

ORDINANCE NO. 141

AN ORDINANCE OF THE TOWN OF THOMPSONS, TEXAS, PROVIDING RULES AND REGULATIONS GOVERNING THE INSTALLATION, OCCUPANCY AND USE OF RECREATIONAL VEHICLES; ESTABLISHING STANDARDS FOR RECREATIONAL VEHICLE PARKS; ESTABLISHING REQUIREMENTS FOR THE DESIGN, CONSTRUCTION, ALTERATION, AND EXPANSION OF RECREATIONAL VEHICLE PARKS; PROVIDING REQUIREMENTS FOR LICENSES TO OPERATE RECREATIONAL VEHICLE PARKS; AUTHORIZING THE INSPECTION OF SUCH PARKS; PROVIDING A PENALTY OF AN AMOUNT NOT TO EXCEED \$2,000 FOR EACH DAY OF VIOLATION OF ANY PROVISION HEREOF; PROVIDING FOR SEVERABILITY; AND PROVIDING OTHER MATTERS RELATING TO THE SUBJECT.

* * * * *

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS:

Section 1. Definitions. The following words, terms and phrases, when used in this Ordinance, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Camper shall mean any enclosed structure intended for human habitation for short periods of time and mounted on any manufactured pickup truck, flatbed vehicle, or on wheels and not exceeding 12 feet between axles.

Dependent Trailer shall mean a trailer which is dependent upon a service building for toilet and lavatory facilities, such as a pop-up camper.

Hard Surface shall mean a surface capable of supporting a vehicle upon which, when wet, the vehicle will not sink in or make an indentation. For the purposes of this Ordinance "Hard Surface" shall mean a surface of concrete or asphaltic concrete with gravel base capable of carrying vehicular traffic without deteriorating.

License shall mean a written license issued by the City permitting a person to operate and maintain a Recreational Vehicle Park under the provisions of this Ordinance.

Licensee shall mean any person licensed to operate and maintain a Recreational Vehicle Park under the provisions of this Ordinance.

Motor Home shall mean a portable temporary dwelling, designed for living, sleeping, storage or working quarters, meant to be used for travel, recreation or vacation, constructed as an

integral part of a self-propelled vehicle eight body feet or more in width and 40 body feet or more in length, built on a permanent chassis, and designed to be used as a dwelling without a permanent foundation when connected to required utilities for plumbing, heating, air conditioning and electrical systems

Parking Space shall mean a space of not less than 12 feet in width and 20 feet in length.

Permit shall mean a written permit or certification issued by the city building official permitting the construction, alteration, extension, or operation of a Recreational Vehicle Park under the provisions of this Ordinance.

Pick-Up Coach shall mean a structure designed to be mounted on a truck chassis for use as a temporary dwelling for travel, recreation or vacation.

Recreational Vehicle shall mean any vehicle or similar portable structure designed for living, sleeping, storing or working quarters, including, but not limited to, Travel Trailers, Pick-Up Coaches, Motor Homes, Dependent Trailers, and Self Contained Trailers.

Recreational Vehicle Park shall mean any lot, tract or parcel of land used in whole or in part to provide facilities and accommodations for two or more Recreational Vehicles used by transients as living or sleeping quarters, whether by the day, week or for longer periods of time, and with or without compensation.

Sanitary Station or Dump Facility shall mean a facility used for removing and disposing of wastes from "dependent" or "self-contained" Recreational Vehicle holding tanks.

Self-Contained Trailer shall mean a trailer which can operate independently of connections to sewer, water and electric systems; which contains a water-flushed toilet, lavatory, shower and kitchen sink, all of which are connected to water storage and sewage holding tanks located within the trailer.

Service Building shall mean a structure housing toilet, lavatory, showers and other facilities as may be required by this Ordinance.

Service Sink shall mean a slop sink with a slush rim for the disposal of liquid wastes from "dependent" or "self-contained" Recreational Vehicles.

Sewer Connection shall mean the connection, consisting of all pipes, fittings and appurtenances, from the drain outlet of a Recreational Vehicle to the inlet of the corresponding sewer service riser pipe of the sewage system serving the Recreational Vehicle Park.

Sewer Service Riser Pipe shall mean that portion of a sewer service which extends vertically to the ground elevation and terminates at a Recreational Vehicle Unit.

Travel Trailer shall mean a vehicular, portable structure built on a chassis, designed to be used as a temporary dwelling for travel, recreational or vacation uses, and permanently identified as a "travel trailer" by its manufacturer. Its gross weight shall not exceed 4,500 pounds, and its overall length, excluding the tongue, shall not exceed 34 feet. The term "Travel Trailer" shall also include, by definition, all other portable contrivances, other than Mobile Homes and Campers, used or intended to be used generally for living, sleeping, storing or working quarters and which may be moved under their own power, towed, or transported by another vehicle.

Unit shall mean an area of ground in a Recreational Vehicle Park, as applicable, set aside for the use of one Recreational Vehicle, together with such parking and open space as required by this Ordinance. This term shall also include the terms "lot," "stand," and "site."

Water Connection shall mean the connection of all pipes, fittings and appurtenances, from the Water Riser Pipe to the water inlet pipe, of the distribution system within a Recreational Vehicle Park.

Water Riser Pipe shall mean that portion of the private water service system serving a Recreational Vehicle which extends vertically to the ground elevation and terminates at a designated point at a Unit.

Watering Station shall mean a facility for supplying potable water to storage tanks of "dependent" or "self-contained" Recreational Vehicles.

Section 2. Nonconforming Recreational Vehicle Parks.

Recreational Vehicle Parks lawfully operating prior to the effective date of this Ordinance, but which do not conform with the regulations contained herein, may be continued. Provided however, no such park shall be extended or enlarged, and no such park shall be rebuilt or continued after abandonment or discontinuance for more than 90 days, except in full conformity with this Ordinance. Provided further, no such park shall be rebuilt in case of total destruction by fire or other causes except in conformity with the regulations contained in this Ordinance, and no such park which is partially destroyed by fire or other causes in excess of 50 percent of the value of the park's facilities shall be restored, rebuilt, or repaired unless in conformity with this Ordinance.

Section 3. Parking limitations; records; inspections.

(a) No person shall park, place or locate a Recreational Vehicle upon any public street, or within any area of a public park not designated for Recreational Vehicle usage, within the City, for more than four hours during any 24 hour period, except in cases of emergency.

(b) No person shall park, place or locate a Recreational Vehicle which is used for living quarters, or in which cooking is done, on any lot, tract or parcel of land within the City, for more than 24 hours during any seven day period, unless within a Licensed Recreational Vehicle Park, except as follows:

- (1) Recreational Vehicles may be parked on land owned by persons whose business is the repair of Recreational Vehicles, provided, however, that when they are so parked, their use for living, sleeping, storing or working quarters is prohibited.
- (2) Recreational Vehicles may be parked for storage purposes as long as such storage does not violate any deed restriction or other ordinance or regulation of the City.
- (c) No person shall park, place or locate a Recreational Vehicle within a Recreational Vehicle Park within the City for a period which exceeds six weeks within a 90 day period.
- (d) No person shall locate or maintain for occupancy any Recreational Vehicle other than in a duly licensed and lawful Recreational Vehicle Park, except as set out herein.
- (e) Prior to allowing a Recreational Vehicle to be placed within a Recreational Vehicle Park, the owner of the Park shall cause such Recreational Vehicle to be registered on a check-in/check-out list. The check-in/check-out list shall include the name and permanent address of the owner or occupant of the Recreational Vehicle, a description of the make, model, and license of the Recreational Vehicle, the length of stay, and number of occupants. Such list shall be kept in the offices of the Park.

Section 4. Construction or enlargement Permits.

- (a) *Construction or enlargement unlawful without Permit.* It shall be unlawful for any person to construct or enlarge a Recreational Vehicle Park within the corporate limits of the City without having first obtained a Recreational Vehicle Park construction or enlargement Permit.
- (b) *Application.* Any person desiring to construct or enlarge a Recreational Vehicle Park shall file a written application for a Recreational Vehicle Park construction or enlargement Permit with the city building official. Such application shall be submitted on a form prepared by the city building official and shall include the following:
 - (1) The name and address of the person who will be in charge of the proposed Park;
 - (2) A location map showing the location of the proposed Park at a scale of one inch equals 100 feet or larger;
 - (3) Preliminary plans and specifications sufficient to determine if the proposed Park is in compliance with this Ordinance and all ordinances, building, plumbing and electrical codes in effect at the time application for the Permit is made.
- (c) *Action by Board of Aldermen on application.* Within 30 days after the complete application has been filed with the city building official, the city building official shall present

the same to the Board of Aldermen. The Board of Aldermen shall act on each such application within a reasonable period of time. If the Board of Aldermen approves the application, the city building official shall issue to the applicant a Recreational Vehicle Park construction or enlargement Permit. If construction has not begun on the Recreational Vehicle Park within 120 days from the date of approval of the Permit, the Permit shall be void and of no force and effect. If the Board of Aldermen disapproves the application, the Board of Aldermen shall state the reasons for disapproval and the city building official shall so notify the applicant.

(d) *Standards of construction.* No Permit shall be granted under this Ordinance unless all plans and specifications for the proposed Recreational Vehicle Park are in conformity with all building, plumbing and electrical codes, and other applicable ordinances in effect and adopted by the City at the time application is made for a Permit, and all work performed under Permits issued pursuant to this Ordinance shall likewise conform to such other ordinances.

(e) *Permanent residential structures.* No Permit shall be issued for the construction or occupancy of a permanent residential structure within any Recreational Vehicle Park, except as follows:

- (1) One existing residential structure may be retained or one new residential structure may be constructed for the occupancy of the owner or operator of the Park.
- (2) An existing residence may be converted to a clubhouse, community center or service building for use by the residents of the Park.

Section 5. Operation Permits.

(a) *Operation without Permit unlawful.* It shall be unlawful for any person to operate a Recreational Vehicle Park without a Recreational Vehicle Park operation Permit.

(b) *Issuance to new operations.* Any person desiring to operate a Recreational Vehicle Park after construction or enlargement has been completed shall, before the actual operation of the Park has begun, apply to the city building official for an operation Permit. The city building official or any city official or employee designated by him shall then inspect the completed facilities and, if the completed Recreational Vehicle Park conforms in all respects to the plans and specifications as submitted with the application for the construction or enlargement Permit, and the requirements of this Ordinance and other applicable ordinances, the city building official shall issue to the operator a Recreational Vehicle Park operation Permit upon payment to the City of any and all applicable operation Permit fees as may be set from time to time by the Board of Aldermen and kept of record by the city secretary in the offices of the City. This Permit shall be valid up to and including December 31 or the year for which it was issued, unless sooner suspended, revoked or surrendered.

(c) *Renewals.* All operation Permits shall expire each year on December 31. Each operator of a Recreational Vehicle Park shall make application for a renewal Permit on or before November 30 of the calendar year preceding the year for which the renewal Permit is to apply. If

there has been no change in the facilities as reflected in the latest plans, specifications and/or plat on file with the city building official, or if any such changes are found by the building official to be in accordance with this Ordinance and all other ordinances of the City, and upon payment to the City of any and all applicable operation renewal Permit fees as may be set from time to time by the City Council and kept of record by the city secretary in the offices of the City, the city building official shall renew the operation Permit for a period of one year, ending December 31.

(d) *Revocation and suspension of operation Permits.* Any Recreational Vehicle Park operation Permit granted under the provisions of this Ordinance may be suspended or revoked by the city building official after due notice to the holder of such Permit for any one or more of the following reasons:

- (1) Failure to keep accurate check-in and check-out records.
- (2) Operating the facilities in a manner contrary to the plans, specifications and/or plat on file with the city building official.
- (3) Operating the facility in violation of the rules, regulations, ordinances, or laws of the City, The State of Texas, or the United States.

(e) Where an operation Permit has been suspended, the same may be reinstated for the remaining period of time for which it was originally issued after the cause for suspension has been corrected and upon the payment of applicable reinstatement fees.

Section 6. Technical and physical requirements.

(a) *Unit size.* No Unit shall be less than 1800 square feet in area. Each Unit shall include a concrete pad, which shall have a minimum size of ten feet by 40 feet, for the placement of each Recreational Vehicle.

(b) *Street specifications.* Each Recreational Vehicle Park shall have Hard Surface streets, properly drained in accordance with the existing requirements of the City. All streets shall be at least 20 feet in width throughout.

(c) *Parking.* Each Unit shall be provided with a minimum of one off-street Parking Space. No on-street parking shall be permitted.

(d) *Pads.* Each Unit within a Recreational Vehicle Park shall be provided with a concrete pad, a minimum of ten feet by 40 feet, to be constructed so that the pads will provide support and spaced as shown on the approved plat of the Park. No Recreational Vehicle within a Recreational Vehicle Park shall be placed within such Park except upon a Pad.

(e) *No shared utility hookups.* Two Recreational Vehicles shall not be permitted to share a Unit or to share utility hookups.

(f) *Water lines and sewer connections.* Each Unit shall be provided with water lines and sanitary sewer connections, suitable for hookup to Recreational Vehicles, and subject to all applicable ordinances, rules and regulations of the City.

(g) *Public inspection.* Duly authorized representatives of the City shall be permitted access to the Recreational Vehicle Park, the street, utility lines and connections, and structures thereon, when performing city business, as a condition to the issuance, renewal, or suspension of a Permit.

(h) *Buffering and Screening.* A six feet high fence or wall, constructed of wood or masonry, shall be constructed on the two sides and rear of the Recreational Vehicle Park, such fence or wall to be 95 percent impervious, and which shall be perpetually maintained for as long as such park is operational. A decorative enclosure or vegetative hedge row, not less than five feet in height, shall be constructed or planted, as applicable, along the front of the Recreational Vehicle Park, and shall be perpetually maintained for as long as such park is operational.

(i) *Utilities.* All utilities, including but not limited to, electrical, telephone, television, and cable, shall be buried and shall conform to the ordinances of the City.

(j) *Density and Set-back Requirements.* Each Recreational Vehicle Park shall comply with the following minimum density and set-back requirements:

(1) *Distance to adjacent unit boundary.* No portion of a Pad shall be located nearer than ten feet (10') from a Unit boundary.

(2) *Maximum Number of Units per Acre.* The total number of Units within a Recreational Vehicle Park shall not exceed 15 per acre. Partial acreage shall be calculated proportionately.

(3) *Other City Set-back Requirements.* No Recreational Vehicle shall be located so as to violate any set-back requirement as may otherwise be established by ordinance or regulation with respect to the area in which the Recreational Vehicle Park is located.

(k) *Recreational area.* There shall be provided additional open space not to be considered part of the minimum Unit size for use as recreational area in ratio of one hundred (100) square feet per Unit, located in a central location within the Park boundaries. The recreational area shall be so located as to be free of traffic hazards and the ratio of length to width shall not exceed five to one. In the event playground space is provided, it shall be so designated and shall be protected from traffic, thoroughfares, and parking areas. Such space shall be maintained in a sanitary condition and free of safety hazards.

(l) *Walkways.* Walkways not less than 36 inches wide and constructed of concrete or other masonry construction shall be provided between the Park streets to all community facilities provided for Park residents and to all service buildings.

(m) *Electrical service.* Each Unit within the Recreational Vehicle Park shall be provided with electrical service connections of at least one 30-amp connection and one 50-amp connection. Each service pole for each Unit shall have fixed a permanent number, which number shall coincide with the number designated to that particular Recreational Vehicle by the Park owner or operator.

(n) *Minimum size.* No Recreational Vehicle Park shall be permitted within the City unless the same shall be at least three acres in area.

(o) *Soil and ground cover.* Exposed ground surfaces in all parts of every Recreational Vehicle Park shall be protected with a vegetative growth that is capable of preventing soil erosion and of eliminating dust or shall be paved or covered with stone screening or other solid material.

(p) *Drainage.* The ground surface in all parts of the Recreational Vehicle Park shall be graded and equipped to drain all surface water in a safe, efficient manner, and in accordance with applicable ordinances of the City.

Section 7. Water supply.

(a) An adequate supply of potable water for drinking and domestic purposes shall be provided by pipes to all Units within the Park in accordance with applicable standards provided in building, fire, plumbing, and other codes of the City. Each Unit shall be provided with a cold water tap at least four inches above the ground, with a hookup connection suitable for such Recreational Vehicle.

(b) If a city water main is adjacent to or within 500 feet of a boundary of the proposed park, the following regulation will apply:

(1) One master water meter shall be installed at each Recreational Vehicle Park and the owner of the Park shall be responsible for the payment of the water bill to the City.

Section 8. Fire protection water distribution system for certain sized Parks.

Every owner or developer of every Park that is 300 feet or more in depth shall be required to install a fire protection water distribution system as follows:

(1) The owner or developer shall design and construct the fire protection water distribution system in a manner to provide adequate water flow for fire protection;

(2) The design, size, layout, materials, and installation of the system shall comply in all respects with applicable requirements of the state and the City;

(4) Fire hydrants shall be spaced in intervals not to exceed 300 feet as measured along the street or driveways. All mains and laterals shall be looped. Steamer connections shall be national fire standard threads. Barrel lengths for fire hydrants shall be four feet or longer.

Section 9. Sewage disposal.

(a) If a City sanitary sewer trunk line is adjacent to or within 500 feet of a boundary of the proposed Park, the following regulations shall apply:

(1) The Recreational Vehicle Park shall be connected to the City's sanitary sewer system at the sole cost and expense of the owner thereof;

(2) Waste from showers, bathtubs, flush toilets, urinals, lavatories and slop sinks in service and other buildings within the Park shall be discharged into the City's sanitary sewer system in compliance with applicable ordinances.

(3) Each Unit shall be provided with a sewer at least four inches in diameter, which shall be connected to receive waste from the shower, bathtub, flush toilets, lavatory and kitchen sink of the Recreational Vehicle located on such Unit and having any or all of such facilities. The sewer in each Unit shall be connected to discharge the Recreational Vehicle waste into the City sanitary sewer system in compliance with applicable ordinances.

(4) If, on the date the City Council approves the Recreational Vehicle Park, City sanitary sewerage service is not available, subsection (b) of this section shall apply. If the City sanitary sewer system is placed adjacent to or within 500 feet of the Recreational Vehicle Park in the future, the owner or operator of the Recreational Vehicle Park shall install a sanitary sewer system within the Park within 180 days after such service becomes available from the City.

(5) The owner or operator of the Recreational Vehicle Park may provide a "sanitary station or dump station" within such Park for use by occupants of the Park or by other persons owning Recreational Vehicles and requiring such facilities. Such sanitary station or dump station shall be built in accordance with City standards and specifications and must comply with the City's requirements for connection with the sanitary sewer system. Wastes shall not be discharged into the sanitary sewer system unless in compliance with applicable ordinances of the City, and the owner of the Park shall be responsible for the payment of all applicable fees to the City therefor. The owner or operator of the Recreational Vehicle Park shall keep accurate records of each and every use of such sanitary station.

(b) If there is not a City sanitary sewer system trunk line available to a proposed Park as provided above, then the licensee may install a septic tank system, after first having submitted plans and specifications therefor, which plans shall be in full compliance with applicable regulations of the State of Texas and the City.

Section 10. Garbage service.

(a) *Central container Unit.* Each Licensee of the Recreational Vehicle Park shall comply with all of the trash and garbage collection regulations of the City

(b) *Collection.* A single charge for the entire Recreational Vehicle Park shall be made for garbage collection, in accordance with the schedule of rates in the City. The Licensee of the Park shall be responsible for the payment of same.

Section 11. Use of bottled gas or liquefied petroleum gas.

Bottled gas shall not be prohibited for use by individual Recreational Vehicles, provided that such gas is properly connected by copper or other suitable metallic tubing or such other tubing as may be allowed by federal and state rules and regulations; and such bottled gas shall not be placed into operation until the Licensee of the Park has indicated on the check-in/check-out list that such bottled gas has been inspected and has been determined to have met the minimum standards of the Texas Railroad Commission and the ordinances of the City. All bottled gas cylinders shall be securely fastened in place. At all times, all state and local regulations applicable to the handling of the bottle gas and fuel oil shall be followed. All applicable provisions of this Code and other laws regulating the use of liquefied gas shall be complied with and this section shall not be construed so as to repeal such ordinances of this city or any part thereof.

Section 12. Additional construction in Recreational Vehicle Parks.

It shall be unlawful for any person to cause or permit the construction within any Recreational Vehicle Park of any structure, building or shelter to be attached as an addition to a Recreational Vehicle.

Section 13. Service buildings.

(a) Service buildings and buildings housing sanitation facilities, if provided, shall be permanent structures complying with all applicable City ordinances and state laws or regulations applicable thereto.

(b) All such buildings shall be well lighted at all times of the day and night, shall be well ventilated with screened openings, shall be constructed of such moisture proof material as will permit repeated cleaning and washing, and shall be maintained at a temperature of at least 68 degrees Fahrenheit (20 degrees Celsius) during the period from October 1 to May 1. The floors of such buildings shall be of water-impervious material.

(c) All buildings and the grounds of a Park shall be maintained in a clean, sanitary condition, and shall be kept free of any condition that will menace the health of any occupant or the public.

(d) A central service building containing necessary toilet and other plumbing fixtures specified shall be provided in Recreational Vehicle Parks which provide Units for Dependent Recreational Vehicles. Service buildings shall be conveniently located within a radius of approximately 300 feet to the spaces to be served.

Section 14. Park management.

Each Licensee of a Recreational Vehicle Park shall perform or cause to be performed the following:

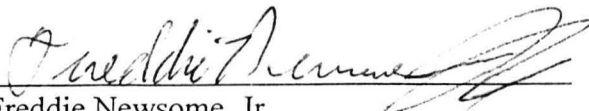
- (1) Provide written notice to each Park occupant of all provisions of this Ordinance applicable to such occupant;
- (2) Maintain a register of Park occupancy which shall contain the following information:
 - a. The name and address, and the dates of arrival and departure, of each Park resident;
 - b. Registration data, including make, length and width, of each Recreational Vehicle in the Park;
 - c. The location of each Recreational Vehicle within the Park by Unit number and street address; and
- (3) Maintain on the premises for inspection a map showing the location, size and depth of all utility, gas or other lines within the Park.

Section 15. In the event any clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Thompsons, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there by one or more parts.

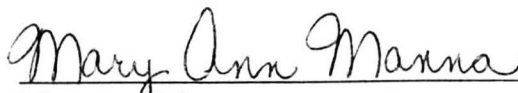
Section 16. Any person who intentionally, knowingly, recklessly, or with criminal negligence violates any provision of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined in an amount not to exceed \$2000.00. Each day of violation shall constitute a separate offense.

Section 17. All ordinances or parts or ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

PASSED, APPROVED, AND ADOPTED this 15th day of Oct., 2009.


Freddie Newsome, Jr.
Mayor


ATTEST:


Mary Ann Manna
City Secretary

Town of Thompsons, Texas,
Board of Aldermen:


Rita M. Miller-Alderman


Carol M. Gubbels-Alderman


Deborah Brown-Alderman

Sherrie Knoepfel-Alderman


Gina S. Treadgole-Alderman

Incorporated 1979

Telephone: 281-343-9929

FAX: 281-343-7786

TOWN OF THOMPSONS

P. O. BOX 29

THOMPSONS, TEXAS 77481

MAYOR

FREDDIE NEWSOME, JR

ALDERMEN

RITA M. MILLER

DEBORAH BROWN

GINA S. TREADGOLD

CAROL M. GUBBELS

SHERRIE K. KNOEPFEL

April 15, 2010

Dianne Wilson
Fort Bend County Clerk
301 Jackson Street
Richmond, Texas 77469

Dear Ms. Wilson:

Please find enclosed the Town of Thompsons Fiscal Budget for May 1, 2010 through April 30, 2011, for your files.

If you have any questions, please do not hesitate to contact me at 281-343-9929.

Sincerely,



Freddie Newsome, Jr.
Mayor

FN/mam

Enclosures

ORDINANCE NO. 142

**ADOPTION OF BUDGET
FISCAL YEAR 5-1-10 THROUGH 4-30-11**

WHEREAS, pursuant to the laws of the State of Texas for General Law cities, the budget covering proposed expenditures for the fiscal year beginning May 1, 2010 and ending April 30, 2011 was filed with the City Secretary and was posted in Fort Bend Herald and bulletin board outside City Hall as required; and

WHEREAS, a public hearing was held by the City Council of Aldermen of the Town of Thompsons, Texas, on said budget on March 18, 2010, at which time said budget was fully considered, and interested taxpayers were heard by City Council;

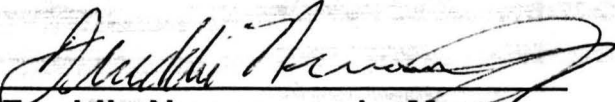
NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUCIL OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS:

That the budget estimate of the revenues and expenditures for the Town of Thompsons, Texas as presented by the Mayor and appropriated by the City Council for the fiscal year beginning May 1, 2010 and ending April 30, 2011, be and it is hereby adopted as the budget for such fiscal year:

That the attached "Exhibit A" with written comments of expenditures be declared as necessary for operating expenses for the Town of Thompsons;

That the Ordinance be in full force and effect from and after its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS, upon first and final reading at a Regular Council Meeting on the 15th day of April, 2010 by a vote of 4 "AYES", 0 "NAYS" and 0 ABSTENTIONS".


Freddie Newsome, Jr.-Mayor

TOWN OF THOMPSONS


Gina S. Treadgold-Alderman

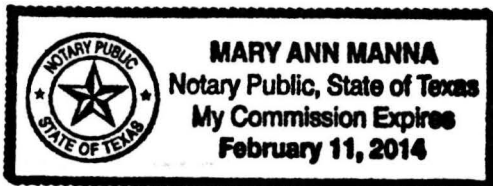

Rita M. Miller- Alderman


Sherrie Knoepfel-Alderman


Carol M. Gubbels-Alderman


Deborah Brown-Alderman

ATTEST




Mary Ann Manna-City Secretary

I, Mary Ann Manna, City Secretary of the Town of Thompsons, Texas, do hereby certify that the foregoing is a true and correct copy of Ordinance Number 142, finally passed and approved by the Town of Thompsons, following the First and final reading thereof at regular meetings held on the 21st day of January and the 18th day of February.


Mary Ann Manna-City Secretary

ABCQ	E	P	Q	R	S	T
1	TOWN OF THOMPSONS, TEXAS	budget fye 4/30/10	for calendar year	budget fye 4/30/11		4/30/2011
2	PRELIMINARY BUDGET FYE 4/30/2010	Budget	1/1/09 12/31/09	Budget		
3	Ordinary Income/Expense	for the period	ACTUAL	for the period		
4	Income	5/1/2008 to 4/30/2009		5/1/2008 to 4/30/2009		
5	4050 - Grants					
6	4100 - Taxes and Assessments					
7	4130 - Sales & Use Tax	20,000.00	17,286.67	17,500.00		last year actual
8	4140 - Franchise Fees/ Ind Agrmt	784,640.00	789,722.81	784,400.00	B	per spreadsheet analysis
9	Total 4100 - Taxes and Assessments	784,640.00	787,009.48	801,900.00	801,900.00	
10	4200 - Interest Income					
11	4201 - CD'S Income	0.00		0.00		
12	4202 - Texpool Interest	2,000.00	537.12	500.00		
13	4203 - Jones Interest	301,315.00	386,174.71	367,368.00	A	
14	4200 - Interest Income - Other	50.00	26.99	50.00		
15	Total 4200 - Interest Income	303,365.00	386,738.82	367,918.00	367,918.00	
16	4600 - Other Income					
17	4601 - Summer Park Program	0.00	40.00	0.00		
18	4600 - Other Income - Other	1,000.00	1,556.10	1,000.00		
19	Total 4600 - Other Income	1,000.00	1,596.10	1,000.00	1,000.00	
20	Total Income	1,089,005.00	1,175,344.40	1,170,818.00	1,170,818.00	TOTAL REVENUE
21	Expense					
22	5100 - Health and Safety					
23	5200 - Volunteer Fire Department					
24	5201 - Payroll, Fire Secretary	2,643.90	2,690.97	2,825.52	AA	
25	5204 - Other Expenses Fire Department	23,040.00	8,020.11	15,950.00	BB	
26	5206 - Maintenance Fire Department	15,000.00	4,876.00	14,000.00		repair water tower and fire house
27	5207 - Equipment Fire Department	20,000.00	0.00	-0.00		
28	5299 - Equipment, Capital Outlay	0.00	0.00	0.00		
29	Total 5200 - Volunteer Fire Department	60,683.90	15,587.08	32,775.52		
30	5300 - Trash Service	11,000.00	9,475.00	10,000.00		same budget as prior year, spent
31	Total 5100 - Health and Safety	71,683.90	25,062.08	42,775.52	42,775.52	total health and safety
32	5400 - Police Department					
33	5401 - Payroll, Police	44,100.00	43,799.86	44,100.00	AA	
34	5405 - Other Expenses, Police D	30,965.00	16,701.62	17,300.00	DD	1/21 and 2/25 adds see note
35	Total 5400 - Police Department	75,065.00	60,501.48	61,400.00	61,400.00	total police department
36	5500 - Park Services					
37	5501 - Payroll, Park Department	52,416.00	50,018.00	54,163.20	AA	1/21/2010 increase camera from \$3500. to \$4500. 2/25/2010 add \$800. for uniforms, prior budget amt 223.80 + 800.00 = \$,1023.80 total uniforms fye 4/30/2011
38	5503 - Maintenance Park	5,200.00	11,001.53	11,000.00	CC	
39	5505 - Other Expenses Park	19,000.00	13,348.00	8,000.00	CC	
40	5506 - Summer Park Program	17,400.00	18,350.10	18,500.00	CC	11,700. YMCA, 1200 4th July, + 5600 kids work pro
41	5507 - Utilities Park	2,100.00	1,804.30	2,000.00	CC	
42	Total 5500 - Park Services	96,116.00	94,521.93	93,663.20	93,663.20	total park service
43	6000 - General Government Expenses					
44	6020 - Advertising	329.05	156.80	160.00		last year actual
45	6050 - Automobile Expense	0.00	0.00	0.00		
46	6060 - Bank Service Charges	110.00	119.55	120.00		last year actual
47	6170 - Contract Labor	0.00	0.00	0.00		last year actual
48	6190 - Continue Education	617.00	765.00	770.00		last year actual
49	6220 - Dues and Subscriptions	3,322.89	2,178.78	2,200.00		last year actual
50	6223 - Election Expense	3,475.00	0.00	3,000.00		add 3000. rental voting machines
51	6380 - Insurance	36,137.20	34,834.18	37,309.92	EE	
52	6550 - Office Supplies	9,098.51	14,736.81	18,000.00		last year actual plus copy machine
53	6560 - Payroll Salary Office Staff	48,048.00	37,666.00	49,140.00	AA	
54	6580 - Payroll Taxes All Staff	11,684.90	10,447.53	11,916.00	AA	
55	6590 - Payroll Retirement match employe	4,502.49	4,858.10	4,654.21	AA	
56	6610 - Postage and Delivery	1,421.00	1,228.00	1,300.00		last year actual
57	6620 - Printing and Reproduction	0.00	0.00	0.00		
58	6640 - Professional Fees	31,100.00	29,971.16	32,250.00	FF	
59	6710 - Repairs					
60	6720 - Building Repairs	5,000.00	7,174.71	9,000.00		building maintenance/janitor + floor buffer 1500.
61	6740 - Equipment Repairs	2,350.00	0.00	0.00		
62	6710 - Repairs - Other & Street	0.00	300.00	50,000.00		per Freddie. road repair
63	Total 6710 - Repairs	7,350.00	7,474.71	59,000.00		
64	6880 - Telephone	12,500.00	10,733.82	11,000.00		last year actual
65	6900 - Travel & Expense					
66	6930 - Travel Meal- Mayor/Counc/Emp	8,275.16	10,938.53	11,000.00		last year actual
67	6900 - Travel & Expense - Other	0.00	0.00	0.00		last year actual
68	Total 6900 - Travel & Expense	8,275.16	10,938.53	11,000.00		police truck 22552.30 generator 29112.18
69	6940 - Utilities - Street Lights	25,075.00	23,833.36	26,000.00		last year actual + 10%
70	6945 - Capital improvements	40,000.00	51,664.48	15,000.00		Crab River overpass \$8K X3, car port 7K
71	6950 - Gas and Electric	0.00	0.00	0.00		
72	6970 - Contingency Fund	50,000.00	0.00	50,000.00		same as last year budget
73	Total 6000 - General Government Expenses	293,046.20	75,297.84	382,820.13	382,820.13	total general government
74						
75	Total Expense	535,911.10	421,492.30	580,658.85	580,658.85	TOTAL EXPENSE
76						
77	Net Ordinary Income	553,093.90	753,852.10	590,159.15	590,159.15	SUBTOTAL
78	Other Expense					
79	Other Expense					
80	8010 Other Expenses	0.00	0.00	0.00		
81	Total Other Expenses	0.00	0.00	0.00	0.00	OTHER EXPENSES
82	Net Income	553,093.90	753,852.10	590,159.15	590,159.15	REVENUE OVER EXPENSES

ORDINANCE NO. 143

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF Thompsons ("City") declining to approve the change in rates requested in the Statement of Intent filed with the City by CenterPoint Energy Houston Electric, LLC ("CenterPoint Houston") on June 30, 2010; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE WAS CONSIDERED WAS OPEN TO THE PUBLIC AND IN ACCORDANCE WITH TEXAS LAW.

WHEREAS, on June 30, 2010, CenterPoint Houston filed with the City its Statement of Intent and Application for Authority to Change Rates ("Statement of Intent");

WHEREAS, CenterPoint Houston notified the City in writing of its intent to file the Statement of Intent at least 31 days before filing the Statement of Intent; and

WHEREAS, the City has duly noticed its consideration of the Statement of Intent and is acting within its authority under applicable law;

NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF Thompsons, TEXAS THAT the City **DECLINES** to approve any and all changes in rates requested by CenterPoint Houston in its Statement of Intent and that CenterPoint Houston's existing rates should stay in effect.

PASSED AND APPROVED ON THE 15th DAY OF July, 2010.

ATTEST:

By: Mary Ann Manna
City Secretary

By: [Signature]
Mayor

**CERTIFICATE
OF
CITY SECRETARY**

I hereby certify that I am the City Secretary of the City of Thompsons and the authority responsible for having the official ballot prepared for the May 14, 2011 election. I further certify that the following candidates are unopposed for election to the office of Council member in the May 14, 2011 election:

**Rita M. Miller
Gina S. Treadgold
Carol M. Gubbels**

Mary Ann Manna

**City Secretary
Town of Thompsons
April 21, 2011**

**TOWN OF THOMPSONS
FORT BEND COUNTY, TEXAS**

ORDINANCE NUMBER 144A

AN ORDINANCE DECLARING EACH UNOPPOSED CANDIDATE ELECTED TO OFFICE:

WHEREAS: under Subchapter C, ("Election of Unopposed Candidate"), Section 2.051-2.054 of the Election Code of the State of Texas:

CHAPTER 2 SUBCHAPTER C VERNON'S TEXAS CODES ANNOTATED
ELECTIONS

ELECTION OF UNOPPOSED CANDIDATE

SECTION 2.051: APPLICABILITY OF SUBCHAPTER. This subchapter applies only to an election for officers of a political subdivision other than a county in which write-in votes may be counted only for names appearing on a list of write in candidates and in which:

- (1) each candidate whose name is to appear on the ballot is unopposed;
and
- (2) no proposition is to appear on the ballot.

SECTION 2.052: CERTIFICATION OF UNOPPOSED STATUS. (a) The authority responsible for having the official ballot prepared shall certify in writing that a candidate is unopposed for election to an office in:

- (1) only one candidate's name is to be placed on the ballot for that office under Section 52.003; and
 - (2) no candidate's name is to be placed on a list of write-in candidates for that office under applicable law.
- (b.) The certification shall be delivered to the governing body of the political subdivision as soon as possible after the filing deadline for placement on the ballot and a list of write-in candidates.

SECTION 2.053: ACTION ON CERTIFICATION: (a) On receipt of the certification, the governing body of the political subdivision by order or ordinance may declare each unopposed candidate elected to office.

(b) If a declaration is made under Subsection (a), the election is not held. A copy of the order or ordinance shall be posted on election day at each polling place that would have been used in the election.

© A certificate of election shall be issued to each candidate in the same manner as provided for a candidate elected at the election.

WHEREAS; as certification has been delivered to the governing body of the Town of Thompsons, Fort Bend County, Texas by the City Secretary stating that there are no opposed candidates and that no proposition is to appear on the ballot.

WHEREAS: all criteria have been met under the Texas Election Code, the Mayor and Aldermen of the Town of Thompsons, Fort Bend County, Texas declare the following unopposed candidate are duly elected to the position listed:

Alderman: Rita M. Miller
Alderman: Gina S. Treadgold
Alderman: Carol M. Gubbels

WHEREAS: If any provision, section, subsection, sentence, clause or phrase of this ordinance, or application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void, invalid (or for any reason unenforceable), the validity of the remaining portions of this ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Board of Aldermen of the Town of Thompsons in adopting this ordinance, that no portion thereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any portion, provision or regulation, and to this end, all provisions of this ordinance are declared to be severable.

WHEREAS: Any ordinance or parts of ordinances in conflict: herewith, are repealed to the extent of their conflict only.

NOW THEREFORE BE ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF THOMPSONS, FORT BEND COUNTY, TEXAS: the fact in the preamble of this ordinance are hereby found and determined to be true and correct and this Ordinance shall become effective immediately upon its passage and adoption.

The Town Secretary is hereby directed to keep a file of this ordinance with the City files.

This ordinance shall take effect and be in force from and after its passage and approval. Passed and adopted following the first reading hereof this 21st day of April, A.D., 2011.

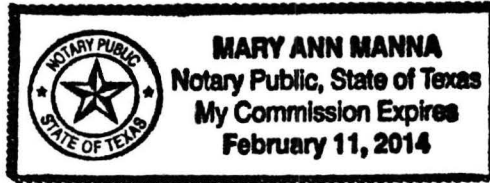
MAYOR *Arvid L. ...* ALDERMAN *Carol M. Gubbels*
ALDERMAN *Robert ...* ALDERMAN *Rita M. Miller*
ALDERMAN *Edward E. Taylor* ALDERMAN *Gina Treadgold*

ATTEST

Mary Ann Manna

MARY ANN MANNA, SECRETARY
OF THE TOWN OF THOMPSONS, FORT BEND COUNTY, TEXAS

(SEAL)



I, Mary Ann Manna, City Secretary of the Town of Thompsons, Fort Bend County, Texas do hereby certify that the foregoing is a true and correct copy of Ordinance Number 144A, finally passed and approved by the Town of Thompsons, following the first reading thereof at a regular meeting held the 21st day of April 2011, and the statement is duly attested by the Secretary and that same has been duly engrossed and enrolled in the records of the Town of Thompsons, Fort Bend County, Texas.

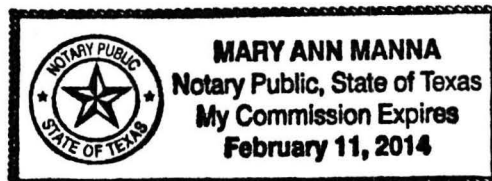
EXECUTED under my hand and official seal of the Town of Thompsons, Fort Bend County, Texas, this the 21st day of April, 2011.

ATTEST:

Mary Ann Manna

SECRETARY
OF THE TOWN OF THOMPSONS, FORT BEND COUNTY, TEXAS

(SEAL)



**PEBLO DE THOMPSONS
FORT BEND COUNTY, TEXAS**

ORDENAZA NUMERO 144B

Una ordenanza declarando cada candidato sin oposicion electado a la oficio:

Mientras que; en Subcapitulo C, ("Eleccion de Candidato Sin Oposicion"), Seccion 2.051-2.054 de el Election Codigo del Estado de Tejas:

CAPITULO 2 SUBCAPITULO C VERNONS TEXAS CODES ANNOTATED
ELECTIONS

ELECCION DE CANDIDATO SIN OPOSICION

SECCION 2.051: APLICABILIDAD DE SUBCAPITULO. Este subcapitulo aplica solamente a una eleccion para oficiales de una subdivision politico otra cosa que un condado en que votos de escrito pueden estar contado solamente para nombres que aparecen en un lista que esta escrito de candidatos y en que:

- (1) Cada candidato que su nombre aparece en la balota es sin oposicion; y
- (2) No proporcion es de aparecer en la balota.

SECCION 2.052: CERTIFICACION DE CONDICION SIN OPOSICION.

- (a) La autoridad responsable de tener labalota preparado oficial para formar certificar en escrito que el candidato es sin oposicion para el eleccion de un oficio en:
 - (1) Solamente uno candidato's nombre estar puesto en la balota por esa oficio en seccion 52.003; y
 - (2) No candidato's nombre es puesto en la lista de candidatos escrito para el oficio aplicable de la ley.
- (b) El certificacion habre estado entregado a la cuerpo de gobernar de un subdivision politico lo mas pronto posible despues del solicitado linea vedada para colocacion en la balota y una lista de candidatos escrito.

SECCION 2.053: ACCION DE CERTIFICACION:

- (a) En ricibo de certificacion, el cuerpo de gobenar de un subdivision de orden o ordenanza puede declarar cada candidato sin oposicion para elegido a la oficio.
- (b) Si una declaracion es inventado en subseccion (a), no hay elecciones. Una copia del orden or ordenanza sera puesto en el dia de eleccion a cada cabina de votar que fue usado en la eleccion.
- (c) Un certificacion de eleccion sera dado para cada candidato en el mismo manera a condicion para un candidato electado a la elecciones.

Mientras que; una certificacion ha entregado al cuerpo de gobernar del Pueblo de Thompsons, Fort Bend County, Texas por el Secretario de la Ciudad diciendo que no hay candidatos de oposicion y que no hay proporcions en la balota.

Mientras que: todo criterio ha encontrado por el Texas Election Code, el Alcalde y Concejal del Pueblo de Thompsons, Fort Bend County, Texas declarar el proximo candidato sin oposicion estan electado a el posicion:

Concejal: Rita M. Miller
Concejal: Gina S. Treadgold
Concejal: Carol M. Gubbels

Mientras que; Si hay provision, seccion, subseccion, frase, clausula o fase de este ordenanza, o aplicacion de misma persona o circunstancia, es para alguna razon esta inconstitucional, vacio, invalido (o por una razon inejecutable), el valido de la porcions restante de esta ordenanza o de su aplicacion a otras personas o de circunstancia no sera afectado de este modo, es el intento del Consejo de Concejal del Pueblo de Thompsons en adoptando este ordenanza, que no porcion o provision o regulacion contenido hay hecho inoperante o faltar por razon de algun anticonstitucional o invalido de algun porcion, provision o regulacion, y asta el fin, todo provisions de este ordenanza son declarar de estar separado.

Mientras que; Algun ordenanza o partes de ordenanzas en conflicto estan revocando al la extension de su conflicto solamente.

Ahora por eso ordenando por el Consejo de Concejal del Pueblo de Thompsons, Fort Bend County, Texas: el facto en el preambulo de este ordenanza son por estas fundar y determinado estar verda y correcto y esta Ordenanza sera efecto inmediatamente encima de pasaje y adopcion.

La Secretaria del Pueblo esta directado a poner en fila un copia certificado de este ordenanza con la oficina de Secretaria de State Elections Divisions para el State of Texas.

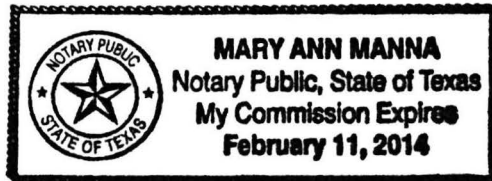
Esta ordenanza sera efecto y hacer cumplir de y despues de pasaje y aprobacion.
Pasado y adoptado despunes de primero leyendo este 21st dia de Abril, A.D., 2011.

ALCALDE *Michelle Rowland* CONCEJAL *Carol M. Gubbels*
CONCEJAL *Edward E. Taylor* CONCEJAL *Rita Megan Miller*
CONCEJAL *Debra* CONCEJAL *[Signature]*

ATESTIGUAR:

Mary Ann Manna

MARY ANN MANNA, SECRETARIA
DEL PUEBLO DE THOMPSONS, FORT BEND COUNTY, TEXAS



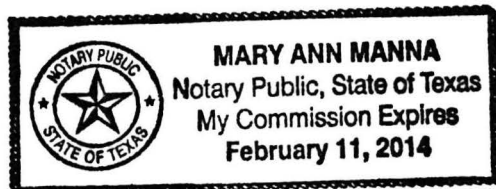
Yo, Mary Ann Manna, Secretaria de la Ciudad del Pueblo de Thompsons, Fort Bend County, Texas ha certificado que todo es verdad y copia correcto de Ordenanza numero 144B, finalmente pasado y aprobado para el Pueblo de Thompsons, despues de primero leyendo en la junta regular el 21st dia de Abril, 2011 y el declaracion es astestiguado por la secretaria y que mismo ha absorbido y alistado en los registardos del Pueblo de Thompsons, Fort Bend County, Texas.

Ejecutado, debajo de mi mano y sello oficial del Pueblo de Thompsons, Fort Bend County, Texas, este 21st, dia de Abril, 2011.

ATESTIGUAR:

Mary Ann Manna

SECRETARIA (SEAL)
DEL PUEBLO DE THOMPSONS, FORT BEND COUNTY, TEXAS



Incorporated 1979

Telephone: 281-343-9929

FAX: 281-343-7786

TOWN OF THOMPSONS

P. O. BOX 29

THOMPSONS, TEXAS 77481

MAYOR

FREDDIE NEWSOME, JR

ALDERMEN

RITA M. MILLER

DEBORAH BROWN

GINA S. TREADGOLD

CAROL M. GUBBELS

EDWARD E. TAYLOR

April 25, 2011

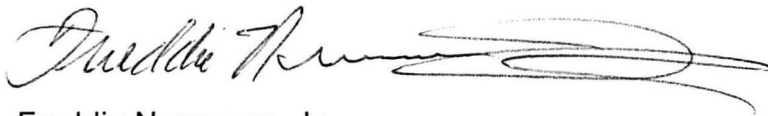
Dianne Wilson
Fort Bend County Clerk
301 Jackson Street
Richmond, Texas 77469

Dear Ms. Wilson:

Please find enclosed the Town of Thompsons Fiscal Budget for May 1, 2011 through April 30, 2012, for your files.

If you have any questions, please do not hesitate to contact me at 281-343-9929.

Sincerely,



Freddie Newsome, Jr.
Mayor

FN/mam

Enclosures

ORDINANCE NO. 145

**ADOPTION OF BUDGET
FISCAL YEAR 5-1-11 THROUGH 4-30-12**

WHEREAS, pursuant to the laws of the State of Texas for General Law cities, the budget covering proposed expenditures for the fiscal year beginning May 1, 2011 and ending April 30, 2012 was filed with the City Secretary and was posted in Fort Bend Herald and bulletin board outside City Hall as required; and

WHEREAS, a public hearing was held by the City Council of Aldermen of the Town of Thompsons, Texas, on said budget on April 21, 2011, at which time said budget was fully considered, and interested taxpayers were heard by City Council;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUCIL OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS:

That the budget estimate of the revenues and expenditures for the Town of Thompsons, Texas as presented by the Mayor and appropriated by the City Council for the fiscal year beginning May 1, 2011 and ending April 30, 2012, be and it is hereby adopted as the budget for such fiscal year:

That the attached "Exhibit A" with written comments of expenditures be declared as necessary for operating expenses for the Town of Thompsons;

That the Ordinance be in full force and effect from and after its adoption.

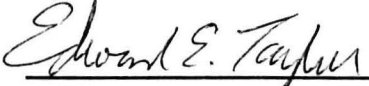
PASSED AND APPROVED BY THE CITY COUNCIL OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS, upon first and final reading at a Regular Council Meeting on the 21st day of April, 2011 by a vote of 6 "AYES", 0 "NAYS" and 0 "ABSTENTIONS".


Freddie Newsome, Jr.-Mayor


TOWN OF THOMPSONS


Gina S. Treadgold-Alderman

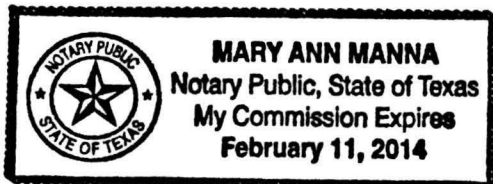

Rita M. Miller- Alderman


Edward E. Taylor-Alderman


Carol M. Gubbels-Alderman


Deborah Brown-Alderman

ATTEST




Mary Ann Manna-City Secretary

I, Mary Ann Manna, City Secretary of the Town of Thompsons, Texas, do hereby certify that the foregoing is a true and correct copy of Ordinance Number 145, finally passed and approved by the Town of Thompsons, following the First and final reading thereof at regular meetings held on the 20th day of January and the 17th day of February.


Mary Ann Manna-City Secretary

	A	B	C	D	E	P	Q	R	S	T
1	TOWN OF THOMPSONS, TEXAS					budget fye 4/30/11	for calendar year	budget fye 4/30/12		4/30/2012
2	PRELIMINARY BUDGET FYE 4/30/2012					Budget	1/1/10 12/31/10	Budget		
3	Ordinary Income/Expense					for the period	ACTUAL	for the period		
4	Income					5/1/10 - 4/30/11		5/1/11 - 4/30/12		
5	4050 - Grants									
6	4100 - Taxes and Assessments									
7	4130 - Sales & Use Tax					17,500.00	25,926.26	25,000.00	last year actual	
8	4140 - Franchise Fees/ Ind Agrmt					784,400.00	788,231.32	792,500.00	B	per spreadsheet analysis
9	Total 4100 - Taxes and Assessments					801,900.00	814,157.58	817,500.00	817,500.00	
10	4200 - Interest Income									
11	4201 - CD'S Income					0.00		0.00		
12	4202 - Texpool Interest					500.00	241.52	225.00		
13	4203 - Jones Interest					367,368.00	384,774.14	377,243.00	A	
14	4200 - Interest Income - Other					50.00	43.25	50.00		
15	Total 4200 - Interest Income					367,918.00	385,058.91	377,518.00	377,518.00	
16	4600 - Other Income									
17	4601 - Summer Park Program					0.00	0.00	0.00		
18	4600 - Other Income - Other					1,000.00	7,118.78	7,000.00	FireDept income \$3,300.00 + other income \$3,700.00	
19	Total 4600 - Other Income					1,000.00	7,118.78	7,000.00	7,000.00	
20	Total Income					1,170,818.00	1,206,335.27	1,202,018.00	1,202,018.00	TOTAL REVENUE
21	Expense									
22	5100 - Health and Safety									
23	5200 - Volunteer Fire Department									
24	5201 - Payroll, Fire Secretary					2,825.52	2,444.50	2,566.73	AA	
25	5204 - Other Expenses Fire Department					15,950.00	11,300.91	17,550.00	BB	
26	5206 - Maintenance Fire Department					14,000.00	10,171.37	9,000.00	BB	9000 from prior year to repair fire house
27	5207 - Equipment Fire Department					0.00	0.00	40,000.00	BB	
28	5299 - Equipment, Capital Outlay					0.00	0.00	0.00		
29	Total 5200 - Volunteer Fire Department					32,775.52	23,916.78	69,116.73		
30	5300 - Trash Service					10,000.00	10,300.00	10,500.00		
31	Total 5100 - Health and Safety					42,775.52	34,216.78	79,616.73	79,616.73	total health and safety
32	5400 - Police Department									
33	5401 - Payroll, Police					44,100.00	45,045.95	46,200.00	AA	
34	5405 - Other Expenses, Police D					17,300.00	12,357.33	21,050.00	DD	
35	Total 5400 - Police Department					61,400.00	57,403.28	67,250.00	67,250.00	total police department
36	5500 - Park Services									
37	5501 - Payroll, Park Department					54,163.20	60,851.50	64,131.90	AA	55910.00 + summer workers 8221.50
38	5503 - Maintenance Park					11,000.00	2,326.20	11,000.00	CC	
39	5505 - Other Expenses Park					8,000.00	12,806.17	3,000.00	CC	
40	5506 - Summer Park Program					18,500.00	15,968.00	16,350.00	CC	
41	5507 - Utilities Park					2,000.00	2,194.84	2,300.00	CC	
42	Total 5500 - Park Services					93,663.20	94,146.71	96,781.90	96,781.90	total park service
43	6000 - General Government Expenses									
44	6020 - Advertising					160.00	150.00	160.00	last year actual	
45	6050 - Automobile Expense					0.00	0.00	0.00		
46	6060 - Bank Service Charges					120.00	156.53	160.00	last year actual	
47	6170 - Contract Labor					0.00	0.00	0.00	last year actual	
48	6190 - Continue Education					770.00	211.50	215.00	last year actual	
49	6220 - Dues and Subscriptions					2,200.00	2,719.35	2,725.00	last year actual	
50	6223 - Election Expense					3,000.00	765.24	1,900.00	1100.00 rent voting machines	
51	6380 - Insurance					37,309.92	35,121.11	36,789.92	EE	
52	6550 - Office Supplies					18,000.00	24,631.19	18,000.00	last year actual less copy machine	
53	6560 - Payroll Salary Office Staff					49,140.00	39,247.31	49,140.00	AA	
54	6580 - Payroll Taxes All Staff					11,916.00	11,608.20	12,609.03	AA	
55	6590 - Payroll Retirement match employe					4,654.21	5,073.43	5,018.28	AA	
56	6610 - Postage and Delivery					1,300.00	1,508.00	1,525.00	last year actual	
57	6620 - Printing and Reproduction					0.00	0.00	0.00		
58	6640 - Professional Fees					32,250.00	30,753.80	34,250.00	FF	
59	6710 - Repairs									
60	6720 - Building Repairs					9,000.00	7,221.10	7,500.00	janitor/bldg maint	
61	6740 - Equipment Repairs					0.00	0.00	0.00		
62	6710 - Repairs - Other & Street					50,000.00	0.00	50,000.00	per Freddie, road repair	
63	Total 6710 - Repairs					59,000.00	7,221.10	57,500.00		
64	6880 - Telephone					11,000.00	11,743.23	12,000.00	last year actual	
65	6900 - Travel & Expense									
66	6930 - Travel Meal- Mayor/Counc/Emp					11,000.00	11,992.25	12,000.00	last year actual	
67	6900 - Travel & Expense - Other					0.00	0.00	0.00		
68	Total 6900 - Travel & Expense					11,000.00	11,992.25	12,000.00		
69	6940 - Utilities - Street Lights					26,000.00	27,103.51	28,000.00	last year actual + 10%	
70	6945 - Capital Improvements					15,000.00	0.00	15,000.00	Crab River overpass \$8K X3, car port 7K	
71	6950 - Gas and Electric					0.00	0.00	0.00		
72	6970 - Contingency Fund					50,000.00	0.00	50,000.00	same as last year budget	
73	Total 6000 - General Government Expenses					382,820.13	27,103.51	93,000.00	93,000.00	total general government
74										
75	Total Expense					580,658.85	\$ 395,772.52	\$ 580,640.86		TOTAL EXPENSE
76										
77	Net Ordinary Income					590,159.15	810,562.75	621,377.14		SUBTOTAL
78	Other Expense									
79	Other Expense									
80	8010 - Other Expenses					0.00	0.00	0.00		
81	Total Other Expenses					0.00	0.00	0.00		OTHER EXPENSES
82	Net Income					590,159.15	810,562.75	621,377.14		REVENUE OVER EXPENSES

ORDINANCE NO. 146

AN ORDINANCE OF THE TOWN OF THOMPSONS ESTABLISHING RULES AND REGULATIONS FOR THE REGISTRATION, PERMITTING, AND OPERATION OF WELLS AND PIPELINES, AND ANY SEISMIC ACTIVITIES RELATED THERETO; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED \$2,000 FOR EACH DAY OF VIOLATION HEREOF; AND PROVIDING FOR SEVERABILITY; AND MAKING OTHER PROVISIONS AND FINDINGS RELATED THERETO.

* * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF THOMPSONS, TEXAS:

OIL AND GAS WELLS AND PIPELINES

DIVISION 1. GENERALLY

Section 1. Short title.

An ordinance regulating the drilling, production, and operation of oil and gas wells, the exploration associated with such operations, and the transport of hydrocarbons or wastes associated with these operations, within the regulated area of the city.

Section 2. Definitions.

The following words, terms, and phrases shall have the meanings ascribed to them in this Ordinance, except where the context clearly indicates a different meaning:

All technical or oil and gas industry words or phrases used in this Ordinance and not specifically defined herein or in the Texas Railroad Commission Rules for Oil, Gas and Geothermal Operations or Pipeline Safety Rules shall have the meaning customarily attributable thereto by prudent operators in the oil and gas industry.

Abandoned well shall mean a well no longer in use, whether dry, inoperable or no longer producing.

Permittee shall mean the person to whom a permit or supplemental permit is issued for the drilling, deepening, or operation of a well or pipeline, or seismic activities, under this Ordinance, and the person's administrators, executors, heirs, successors and assigns.

Pipeline or pipeline system shall mean all parts of a pipeline or physical facilities through which gas, oil, waste, or hazardous liquid moves in transportation, including, but not limited to, pipes, valves, or other appurtenances connected to the pipeline.

Producing shall mean the extraction of an amount of oil and gas from a well of such quantity and quality as to warrant from a commercial and economic standpoint the operation of the well, but in any event thirty-six barrels or more within the preceding thirty-six month period.

Production facility means any above-ground buildings, stationary equipment, improvements or structures that serve one or more well pad sites including collection facilities, compression facilities, pipelines, storage facilities, transportation facilities and related infrastructure to serve such facilities.

Regulated area shall mean all land within the corporate boundaries of the city.

Street right-of-way means that area within the boundaries of any easement or right-of-way for any highway, street or alley.

Seismic activities shall mean any geophysical or seismic testing or exploration, including any activity, operation or work using acoustic energy to evaluate subsurface strata. Seismic activities shall include all operations incident to and associated with that activity or construction.

Well includes and shall mean any hole or bore, to any sand, formation, strata or depth, which is drilled, bored, sunk, dug, or put down for the purpose of either exploring for or ascertaining the existence of any oil, gas, liquid hydrocarbon, or any of them, or for the purpose of producing and recovering any oil, gas, liquid hydrocarbon, or well bores for disposal of salt water or other oil and gas waste.

Section 3. Penalties. Any violation of any of the terms of this Ordinance, whether denominated as unlawful or not, shall be deemed a misdemeanor. Any person who shall intentionally, knowingly, recklessly, or with criminal negligence, violate any provision of this Ordinance, shall be deemed guilty of a misdemeanor and, upon conviction, shall be fined in an amount not to exceed \$2000. Each day of violation shall constitute a separate offense.

Section 4. Nonconforming wells; registration.

All of the terms and provisions of this Ordinance shall be applicable to the operation of any well located within the regulated area of the city. Nonconforming wells shall be defined herein as wells that have been fully drilled prior to the effective date of this Ordinance. If such wells are still producing, or if a request is submitted for a supplemental permit in accordance with section 10 and section 18 hereof, registration of such well shall be required in full conformity with this Ordinance. All such nonconforming wells shall be registered with the city within one year from the effective date of this Ordinance. The information required to register such pre-existing well shall include all of the information required under section 10 and/or section 18, whichever is applicable. A filing fee in the amount of \$200.00 shall be required for each well registration. Failure to register an existing well, or to apply for a supplemental permit, shall constitute a violation of this Ordinance. No provision of this Ordinance may be construed as altering, abating, or superseding any provision of any lease, contract, unit agreement, or any other agreement that affects any land within the regulated area of the City.

Section 5. Necessity of contract with surface owner.

Neither this Ordinance nor any permit or supplemental permit issued under this Ordinance shall be interpreted to grant any right or license to the permittee to enter upon, use, or occupy in any respect for seismic exploration, the drilling or operation of any well or pipeline on any surface land, except by the written consent of the surface owner, unless the permittee obtained such right through an oil or gas lease, or other contract; nor shall this Ordinance limit or prevent the free right of the owner to contract for the amount of damages, rights or privileges with respect to the owner's own land and property.

Section 6. Location and setback requirements.

(a) A person commits an offense if the person causes or permits the drilling or deepening of any well within the regulated area that the surface location is nearer than 1,000 feet from any residence, building, or other structure intended for human occupancy; or nearer than 1,000 feet from the location of any proposed residence, building, or other structure intended for human occupancy for which a valid construction permit has been issued and is in effect.

(b) A person commits an offense if the person causes or permits the drilling or deepening of any well, or the conducting of any seismic activities, that is nearer than 500 feet from any barn, building, cabana, garage, shack, shed, or other enclosed structure, or any public park, public athletic field, or any other publicly dedicated right-of-way. For seismic activities the 500 feet requirement shall not prohibit the placement of geophones or other recording instruments, but is intended to pertain to shot hose or the Vibrocesis Truck.

(c) The provisions of this subsection (a) and (b) shall not apply to a permittee seeking to deepen an existing well, provided such well has been registered and has received a supplemental permit as required by this Ordinance.

(d) A person commits an offense if the person causes or permits the conducting of any seismic activities, within the regulated area that is nearer than 600 feet from any residence, building, or other structure intended for human occupancy; or nearer than 600 feet from the location of any proposed residence, building, or other structure intended for human occupancy for which a valid construction permit has been issued and is in effect. This restriction applies to Vibrocesis Trucks and or shot holes but not to the placement of geophones or other recording instruments.

(e) The provisions of this section shall not prevent a person from seeking a renewal permit for a producing well, in accordance with Section 13(c).

(f) No well shall be drilled, deepened or operated, or any seismic activities conducted, within any existing or proposed street right-of-way. However, this restriction, with the consent of The Town of Thompsons, does not prohibit the placement of geophones or other recording instruments.

Section 7. Appeal from setback requirements.

(a) Whenever, owing to exceptional and extraordinary conditions, the literal enforcement of the setback requirements set forth in section 6 will result in a legal hardship or the inability to access or explore a mineral interest, the permittee asserting such legal hardship or inability to access or explore a mineral interest, may request a variance from such setback requirements; provided, however, that no variance shall be granted for any well proposed to be drilled within 400 feet of a residence that the applicant does not have the right to occupy.

(b) A request for such hearing must be made in writing and received by City Secretary. The City Council shall conduct such hearing at the next scheduled Council Meeting or at their option, a Special Meeting prior to the next scheduled meeting after the date the request is received. The permittee seeking a variance under this section shall have the burden of showing that enforcement of the standards set forth in section 6 will result in a legal hardship or the inability to access or explore a mineral interest.

Section 8. Substitute wells.

(a) If a permitted drilling well or actively producing registered well is abandoned due to mechanical failure, a substitute well may at any time be drilled, completed, operated and produced, in accordance with the regulations set forth in division 1 and division 2 of this Ordinance. No substitute well provided for in this subsection shall be drilled to a deeper reservoir than the deepest productive reservoir of the well for which such substitute well is drilled, without the permittee first securing a supplemental permit as provided in section 10 and section 18 hereof.

(b) The provisions of this section shall not prevent a well from being completed in more than one producing horizon; multiple completions in the same well bore are expressly authorized.

DIVISION 2. WELL AND SEISMIC ACTIVITIES PERMITS

Section 9. Permit required to drill or deepen a well, or conduct seismic activities.

(a) It shall be unlawful for any person acting either for himself or as an agent, employee, independent contractor, or servant of any other person to commence to drill or deepen a well within the regulated area of the city without a permit from the City.

(b) It shall be unlawful for any person to work upon or assist in any way in the prosecution or operation of any well, without a permit for the drilling of a well or a supplemental permit for the deepening of an existing well.

(c) It shall be unlawful for any person to conduct seismic activities within the regulated area of the city without a permit from the City.

Section 10. Application and filing fee.

(a) Any person seeking to obtain a permit or supplemental permit to drill, deepen, operate a well, or conduct seismic activities, within the regulated area of the city shall present an application therefor, in duplicate, to the city council, which application shall

be in writing, addressed to the mayor, signed by the applicant or a person duly authorized to sign for the applicant, and shall state:

- (1) The date of the application;
- (2) The name and address of the applicant and if the applicant is a corporation, the state of incorporation, and if applicant is a partnership, the names and addresses of the general partners, the name and phone numbers of the authorized contact person or persons;
- (3) The particular lot and block number or tract in the city on which the proposed well or seismic activities is to be located and the exact location of such proposed well or seismic activities;
- (4) The proposed depth of the well or a description of the proposed seismic activities;
- (5) The proposed complete casing program of the well (if applicable); and
- (6) The specific number of acres allocated to the proposed well as required by the Texas Railroad Commission. A statement of the applicant to absolutely and unconditionally indemnify and hold The Town of Thompsons harmless from any and all liability with respect to all claims which result from the applicants operations within the regulated area and shall further provide certificates of insurance in the form of proof of filing and approval of a bond in the amount of \$1,000,000.00 as stated in Ordinance No. 146 Section 11 (d) (3).

(b) Attached to the application for a permit shall be:

- (1) A plat prepared by a duly registered surveyor showing the exact location of the proposed well or seismic activities with respect to the boundaries of the lot, block, or tract for which applicant has secured the rights from the owner to drill, deepen, or conduct seismic activities; a designation of the area owned or controlled by the applicant, and allocated to the proposed well or seismic activities, and the distances from the well location, or seismic activities, to all residences, commercial buildings water wells and structures situated within the leased boundaries;
- (2) A map showing the drill site(s) in relation to the nearest public roadways and the proposed route of ingress and egress by applicant to such proposed drill site(s);
- (3) A copy of Texas Railroad Commission Form W-1 (Application to Drill, Deepen, Plug Back or Re-enter) or a copy of the applicable Texas Railroad Commission Forms, if any, for conducting seismic activities;
- (4) Copies of RRC Form H-15, A Test on an Inactive Well More Than 25 Years Old, from all wells within the regulated area that are operated by applicant (if applicable); and
- (5) A copy of TNRCC-0051, "Depth of Usable Groundwater to be Protected."

(6) The required plat (for seismic activity) shall detail not only location but depth of all shot holes or other excavations as identified on the plat. Show the strength or rating of any and all explosive charges which will be used in conjunction with the geophysical exploration. In the event that a Vibrocesis Truck is to be used, the weight of the truck and at what power it is to be used.

(c) Each application for a permit or supplemental permit shall be accompanied a cashier's check in the amount of \$7,500.00 (\$2,000.00 if for seismic activities only), made payable to the city, which shall be a filing fee to cover administrative, legal and consulting expenses incurred when considering such application. Each application shall be maintained by the city secretary as a part of the public records of the city.

(d) The applicant or a personal representative of any applicant shall be present and appear before the city council at such time as the city council considers the application or any amendment thereto.

Section 11. Filing of application and notice.

(a) An application for a permit or supplemental permit shall be filed with the city council for action in issuing or refusing to issue a permit.

(b) Notice of the filing of each application shall be given by the applicant in the manner herein set out. Such notice shall be in words and figures, as follows:

Notice is hereby given that _____, acting under and pursuant to the terms and provisions of AN ORDINANCE REGULATING THE DRILLING, COMPLETION AND OPERATION OF OIL AND GAS WELLS, AS WELL AS ANY SEISMIC ACTIVITIES CONDUCTED WITHIN THE REGULATORY LIMITS OF THE CITY OF THOMPSONS, TEXAS, being Ordinance No. _____, as amended, did on the _____ day of _____, 20____, file with the City Secretary of the City of Thompsons an application to drill, complete and operate (or other appropriate description) at (here the exact location of the proposed well/seismic activities shall be set out).

(c) The applicant shall cause such notice to be published, at the applicant's own expense, in the official newspaper of the city at least ten days prior to the date of city council's consideration of such application. Proof of such publication shall be made by the printer or publisher of the newspaper by affidavit filed with the city council and shall be prima facie evidence of such publication.

(d) The city council, at a regular or special called meeting, may, upon written application of applicant, waive all or any part of such ten-day publication requirement and issue such permit in accordance with section 12 hereof, upon the showing of compliance with the following:

(1) Demonstration by applicant that such requirement would work an economic hardship upon applicant to delay the spudding-in of the well applied for in its application (when applicable); or

(3) Proof of filing and approval of a bond in the amount of \$1,000,000.00; and

(4) Demonstration by applicant that the drilling of such well or conducting of seismic activities is not contrary to the welfare of the city and the good governance of its inhabitants.

(e) Upon the affirmative finding by the city council that the requirements of this section have been met, the Mayor shall be authorized to issue the applicant a permit in accordance with section 13 hereof.

Section 12. Granting or refusal of permit.

If, after such application is filed pursuant to this Ordinance, it be found by the city council to comply in all respects with terms hereof, and the drilling, deepening or operation of such well, or conducting of seismic activities, is not prohibited by the terms of this Ordinance, then the city council shall issue a permit for the drilling, deepening or operation of the well, or conducting of seismic activities; provided, however, the city council shall have the power, and reserves the authority, to refuse any application for a permit when by reason of the location of the proposed well or seismic activities, and the character and value of the improvements located on the lot or tract in question or adjacent thereto, and the use to which the land and surroundings are adapted for civic purpose, the drilling, deepening or operation of such well, or conducting of seismic activities, would be detrimental to the welfare of the city or the good governance of its inhabitants.

Section 13. Form and issuance of permit.

(a) Each permit issued under this Ordinance shall:

(1) By reference, have incorporated all provisions of this Ordinance with the same force and effect as if this Ordinance were copied verbatim in such permit;

(2) Specify definitely the location of the well or seismic activities;

(3) Specify that drilling or seismic activities shall begin within 90 days from the date of the permit or such permit shall be forfeited; provided, however, such forfeiture shall not affect the right of applicant to apply for another permit; and

(4) Specify that such permit shall remain in full force and effect until said well is abandoned or seismic activities are completed, or one year, whichever is earlier. If applicable, specify the date for required renewal.

(b) Such permit shall not be issued until the provisions of section 14 hereof have been met. Such permit, in duplicate originals, shall be signed by the Mayor and prior to delivery to the permittee shall be signed by the permittee. One original of the permit, duly executed, shall be delivered to the permittee and one original of the permit, duly executed, shall be retained by the city secretary and, when so filed, shall constitute the permittee's drilling, seismic, and operating license and the contractual obligations of the

permittee's drilling, seismic, and operating license and the contractual obligations of the permittee to comply with the terms of such permit, the bond hereafter mentioned, and this Ordinance.

(c) Any permit issued for a well or seismic activities under any ordinance of the city such permit shall continue until said well permitted activity is concluded and/or such seismic activities are completed, or one year, whichever is earlier. Upon application of renewal of permit showing compliance with the terms of the original permit and the payment of a renewal fee of \$500.00, the City Council may renew for a one year period any permit granted hereunder. Seismic activities are completed as stated in permit or one year whichever is earlier. Upon application of renewal of permit showing compliance with the terms of the original permit may renew for a period of time, not to exceed one year, and permit granted hereunder.

Section 14. Bond requirements.

(a) If the issuance of a permit is authorized, same shall not be issued until the applicant shall file with the city secretary a bond, executed by and between the permittee, as principal, and a corporate surety company licensed to do business in the State of Texas, as surety, and on the condition that the principal obligator shall drill, deepen and/or operate such well, or perform seismic activities, in accordance with the terms of this Ordinance and that the principal shall remedy any and all damages to all public utilities, roadways, drainage structures, and any other public property, including ground water supply, and/or surface and subsurface pollution, occasioned in any manner by the drilling or operations of such well, or by the performance of seismic activities. Such bond shall run to the city for the benefit of the city and shall be in a form to comply herewith, shall be in the amount of \$1,000,000.00 for each well for which a permit is requested, or for each seismic activity for which a permit is requested.

(b) Failure to keep such bond in full force and effect, in accordance with the terms hereof, shall be unlawful and shall be punishable in accordance herewith.

(c) The city council may waive the requirement for the surety bond described by this section, as to any permittee, when it is found and determined that such permittee is financially responsible and capable of meeting obligations for amounts in excess of \$1,000,000.00. Upon such determination, the city council may allow the permittee to file, in lieu of any surety bond, a letter of acceptance binding and obligating such permittee to abide by the conditions prescribed in this section for surety bonds.

Section 15. Release from bond.

When any permit shall terminate and become inoperative, as provided in this Ordinance, or if and when the permittee shall file with the city secretary written notice of his election to surrender his permit and abandon the premises covered thereby, then, if no claims under the bond or bonds are pending or have been filed within six months after such permit shall have terminated, become inoperative, or written notice of election to surrender has been filed, the city secretary shall return the bond filed by the permittee in connection with such permit. If claims are pending or are filed within such time, upon

the satisfaction or defeat of such claims, such bond shall thereupon be returned to the permittee.

DIVISION 3. WELL OPERATION

Section 16. Unlawful to permit escape of mud, etc.

It shall be unlawful for any person to permit to escape any mud, water, oil, slush, saltwater or other waste matter related to the drilling, deepening or operating of any well, or seismic activities, onto any adjoining lots upon which permittee does not have leases or other contractual rights to use the surface, or upon leases not owned by permittee or into the alleys, streets, gutters, sewers, or ditches of the city. Within 60 days after the completion or abandonment of any well or seismic activities, the mud and other similar matter and materials used in connection with the drilling, deepening and operations thereon shall be removed from the premises, and all pits, holes, ruts, and depressions in and around such well or seismic activities locations shall be smoothed out, leveled, and filled.

Section 17. Remedial well work.

Any person operating any well or wells within the regulated area of the city may perform any remedial well work operations in the original well bore, except drilling deeper, without a permit for such operations, provided the operator complies with all safety rules set forth in this Ordinance and no additional filing fees will be required for such work.

Section 18. Reworking a well, deeper drilling; supplemental permit required.

(a) Once any well has either been completed as an oil or gas producer or abandoned or the permit for such work has expired, it shall be unlawful for any person to enter such well for the purposes of reworking or to drill such well to a greater depth than that reached in prior drilling operations, or drill outside the scope of the original well bore, without the permittee of such well filing an application with the city secretary and obtaining a supplemental permit that shall contain, in addition to all the requirements heretofore set forth, additional information specifying the then condition of the well and the casing therein and the depth to which it is proposed that such well will be deepened.

(b) In any deeper drilling or deepening operations, the permittee shall comply with all other provisions contained in this Ordinance and applicable to the drilling, completion, and operation of a well.

(c) A person commits an offense if the person intentional or knowingly reactivates a plugged or abandoned well or re-enters an existing well for purposes of deepening or reworking without a permit from the City.

Section 19. Rules for drilling and producing operations for permit holder.

(a) All persons engaged in the drilling and operation of wells within the regulated area of the city shall comply with the following rules and regulations:

(1) Each permittee shall:

- a. Not interfere with or damage existing water, sewer or gas lines or the facilities of public utilities located on, under, or across the course of such rights-of-way;
- b. Furnish the city secretary with a plat showing the location of such pipelines at least ten days prior to installation;
- c. Provide construction plans and specifications to the city for approval;
- d. Provide pipeline markers at each and every public street crossing, indicating the owner's name, identifying the product in such pipeline, and a 24-hour telephone number;
- e. Construct such lines or cause same to be constructed out of new or reconditioned steel pipe buried to a minimum depth of 36 inches below the surface at each and every point;
- f. Ensure that if plastic pipe is used that the internal pressure of such line will not exceed 60 pounds per square inch and shall have at least 36 inches of cover. All plastic lines shall be encased under or crossing improved roadway surfaces from right-of-way line to right-of-way line. Where plastic pipe is installed longitudinally, a durable metal wire shall be concurrently installed or other means shall be provided for detection purposes;
- g. Ensure that public street crossings shall be either bored or tunneled. Pipeline installations across roadways may be encased or unencased. Bore hole or tunnel shall not exceed the diameter of the pipe by more than one inch, and shall extend from the top of the backslope to the top of the backslope or five feet beyond the face of the curb. Generally, underground line crossings should be encased in the interest of safety, protection for the pipeline and roadway, and for access to the pipeline. Casing shall consist of steel pipe with welded joints and seams and shall be designed to support the load of the roadway and superimposed loads thereon. All lines shall be enclosed in an adequately vented casing. For enclosed lines, the minimum total clear depth of cover for casing pipe shall be 30 inches;
- h. Ensure that casing shall consist of smooth wall pipe with welded joints and seams, and shall be continuous, provided, however, that welded steel pipeline crossings may be installed without encasement provided such pipelines conform with 49 CFR, Part 192, Transportation of Natural and Other Gas by Pipeline, or Part 195, Transportation of Liquids by Pipeline as Applicable.

1. For unencased high-pressure gas or liquid petroleum lines, the minimum depth of cover shall be 60 inches under the pavement surface and a minimum of 48 inches under ditches. Exceptions may be authorized by the city to reduce the specified depth of cover where the pipeline is protected by a reinforced concrete slab.

2. Where encasement is not employed, the welded steel carrier pipe shall provide sufficient strength to withstand the internal design pressure and the dead and live loads of the pavement structure and traffic. Additional protective measures should include heavier wall thickness and/or higher factor of safety in design, adequate coating and wrapping, cathodic protection, and other measures as required by Title 49, CFR, Part 192, or Part 195.

3. The minimum length of the additional protection as set forth above shall be the same as that required by encasement.

i. Control traffic in work zones to conform to applicable specifications of the Texas Manual on Uniform Traffic Control Devices for Streets and Highways;

j. Ensure that operations in city rights-of-way shall be performed in such a manner that all equipment and excavated material are kept off the pavement at all times;

k. Grade, level, and restore such property to same surface condition, as nearly as practicable, as existed prior to the beginning of operations;

l. After completion of pipeline, provide to the city for its files a copy of the "Record Drawings"; and

m. Ensure that any future adjustment or relocation of pipeline installations that become necessary because of utility or roadway construction shall be accomplished without cost to the city.

(2) Any violation of the laws, rules, regulations, or requirements of any state or federal regulatory body having jurisdiction in reference to drilling, completing, equipping, operating, producing, transporting product or abandoning a well or related appurtenances, shall be a violation of this Ordinance and shall be punishable in accordance with the provisions hereof.

(3) No person engaged in drilling or operating any well shall permit gas to escape or be vented into the air unless said gas is flared and burned. All gas flared or burned within the city must be done in such a manner so as not to constitute a fire hazard to any property.

(4) It shall be unlawful for any person to use, operate or maintain any drilling or reworking machinery on any location for a period longer than

60 days after the completion of any well or any reworking project. All engines shall be equipped with effective mufflers.

(5) Each permittee shall prepare, implement and maintain a noise management plan. The plan shall be prepared by a noise control engineer or other qualified professional engineer for all equipment and machinery used at the production facility. The plan shall provide for the means and methodology of making all sound measurements. The plan shall be prepared using best management practices. No drilling, producing or other activity at the production facility shall produce a sound level greater than:

- a. 70dB(a) when measured a distance of 300 ' from the production facility during the daytime;
- b. 56dB(a) when measured at the nearest residence, public building, or other human occupied building from the production facility; and
- c. 5 dB increase in ambient noise levels during the day or 3 dB increase in ambient noise levels during the nighttime when measured at the nearest property line to the production facility.

(6) Only portable steel slush, reserve and shale tanks for mud, water or shale shall be permitted in connection with the drilling and reworking operations of any well.

(7) Any person drilling or operating a well shall dispose of all saltwater or other waste produced by such well in a manner that will not contaminate or pollute surface and subsurface resources. No earthen-walled evaporation-type saltwater disposal pit shall be allowed within the city.

(8) Each permittee shall prepare, implement and maintain a lighting management plan. The plan shall be prepared by a lighting engineer or other qualified professional engineer for all lighting used at the production facility. The plan shall provide for the means and methodology of making all lighting measurements. The plan shall be prepared using best management practices. To the extent practicable, site lighting shall be directed downward and internally so as to avoid glare on public roads and adjacent dwellings and human occupied buildings. No lights located on the facility site shall exceed .4 foot-candles at the closest public road or residence.

(9) It shall be unlawful for any person in connection with the drilling or reworking operations of any well within the city to conduct any swabbing operations or to take or complete any drill stem test or tests, except during daylight hours. Drill stem tests may be conducted only if the well effluent during the test is produced through an adequate gas separator to storage tanks, and effluent remaining in the drill pipe at the time the tool is closed and flushed to the surface by circulating drilling fluid down the annulus and up the drill pipe.

(10) Whenever any well within the city limits is abandoned, it shall be the obligation of the permittee to plug such well in accordance with the rules and regulations of the Texas Railroad Commission and to take any and all additional provisions or precautionary measures prescribed by the State of Texas or the Texas Railroad Commission in connection with abandonment and plugging of the well. The city shall be notified of any action in this regard. It shall be the further obligation of the permittee or the operator of the well to cut the surface casing off at least six feet below the surface of the ground and to place at least a 25-foot cement plug in the top of the casing and to weld the top of the casing completely shut. The resulting hole in the ground must be completely filled to the surface of the ground and duly tamped. A copy of RRC Form W-3 (Plugging Record) and Form W-15 (Cementing Report) shall be filed with the city secretary.

(11) It shall be unlawful for any person to use, construct, or operate, in connection with each producing well within the city, any storage tanks, except to the extent of two steel tanks for the storage of liquid hydrocarbon not exceeding 500-barrel capacity each, and so constructed and maintained as to be vapor tight and each surrounded with an earthen fire wall at such distance from the tanks as will, under any circumstances, hold and retain at least the maximum capacity of such tank or tanks. A permittee may use, construct and operate a steel conventional separator, and such other steel tanks and appurtenances as are necessary for treating oil with each of such facilities to be so constructed and maintained as to be vapor tight. Each gas separator shall be equipped with both a regulation pressure relief safety valve and a bursting head.

(12) Any person may install equipment for the purpose of secondary recovery, pressure maintenance operations, or automatic lease operations, provided such person complies with all the Texas Railroad Commission.

(13) It shall be unlawful for any person within the regulated are of the city to install any fired vessel or open flame within 300 feet of any well or storage tank.

(14) All wellheads, tank batteries, pumping units and equipment appurtenant thereto within the city, which are located within a densely populated area so designated by the city council or within 200 feet of a public street, shall be adequately protected with an intruder-proof fence; provided, however, any wellhead, tank battery, pumping unit, or equipment appurtenant thereto, which is located on any lease tract or farm and is fenced in its entirety will require no additional protection other than that commonly used by prudent operators. Fences to prevent entry shall be approved by a representative designated by the city council.

(15) The premises shall be kept in a clean and sanitary condition, free from rubbish of every character, at all times during drilling operations and as long thereafter as the well is being produced therefrom. All permittees' premises shall be kept clear of high grass, weeds, and combustible trash or any other rubbish or debris that might constitute a fire hazard within a

radius of 300 feet around any oil tank or tanks, producing wells, or to the limits of the premises, whichever is the lesser.

(16) No prime movers shall be permitted within the corporate limits of the city for the purpose of pumping wells, except electric motors.

(17) Material, equipment, tools or pipe used for either drilling or producing operations at the well shall not be delivered to or removed from the well site, except between the hours of 7:00 a.m. and 7:00 p.m. on any day, except in case of an emergency.

(b) It shall be unlawful to block, encumber, or close any street or alley in any pipeline, drilling or production operation, except by an ordinance duly passed by the city council permitting the temporary blocking or closing of a street or alley.

(c) Screening shall be installed completely around all permanent structures associated with the extraction, production, and transportation of minerals and shall be sufficient to screen from view the structures sought to be screened within 45 days of production. Screening options shall adhere to a combination of the following:

(1) Vegetation. Native trees, shrubs, vines, groundcover, ornamental grasses, and/or wildflowers, or other adapted drought tolerant species, complimentary with the surrounding landscape, shall be proposed.

a. Trees shall be a minimum three inch (3") caliper at the time of planting and shrubs shall be a minimum of three feet (3') in height at planting, have the potential to grow to a mature height of at least five feet (5') and, if necessary, must have an installed irrigation system that provides total water coverage to all plant materials. All vegetation shall be planted and spaced to provide maximum screening, growth, and overall health.

b. Vegetated areas shall be landscaped such that at least fifty percent (50%) of the structures shall be screened from adjacent property owners and/or public streets within three (3) years. At least forty percent (40%) of the landscape vegetation shall be evergreen.

c. The vegetation shall be kept in an attractive state and in good condition at all times by the applicant or operator.

d. Significant plant and tree specimens should be preserved to the greatest extent practicable and integrated into the design of the site through preservation, incorporation, or transplanting. Plants and trees to be saved and methods of protection shall be indicated in the site plan.

e. Vegetation used to satisfy screening standards include, but shall not be limited to the following species:

1. Loblolly Pine (*Pinus* sp.)

2. Agarita (Mahonia sp.)
3. Arizona Cypress (Cupressus sp.)
4. Coral Honeysuckle (Lonicera sp.)
5. Cross Vine (Bignonia sp.)
6. Elaeagnus (Elaeagnus sp.)
7. Hollies (Ilex sp.)
8. Texas Sage (Leucophyllum sp.)
9. Indian Hawthorne (Raphiolepis sp.)
10. Junipers (Juniperus sp.)
11. Live Oak (Quercus sp.)
12. Southern Magnolia (Magnolia sp.)
13. Wax Myrtle (Myrica sp.)

f. All landscape and irrigation plans shall be submitted to the oil and gas inspector for approval.

(2) Natural and manmade screens. When possible, sites should be located to utilize natural, structural, and topographical screens. Vegetated berms may be constructed if they are compatible with the surrounding area.

(3) Fence screening. Fencing shall be equipped with interlocking opaque slats, mesh, or other screening material approved by the oil and gas inspector. Color of materials shall be uniform, non reflective tones, similar to the Bureau of Land Management Standard Environmental Colors chart. Approved colors shall include, but not be limited to green, brown, tan, and black and be complementary to the color of the fence and painted equipment.

(d) All drilling and production operations shall be conducted in such a manner as to minimize, so far as practicable, dust, vibration, or noxious odors, and shall be in accordance with the best accepted practices incident to drilling for the production of oil, gas, and other hydrocarbon substances. All equipment used shall be so constructed and operated so that vibrations, dust, odor, or other harmful or annoying substances or effect will be minimized by the operations carried on at any drilling or production site or from anything incident thereto, to the injury or annoyance of persons living in the vicinity; nor shall the site or structures thereon be permitted to become dilapidated, unsightly or unsafe. Proven technological improvements in industry standards of drilling and production in this area shall be adopted as they become available if capable of reducing factors of dust, vibration and odor.

DIVISION 4. PIPELINE PERMITS

Section 20. Application and filing fee.

(a) All persons engaged in the movement or transport of oil, gas, water, or other waste products within the city limits, and who are not holders of a valid permit, may be granted a permit by the city council for pipeline crossings or parallel installation within public right-of-way or easements for the purpose of constructing, laying, maintaining, operating, repairing, replacing and removing pipelines.

(b) Each applicant shall:

- (1) File with the city secretary for city approval a permit application with a location plan and construction details and specifications;
- (2) Provide copies of RRC Form H-15 "Test on an Inactive Well More Than 25 Years Old" from all wells within the regulated area operated by the applicant;
- (3) File and obtain approval of a bond in the amount of \$500,000.00;
- (4) Provide with each application a cashier's check in the amount of \$1,000.00 made payable to the city, which shall be a filing fee. Each application shall be maintained by the city secretary as a part of the public records of the city;
- (5) Ensure that the applicant or a representative of applicant shall be present and appear before the city council at such time as the city council considers the application or any amendment thereto.

Section 21. Granting or refusal of permit.

If, after such application is filed pursuant to this Ordinance, it be found by the city council to comply in all respects with terms of this Ordinance, the city council finds that such applicant has complied in all respects with the terms of this Ordinance, then the city council shall issue a permit for the construction and operation of the pipeline applied for; provided, however, the city council shall have the power, and reserves the authority, to refuse any application for a permit when by reason of the location of the proposed pipeline and the character and value of the improvements located on the property in question or adjacent thereto, and the use to which the land and surroundings are adapted for civic purpose, or for other reasons, the pipeline would constitute a danger to either the health, safety, morals or welfare of the city and its inhabitants.

Section 22. Form and issuance of permit.

(a) Each permit issued under this Ordinance shall:

- (1) By reference, have incorporated all provisions of this Ordinance with the same force and effect as if this Ordinance were copied verbatim in such permit;
- (2) Specify definitely the location of the pipeline;
- (3) Specify that construction shall begin within 90 days from the date of the permit or such permit shall be forfeited; provided, however, such forfeiture shall not affect the right of applicant to apply for another permit; and

(4) Specify that such permit shall remain in full force and effect until said pipeline is abandoned.

(b) Such permit shall not be issued until the provisions of section 23 hereof are complied with. Such permit, in duplicate originals, shall be signed by the city secretary and, prior to delivery to the permittee, shall be signed by the permittee. One original of the permit, duly executed, shall be delivered to the permittee and one duly executed original of the permit shall be retained by the city secretary and shall constitute the permittee's license and the contractual obligations of the permittee to comply with the terms of such permit, the bond hereafter mentioned, and this Ordinance.

Section 23. Bond requirements.

(a) If the issuance of a permit is authorized, same shall not be issued until the applicant shall file with the city secretary a bond, executed by and between the permittee, as principal, and a corporate surety company licensed to do business in the State of Texas, as surety, conditioned that the principal obligator shall construct and operate such pipeline in accordance with the terms of this Ordinance; that the principal shall remedy any and all damages to all public utilities, roadways, drainage structures, and any other public property, including ground water supply, and/or surface and subsurface pollution, occasioned in any manner by applicant's operation of such pipeline. Such bond shall run to the city, for the benefit of the city and all persons concerned, shall be in a form to comply herewith, and shall be in the amount of \$500,000.00 for each pipeline upon which a permit is applied for.

(b) Failure to keep such bond in full force and effect, in accordance with the terms hereof, shall be unlawful and shall be punishable in accordance herewith.

(c) The city council may waive the requirement for the surety bond described in this section, as to any permittee, if it is found and determined that such permittee is financially responsible and capable of meeting obligations for amounts in excess of \$500,000.00, and may allow the permittee to file, in lieu of any surety bond, a letter of acceptance which binds and obligates such permittee to abide by the conditions prescribed in this section for surety bonds.

Section 24. Release from bond.

When any permit shall terminate and become inoperative, as provided in this Ordinance, or if and when the permittee shall file with the city secretary written notice of his election to surrender his permit and abandon the premises covered thereby, then if no claims under the bond or bonds are pending or have been filed within six months after such permit shall have terminated, have become inoperative, or a written notice of election to surrender has been filed, the city secretary shall return the bond furnished by the permittee in connection with such permit. If claims are pending or are filed within such time, upon the satisfaction or defeat of such claims, such bond shall thereupon be returned to the permittee.

Section 25. Rules for pipeline operations.

All persons engaged in pipeline maintenance and operations within the corporate limits of the city shall comply with all rules and regulations as provided under section 19 of this Ordinance and any violation of any of the terms of this Ordinance whether denominated as unlawful or not, shall be deemed a misdemeanor and subject to penalties and punishment as provided in this Ordinance.

Section 26. Street Right of Way Use.

- (a) In the event an oil or gas pipeline is placed within any public right-of-way under the jurisdiction of the town, the owner/operator shall comply with the right-of-way use regulations as provided in the town of Thompsons code of ordinances and obtain an appropriate franchise for the use of such right-of-way.
- (b) To the extent that the provisions of this article conflict with the town's right-of-way use ordinance, this article shall apply.
- (c) Nothing in this article grants permission for the use of any street, way or property of the town, and any such use shall be subject to the town at its sole discretion.

DIVISION 5. ASSIGNMENTS

Section 27. Sale, transfer or conveyance of assets.

A sale, transfer or conveyance of properties owned by an operator is not complete unless the acquiring person has on file with the city an approved form of financial security covering the requirements of this Ordinance. The existing bond or alternate form of financial security remains in effect and the prior operator of the property remains responsible for compliance with all ordinances, rules, and regulations of the city covering the transferred assets until the city determines that the assets are covered by proper financial security and the acquiring person has assumed full responsibility for the properties, in accordance with all ordinances, rules and regulations of the city.

Section 28. All ordinances or parts of ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

Section 29. It is the intent of the City that this Ordinance shall comply in all respects with the applicable provisions of the United States Constitution, the Texas Constitution, and the Charter of the City of Thompsons. In the event any clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part

declared to be invalid or unconstitutional; and the City Council of the City of Thompsons, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 31. This Ordinance shall take effect immediately from and after its passage and the publication of the caption hereof, as provided by law.

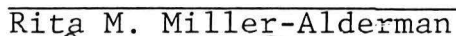
READ, PASSED AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF THOMPSONS HELD ON THE 25th DAY OF May 2011.



Mayor


ATTEST:

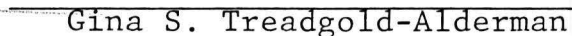

City Secretary

Town of Thompsons, Texas,
Board of Aldermen:


Rita M. Miller-Alderman


Carol M. Gubbels-Alderman


Deborah Brown-Alderman


Gina S. Treadgold-Alderman


Edward E. Taylor-Alderman

**GEOPHYSICAL EXPLORATION PERMIT PURSUANT TO ORDINANCE NO.
146
TOWN OF THOMPSONS, TEXAS**

Following the Council Meeting on _____ day of _____ 20____ The Town Council of The Town of Thompsons, after reviewing the application and hearing the comments and/or objections presented at the Council Meeting finds the following:

That the application is found to comply in all respects with Ordinance No. 146 of The Town of Thompsons and;

That the granting of the geophysical permit would not pose an unreasonable threat of damage to the citizens or property within the regulated area;

Therefore, the Town Council of the Town of Thompsons vote to issue a permit to the applicant upon the following terms and conditions.

1. The permit shall be valid for 120 days.
2. The applicant shall notify the Town not less than three days prior to the commencement of the geophysical exploration.
3. The geophysical exploration shall be completed not later than the _____ day following commencement.
4. The applicant agrees to absolutely and unconditionally indemnify and hold the Town of Thompsons harmless from any and all liability with respect to any and all claims which result from the applicants operations within the regulated area, and shall further provide certificates of insurance as required under section 10 (a) (6) of Ordinance No. 146.
5. Any explosive charges used in conjunction with geophysical exploration shall not exceed five pounds within 600 feet of any structure or water well or 10 pounds within 1000 feet of any structure or water well.
6. In the event that a "Vibrocesis Truck is used, the location of the truck shall be not less than 600 feet from any structure or water well when being used at 50% power or less than 1000 feet if used at full power.
7. Any water problems encountered within the regulated area within 30 days following the completion of applicant's operating will be presumed to be the result of applicants operations, in which case any and all such water wells shall be repaired at the sole cost and expense of the applicant.

8. Upon completion of applicant's geophysical work, and in any event no later than 30 days following such completion, applicant shall fill all excavations, (placing an appropriate "cap" no less than 24" below ground level) and restore the ground to substantially the same condition it was found at the commencement of the work.

9. No application filed or permit issued under this section is assignable in whole or in part except upon the prior written approval of the Council. Unless expressly waived by the Council, all pertinent information concerning the proposed transfer or assignment shall be submitted to the Mayor for his/her approval/disapproval, no later than 30 days prior to the proposed effective date of the transfer or assignment.

This Permit is approved this _____ day of _____ 20_____ by an affirmative vote of the Town Council.

Freddie Newsome, Jr.-Mayor

Agreed to by Applicant

Signature

Printed Name

ATTEST:

Mary Ann Manna
City Secretary

ORDINANCE NO. 147

AN ORDINANCE OF THE TOWN OF THOMPSONS, TEXAS, TAXING TANGIBLE PERSONAL PROPERTY IN TRANSIT THAT WOULD OTHERWISE BE EXEMPT PURSUANT TO TEXAS TAX CODE, SECTION 11.253; AND MAKING OTHER FINDINGS AND PROVISIONS RELATED THERETO.

WHEREAS, the 82nd Texas Legislature in its First Special Session has enacted Senate Bill 1, which amends Texas Tax Code Section 11.253; and

WHEREAS, Texas Tax Code Section 11.253(j-1) as amended allows the governing body of a taxing unit, after conducting a public hearing, to provide for the taxation of goods-in-transit if it so votes between October 1, 2011 and December 31, 2011; and

WHEREAS, the City Council, after determining all legal requirements of notice have been met and having conducted a public hearing as required by Section 1-n(d), Article VIII, Texas Constitution, is of the opinion that it is in the best interest of the City to tax such goods-in-transit; NOW, THEREFORE,

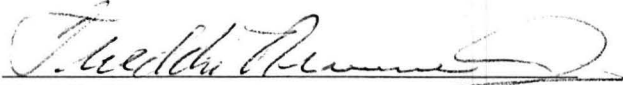
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TOWN OF THOMPSONS, TEXAS:

Section 1. That goods-in-transit, as defined by Texas Tax Code Section 11.253(a)(2), as amended by Senate Bill 1 enacted by the 82nd Texas Legislature in its First Special Session, shall be subject to taxation by the Town of Thompsons, Texas.

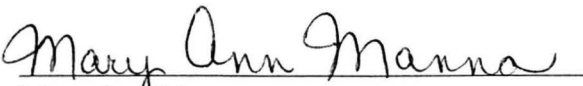
Section 2. That the city secretary is hereby directed to send a certified copy of this ordinance to the chief appraiser for each appraisal district that serves the Town of Thompsons.

Section 3. That this ordinance shall be in full force and effect from and after its passage.

PASSED, APPROVED, AND ADOPTED this 17th of November, 2011.


Freddie Newsome, Jr.
Mayor

ATTEST:


Mary Ann Manna
City Secretary

OLSON & OLSON^{LLP}
ATTORNEYS AT LAW

October 19, 2011

Mayor Freddie Newsome, Jr.
Town of Thompsons
P.O. Box 29
Thompsons, Texas 77481

Re: Senate Bill 1, amendment to Texas Tax Code § 11.253

Dear Mayor:

The Texas Legislature enacted Senate Bill 1 in the First Special Session of 2011. Senate Bill 1 amends Texas Tax Code § 11.253 and affects the exemption from property taxes of certain items of tangible personal property, commonly known as "goods-in-transit." This exemption from property taxes was first implemented in 2007, when the Texas Legislature passed House Bill 621 to create this exemption. In 2007 most taxing units chose to adopt a local option allowed in the 2007 law that permitted the taxing unit to tax the goods-in-transit. We are writing to advise that the recent legislative change brought about by Senate Bill 1 in 2011 will affect the ability of taxing units to continue to tax goods-in transit, unless affirmative action is taken by the governing body.

Senate Bill 1 narrowed the definition of what constitutes 'goods-in-transit'. The exemption now relates only to those goods being stored. Previously, the exemption included those goods being assembled, stored, manufactured, processed, or fabricated. In addition, Senate Bill 1 provides that if a taxing unit wishes to continue to tax the newly defined goods-in-transit, then it must take affirmative action to do so by December 31, 2011. Please note, a taxing unit must do this even if it took affirmative action back in 2007.

If your city desires to tax the goods-in-transit, we advise that the City must adopt an ordinance before December 31, 2011. Additionally, the ordinance must be adopted after a public hearing where the taxpayers have the opportunity to be heard. There is no special notice requirement for this public hearing, other than posting it at least 72 hours before the meeting where the public hearing will be conducted.

Finally, if your governing body elects to tax these goods, a copy of the resolution, ordinance or order must be sent to each chief appraiser for each appraisal district that serves your city.

October 19, 2011

Page 2

A copy of the relevant portion of Senate Bill 1 is attached for your benefit, as well as a sample ordinance. If you need any additional information, please let us know and we will be happy to assist you in any way.

Very truly yours,

OLSON & OLSON, L.L.P.

A handwritten signature in black ink that reads "Scott Bounds". The signature is written in a cursive style with a large, stylized initial 'S'.

Scott Bounds

Enclosure
SB/svs

ARTICLE 48. AD VALOREM TAXATION OF CERTAIN STORED PROPERTY

SECTION 48.01. Subsection (a), Section 11.253, Tax Code, is amended by amending Subdivision (2) and adding Subdivisions (5) and (6) to read as follows:

<< TX TAX § 11.253 >>

(2) "Goods-in-transit" means tangible personal property that:

(A) is acquired in or imported into this state to be forwarded to another location in this state or outside this state;

(B) is stored under a contract of bailment by a public warehouse operator [] at one or more public warehouse facilities [] in this state that are not in any way owned or controlled by [] the owner of the personal property [] for the account of [] the person who acquired or imported the property;

(C) is transported to another location in this state or outside this state not later than 175 days after the date the person acquired the property in or imported the property into this state; and

(D) does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory.

(5) "Bailee" and "warehouse" have the meanings assigned by Section 7.102, Business & Commerce Code.

(6) "Public warehouse operator" means a person that:

(A) is both a bailee and a warehouse; and

(B) stores under a contract of bailment, at one or more public warehouse facilities, tangible personal property that is owned by other persons solely for the account of those persons and not for the operator's account.

SECTION 48.02. Section 11.253, Tax Code, is amended by amending Subsections (e) and (h) and adding Subsections (j-1) and (j-2) to read as follows:

<< TX TAX § 11.253 >>

(e) In determining the market value of goods-in-transit that in the preceding year were [] stored[] in this state, the chief appraiser shall exclude the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days

after the date they were brought into this state by the property owner or acquired by the property owner in this state. For component parts held in bulk, the chief appraiser may use the average length of time a component part was held by the owner of the component parts during the preceding year at a location in this state that was not owned by or under the control of the owner of the component parts in determining whether the component parts were transported to another location in this state or outside this state before the expiration of 175 days.

(h) The chief appraiser by written notice delivered to a property owner who claims an exemption under this section may require the property owner to provide copies of property records so the chief appraiser can determine the amount and value of goods-in-transit and that the location in this state where the goods-in-transit were detained for storage was not owned by or under the control of the owner of the goods-in-transit. If the property owner fails to deliver the information requested in the notice before the 31st day after the date the notice is delivered to the property owner, the property owner forfeits the right to claim or receive the exemption for that year.

(j-1) Notwithstanding Subsection (j) or official action that was taken under that subsection before October 1, 2011, to tax goods-in-transit exempt under Subsection (b) and not exempt under other law, a taxing unit may not tax such goods-in-transit in a tax year that begins on or after January 1, 2012, unless the governing body of the taxing unit takes action on or after October 1, 2011, in the manner required for official action by the governing body, to provide for the taxation of the goods-in-transit. The official action to tax the goods-in-transit must be taken before January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. Before acting to tax the exempt property, the governing body of the taxing unit must conduct a public hearing as required by Section 1-n(d), Article VIII, Texas Constitution. If the governing body of a taxing unit provides for the taxation of the goods-in-transit as provided by this subsection, the exemption prescribed by Subsection (b) does not apply to that unit. The goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing unit, in the manner required for official action, rescinds or repeals its previous action to tax goods-in-transit or otherwise determines that the exemption prescribed by Subsection (b) will apply to that taxing unit.

(j-2) Notwithstanding Subsection (j-1), if under Subsection (j) the governing body of a taxing unit, before October 1, 2011, took action to provide for the taxation of goods-in-transit and pledged the taxes imposed on the goods-in-transit for the

payment of a debt of the taxing unit, the tax officials of the taxing unit may continue to impose the taxes against the goods-in-transit until the debt is discharged, if cessation of the imposition would impair the obligation of the contract by which the debt was created.

<< Note: TX TAX § 11.253 >>

SECTION 48.03. Subdivision (2), Subsection (a), Section 11.253, Tax Code, as amended by this article, applies only to an ad valorem tax year that begins on or after January 1, 2012.

SECTION 48.04. (a) Except as provided by Subsection (b) of this section, this article takes effect January 1, 2012.

(b) Section 48.02 of this article takes effect October 1, 2011.

**CERTIFICATE
OF
CITY SECRETARY**

I hereby certify that I am the City Secretary of the City of Thompsons and the authority responsible for having the official ballot prepared for the May 12, 2012 election. I further certify that the following candidates are unopposed for election to the office of Mayor and Council members in the May 12, 2012 election:

**Freddie Newsome, Jr.-Mayor
Edward E. Taylor-Alderman
Deborah Brown-Alderman**

Mary Ann Manna
**City Secretary
Town of Thompsons
March 15, 2012**

**TOWN OF THOMPSONS
FORT BEND COUNTY, TEXAS**

ORDINANCE NUMBER 148A

AN ORDINANCE DECLEARING EACH UNOPPOSED CANDIDATE ELECTED TO OFFICE:

WHEREAS: under Subchapter C, ("Election of Unopposed Candidate"), Section 2.051-2.054 of the Election Code of the State of Texas:

CHAPTER 2 SUBCHAPTER C VERNON'S TEXAS CODES ANNOTATED
ELECTIONS

ELECTION OF UNOPPOSED CANDIDATE

SECTION 2.051: APPLICABILITY OF SUBCHAPTER. This subchapter applies only to an election for officers of a political subdivision other than a county in which write-in votes may be counted only for names appearing on a list of write in candidates and in which:

- (1) each candidate whose name is to appear on the ballot is unopposed;
- and
- (2) no proposition is to appear on the ballot.

SECTION 2.052: CERTIFICATION OF UNOPPOSED STATUS. (a) The authority responsible for having the official ballot prepared shall certify in writing that a candidate is unopposed for election to an office in:

- (1) only one candidate's name is to be placed on the ballot for that office under Section 52.003; and
 - (2) no candidate's name is to be placed on a list of write-in candidates for that office under applicable law.
- (b.) The certification shall be delivered to the governing body of the political subdivision as soon as possible after the filing deadline for placement on the ballot and a list of write-in candidates.

SECTION 2.053: ACTION ON CERTIFICATION: (a) On receipt of the certification, the governing body of the political subdivision by order or ordinance may declare each unopposed candidate elected to office.

(b) If a declaration is made under Subsection (a), the election is not held. A copy of the order or ordinance shall be posted on election day at each polling place that would have been used in the election.

© A certificate of election shall be issued to each candidate in the same manner as provided for a candidate elected at the election.

WHEREAS; as certification has been delivered to the governing body of the Town of Thompsons, Fort Bend County, Texas by the City Secretary stating that there are no opposed candidates and that no proposition is to appear on the ballot.

WHEREAS: all criteria have been met under the Texas Election Code, the Mayor and Aldermen of the Town of Thompsons, Fort Bend County, Texas declare the following unopposed candidate are duly elected to the position listed:

Mayor: Freddie Newsome, Jr.
Alderman: Edward E. Taylor
Alderman: Deborah Brown

WHEREAS: If any provision, section, subsection, sentence, clause or phrase of this ordinance, or application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void, invalid (or for any reason unenforceable), the validity of the remaining portions of this ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Board of Aldermen of the Town of Thompsons in adopting this ordinance, that no portion thereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any portion, provision or regulation, and to this end, all provisions of this ordinance are declared to be severable.

WHEREAS: Any ordinance or parts of ordinances in conflict: herewith, are repealed to the extent of their conflict only.

NOW THEREFORE BE ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF THOMPSONS, FORT BEND COUNTY, TEXAS: the fact in the preamble of this ordinance are hereby found and determined to be true and correct and this Ordinance shall become effective immediately upon its passage and adoption.

The Town Secretary is hereby directed to keep a file of this ordinance with the City files.

This ordinance shall take effect and be in force from and after its passage and approval. Passed and adopted following the first reading hereof this 15th day of March, A.D., 2012.

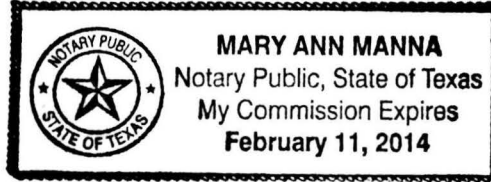
MAYOR Freddie Newsome, Jr. ALDERMAN Carol Dabbie
ALDERMAN Carol Dabbie ALDERMAN Edward E. Taylor
ALDERMAN Rita Miller ALDERMAN _____

ATTEST

Mary Ann Manna
MARY ANN MANNA, SECRETARY

OF THE TOWN OF THOMPSONS, FORT BEND COUNTY, TEXAS

(SEAL)



I, Mary Ann Manna, City Secretary of the Town of Thompsons, Fort Bend County, Texas do hereby certify that the foregoing is a true and correct copy of Ordinance Number 148A, finally passed and approved by the Town of Thompsons, following the first reading thereof at a regular meeting held the 15th day of March 2012, and the statement is duly attested by the Secretary and that same has been duly engrossed and enrolled in the records of the Town of Thompsons, Fort Bend County, Texas.

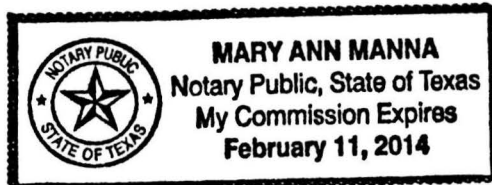
EXECUTED under my hand and official seal of the Town of Thompsons, Fort Bend County, Texas, this the 15th day of March, 2012.

ATTEST:

Mary Ann Manna
SECRETARY

OF THE TOWN OF THOMPSONS, FORT BEND COUNTY, TEXAS

(SEAL)



**PEBLO DE THOMPSONS
FORT BEND COUNTY, TEXAS**

ORDENAZA NUMERO 148B

Una ordenanza declarando cada candidato sin oposicion electado a la oficio:

Mientras que; en Subcapitulo C, ("Eleccion de Candidato Sin Oposicion"), Seccion 2.051-2.054 de el ElectionCodigo del Estado de Tejas:

CAPITULO 2 SUBCAPITULO C VERNONS TEXAS CODES ANNOTATED
ELECTIONS

ELECCION DE CANDIDATO SIN OPOSICION

SECCION 2.051: APLICABILIDAD DE SUBCAPITULO. Este subcapitulo aplica solamente a una eleccion para oficiales de una subdivision politico otra cosa que un condado en que votos de escrito pueden estar contado solamente para nombres que aparecen en un lista que esta escrito de candidatos y en que:

- (1) Cada candidato que su nombre aparece en la balota es sin oposicion; y
- (2) No proporción es de aparecer en la balota.

SECCION 2.052: CERTIFICACION DE CONDICION SIN OPOSICION.

- (a) La autoridad responsable de tener labalota preparado oficial para formar certificar en escrito que el candidato es sin oposicion para el eleccion de un oficio en:
 - (1) Solamente uno candidato's nombre estar puesto en la balota por esa oficio en seccion 52.003; y
 - (2) No candidato's nombre es puesto en la lista de candidatos escrito para el oficio aplicable de la ley.
- (b) El certificacion habre estado entregado a la cuerpo de gobernar de un subdivision politico lo mas pronto posible despues del solicitado linea vedada para colocacion en la balota y una lista de candidatos escrito.

SECCION 2.053: ACCION DE CERTIFICACION:

- (a) En ricibo de certificacion, el cuerpo de gobenar de un subdivision de orden o ordenanza puede declarar cada candidato sin oposicion para elegido a la oficio.
- (b) Si una declaracion es inventado en subseccion (a), no hay elecciones. Una copia del orden or ordenanza sera puesto en el dia de eleccion a cada cabina de votar que fue usado en la eleccion.
- (c) Un certificacion de eleccion sera dado para cada candidato en el mismo manera a condicion para un candidato electado a la elecciones.

Mientras que; una certificacion ha entregado al cuerpo de gobernar del Pueblo de Thompsons, Fort Bend County, Texas por el Secretario de la Ciudad diciendo que no hay candidatos de oposicion y que no hay proporcions en la balota.

Mientras que: todo criterio ha encontrado por el Texas Election Code, el Alcalde y Concejal del Pueblo de Thompsons, Fort Bend County, Texas declarar el proximo candidato sin oposicion estan electado a el posicion:

Alcalde	Freddie Newsome, Jr.
Concejal:	Edward E. Taylor
Concejal:	Deborah Brown

Mientras que; Si hay provision, seccion, subseccion, frase, clausula o fase de este ordenanza, o aplicacion de misma persona o circunstancia, es para alguna razon esta inconstitucional, vacio, invalido (o por una razon inejecutable), el valido de la porcions restante de esta ordenanza o de su aplicacion a otras personas o de circunstancia no sera afectado de este modo, es el intento del Consejo de Concejal del Pueblo de Thompsons en adoptando este ordenanza, que no porcion o provision o regulacion contenido hay hecho inoperante o faltar por razon de algun anticonstitucional o invalido de algun porcion, provision o regulacion, y asta el fin, todo provisions de este ordenanza son declarar de estar separado.

Mientras que; Algun ordenanza o partes de ordenanzas en conflicto estan revocando al la extension de su conflicto solamente.

Ahora por eso ordenando por el Consejo de Concejal del Pueblo de Thompsons, Fort Bend County, Texas: el facto en el preambulo de este ordenanza son por estas fundar y determinado estar verda y correcto y esta Ordenanza sera efecto inmediatamente encima de pasaje y adopcion.

La Secretaria del Pueblo esta directado a poner en fila un copia certificado de este ordenanza con la oficina de Secretaria de State Elections Divisions para el State of Texas.

Esta ordenanza sera efecto y hacer cumplir de y despues de pasaje y aprobacion.
Pasado y adoptado despunes de primero leyendo este 15th dia de Marzo, A.D., 2012.

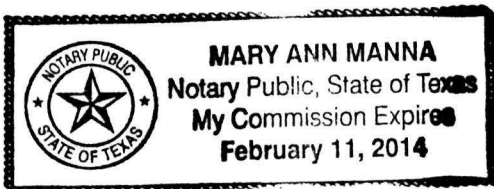
ALCALDE Freddie Newsome, Jr. CONCEJAL Edward E. Taylor
CONCEJAL Carol D. Smith CONCEJAL _____
CONCEJAL Rita Miller CONCEJAL _____

ATESTIGUAR:

Mary Ann Manna

MARY ANN MANNA, SECRETARIA

DEL PUEBLO DE THOMPSONS, FORT BEND COUNTY, TEXAS



Yo, Mary Ann Manna, Secretaria de la Ciudad del Pueblo de Thompsons, Fort Bend County, Texas ha certificado que todo es verdad y copia correcto de Ordenanza numero 148B, finalmente pasado y aprobado para el Pueblo de Thompsons, despues de primero leyendo en la junta regular el 15th dia de Marzo, 2012 y el declaracion es astestiguado por la secretaria y que mismo ha absorbido y alistado en los registardos del Pueblo de Thompsons, Fort Bend County, Texas.

Ejecutado, debajo de mi mano y sello oficial del Pueblo de Thompsons, Fort Bend County, Texas, este 15th, dia de Marzo, 2012.

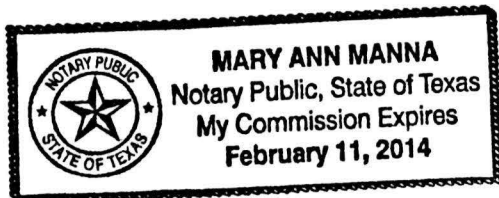
ATESTIGUAR:

Mary Ann Manna

SECRETARIA

(SEAL)

DEL PUEBLO DE THOMPSONS, FORT BEND COUNTY, TEXAS



Incorporated 1979

Telephone: 281-343-9929

FAX: 281-343-7786

TOWN OF THOMPSONS

P. O. BOX 29

THOMPSONS, TEXAS 77481

MAYOR
FREDDIE NEWSOME, JR

ALDERMEN
RITA M. MILLER
DEBORAH BROWN
GINA S. TREADGOLD
CAROL M. GUBBELS
EDWARD E. TAYLOR

April 20, 2012

Dianne Wilson
Fort Bend County Clerk
301 Jackson Street
Richmond, Texas 77469

Dear Ms. Wilson:

Please find enclosed the Town of Thompsons Fiscal Budget for May 1, 2012 through April 30, 2013, for your files.

If you have any questions, please do not hesitate to contact me at 281-343-9929.

Sincerely,



Freddie Newsome, Jr.
Mayor

FN/mam

Enclosures

ORDINANCE NO. 149

**ADOPTION OF BUDGET
FISCAL YEAR 5-1-12 THROUGH 4-30-13**

WHEREAS, pursuant to the laws of the State of Texas for General Law cities, the budget covering proposed expenditures for the fiscal year beginning May 1, 2012 and ending April 30, 2013 was filed with the City Secretary and was posted in Fort Bend Herald and bulletin board outside City Hall as required; and

WHEREAS, a public hearing was held by the City Council of Aldermen of the Town of Thompsons, Texas, on said budget on April 19, 2012, at which time said budget was fully considered, and interested taxpayers were heard by City Council;

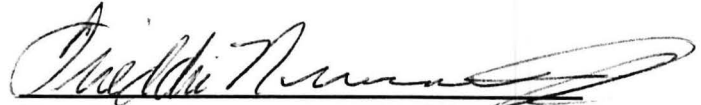
NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUCIL OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS:

That the budget estimate of the revenues and expenditures for the Town of Thompsons, Texas as presented by the Mayor and appropriated by the City Council for the fiscal year beginning May 1, 2012 and ending April 30, 2013, be and it is hereby adopted as the budget for such fiscal year:

That the attached "Exhibit A" with written comments of expenditures be declared as necessary for operating expenses for the Town of Thompsons;

That the Ordinance be in full force and effect from and after its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF ALDERMEN OF THE TOWN OF THOMPSONS, TEXAS, upon first and final reading at a Regular Council Meeting on the 19th day of April, 2012 by a vote of 6 "AYES", 0 "NAYS" and 0 "ABSTENTIONS".


Freddie Newsome, Jr.-Mayor


TOWN OF THOMPSONS


Gina S. Treadgold-Alderman

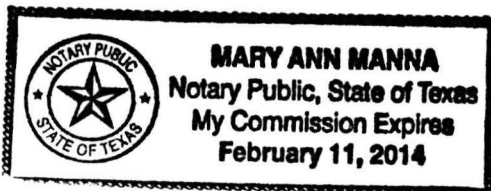

Rita M. Miller- Alderman


Edward E. Taylor-Alderman


Carol M. Gubbels-Alderman


Deborah Brown-Alderman

ATTEST




Mary Ann Manna-City Secretary

I, Mary Ann Manna, City Secretary of the Town of Thompsons, Texas, do hereby certify that the foregoing is a true and correct copy of Ordinance Number 149, finally passed and approved by the Town of Thompsons, following the First and final reading thereof at regular meetings held on the 19th day of January and the 16th day of February.


Mary Ann Manna-City Secretary

	A	B	C	D	E	P	Q	R	S	T
1	TOWN OF THOMPSONS, TEXAS					budget fye 4/30/12	for calendar year	budget fye 4/30/12		4/30/2013
2	PRELIMINARY BUDGET FYE 4/30/2013					Budget	1/1/11 12/31/11	Budget		
3	Ordinary Income/Expense					for the period	ACTUAL	for the period		
4	Income					5/1/11 - 4/30/12		5/1/12 - 4/30/13		
5	4050 - Grants									
6	4100 - Taxes and Assessments									
7	4130 - Sales & Use Tax				25,000.00	26,152.27	26,000.00	last year actual		
8	4140 - Franchise Fees/ Ind Agrmt				792,500.00	796,636.43	819,920.00	B	per spreadsheet analysis	
9	Total 4100 - Taxes and Assessments				817,500.00	822,788.70	845,920.00	845,920.00		
10	4200 - Interest Income									
11	4201 - CD'S Income				0.00		0.00			
12	4202 - Texpool Interest				225.00	131.99	130.00			
13	4203 - Jones Interest				377,243.00	393,983.15	379,258.00	A		
14	4200 - Interest Income - Other				50.00	23.37	25.00			
15	Total 4200 - Interest Income				377,518.00	394,138.51	379,413.00	379,413.00		includes Fire Dept income 3115.75 + 1277.95 = 4393.70
16	4600 - Other Income									
17	4601 - Summer Park Program				0.00	0.00	0.00			
18	4600 - Other Income - Other				7,000.00	4,393.70	4,000.00			
19	Total 4600 - Other Income				7,000.00	4,393.70	4,000.00	4,000.00		
20	Total Income				1,202,018.00	1,221,320.91	1,229,333.00	1,229,333.00	TOTAL REVENUE	
21	Expense									
22	5100 - Health and Safety									
23	5200 - Volunteer Fire Department									fire truck 39,991.90 repair water tank 5,973.00 = 45,964.90
24	5201 - Payroll, Fire Secretary				2,444.50	2,835.50	2,835.00	AA		
25	5204 - Other Expenses Fire Department				17,672.23	47,478.52	15,650.00	BB		
26	5206 - Maintenance Fire Department				9,000.00	13,034.16	0.00			
27	5207 - Equipment Fire Department				40,000.00	1,700.00	15,000.00		refurb air tanks per Freddie 2/8/12	
28	5299 - Equipment, Capital Outlay				0.00	0.00	0.00			actual tot books 53,314.45 FD books 11,733.73 total 65,048.18
29	Total 5200 - Volunteer Fire Department				69,116.73	65,048.18	33,485.00			
30	5300 - Trash Service				10,500.00	9,612.50	12,000.00			
31	Total 5100 - Health and Safety				79,616.73	74,660.68	45,485.00	45,485.00	total health and safety	
32	5400 - Police Department									
33	5401 - Payroll, Police				46,200.00	46,287.67	47,880.00	AA		
34	5405 - Other Expenses, Police D				15,600.00	17,016.75	13,000.00	DD		
35	Total 5400 - Police Department				61,800.00	63,304.42	60,880.00	60,880.00	total police department	
36	5500 - Park Services									
37	5501 - Payroll, Park Department				64,131.90	61,298.25	78,624.00	AA		
38	5503 - Maintenance Park				11,000.00	2,481.18	28,000.00	CC	maint park 18000+ spring clean up 10000	
39	5505 - Other Expenses Park				3,000.00	24,459.95	5,000.00	CC	covered shed for vehicles	
40	5506 - Summer Park Program				16,350.00	15,343.56	19,400.00	CC	13,800. YMCA, 2600 4th July, + 3000. kids work pr	
41	5507 - Utilities Park				2,300.00	3,034.24	3,500.00	CC		
42	Total 5500 - Park Services				96,781.90	106,617.18	134,524.00	134,524.00	total park service	
43	6000 - General Government Expenses									
44	6020 - Advertising				160.00	150.00	150.00	last year actual		
45	6050 - Automobile Expense				0.00	0.00	0.00			
46	6060 - Bank Service Charges				160.00	36.75	40,000.00	40K per Freddie fee		
47	6170 - Contract Labor				0.00	0.00	0.00	last year actual		
48	6190 - Continue Education				215.00	542.00	542.00	last year actual		
49	6220 - Dues and Subscriptions				2,725.00	2,507.44	2,600.00	last year actual		
50	6223 - Election Expense				3,765.00	0.00	3,765.00	add 3000. rental voting machines		
51	6380 - Insurance				36,789.92	36,647.64	37,481.00	EE		
52	6550 - Office Supplies				18,000.00	9,966.38	10,000.00	last year actual		
53	6560 - Payroll Salary Office Staff				49,140.00	46,028.00	42,588.00	AA		
54	6580 - Payroll Taxes All Staff				12,609.03	11,355.59	13,973.15	AA		
55	6590 - Payroll Retirement match employe				5,018.28	5,442.09	5,116.26	AA		
56	6610 - Postage and Delivery				1,525.00	1,420.00	1,420.00	last year actual		
57	6620 - Printing and Reproduction				0.00	0.00	0.00			
58	6640 - Professional Fees				32,750.00	42,854.00	46,575.00	FF		
59	6710 - Repairs							204,210.41		
60	6720 - Building Repairs				7,500.00	5,038.24	5,000.00	building maintenance/janitor		
61	6740 - Equipment Repairs				0.00	0.00	0.00			
62	6710 - Repairs - Other & Street				50,000.00	0.00	100,000.00	per Freddie, road repair		
63	Total 6710 - Repairs				57,500.00	5,038.24	105,000.00	105,000.00		
64	6880 - Telephone				12,000.00	12,346.56	12,350.00	12,350.00		
65	6900 - Travel & Expense									
66	6930 - Travel Meal- Mayor/Counc/Emp				12,000.00	14,376.48	15,000.00	last year actual		
67	6900 - Travel & Expense - Other				0.00	0.00	0.00			
68	Total 6900 - Travel & Expense				12,000.00	14,376.48	15,000.00	15,000.00		
69	6940 - Utilities - Street Lights				28,000.00	27,609.01	30,000.00	last year actual		
70	6945 - Capital improvements				15,000.00	0.00	0.00			
71	6950 - Gas and Electric				0.00	0.00	0.00			
72	6970 - Contingency Fund				50,000.00	0.00	50,000.00	same as last year budget		
73	Total 6000 - General Government Expenses				93,000.00	27,609.01	80,000.00	80,000.00	total general government	
74										
75	Total Expense				\$ 575,555.86	\$ 460,902.46	\$ 657,449.41		TOTAL EXPENSE	
76										
77	Net Ordinary Income				626,462.14	760,418.45	571,883.59		SUBTOTAL	
78	Other Expense									
79	Other Expense									
80	8010 - Other Expenses				0.00	0.00	0.00			
81	Total Other Expenses				0.00	0.00	0.00		OTHER EXPENSES	
82	Net Income				626,462.14	760,418.45	571,883.59		REVENUE OVER EXPENSES	

City of Thompsons, Texas, Ordinance No. 150

**AN ORDINANCE DECLARING THE CITY'S SUPPORT OF AND CONSENT
TO THE CREATION OF THE WEST FORT BEND WATER AUTHORITY**

* * * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF Thompsons, TEXAS:

Section 1. The City Council hereby declares its support of the creation of the West Fort Bend Water Authority (the "Authority") by the Legislature of the State of Texas in the 83rd Regular Session of the Legislature. The City Council hereby consents to the creation of the Authority, subject to the terms and conditions set forth in Exhibit "A" attached hereto.

Section 2. The City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was given, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been disclosed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 3. A public emergency exists requiring that this ordinance be passed finally on the date of its introduction; therefore, this ordinance shall take effect immediately upon its passage and approval.

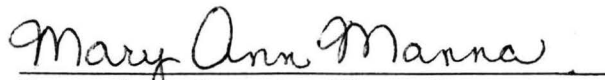
PASSED AND ADOPTED this 21st day of February, 2013

CITY OF Thompsons, TEXAS



Freddie Newsome, Jr.
Town of Thompsons, Mayor

ATTEST:



Mary Ann Manna
Mary Ann Manna, City Secretary

EXHIBIT "A"

(a) The Authority will issue bonds only for the purpose of acquiring water supplies, acquiring water rights, purchasing and constructing, or otherwise acquiring waterworks systems or parts of such systems or facilities, and to make any and all necessary purchases, construction, improvements, extensions, additions, and repairs thereto, and to purchase or acquire all necessary land, right-of-way, easements, sites, equipment, buildings, plants, structures, and facilities therefor, and to operate and maintain same, and to sell water and other services within or without the boundaries of the Authority. Such bonds will expressly provide that the Authority reserves the right to redeem said bonds on any interest-payment date subsequent to the fifteenth (15th) anniversary of the date of issuance without premium, and none of such bonds, other than refunding bonds, will be sold for less than 95% of par; provided that the net effective interest rate on bonds so sold, taking into account any discount or premium as well as the interest rate borne by such bonds, will not exceed two percent (2%) above the highest average interest rate reported by the *Daily Bond Buyer* in its weekly "20 Bond Index" during the one-month period next preceding the date of sale of the bonds. No land located within the corporate boundaries or the extraterritorial jurisdiction of the City of Thompsons that is located outside the original boundaries of the Authority as provided in the legislation creating the Authority will be added or annexed to the Authority until the City of Thompsons has given its written consent by resolution or ordinance of the City Council to such addition or annexation.

By: _____

____. B. No. _____

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the West Fort Bend Water Authority; providing authority to issue bonds; granting the power of eminent domain; providing an administrative penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 88__ to read as follows:

CHAPTER 88 . WEST FORT BEND WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 88 .001. DEFINITIONS. In this chapter:

- (1) "Authority" means the West Fort Bend Water Authority.
- (2) "Board" means the board of directors of the authority.
- (3) "Commission" means the Texas Commission on Environmental Quality or its successor.
- (4) "County" means Fort Bend County, Texas.
- (5) "Director" means a member of the board.
- (6) "District" means any district created under Sections 52(b)(1) and (2), Article III, or Section 59, Article XVI, Texas Constitution, regardless of the manner of creation, other than:
 - (A) a navigation district or port authority;

(B) a district governed by Chapter 36, Water Code;

or

(C) a district that does not have the legal authority to supply water.

(7) "Groundwater reduction plan" means a plan adopted or implemented to supply water, reduce reliance on groundwater, regulate groundwater pumping and usage, or require and allocate water usage among persons in order to comply with or exceed requirements imposed by the Fort Bend Subsidence District, including any applicable groundwater reduction requirements.

(8) "Large tract" means a tract of land of at least 1,000 acres owned by a single landowner.

(98) "Local government" means a municipality, county, district, or other political subdivision of this state or a combination of two or more of those entities.

(109) "Person" includes an individual, corporation, organization, government or governmental subdivision or agency, district, local government, business trust, estate, trust, partnership, association, and any other legal entity.

(110) "Subsidence" means the lowering in elevation of the surface of land by the withdrawal of groundwater.

(121) "System" means a network of pipelines, conduits, valves, canals, pumping stations, force mains, treatment plants, and any other construction, device, or related appurtenance used to treat or transport water.

(132) "Water" includes:

(A) groundwater, percolating or otherwise;

(B) any surface water, natural or artificial, navigable or nonnavigable; and

(C) industrial and municipal wastewater.

(143) "Well" includes a facility, device, or method used to withdraw groundwater from a groundwater source within the boundaries of the authority.

Sec. 88 .002. NATURE OF AUTHORITY. The authority is a regional water authority in Fort Bend County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution, including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, and recharge of groundwater and of groundwater reservoirs or their subdivisions, the prevention of waste of groundwater, the control of subsidence caused by the withdrawal of water from groundwater reservoirs or their subdivisions, and other public purposes stated in this chapter. The authority is a political subdivision of this state.

Sec. 88 .003. CONFIRMATION ELECTION NOT REQUIRED. An election to confirm the creation of the authority is not required.

Sec. 88 .004. INITIAL AUTHORITY TERRITORY. (a) The authority is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the

field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the authority;

(2) the right of the authority to issue any type of bond or note for the purposes for which the authority is created or to pay the principal of and interest on a bond or note;

(3) the right of the authority to impose or collect a fee, user fee, rate, charge, or special assessment; or

(4) the legality or operation of the authority.

(c) All of the territory of a local government created after the effective date of the Act creating this chapter that encompasses any territory within the boundaries of the authority, immediately on the creation and without any action required of the authority, is subject to all of the rights, powers, privileges, and rules of the authority to the same extent as the territory was before the local government was created.

Sec. 88 .005. EXCLUSION OF CERTAIN TERRITORY. (a) A district, ~~or~~ municipality, or large tract —that, on the effective date of the Act creating this chapter, is located, wholly or partly, within the territory described by Section 2(a) or (b) of the Act creating this chapter may petition for exclusion of all of its territory from the authority's boundaries by a petition signed by a majority of the members of the governing body of the district or municipality, or the landowner of the large tract.

(b) The board shall:

(1) not later than the ~~1820~~th day after the effective date of the Act creating this chapter, grant the petition and order the territory excluded if the petition:

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(A) includes an accurate legal description of the boundaries of the territory to be excluded; and

(B) is filed with the authority not later than the ~~12060~~th day after the effective date of the Act creating this chapter;

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and

(2) if the board grants the petition, file for recording in the office of the county clerk for the applicable county or counties a copy of the order and a description of the authority's boundaries as they exist after the exclusion of the territory.

(c) If a district, ~~or~~ municipality, or large tract ~~is~~ excluded from the authority's boundaries under this section, the authority is not required to:

(1) provide water or any other service to the district, ~~or~~ municipality, or large tract; or

(2) include the district, ~~or~~ municipality, or large tract in any groundwater reduction plan adopted or implemented by the authority.

(d) If, not later than the ~~12060~~th day after the effective date of the Act creating this chapter, a district, ~~or~~ municipality, or large tract files a petition for exclusion under this section, the authority may not impose fees, user fees, rates, charges, or special assessments on the district, ~~or~~ municipality, or large tract after the petition is filed with the authority unless the district, ~~or~~

municipality, or large tract is annexed by the authority under Section 88 .006.

(e) If a district, ~~or~~ municipality, or large tract excluded from the authority's boundaries under this section petitions the authority to be annexed under Section 88 .006, the authority may annex the district, ~~or~~ municipality, or large tract. The authority may, as a condition of annexation, require terms and conditions the board considers appropriate. The authority may require the district, ~~or~~ municipality, or large tract to pay the authority the fees, user fees, charges, and special assessments, with interest, that, as determined by the authority, the district, ~~or~~ municipality, or large tract would have been charged by the authority if the district, ~~or~~ municipality, or large tract had not been excluded from the authority under this section.

Sec. 88 .006. ANNEXATION. (a) Except to the extent the authority agrees in writing, a municipality's annexation of territory within the authority does not affect:

(1) the authority's powers inside or outside the annexed territory;

(2) the authority's boundaries or contracts; or

(3) the authority's ability to assess fees, user fees, rates, charges, or special assessments inside or outside the territory annexed by the municipality.

(b) Territory may be annexed to the authority, regardless of whether the territory is contiguous to the authority, as provided by Chapter 49, Water Code.

(c) In addition to the authority granted by Subsection (b), regardless of whether the territory is contiguous to the authority, the authority may annex some or all of the territory located within a district or municipality if the district or municipality files with the authority a petition requesting the annexation signed by a majority of the members of the governing body of the district or municipality. The petition must include an accurate legal description of the boundaries of the territory to be included. If the authority has bonds, notes, or other obligations outstanding, the authority shall require the petitioning district or municipality to be obligated to pay its share of the principal of and interest on the outstanding bonds, notes, or other obligations, and related costs. The board may grant the petition and order the territory described by the petition annexed to the authority if it is feasible, practicable, and to the advantage of the authority.

Comment [AV1]: Do we need to add large tract to this subsection, or is it sufficiently covered by subsection (b)?

(d) Any territory that a district located within the authority annexes becomes territory of the authority on the effective date of the annexation without any action required of the authority. The authority by rule may require all districts located within the authority to send to the authority written notice of the effective date of an annexation and require the districts to send to the authority copies of any necessary documents describing the annexed land and describing the districts' boundaries as they exist after inclusion of the annexed land.

(e) The annexation to the authority of territory under this section does not affect the validity of the authority's bonds issued before or after the annexation.

(f) A municipality that annexes territory of the authority for limited purposes under Subchapter F, Chapter 43, Local Government Code, does not have the right to:

(1) receive notices from the authority under Section 88 .103(c);

(2) participate in the appointment of directors under Subchapter B; or

(3) receive information about or have the opportunity to fund its share of capital costs in the manner provided by the authority under Section 88 .104.

Sec. 88 .007. APPLICABILITY OF OTHER LAW. (a) Except as otherwise provided by this chapter, Chapter 49, Water Code, applies to the authority.

(b) This chapter does not prevail over or preempt a provision of Chapter 36, Water Code, Chapter 883401 of this code, or Chapter 1045, Acts of the 71st Legislature, Regular Session, 1989, that is being implemented by the Fort Bend Subsidence District.

(c) Chapter 36, Water Code, does not apply to the authority.

Sec. 88 .008. FINDING OF BENEFIT. All the land, property, and persons included within the boundaries of the authority will be directly benefited by the works, projects, improvements, and services to be provided by the authority under powers conferred by Section 59, Article XVI, Texas Constitution, and this chapter. The authority is

created to serve a public use and benefit. The creation of the authority will serve to promote the health, safety, and general welfare of persons within the authority and the general public. Any fees, user fees, rates, charges, or special assessments imposed by the authority under this chapter are necessary to pay for the costs of accomplishing the purposes of the authority as set forth in Section 59, Article XVI, Texas Constitution, and this chapter, including:

- (1) the reduction of groundwater withdrawals;
- (2) the facilitation of compliance with the requirements of the Fort Bend Subsidence District; and
- (3) the provision of services, facilities, and systems.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 88 .051. DIRECTORS; TERMS. (a) The authority is governed by a board of **five** directors.

(b) The directors serve staggered four-year terms, with two or three directors' terms expiring May 15 of each even-numbered year.

Sec. 88 .052. ELIGIBILITY TO SERVE AS DIRECTOR. (a) To be eligible to serve as a director of the authority or to be listed on a ballot as a candidate for director of the authority representing a director precinct, an individual must:

- (1) be at least 18 years of age;
- (2) be a resident of the authority; and
- (3) have served as a director of one or more districts **or as a member of the governing body of a municipality within the authority** for a total of at least four years.

Sec. 88 .053. DISQUALIFICATION OF DIRECTORS. The common law doctrine of incompatibility does not disqualify an official or employee of a public entity from serving as a director of the authority. A director who is also an officer or employee of a public entity may not participate in the discussion of or vote on a matter regarding a contract with that public entity.

Sec. 88 .054. CONFLICTS OF INTEREST. Chapter 171, Local Government Code, governs conflicts of interest of board members.

Sec. 88 .055. SINGLE-MEMBER DIRECTOR PRECINCTS. (a) The authority is divided into five single-member director precincts, as described by Section 3 of the Act creating this chapter.

(b) The board may redraw the single-member director precincts in a manner that is reasonable and equitable:

(1) after any change in the boundaries of the authority;

or

(2) by a resolution redrawing the director precincts adopted by a two-thirds majority of the board based on changed circumstances.

Sec. 88 .056. METHOD OF APPOINTMENT OF DIRECTORS. (a) Subject to the appointment of directors described in Section 88 .057, the governing bodies of the districts and municipalities located within each director precinct jointly shall appoint one director to represent the precinct by a vote conducted as provided by this section.

(b) If a district or municipality is located within two or more director precincts, the district or municipality is considered, for

purposes of this section, to be located only within the director precinct in which the greatest amount of territory of the district or municipality is located.

(c) For the appointment of a director for a director precinct, the board shall determine the number of votes each district or municipality may cast. The number of votes for a governing body of a district or municipality within the precinct is equal to the number computed by dividing the total number of units of water, as determined by the board, used within the precinct by the district or municipality during the calendar year preceding the year in which the director is selected by the total number of units of water used within the precinct by all districts and municipalities in the precinct, multiplying that quotient by 100, and rounding that result to the nearest one-tenth. The board shall provide the presiding officer of each governing body of a district or municipality within each director precinct written notice of the number of votes computed for that governing body to cast.

(d) For purposes of Subsection (c), the board shall determine the amount of water usage of all districts and municipalities within each director precinct.

(e) In the appropriate even-numbered year, the governing body of each district or municipality in a director precinct by resolution may nominate one candidate for the position of director for that director precinct. Each district or municipality shall submit the name of its candidate, if any, to the presiding officer of the authority by February 15 of that year. If by February 15 of that year

only one candidate's name is submitted for the position of director for a director precinct, the board may declare the unopposed candidate elected and may cancel the director appointment procedures generally required by this section for that position. If more than one candidate's name is submitted for the position of director for a director precinct, before March 15 of that year the board shall prepare, for the director precinct or precincts from which a director is being appointed, a ballot listing all of the candidates for that director precinct and shall provide a copy of the appropriate ballot to the presiding officer of the governing body of each district or municipality located within the director precinct from which a director is being appointed.

(f) An individual may not be listed as a candidate on the ballot for more than one director position. If a candidate is nominated for more than one director position, the candidate must choose to be on the ballot for only one director position.

(g) The governing body of each district or municipality shall determine its votes for director by resolution and submit them to the presiding officer of the authority before May 1 of the appropriate even-numbered year. In casting its votes for director, the governing body of each district or municipality may vote for only one candidate on the ballot for the director precinct in which the district or municipality is located. For each director precinct from which a director is being appointed, the board shall count the votes, declare elected the candidate who received the greatest number of votes from districts and municipalities located within that director precinct,

and submit the results before May 15 of that year to the governing body of each district or municipality within that director precinct.

(h) The board may adopt rules regarding:

(1) the manner and timing of determinations and calculations required by this section;

(2) the reporting of water usage to the authority by districts and municipalities; and

(3) the conduct and process of the appointment of directors.

Sec. 8 .057. APPOINTMENT OF DIRECTORS IN SPARSELY POPULATED PRECINCTS. (a) For any precinct with a population fewer than 25,000, the judge and county commissioners of the county shall appoint the director for such precinct. When the population within a precinct reaches 25,000, as determined by federal census data or as otherwise determined by the county, that precinct shall be eligible to nominate and elect a director in accordance with Section 88 .056, who shall serve upon the expiration of the then-current director's term.

(b) A director appointed by the county under this section must be a resident of the county, and Section 88 .052(a)(2) and (a)(3) shall not apply.

Sec. 88 .058. VACANCY IN OFFICE OF DIRECTOR. (a) A vacancy in the office of director shall be filled by appointment by the governing bodies of the districts and municipalities that are located within the director precinct for which the vacancy occurred. The appointment process shall follow the procedures of Section 88 .056. The board may establish dates different from those

specified by Sections 88 .056(e) and (g), but the date for the board's submission of the voting results to each district and municipality may not be later than the 120th day after the date the vacancy occurs.

(b) A vacancy in the office of director appointed by the county under Section 88 .057 shall be filled by appointment of the judge and commissioners court of the county.

Sec. 88 .059. MEETINGS AND ACTIONS OF BOARD. (a) The board may meet as many times each year as the board considers appropriate.

(b) Directors of the authority are public officials and are entitled to governmental immunity for their actions in their capacity as directors and officers of the authority.

Sec. 88 .060. GENERAL MANAGER. (a) The board may employ a general manager of the authority or contract with a person to perform the duties of a general manager. The board may delegate to the general manager full authority to manage and operate the affairs of the authority subject only to orders of the board.

(b) The board may delegate to the general manager the authority to employ all persons necessary for the proper handling of the business and operation of the authority and to determine the compensation to be paid to all employees, other than the general manager.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 88 .101. GENERAL POWERS AND DUTIES. (a) The authority may:

(1) provide for the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and for the reduction of groundwater withdrawals as necessary to develop, implement, or enforce a groundwater reduction plan, in a manner consistent with the purposes of Section 59, Article XVI, Texas Constitution, and facilitate compliance with Fort Bend Subsidence District rules, orders, regulations, or requirements;

(2) acquire or develop surface water and groundwater supplies from sources inside or outside the boundaries of the authority, conserve, store, transport, treat, purify, distribute, sell, and deliver water to or among persons inside and outside the boundaries of the authority, and allocate water among persons participating in the authority's groundwater reduction plan whether they are located inside or outside the authority's boundaries;

(3) enter into contracts with persons inside or outside the authority on terms and conditions the board considers desirable, fair, and advantageous for the performance of its rights, powers, and authority under this chapter;

(4) coordinate water services provided inside, outside, or into the authority;

(5) provide wholesale and retail water services to any users or customers within the authority's boundaries without being required to execute contracts with those users or customers;

(6) adopt policies establishing whether, when, and the manner in which the authority uses requests for proposals in obtaining services, including professional services;

(7) determine whether to adopt administrative policies in addition to those required by Section 49.199, Water Code; and

(8) administer and enforce this chapter.

(b) Sections 49.451-49.455, Water Code, do not apply to the authority.

(c) Notwithstanding Subsection (a)(5), the authority may not provide retail water service to a retail user within the authority's boundaries that is located within the boundaries of a district or municipality on the date the authority awards a contract for the construction or executes a contract for the acquisition of water facilities to serve that retail user, unless:

(1) the district or municipality consents in writing to the authority's provision of retail water service; or

(2) the retail user owns or operates a well.

(d) If a retail user that does not own or operate a well is added to the boundaries of a district or municipality after the date the authority awards a contract for the construction or executes a contract for the acquisition of water facilities to serve that retail user, the authority may provide retail service to that retail user without the written consent of the district or municipality.

Sec. 88 .102. AUTHORITY RULES. The authority may adopt and enforce rules reasonably required to implement this chapter, including rules governing procedures before the board and rules regarding implementation, enforcement, and any other matters related to the authority's water supply or groundwater reduction plan.

Sec. 88 .103. FEES, USER FEES, RATES, AND CHARGES. (a) The authority may establish fees, user fees, rates, and charges and classifications of payers of fees and rates as necessary to enable the authority to fulfill the authority's purposes and regulatory functions provided by this chapter. The authority may impose fees, user fees, rates, and charges on any person within the authority.

(b) The authority may charge the owner of a well located within the authority's boundaries a fee or user fee according to the amount of water pumped from the well. If ownership of a well changes, both the prior and subsequent well owners are liable to the authority, jointly and severally, for all fees and user fees imposed by the authority under this subsection, and any related penalties and interest, for water pumped from that well before the change in well ownership.

(c) The board shall make reasonable efforts to send districts and municipalities written notice of the date, time, and location of the meeting at which the board intends to adopt a proposed charge under Subsection (b) and the amount of the proposed charge. The board's failure to comply with this subsection does not invalidate a charge adopted by the board under Subsection (b).

(d) For wells located in Fort Bend County, the board shall exempt from the charge under Subsection (b) classes of wells that are not subject to any groundwater reduction requirement imposed by the Fort Bend Subsidence District. If any of those classes of wells become subject to a groundwater reduction requirement imposed by the Fort Bend Subsidence District, the ~~applicable subsidence district~~, the

authority may impose the charge under Subsection (b) on those classes. For purposes of this subsection, a well is subject to a groundwater reduction requirement if the Fort Bend Subsidence District has adopted or adopts a requirement or regulation that the well reduce groundwater withdrawals or that the well join with other wells to collectively reduce groundwater withdrawals, including a groundwater reduction that is not required until a future date. Notwithstanding any provision of this Subsection (d), the Authority may impose the charge under Subsection (b) on any well or classes of wells that cease to be subject to a groundwater reduction requirement on or after June 30, 2013. The board by rule may exempt any other classes of wells from the charge under Subsection (b). The board may not apply the charge under Subsection (b) to a well:

(1) with a casing diameter of less than five inches that serves only a single-family dwelling; or

(2) regulated under Chapter 27, Water Code.

(e) For purposes of Subsection (d), a well is subject to a groundwater reduction requirement if the Fort Bend applicable Subsidence District has adopted or adopts a requirement or rule that groundwater withdrawals from the well, or from the well and other wells collectively, be reduced, including a groundwater reduction that is not required until a future date.

(f) The authority may establish fees, user fees, rates, and charges that are sufficient to:

(1) achieve water conservation;

(2) prevent waste of water;

(3) serve as a disincentive to pumping groundwater;

(4) develop, implement, or enforce a groundwater reduction plan;

(5) accomplish the purposes of this chapter, including making available alternative water supplies;

(6) enable the authority to meet operation and maintenance expenses;

(7) pay the principal of and interest on notes, bonds, and other obligations issued in connection with the exercise of the authority's general powers and duties; and

(8) satisfy all rate covenants relating to the issuance of notes, bonds, and other obligations.

(g) The authority may charge rates established by the authority for water purchased from the authority.

(h) The authority may impose fees, user fees, or charges for the importation of water into the authority's boundaries from a source located outside the authority's boundaries.

(i) The authority may impose a reasonable fee or surcharge for an export fee for groundwater transferred out of the authority, in an amount not to exceed 150 percent of the surface water fee charged by the North Fort Bend Water Authority.

Sec. 88 .104. PURCHASE OF WATER FROM ANOTHER ENTITY. (a) If the authority purchases water from another entity for resale to local governments, the authority shall use its best efforts in negotiating with the entity to determine the amount of capital costs included in

any rates or charges paid by the authority. The authority shall determine the amount of expected capital costs of its own system.

(b) The authority shall provide each district or municipality within its boundaries information regarding the share of the capital costs to be paid by the district or municipality, as determined by the authority, and shall provide each district or municipality the opportunity, in a manner and by a procedure determined by the authority, to fund its share of the capital costs with proceeds from the sale of bonds or fees and charges collected by the districts or municipalities. A district or municipality may use any lawful source of revenue, including bond funds, to pay any sums due to the authority.

(c) The authority may adopt a procedure by which a district or municipality may receive a credit from the authority. The board may adopt any other procedure necessary to accomplish the goals of this section.

(d) In complying with this section, the authority may use any reasonable basis to calculate from time to time the share of the capital costs of a district or municipality. The authority may calculate the shares of the capital costs based on the amount of water used within the authority by the district or municipality during the calendar year preceding the year in which the calculation is made.

(e) This section or any failure to comply with this section does not limit or impede the authority's ability to issue bonds or notes or invalidate any fees, user fees, charges, rates, or special assessments imposed by the authority.

Sec. 88 .105. ASSESSMENTS. (a) The board may undertake improvement projects and services that confer a special benefit on all or a definable part of the authority. The board may impose special assessments on property in that area, including property of a local government, based on the benefit conferred by the improvement project or services, to pay all or part of the cost of the project and services. The board may provide improvements and services to an area outside the boundaries of the authority if the board determines that there is a benefit to the authority. The authority may finance with special assessments any improvement project or service authorized by this chapter or any other applicable law.

(b) Services or improvement projects may be financed with special assessments under this chapter only after the board holds a public hearing on the advisability of the improvements and services and the proposed assessments.

(c) The board shall publish notice of the hearing in a newspaper or newspapers with general circulation in Fort Bend County. The publication must be made not later than the 30th day before the date of the hearing.

(d) Notice provided under this section must include:

- (1) the time and place of the hearing;
- (2) the general nature of the proposed improvement project or services;
- (3) the estimated cost of the improvement, including interest during construction and associated financing costs; and
- (4) the proposed method of assessment.

(e) Written notice containing the information required by Subsection (d) shall be mailed by certified mail, return receipt requested, not later than the 30th day before the date of the hearing. The notice shall be mailed to each person within the authority who holds a permit for a well issued by the Fort Bend Subsidence District, as applicable, and whose well is subject to a groundwater reduction requirement imposed by that district. The Fort Bend Subsidence District shall provide to the authority a list of persons who hold such a permit.

(f) The board may establish rules regarding procedures for a hearing. A hearing on the services or improvement project, whether conducted by the board or a hearings examiner, may be adjourned from time to time. At the conclusion of a hearing conducted by the board, the board shall make written findings and conclusions relating to the advisability of the improvement project or services, the nature of the improvement project or services, the estimated cost, and the area benefited. If the board appoints a hearings examiner to conduct the hearing, after conclusion of the hearing, the hearings examiner shall file with the board a written report of the examiner's findings and conclusions.

(g) At a hearing on proposed assessments, on adjournment of the hearing, or after consideration of the hearings examiner's report, the board shall hear and rule on all objections to each proposed assessment. The board may amend proposed assessments for any property. After the board hears and takes action on those objections, the board, by order:

(1) shall impose the assessments as special assessments on the property;

(2) shall specify the method of payment of the assessments; and

(3) may provide that those assessments, including interest, be paid in periodic installments.

(h) Periodic installments must be in amounts sufficient to meet annual costs for services and improvements as provided by Subsection (j) and continue for the number of years required to retire the indebtedness or pay for the services to be rendered. The board may provide interest charges or penalties for failure to make timely payment and may impose an amount to cover delinquencies and expenses of collection.

(i) If assessments are imposed for more than one service or improvement project, the board may provide that assessments collected for one service or improvement project may be borrowed to be used for another service or improvement project. The board shall establish a procedure for the distribution or use of any assessments in excess of those necessary to finance the services or improvement project for which those assessments were collected.

(j) The board shall apportion the cost of an improvement project or services to be assessed against the property in the authority according to the special benefits that accrue to the property because of the improvement project or services. The board may assess the cost only according to the number of gallons of groundwater pumped from wells within the authority that are subject to

a groundwater reduction requirement imposed by the Fort Bend Subsidence District. The board may not assess the cost according to groundwater pumped from:

(1) a well with a casing diameter of less than five inches that serves only a single-family dwelling; or

(2) a well that is regulated by Chapter 27, Water Code.

(k) The area of the authority to be assessed according to the findings of the board may be the entire authority or any part of the authority and may be less than the area proposed in the notice of the hearing.

(l) The area to be assessed may not include property that is not within the authority boundaries at the time of the hearing unless there is an additional hearing, following the required notice.

(m) Notwithstanding Subsection (l), the owner of land annexed to the authority after the authority has imposed assessments may waive the right to notice and an assessment hearing and may agree to the imposition and payment of assessments at an agreed rate for land annexed to the authority. A district or municipality may waive the right to notice and an assessment hearing for land within its boundaries annexed to the authority and may agree to the imposition and payment of assessments at an agreed rate for the annexed land.

(n) The board shall have prepared an assessment roll showing the assessments against each property and the board's basis for the assessment. The assessment roll shall be:

(1) filed with the secretary of the board or other officer who performs the function of secretary; and

(2) open for public inspection.

(o) After notice and hearing in the manner required for an original assessment, the board may make supplemental assessments to correct omissions or mistakes in the assessment:

(1) relating to the total cost of the improvement project or services; or

(2) covering delinquencies or costs of collection.

Sec. 88 .106. INTEREST AND PENALTIES. The board may require the payment of interest on any late or unpaid fees, user fees, rates, charges, and special assessments due the authority, but the interest rate may not exceed the interest rate permitted by Section 2251.025, Government Code. The board may also impose penalties for the failure to make a complete or timely payment to the authority. In addition, the board may exclude a person, or any territory or well owned or controlled by a person, from the authority's groundwater reduction plan for failure to make a complete or timely payment to the authority.

Sec. 88 .107. ATTORNEY'S FEES AND COLLECTION EXPENSES. (a) The authority is entitled to reasonable attorney's fees incurred by the authority in enforcing its rules.

(b) The authority is entitled to collection expenses and reasonable attorney's fees incurred by the authority in collecting any delinquent fees, user fees, rates, and charges and any related penalties and interest.

Sec. 88 .108. LIEN. (a) Fees and user fees imposed by the authority under Section 88 .103(b), any related penalties and

interest, and collection expenses and reasonable attorney's fees incurred by the authority:

(1) are a first and prior lien against the well to which the fees or user fees apply;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owner of the well.

(b) A lien under this section is effective from the date of the resolution or order of the board imposing the fee or user fee until the fee or user fee is paid.

(c) The board may enforce the lien in the same manner that a municipal utility district operating under Chapter 54, Water Code, may enforce an ad valorem tax lien against real property.

Sec. 88 .109. ADMINISTRATIVE PENALTY; INJUNCTION. (a) A person who violates a rule or order of the authority is subject to an administrative penalty of not more than \$5,000, as determined by the board, for each violation or each day of a continuing violation. The person shall pay the penalty to the authority.

(b) The authority may bring an action to recover the penalty in a district court in the county where the violation occurred.

(c) The authority may bring an action for injunctive relief in a district court in the county where a violation of an authority rule or order occurs or is threatened to occur. The court may grant to the authority, without bond or other undertaking, a prohibitory or

mandatory injunction that the facts warrant, including a temporary restraining order, temporary injunction, or permanent injunction.

(d) The authority may bring an action for an administrative penalty and injunctive relief in the same proceeding.

Sec. 88 .110. WATER SUPPLY OR DROUGHT CONTINGENCY PLANS. The authority by rule may develop, prepare, revise, adopt, implement, enforce, and manage comprehensive water supply or drought contingency plans for the authority, or any portion of the authority.

Sec. 88 .111. GROUNDWATER REDUCTION PLAN. (a) The authority may wholly or partly develop, prepare, revise, adopt, implement, enforce, manage, or participate in a groundwater reduction plan that is applicable only to the authority and one or more persons outside the authority. The authority may require that any groundwater reduction plan that the authority wholly or partly develops, prepares, revises, adopts, implements, enforces, or manages or in which the authority participates be the exclusive groundwater reduction plan that is binding and mandatory on some or all of the territory, persons, or wells located within the authority. A groundwater reduction plan may:

(1) specify the measures to be taken to reduce groundwater withdrawals;

(2) identify alternative sources of water, including water from the authority, to be provided to those affected;

(3) identify the rates, terms, and conditions under which alternative sources of water will be provided, which may be changed from time to time as considered necessary by the authority;

(4) specify the dates and extent to which persons or districts within the authority's boundaries shall reduce or cease reliance on groundwater and accept water from alternative sources, including water from the authority;

(5) include other terms and measures that are consistent with the powers and duties of the authority;

(6) exceed the minimum requirements imposed by the Fort Bend Subsidence District, including any applicable groundwater reduction requirements; and

(7) be amended from time to time at the discretion of the authority.

(b) Fees, user fees, rates, charges, and special assessments of the authority may be imposed under this chapter for a person's participation in and benefit derived from the authority's works, projects, improvements, and services to be provided by the authority under powers conferred by Section 59, Article XVI, Texas Constitution, and this chapter. ~~groundwater reduction plan or a groundwater reduction plan in which the authority participates.~~

Sec. 88 .112. ACQUISITION, CONSTRUCTION, AND OPERATION OF SYSTEMS. (a) The authority may:

(1) acquire by purchase, gift, lease, contract, or any other legal means a water treatment or supply system, or any other works, plants, improvements, or facilities necessary or convenient to accomplish the purposes of the authority, or any interest of the authority, inside or outside the authority's boundaries;

(2) design, finance, operate, maintain, or construct a water treatment or supply system or any other works, plants, improvements, or facilities necessary or convenient to accomplish the purposes of the authority and provide water services inside or outside the authority's boundaries;

(3) lease or sell a water treatment or supply system or any other works, plants, improvements, or facilities necessary or convenient to accomplish the purposes of the authority that the authority constructs or acquires inside or outside the authority's boundaries;

(4) contract with any person to operate or maintain a water treatment or supply system the person owns; or

(5) acquire water rights under any law or permit.

(b) The authority may contract, according to terms and conditions the board considers desirable, fair, and advantageous, with a person outside the authority's boundaries:

(1) to allow the person, or the person's well, to be included in a groundwater reduction plan adopted or implemented wholly or partly by the authority or in a groundwater reduction plan in which the authority participates;

(2) to sell water to the person; or

(3) to sell the person available excess capacity or additional capacity of the authority's water treatment or supply system.

(c) The authority by rule may require that the plans and specifications of water lines to be constructed within the authority

that are designed or intended to serve more than one district or more than one person owning or holding a well permit issued by the Fort Bend Subsidence District be approved by the authority before the commencement of construction of the water lines.

Sec. 88 .113. SALE OR REUSE OF WATER OR BY-PRODUCT. The authority may store, sell, or reuse:

(1) water; or

(2) any by-product from the authority's operations.

Sec. 88 .114. CONTRACTS. (a) The authority may enter into a contract with a person for the performance of a purpose or function of the authority, including a contract to design, construct, finance, lease, own, manage, operate, or maintain works, improvements, facilities, plants, equipment, or appliances necessary to accomplish a purpose or function of the authority. A contract may be of unlimited duration.

(b) The authority may purchase, acquire, finance, or lease an interest in a project used for a purpose or function of the authority.

(c) The authority may contract for:

(1) the purchase, sale, or lease of water or water rights;

(2) the performance of activities within the powers of the authority through the purchase, construction, or installation of works, improvements, facilities, plants, equipment, or appliances; or

(3) the design, construction, ownership, management, maintenance, or operation of any works, improvements, facilities, plants, equipment, or appliances of the authority or another person.

(d) The authority may purchase surplus property from this state, the United States, or another public entity through a negotiated contract without bids.

Sec. 88 .115. COOPERATION WITH AND ASSISTANCE OF OTHER GOVERNMENTAL ENTITIES. (a) In implementing this chapter, the board may cooperate with and request the assistance of the Texas Water Development Board, the commission, the United States Geological Survey, the Fort Bend Subsidence District, other local governments, and other agencies of the United States and this state.

(b) The Fort Bend Subsidence District may enter into an interlocal contract with the authority to carry out the authority's purposes and may carry out the governmental functions and services specified in the interlocal contract.

(c) In an attempt to minimize costs associated with preparing a groundwater reduction plan, the board may consider the usefulness of water supply studies and plans prepared by or on behalf of the North Fort Bend Water Authority, the Central Harris County Regional Water Authority, the North Harris County Regional Water Authority, the West Harris County Regional Water Authority, the City of Houston, the City of Sugar Land, the City of Missouri City, Fort Bend County Water Control and Improvement District No. 2, the City of Richmond, the City of Rosenberg, or other governmental entities to the extent those studies or plans are available and applicable to the authority.

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Sec. 88 .116. GIFTS AND GRANTS. The authority may accept a gift or grant from money collected by the Fort Bend Subsidence

District to fund the construction, maintenance, or operation of a water treatment or supply system.

Sec. 88 .117. EXPENDITURES. (a) The authority's money may be disbursed only by check, draft, order, federal reserve wire system, or other instrument or authorization.

(b) Disbursements of the authority must be signed by at least a majority of the directors. The board by resolution may allow the general manager, treasurer, bookkeeper, or other employee of the authority to sign disbursements, except as limited by Subsection (c).

(c) The board by resolution may allow disbursements to be transferred by federal reserve wire system to accounts in the name of the authority without the necessity of any directors signing the disbursement. Disbursements of the authority's money by federal reserve wire system to any accounts not in the name of the authority must be signed by at least a majority of the directors.

Sec. 88 .118. AD VALOREM TAXATION. The authority may not impose an ad valorem tax.

Sec. 88 .119. EMINENT DOMAIN. (a) The authority may acquire by condemnation any land, easements, or other property inside the authority's boundaries to further authorized purposes, powers, or duties of the authority. The authority may acquire by condemnation any land, easements, or other property outside the authority's boundaries for the purposes of pumping, storing, treating, or transporting water. When exercising the power of eminent domain granted by this section, the authority may elect to condemn either the fee simple title or a lesser property interest.

(b) The authority shall exercise the right of eminent domain in the manner provided by Chapter 21, Property Code. The authority is not required to give bond for appeal or bond for costs in a condemnation suit or other suit to which it is a party. The authority is not required to deposit more than the amount of an award in a suit.

(c) The authority may not use the power of eminent domain for the condemnation of land for the purpose of acquiring rights to groundwater or for the purpose of acquiring water or water rights.

Sec. 88 .120. ACTION AGAINST PERSON, DISTRICT, OR POLITICAL SUBDIVISION. (a) The authority may bring an action in a district court against a person, including a district or other political subdivision located in the authority's territory or included in the authority's groundwater reduction plan, to:

(1) recover any fees, rates, charges, assessments, collection expenses, attorney's fees, interest, penalties, or administrative penalties due the authority; or

(2) enforce the authority's rules or orders.

(b) Governmental immunity from suit or liability of a district or other political subdivision is waived for the purposes of an action under this section.

SUBCHAPTER D. BONDS AND NOTES

Sec. 88 .151. REVENUE BONDS AND NOTES. (a) The authority may issue bonds or notes payable solely from revenue from any source, including:

(1) tolls, charges, rates, fees, user fees, and special assessments the authority imposes or collects;

(2) the sale of water, water services, water rights or capacity, water transmission rights or services, water pumping, or any other service or product of the authority provided inside or outside the boundaries of the authority;

(3) grants or gifts;

(4) the ownership or operation of all or a designated part of the authority's works, improvements, facilities, plants, or equipment; and

(5) contracts between the authority and any person.

(b) Notes issued by the authority may be first or subordinate lien notes at the board's discretion.

(c) In connection with any bonds or notes of the authority, the authority may exercise any power of an issuer under Chapter 1371, Government Code.

(d) The authority may conduct a public, private, or negotiated sale of the bonds or notes.

(e) The authority may enter into one or more indentures of trust to further secure its bonds or notes.

(f) The authority may issue bonds or notes in more than one series as necessary to carry out the purposes of this chapter. In issuing bonds or notes secured by revenue of the authority, the authority may reserve the right to issue additional bonds or notes secured by the authority's revenue that are on a parity with or are senior or subordinate to the bonds or notes issued earlier.

(g) A resolution of the board authorizing the bonds or notes or a trust indenture securing the bonds or notes may specify additional

provisions that constitute a contract between the authority and its bondholders or noteholders.

(h) Bonds and notes may be additionally secured by deed of trust or mortgage on any or all of the authority's facilities.

(i) The authority may issue refunding bonds or notes to refund any of its bonds or notes in any manner provided by law.

(j) Sections 49.153, 49.154, and 49.181, Water Code, do not apply to bonds or notes issued by the authority. Commission rules regarding bonds or notes do not apply to bonds or notes issued by the authority.

SECTION 2. The West Fort Bend Water Authority initially includes all territory contained in the following area, regardless of whether the territory contains noncontiguous parcels of land or whether the territory is located within the boundaries of any other governmental entity or political subdivision of the state:

[INSERT METES AND BOUNDS.]

SECTION 3. The West Fort Bend Water Authority includes **five** single-member director precincts as follows:

[insert Metes & Bounds for each precinct]

SECTION 4. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) The general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with.

(e) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

TALKING POINTS REGARDING PROPOSED
WEST FORT BEND WATER AUTHORITY

January 23, 2013

I. Location

- The proposed West Fort Bend Water Authority (the "Authority") is planned to be created over Fort Bend County, excluding territory included within the corporate or extraterritorial jurisdiction limits of the Cities of Richmond, Rosenberg, Fulshear, Sugar Land, Missouri City, Stafford, Pearland, and Alvin, and the boundaries of North Fort Bend Water Authority.
- The Authority would mostly encompass Regulatory Area B, as designated by the Fort Bend Subsidence District (the "Subsidence District").
- The majority of Regulatory Area B consists of unincorporated Fort Bend County.
- The Authority would include all or part of the following municipalities: Simonton, Weston Lakes, Orchard, Beasley, Kerndleton, Pleak, Thompsons, Arcola, and Needville.

II. Purpose

- The Authority would be instrumental in assisting western and southern Fort Bend County plan for, finance, and obtain long term water supplies.
- Subsidence District is regularly evaluating whether conversion away from groundwater sources will be necessary in Regulatory Area B.
- Surface water projects are extremely expensive (all the cheap water is gone) and are difficult, if not impossible, for small municipalities and unincorporated areas to finance and construct.
- Regional cooperation through the Authority would reduce water project costs through economies of scale and would provide a vehicle for the financing of such projects.
- Surface water projects have an extremely long lead time and planning efforts must begin now in order for water to be available 10, 20, or even 30 years from now.

III. Structure

- Regional water authority created to accomplish the purposes under Section 59, Article XVI, Texas Constitution, including the acquisition and provision of water.
- 5-member Board, appointed by Commissioners Court (when a precinct reaches a population of 25,000, the director would be appointed by local governments within the precinct), serving staggered 4-year terms.
- Municipality, district, or large landowner may exclude itself from the Authority by filing a petition.

- No taxing authority, but may establish fees (including export fees) necessary to fulfill Authority's purpose.
- May issue revenue bonds or notes.
- Enabled to adopt and implement a Groundwater Reduction Plan.