council Chambers) in the Lufkin City Hall.

Mayor Bronaugh then opened the Public Hearing at 12:08 p.m. concerning the vote on adopting the effective tax rate. Mayor Bronaugh then asked the audience for comments or anyone wishing to speak about the effective tax rate. Mayor Bronaugh again asked those attending the Council Meeting if there was anyone who wanted to speak concerning the effective tax rate. Mayor Bronaugh then closed the Public Hearing at 12:09 p.m.

4. Mayor Louis Bronaugh recessed the Special Called Session at 12:10 p.m. to enter into Executive Session.

EXECUTIVE SESSION: In accordance with the Texas Government Code Section 551.087 (discussions regarding economic development) and Section 551.071 (2) Consultation with City Attorney on any agenda item requiring confidential, attorney/client advices necessitated by the deliberation or discussion of said items (as needed), may be discussed.

Mayor Louis Bronaugh reconvened the Regular Session at 12:54 p.m.

5. Mayor Louis Bronaugh reminded Council of the First Friday Luncheon and that City Secretary Renee Thompson needed registration information concerning the TML Conference.
6. There being no further business for consideration, the meeting adjourned at 12:55 p.m.

Renee Thompson
Renee Thompson - City Secretary

Louis A. Bronaugh
Louis A. Bronaugh - Mayor