



**NOTICE OF MEETING
OF THE
GOVERNING BODY OF
COPPERAS COVE, TEXAS**

*An agenda information packet is available for public inspection
in the Copperas Cove Public Library, City Hall and
on the City's Web Page, www.ci.copperas-cove.tx.us*

Notice is hereby given that a **Special Council Meeting** of the City of Copperas Cove, Texas, will be held on the **31st day of March 2008 at 7:00 p.m.** in the City Hall Council Chambers at 507 South Main Street, Copperas Cove, Texas 76522, at which time the following subjects will be discussed:

A. CALL TO ORDER

B. INVOCATION AND PLEDGE OF ALLEGIANCE

C. ROLL CALL

D. ANNOUNCEMENTS

E. PUBLIC RECOGNITION

1. Certificates of Recognition for "Our Town Copperas Cove" volunteers—Marty Smith, Betty Price, Kelly Dix, Silvia Rhoads, and Monica Hull.
Council Member Mark Peterson

F. CITIZENS FORUM At this time, citizens will be allowed to speak on any matter other than personnel matters, matters under litigation, or matters on the regular agenda, for a length of time not to exceed five minutes per person. Thirty minutes total has been allotted for this section.

G. CONSENT AGENDA All matters listed under this item are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

H. PUBLIC HEARINGS/ACTION – None.

I. ACTION ITEMS

1. Consideration and action on authorizing the Mayor to issue a drilling permit on the application of Central Basin Oil Investments, Inc. and Halek Energy LLC for Williams #2CB to drill for oil and gas within the corporate limits of the City of Copperas Cove. **James R. Thompson, City Attorney**
2. Presentation of Fiscal Year 2007 Comprehensive Annual Financial Report. **Wanda Bunting, Director of Financial Services**
3. Consideration and action on Resolution No. 2008-08, amending Resolution No. 2008-02, which ordered a general election to be held on May 10, 2008 and, if necessary, a runoff election to be held on June 7, 2008. **Jane Lees, City Secretary**

J. STAFF REPORTS – None.

K. REPORTS OF ADVISORY COMMITTEES AND BOARDS – None.

L. ITEMS FOR FUTURE AGENDAS

M. EXECUTIVE SESSION

1. Pursuant to §551.074 of the Open Meetings Act. *Tex. Gov't Code*, Council will meet in Executive Session to discuss the duties and responsibilities of City Council Member Place 2.

N. RECONVENE INTO OPEN SESSION FOR POSSIBLE ACTION RESULTING FROM ANY ITEMS POSTED AND LEGALLY DISCUSSED IN EXECUTIVE SESSION

O. ADJOURNMENT

The City Council reserves the right to adjourn into Executive Session at any time regarding any issue on this agenda for which it is legally permissible.

City Hall is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to the meeting. Please contact the City Secretary at (254) 547-4221, (254) 547-6063 TTY, or FAX (254) 547-5116 for information or assistance.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Governing Body of the City of Copperas Cove was posted on or before 5:00 p.m., March 27, 2008 on the glass front door of City Hall, a place convenient and readily accessible to the general public at all times.

Jane Lees, City Secretary



**NOTICE OF WORKSHOP
OF THE
GOVERNING BODY OF
COPPERAS COVE, TEXAS**

*An agenda information packet is available for
public inspection in the Copperas Cove Public Library, City Hall and on the
City's Web Page www.ci.copperas-cove.tx.us*

Notice is hereby given that a **Workshop** of the City of Copperas Cove, Texas will be held on the **31st day of March 2008**, at **6:00 p.m.**, in the City Hall Council Chambers at 507 South Main Street, Copperas Cove, Texas 76522 at which time the following subjects will be discussed:

A. CALL TO ORDER

B. ROLL CALL

C. WORKSHOP ITEMS

1. Presentation and discussion on locating a county appraisal district office in Copperas Cove. ***Jerry Hogg, Chief Appraiser, Coryell County Appraisal District***

D. ADJOURNMENT

City Hall is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to the meeting. Please contact the City Secretary at (254) 547-4221, (254) 547-6063 TTY, or FAX (254) 547-5116 for information or assistance.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Governing Body of the City of Copperas Cove was posted on or before 5:00 p.m., March 27, 2008 on the glass front door of City Hall, a place convenient and readily accessible to the general public at all times.

Jane Lees, CMC, City Secretary

Certificate of Appreciation

Presented to

Marty Smith

In grateful recognition of your tireless efforts in organizing, promoting and overseeing of “Our Town Copperas Cove,” March 10-14, 2008.

Through your efforts Copperas Cove was showcased in a very positive light, making this event a huge success.



City of Copperas Cove

Andrea M. Gardner
City Manager

Mark Peterson
Council Member

Certificate of Appreciation

Presented to

Betty Price

In grateful recognition of your tireless efforts in organizing, promoting and overseeing of “Our Town Copperas Cove,” March 10-14, 2008.

Through your efforts Copperas Cove was showcased in a very positive light, making this event a huge success.



City of Copperas Cove

Andrea M. Gardner, City Manager

Mark Peterson, Council Member

Certificate of Appreciation

Presented to

Kelly Dix

In grateful recognition of your tireless efforts in organizing, promoting and overseeing of “Our Town Copperas Cove,” March 10-14, 2008.

Through your efforts Copperas Cove was showcased in a very positive light, making this event a huge success.



City of Copperas Cove

Andrea M. Gardner, City Manager

Mark Peterson, Council Member

Certificate of Appreciation

Presented to

Silvia Rhoads

In grateful recognition of your tireless efforts in organizing, promoting and overseeing of “Our Town Copperas Cove,” March 10-14, 2008.

Through your efforts Copperas Cove was showcased in a very positive light, making this event a huge success.



City of Copperas Cove

Andrea M. Gardner, City Manager

Mark Peterson, Council Member

Certificate of Appreciation

Presented to

Monica Hull

In grateful recognition of your tireless efforts in organizing, promoting and overseeing of “Our Town Copperas Cove,” March 10-14, 2008.

Through your efforts Copperas Cove was showcased in a very positive light, making this event a huge success.



City of Copperas Cove

Andrea M. Gardner, City Manager

Mark Peterson, Council Member

**PERMIT OF CENTRAL BASIN OIL INVESTMENTS, INC. AND
HALEK ENERGY LLC TO DRILL OIL AND/OR GAS WELL**

Based on the application filed on March 6, 2008 for Williams #2CB.

Having filed an application together with all necessary supporting documents in accordance with Chapter 14 of the City Code of Ordinances as amended 6-20-2006, and Sec. 14-14 of the City Code of Ordinances amended 9-20-05 regulating the drilling, completion and operation of oil and gas wells, within the City of Copperas Cove, the applicant, Central Basin Oil Investments, Inc. and Halek Energy LLC, its successors and assigns, is hereby granted this Permit to Drill Oil and/or Gas Wells and to operate and produce said wells and to build, install and maintain the necessary appurtenant facilities in connection therewith subject to the provisions and regulations on the Williams #2CB in Copperas Cove, Coryell County, Texas.

In consideration for the City of Copperas Cove granting said Permit, Central Basin Oil Investment Inc. and Halek Energy LLC, agrees that it will comply with all the terms and provisions of the above referred to regulations, and all other ordinances and regulations of the City of Copperas Cove.

The Permit shall extend to the said Central Basin Oil Investment Inc. and Halek Energy LLC, its successors and assigns, for a period of one (1) year from the date hereof and as long thereafter as Central Basin Oil Investment Inc. and Halek Energy LLC, its successors and assigns, are engaged in drilling, reworking or producing operations with no cessation of more than sixty (60) days: provided, however, that if Central Basin Oil Investment Inc. and Halek Energy LLC fails to commence operations for drilling said well or wells on or before one hundred eighty (180) days from the date hereof, this Permit shall expire and be of no further force and effect.

EXECUTED and DELIVERED this 31st day of March 2008.

City of Copperas Cove, Texas

Robert L. Reeves, Mayor Pro Tem

ATTEST:

Jane Lees, City Secretary

received
3/16/08 (leas)

Central Basin Oil Investments, Inc.

2485 East Southlake Blvd, Suite 100

Southlake, TX 76092

Ph: 817-251-0707 Fax: 817-251-0733

Application for Permit to Drill, Complete, and Operate an Oil and Gas Well

within the City of Copperas Cove, TX

Date: March 5, 2007

Applicant: Central Basin Oil Investments, Inc.

2485 East Southlake Blvd, Suite 100

Southlake, TX 76092

Ph: 817-251-0707 Fax: 817-251-0733

Note: Insurance bond is through our operating company,

Central Basin Oil Investments, Inc.

2485 East Southlake Blvd, Suite 100

Southlake, TX 76092

Ph: 817-251-0707 Fax: 817-251-0733

Drilling Unit Description: The well, API # 42-099-30127 (Williams #2CB), shall be in the Williams lease – 251 acres, partially in the J.H. McClaine Survey A-776 (Coryell County) and the H. Gotcher Survey A-1319 (Coryell county). One 40-acre unit in the southwest corner of the lease, located 1040.8 feet from the west lease line and 150 feet from the south lease line.

Well Type & Depth: Oil and Gas, total depth = 1,998 feet

Casing Program: 600 feet of 8 5/8" surface casing,
1998 feet of 5 1/2 " long string

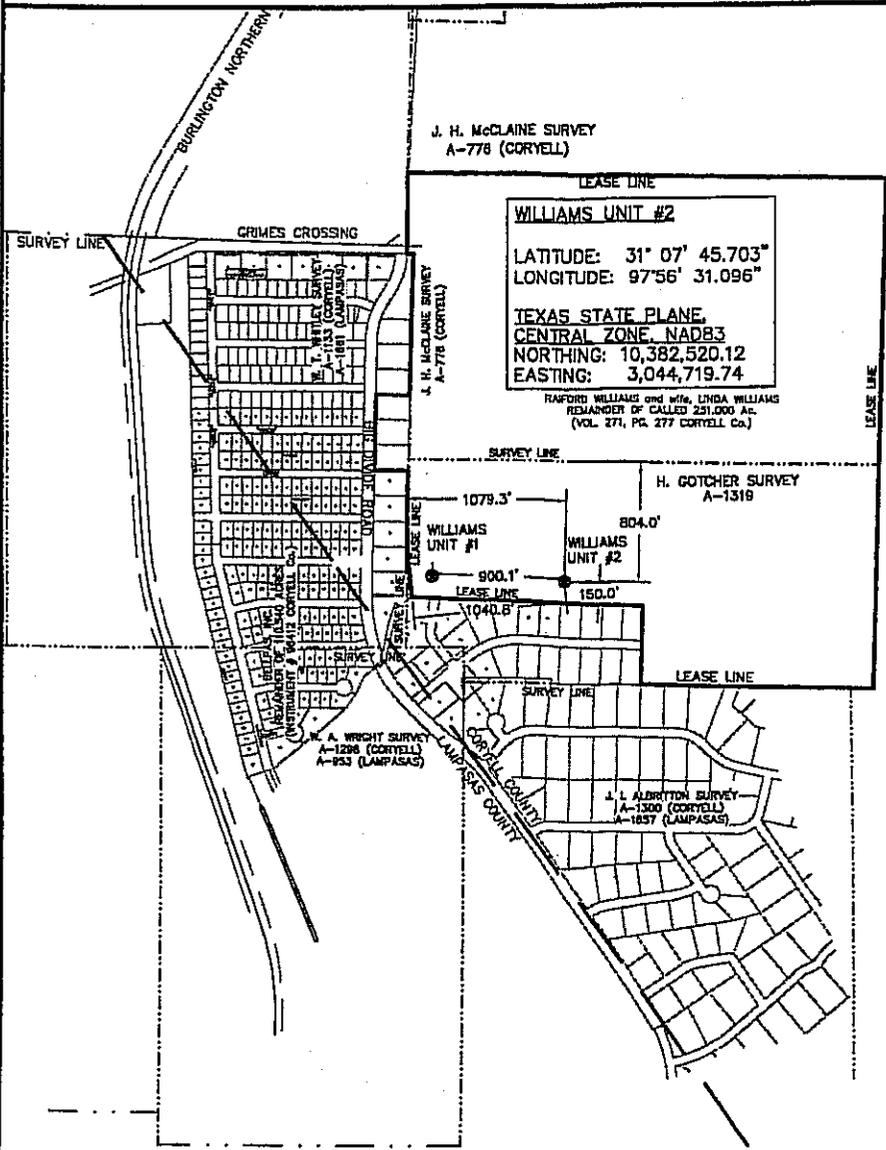
Square Footage of Drilling Unit: The drilling unit is 1,742,400 square feet (40 acres).



MITCHELL & ASSOCIATES, INC. ENGINEERING & SURVEYING

102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541

14-4-c-1



LEASE LINE

WILLIAMS UNIT #2

LATITUDE: 31° 07' 45.703"
LONGITUDE: 97° 56' 31.096"

TEXAS STATE PLANE,
CENTRAL ZONE, NAD83
NORTHING: 10,382,520.12
EASTING: 3,044,719.74

RAIFORD WILLIAMS and wife, LINDA WILLIAMS
REMAINDER OF CALLED 251,000 Ac.
(VOL. 271, PG. 277 CORYELL Co.)

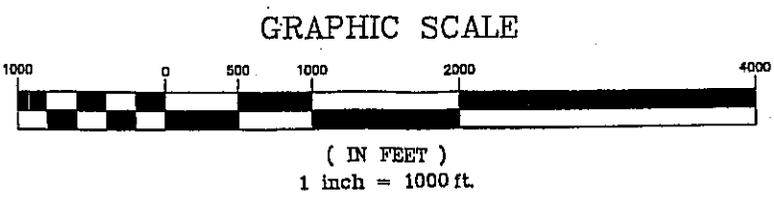
WILLIAMS UNIT #2

Lease Perpendicular: 1040.8 ft. from a West line and 150.0 ft from a South line.

Survey Perpendicular: 1079.3 ft. from the West line of the H. Gotcher Survey, Abstract No. 1319 and 804.0 ft. from the North line of the H. Gotcher Survey, Abstract No. 1319.

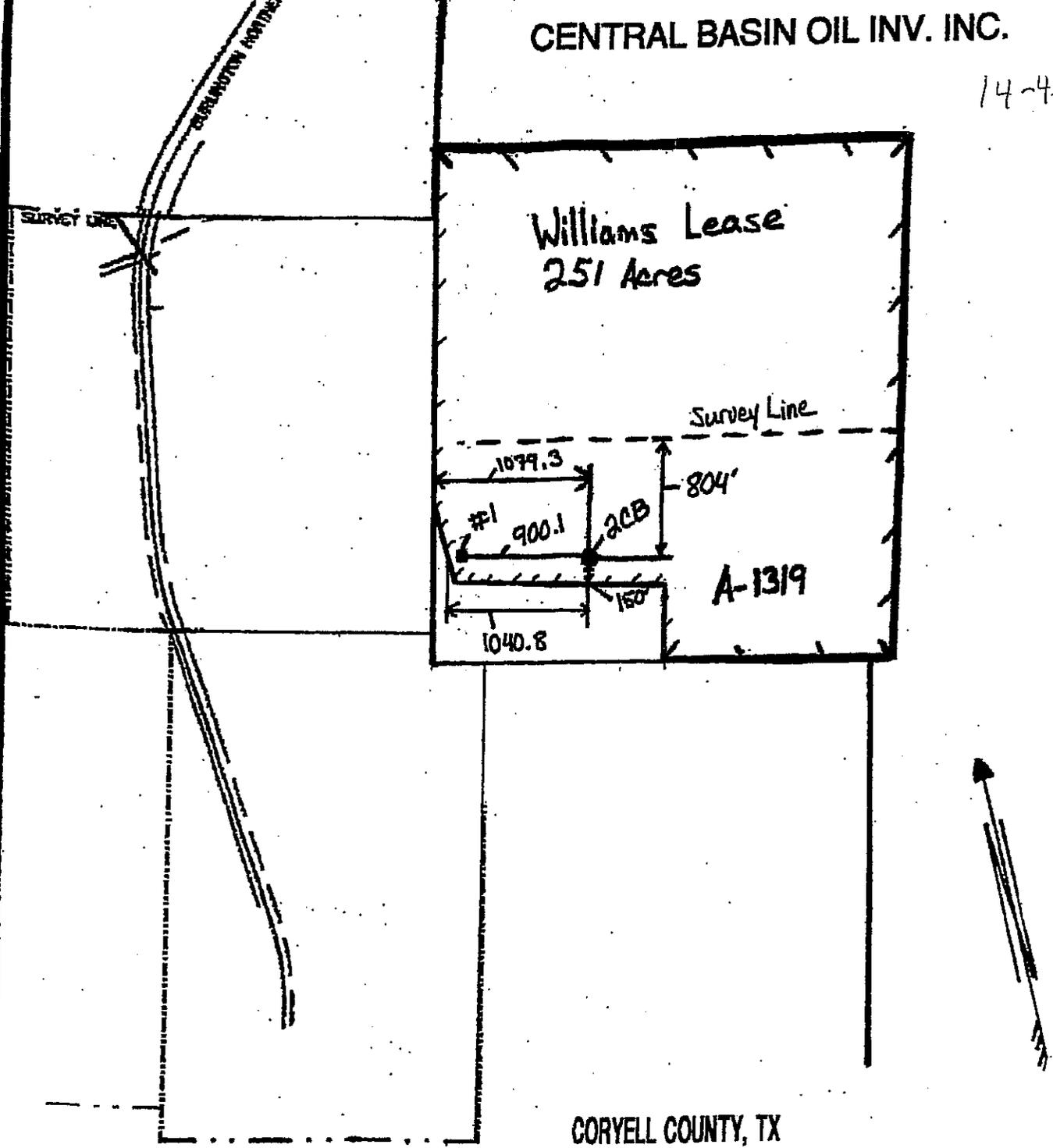
Natural Ground Elevation at Williams Unit 2=1091.0

- NOTES:
1. SURVEY LINES ARE APPROXIMATE LOCATION ONLY.
 2. COUNTY LINES ARE BASED UPON RECORD INFORMATION.
 3. THIS PLAT IS BASED UPON RECORD INFORMATION AND



CENTRAL BASIN OIL INV. INC.

14-40-1



CORYELL COUNTY, TX

WILLIAMS # 2CB

Scale - 1000'

PLEASE DO NOT STAPLE

PLEASE READ ALL INSTRUCTIONS

The information requested is essential in order for this agency to provide an appropriate response. Please allow for receipt of this form in our offices at least two weeks before your operation begins. Due to the volume of these requests, at times it may be difficult for us to handle telephone inquiries. Complete, keep the bottom sheet (goldenrod) for your files, and mail the top 3 sheets of the 4-sheet set of carbon-backed forms with a map to the address below. One sheet bearing our response will be returned to you. Another will be sent to the appropriate district office of the Railroad Commission. If you have questions on how to fill out this form or about the Surface Casing program, please contact us at 512/239-0515.

Surface Casing - MC 151
TCEQ
P.O. Box 13087
Austin, TX 78711-3087

Date 11/5/2007 TCEQ File No.: SC-

58

IFM
512-
891-
1113

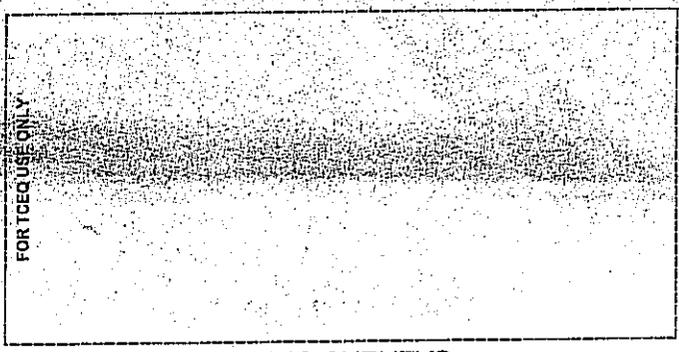
Name of person preparing this request & phone No. (with area code)
Will Anderson 964 7558

RRC P.S. OPERATOR # 3454115

Company (operator's name as on RRC form W-1)
Halek Energy L.L.C.

Mailing Address
5605 N McArthur Blvd 860

City and State Irving TX ZIP Code 75038



ALWAYS INCLUDE A MAP SHOWING YOUR WELL SITE AND ALL SURROUNDING SURVEYS

COUNTY Coryell Survey Name H. Gotcher
Block No. _____ Township _____ Section or Survey No. _____ (or) Lot No. _____

Abstract No. A- 1319 LEASE Name Williams Well No. 1+All

Distances, in feet, and directions measured at right angles from each of two intersecting Section or Survey lines
(NOT LEASE LINES) 488.3 feet from 5 line and 167.1 feet from W line.

Distance (in miles) and direction from a nearby town in this County (name the town)
Within City Limits of Copperton Cave

THE ABOVE INFORMATION MUST BE COMPLETE AND CORRECT

API # _____ RRC Lease No. N/A RRC Dist. No. 70

GPS Coord. (long/lat or X-Y state plane) Long 97° 56' 39.6 W Lat 31° 07' 49.8 N NAD 29

Elevation _____ Total Depth 1998 Geologic Fm. at T.D. Unknown

Purpose of the Request: New Drill Re-entry Plug & Abandon Other (specify) _____

Is this an AMENDED request? Yes No Previous File No. for this well: SC- _____

Log included of same or nearby well (The applicable type of well log that shows the aquifers.) Please provide a location map or API# for attached log.

ALWAYS attach the electric log of any well that is to be reentered.

Additional remarks: _____

To protect usable-quality ground water at this location, the TEXAS COMMISSION ON ENVIRONMENTAL QUALITY recommends:

CO-CORYELL, SUR-GOTCHER H., LSE-WILLIAMS, A-1319, #6, 39/600; LEASE IN A-1319

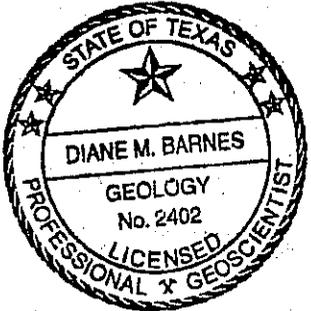
The interval from the land surface to 20 feet below the base of the Cretaceous-age beds must be protected. The base of the Cretaceous is estimated to occur at a depth of 600 feet.

This recommendation is applicable for all wells drilled in this LEASE IN A-1319.

TYPE OR PRINT IN INK

FOLD

DO NOT WRITE HERE FOR TCEQ USE ONLY



Very truly yours,

Diane M Barnes
Diane M. Barnes, P.G.

Date November 6, 2007

Geologist, Surface Casing, TCEQ

typed by TCEQ

NOTE: Unless stated otherwise, this recommendation is intended to apply only to the subject well and not for area-wide use. Approval of the well-completion methods for protection of this ground water falls under the jurisdiction of the Railroad Commission of Texas. This recommendation is intended for normal drilling, production, and plugging operations only. It does not apply to saltwater disposal operations into a nonproductive zone (RRC Form W-14).

14-4-C-4

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER 655977	DATE PERMIT ISSUED OR AMENDED Mar 04, 2008	DISTRICT * 7B		
API NUMBER 42-099-30127	FORM W-1 RECEIVED Feb 25, 2008	COUNTY CORYELL		
TYPE OF OPERATION NEW DRILL	WELLBORE PROFILE(S) Vertical	ACRES 251		
OPERATOR CENTRAL BASIN OIL INV. INC. 5605 N MACARTHUR BLVD STE 860 IRVING, TX 75038		141188 NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: (325) 677-3545		
LEASE NAME WILLIAMS		WELL NUMBER 2CB		
LOCATION 0 miles Within direction from COPPERAS COVE		TOTAL DEPTH 1998		
Section, Block and/or Survey SECTION ◀ BLOCK ◀ ABSTRACT ◀ 1319 SURVEY ◀ GOTCHER, H				
DISTANCE TO SURVEY LINES 1079.3 ft. W 804 ft. N		DISTANCE TO NEAREST LEASE LINE 150 ft.		
DISTANCE TO LEASE LINES 150 ft. S 1040.8 ft. W		DISTANCE TO NEAREST WELL ON LEASE See FIELD(s) Below		
FIELD(s) and LIMITATIONS: * SEE FIELD DISTRICT FOR REPORTING PURPOSES *				
FIELD NAME LEASE NAME	ACRES NEAREST LEASE	DEPTH NEAREST LEASE	WELL # NEAREST WE	DIST
----- WILDCAT WILLIAMS	251.00 150	1,998	2CB 900.1	7B

THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS

This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.



14-4-c-5

14643 Dallas Parkway, Suite 400
Dallas, TX 75254
Phone: (214) 747-1200
Fax: (214) 672-2700

To: Mary Ann Tucker
EnRisk Services
6100 Western Place, Suite 100
Fort Worth, TX 76107

Date: October 29, 2007
From: Tara Love

Agency Fax: 817-654-3552
Retail Producer Fax:

Agency Phone: 817-877-1884
Retail Producer Phone:

INSURANCE BINDER

In accordance with your latest instructions and in reliance upon the statements made in your application/submission, we have effected insurance as follows. As the representative of the insured it is incumbent upon you to review the terms of this binder carefully as the coverage, terms and conditions will often be different than those requested. Swett & Crawford and its affiliated companies disclaim any responsibility for your failure to reconcile the original submission with coverages bound herein.

NAME OF INSURED: Central Basin Oil Investment, Inc.
Mailing Address: 5605 North MacArthur Blvd. Suite 860
Irving, TX 75038

Insurer(s): St. Paul Surplus Lines Insurance Company
Assigned Policy No.: MU05576127

Policy Period: 10/25/2007 to: 10/25/2008
Binder Period: 10/25/2007 to: 12/24/2007

12:01 a.m. Standard Time at the mailing address of the Insured. This binder will be terminated and superseded upon delivery of formal policy(ies), certificate(s), or cover note(s) issued to replace it.

Coverage: Umbrella Excess Liability

Policy Form: OG500 01/04

Limits of Liability: \$ 2,000,000.00

Underlying Coverage And Limits: AS QUOTED

Premium/Taxes/Fees: \$ 11,420.00 Premium - Excluding Terrorism Coverage
7.15 Stamping Fee - TX
578.12 Surplus Lines Tax - TX
500.00 Policy Fee - TX
\$ 12,505.27 Total

Conditions: AS QUOTED

This binder is issued with the authority of the insurer(s) and is issued by the undersigned without any liability whatsoever as an insurer. Please inspect this binder carefully as the coverages bound may deviate from those requested in your original application.

By: Bradford L. Boy
Swett & Crawford
(Authorized Representative)

Binder Cancellation Provision:

This binder is subject to the cancellation provisions as found in the policy(ies) or certificate(s). In addition, this binder may be cancelled in accordance with the policy(ies) provisions by the Insured by surrender thereof to Swett & Crawford or any of its authorized agents or by mailing to Swett & Crawford written notice stating when thereafter the cancellation shall be effective. The insurance effected under this binder can be cancelled by the Insurer or its authorized agent (subject to statutory regulations) by mailing, to the Insured at the address stated on the face of this binder, written notice stating when such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. Delivery of such written notice either by the Insurer or by Swett & Crawford shall be equivalent to mailing. In the event of cancellation by the Insured, the earned premium would be subject to the minimum earned premium if applicable.

14-14



VOID



FOR YOUR PROTECTION SAVE THIS COPY
OFFICIAL CHECK

Customer Copy

355228394

Texas

11/26/2007

Remitter CENTRAL BASIN OIL INVESTMENTS, INC.

Pay To The
Order Of

CITY OF COPPERAS COVE
SURETY BOND

\$ *****30,000.00 ***

Drawn: JPMORGAN CHASE BANK, N.A.

NON NEGOTIABLE

TERMS

KEEP THIS COPY FOR YOUR RECORD OF THE TRANSACTION. TO REPORT A LOSS OR FOR ANY OTHER INFORMATION ABOUT THE INSTRUMENT, CONTACT THE INSTITUTION FROM WHICH YOU RECEIVED THE INSTRUMENT.

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

499155143950 489157 REV2 07/07 8710095152



OFFICIAL CHECK

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

355228394 23-97
1020

Texas

Date 11/26/2007

Remitter CENTRAL BASIN OIL INVESTMENTS, INC.

Pay: THIRTY THOUSAND DOLLARS AND 00-CENTS

COPY

\$ *****30,000.00 ***

Pay To The
Order Of

CITY OF COPPERAS COVE
SURETY BOND

Drawn: JPMORGAN CHASE BANK, N.A.

Stephen P. Hughes
First Vice President

Issued by Integrated Payment Systems Inc., Englewood, Colorado
JPMorgan Chase Bank, N.A., Denver, Colorado



450918 1020009791 250035510000

CENTRAL BASIN OIL INVESTMENTS, INC.

5605 N. MACARTHUR BLVD. SUITE 860
IRVING, TX 75038
(972)550-0000

JPMORGAN CHASE BANK, N.A.
DALLAS, TEXAS 75201
32-61-1110

03/05/2008

PAY TO THE
ORDER OF City of Copperas Cove

\$ *****1,000.00

1000*Dollars*And*00*Cents

DOLLARS

City of Copperas Cove
PO Drawer 1449

Copperas Cove, TX 76522-

MEMO

Williams #2CB / *city permit*

Rachael Rouse ^{MP}

⑈004766⑈ ⑆111000614⑆

725186985⑈

City of Copperas Cove

City Council Agenda Item Report

March 31, 2008

Agenda Item No. I-1

Contact – James R. Thompson, City Attorney 547-7536
jthompson@ci.copperas-cove.tx.us

SUBJECT: Consideration and action on authorizing the Mayor to issue a drilling permit on the application of Central Basin Oil Investments, Inc. and Halek Energy LLC for Williams #2CB to drill for oil and gas within the corporate limits of the City of Copperas Cove.

1. BACKGROUND/HISTORY

Chapter 14 of the Code of Ordinances of the City of Copperas Cove, Oil and Gas Wells, provides that any person seeking a permit to drill for oil and gas within the City shall make application following certain criteria set out in the ordinance. There shall be a public hearing held within 30 days after the date of such permit but not prior to the seventh day following the making of the notices provided for in Sec. 14-5 unless Applicant meets the requirements of Sec. 14-8, subsections a (1), (2), (5), (7), and (8). Central Basin Oil Investments, Inc. and Halek Energy LLC have mineral leases and drilling rights on all lands within the drilling units sought.

2. FINDINGS/CURRENT ACTIVITY

Central Basin Oil Investments, Inc. and Halek Energy LLC have fulfilled all of the requirements of Sec. 14-4, Permit application. There is no need for a permittee to give notice of such application to all lessees, real estate owners or other persons that own land in the drilling unit required by this section because Central Basin Oil Investments, Inc. and Halek Energy LLC have mineral leases and drilling rights on all property in the drilling unit. All owners of dwellings and structures used for human occupancy situated within 300 feet of the proposed well location which have not been abandoned have consented to the drilling of the proposed well.

The requirements of Sec. 14-8 Issuance of Permit, subsections a (1), (2), (5), (7), and (8) have been met. The City Council is authorized to waive notice and hearing requirements set forth in Sec. 14-5 and 14-7. Upon waiver of those notice requirements, the Mayor is authorized and directed by the City Council to issue a drilling permit forthwith.

3. FINANCIAL IMPACT

There are no out-of-pocket expenses for the City. The risk to the City from damages caused by such drilling operations have been minimized by Applicant providing a \$30,000.00 cashier's check for multiple drilling sites, general liability policy that provides insurance for bodily injury or death of one person of not less than \$1,000,000.00, for any one accident not less than \$2,000,000.00 and property damage not less than \$500,000.00, and environmental pollution liability insurance applicable to bodily injury, property damage including loss of use of damaged property or of property that has been physically injured or destroyed; clean-up costs; and defense, including cost and expense incurred in the investigation, defense or settlement of claims; all in connection with any loss arising from the insured site; said coverage to be maintained in an amount of at least \$1,000,000.00 per loss with annual aggregate of at least \$2,000,000.00, for each drilling site.

4. ACTION OPTIONS/RECOMMENDATION

City Staff recommends authorizing the Mayor to issue a drilling permit to Central Basin Oil Investments, Inc. and Halek Energy LLC for Williams #2CB.

City of Copperas Cove

City Council Agenda Item Report

March 31, 2008

Agenda Item I-2

Contact – Wanda Bunting, Director of Financial Services, 547-4221
wbunting@ci.copperas-cove.tx.us

SUBJECT: Presentation of Fiscal Year 2007 Comprehensive Annual Financial Report.

1. BACKGROUND/HISTORY

Article 8, Section 8.01 of the City Charter requires preparation, as of the end of each fiscal year, a complete financial statement and report. The accounting firm of Lott, Vernon & Company, P.C. was selected by the City Council to perform this year's audit in compliance with GASB34. This requirement has been complied with, and the auditors' opinion has been included in the report which is attached as an exhibit.

2. FINDINGS/CURRENT ACTIVITY

The financial statements attached present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Copperas Cove, Texas as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

3. FINANCIAL IMPACT

None.

4. ACTION OPTIONS/RECOMMENDATION

City Staff recommends the acceptance of the Comprehensive Annual Financial Report for fiscal year ending September 30, 2007.

RESOLUTION NO. 2008-08

A RESOLUTION AND ORDER OF THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, AMENDING RESOLUTION NO. 2008-02, WHICH ORDERED A GENERAL ELECTION TO BE HELD ON MAY 10, 2008 AND, IF NECESSARY, A RUNOFF ELECTION TO BE HELD ON JUNE 7, 2008; ESTABLISHING POLLING PLACES; NAMING THE PRESIDING JUDGE AND ALTERNATE; AND ESTABLISHING PROCEDURES FOR SAID ELECTIONS.

WHEREAS, Resolution No. 2008-02 was adopted on February 19, 2008 and ordered a general election of the City of Copperas Cove and listed all the particulars regarding how that election would be administered; and

WHEREAS, Ordinance No. 2008-01 was adopted on February 19, 2008 and ordered a special election for proposed charter amendments to be held in conjunction with the general election; and

WHEREAS, There are twenty-eight (28) proposed charter amendments, which will cause a multi-page ballot by paper; and

WHEREAS, Multi-page ballots are difficult to deal with at the polling place and may create problems for voters and election clerks; and

WHEREAS, There is nothing in the State of Texas Election Code that prevents a municipality from holding an election without paper ballots; and

WHEREAS, The Texas Secretary of State's Office has been consulted and the best solution is to hold the election by electronic voting machine only.

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

That Section 11. of Resolution No. 2008-02 be amended to read as follows:

11. That all ballots shall be prepared in accordance with Texas Election Code. Paper ballots shall be used only for early voting by mail. The eSlate Direct Recording Electronic (DRE) Voting System shall be used for early voting by personal appearance and voting on Election Day. The City Council hereby authorizes the Coryell County Tax Assessor-Collector or the City Secretary, whichever is applicable, to administer the May 10, 2008 General Election and the expenditures necessary for the conduct of the election.

PASSED, APPROVED, AND ADOPTED on this 31st day of March 2008, at a regular meeting of the City Council of the City of Copperas Cove, Texas which meeting was held in compliance with the Open Meetings Act, *Tex. Gov't. Code, §551.001, et.seq.* at which meeting a quorum was present and voting.

Robert L. Reeves, Mayor Pro Tem

ATTEST:

Jane Lees, CMC, City Secretary

APPROVED AS TO FORM:

James R. Thompson, City Attorney

City of Copperas Cove

City Council Agenda Item Report

March 31, 2008

Agenda Item No. I-3

Contact – Jane Lees, CMC, City Secretary- 547-4221
jlees@ci.copperas-cove.tx.us

SUBJECT: Consideration and action on Resolution No. 2008-08, amending Resolution No. 2008-02, which ordered a general election to be held on May 10, 2008 and, if necessary, a runoff election to be held on June 7, 2008.

1. BACKGROUND/HISTORY

Resolution No. 2008-02 was adopted on February 19, 2008, ordering a general election to be held on May 10, 2008. On the same date, Ordinance No. 2008-01 was adopted, ordering a special election to be held in conjunction with the general election, for the purpose of submitting to the qualified voters of the city proposed charter amendments.

2. FINDINGS/CURRENT ACTIVITY

The election services company, Hart Intercivic, has informed the City that with the two council positions and the twenty-eight (28) proposed charter amendments, the City's ballot will run approximately four (4) pages on 11" x 17" paper.

The Secretary of State's Office (SOS) was consulted regarding the use of multi-page ballots. Their recommendation was to hold early and Election Day voting using electronic voting machines only. Paper ballots would still be used for early voting by mail. Early voting by mail ballots would be printed in English and Spanish, however, the Early Voting Board would scan these ballots through the e-Scan machine.

Multi-page ballots tend to confuse voters and election workers may not always see voters when they are placing their ballots through the scanner. A multi-page ballot placed in a scanner would only pick up the votes on the top and bottom page of the ballot, and not any pages that are in between. Thus, if an election worker did not see every ballot that went through the machine, some ballots may only be partially counted. They also advised that cities that have used multi-page ballots in the past, more often than not, have to hold a recount. There is no Election Law that prevents a municipality from holding an election without using

paper ballots and there are several counties now who only use electronic machines.

There is a State Election Law, §272.006, titled "Separate Translation Authorized," that states, "...bilingual printing of the ballot is not required if a Spanish translation of the ballot is posted in each voting station and a statement in Spanish is placed on the ballot informing the voter that the translation is posted in the station." I inquired about this procedure with the Elections Division and I was advised to consult with the Department of Justice (DOJ) on this matter as it was not a widely used option. I called the DOJ in Washington and spoke with Joseph Murray, who is assigned to review our preclearance request for the May 10, 2008 election. Mr. Murray could not give me any direction as to whether or not the City should use this method for paper ballots. The DOJ has 60 days to review any preclearance requests and will hand down a ruling during that time. He did, however, tell me that since this would be a change in procedure, the DOJ would very closely scrutinize this type of request. The DOJ preclearance is required for all elections in the State of Texas. The preclearance process is to inform them of any change in election standards, practices, or procedures which might affect voters under Section 5 of the Federal Voting Rights Act of 1965. The DOJ's mission is to determine that any election changes that are made will not adversely impact or otherwise discriminate against minority voters in elections. As a result of past discriminatory elections practices, Texas is one of nine states that is required under the Act to submit any changes in elections procedures to the DOJ for review.

3. FINANCIAL IMPACT

There will be a cost savings on the printing of paper ballots.

4. ACTION OPTIONS/RECOMMENDATION

City Staff recommends that the City Council adopt Resolution No. 2008-08, amending Resolution No. 2008-02, specifying that paper ballots shall be used only for early voting by mail and the eSlate Direct Recording Electronic (DRE) Voting System will be used for early voting by personal appearance and on Election Day.