

CITY OF HIGHLAND HAVEN

RESOLUTION # 222

A RESOLUTION REVISING THE FORMAL PROCESS NECESSARY TO PURCHASE HIGHLAND UTILITIES PREVIOUSLY APPROVED BY RESOLUTION 215.

Whereas, the City of Highland Haven (City) and Highland Utilities have made application to the Texas Commission on Environmental Quality (TCEQ) for the transfer of the Certificate of Convenience and Necessity from Highland Utilities to the City pursuant to the purchase of Highland Utilities.

Whereas, Notice was given to Highland Utilities customers, local governments and nearby utilities of the intent to sell Highland Utilities assets to the City.

Whereas, protests were received by TCEQ from two Wilderness Cove Highland Utilities customers objecting to the sale of Highland Utilities to the City.

Whereas, a lengthy hearing process is required to resolve the CCN transfer protests.

Whereas, the original intent of the purchase was for the Highland Haven, Shady Acres, Nobles and Camp Champion service areas.

Whereas, Highland Utilities and the City have reached a mutual agreement on removal of the Wilderness Cove assets from the purchase agreement and a mutually agreeable purchase price reduction.

Whereas, the long term management of the water system by the City will be enhanced without the inclusion of the Wilderness Cove customers.

Whereas, the water system purchase subcommittee has evaluated the removal of Wilderness Cove assets from the purchase agreement and recommend a reduced purchase price of \$1,300, 000.00.

BE IT THEREFORE RESOLVED, that the Board of Aldermen of the City of Highland Haven, Texas does hereby approve the city to proceed with the process of purchasing Highland Utilities without Wilderness Cove assets at a reduced purchase price. The final decision and execution of the purchase will be made by vote of the City Aldermen via a City Ordinance. The City is authorized to issue a revised letter of intent to Highland Utilities to purchase it' s assets sans Wilderness Cove at a price of \$1,300,000.00.

PASSED AND APPROVED BY THE BOARD OF ALDERMEN OF THE CITY OF HIGHLAND HAVEN, TEXAS ON THIS THE 17TH DAY OF FEBRUARY 17, 2009.

Attest:

Dana Turner, City Secretary

Peter E. Freehill, Mayor