

FILED FOR RECORD  
IN MY OFFICE

AT 9:45 O'CLOCK A. M.

AUG 01 2002

SUE GRAFTON  
COUNTY CLERK, PANOLA COUNTY, TEXASBY M. L. Bazel DEPUTY**MEETING OF COMMISSIONERS' COURT  
OF PANOLA COUNTY****TO WHOM IT MAY CONCERN:**

PURSUANT TO THE TEXAS OPEN MEETINGS ACT, NOTICE IS HEREBY GIVEN THAT A SPECIAL MEETING OF THE COMMISSIONERS' COURT OF PANOLA COUNTY, TEXAS WILL BE HELD ON THE 5<sup>TH</sup> DAY OF AUGUST, 2002, IN THE COMMISSIONERS' COURTROOM IN THE PANOLA COUNTY COURTHOUSE IN CARTHAGE, TEXAS AT 9:00 O'CLOCK A.M. AT WHICH MEETING THE FOLLOWING SUBJECTS WILL BE DISCUSSED AND THE FOLLOWING MATTERS ACTED UPON:

**OPEN MEETING:**

1. **CITIZEN COMMENTS:** This is for citizens to comment on any subject not on the current agenda concerning county business. Members of the Court may answer direct questions, but any action from this item must be scheduled on a future agenda.
2. **COMMISSIONERS' REPORT:** These are for informational purposes only. Any action that needs to be taken on the basis of these reports will be placed on a future agenda for action.
3. **COUNTY JUDGE'S REPORT:** This is for informational purposes only. Any action that needs to be taken on the basis of this report will be placed on a future agenda for action.
4. **CONSENT ITEMS:**

**PERSONNEL**

- a. To record the employment of Curtis Cabaniss as a Truck Driver with the Panola County Road and Bridge Department effective July 29, 2002 at the rate of \$8.53 per hour.
- b. To record an increase in salary to \$10.29 for John Brady, a Truck Driver with the Panola County Road and Bridge Department, effective July 29, 2002.

- c. To record a promotion for Michael Atwood from Truck Driver with the Panola County Road and Bridge Department to Operator with the Panola County Road and Bridge Department effective July 29, 2002 at the rate of \$10.72 per hour.

**ROAD & BRIDGE**

- a. To alter Panola County Road #420.

**MISCELLANEOUS**

- a. None.

**REQUESTS FOR CONFERENCE ATTENDANCE**

- a. To approve and record a Request for Attendance at a Conference form(s) for the following Panola County elected official(s)/employee(s): None.
5. To receive effective and roll back tax rate schedule from Tax Assessor/Collector Jean Whiteside.
  6. To set Panola County Budget Hearing for Fiscal Year 2003 on August 26, 2002 at 7:00 p.m.; to set the adoption of the Fiscal Year 2003 Budget on August 26, 2002 at 7:05 p.m.; and to authorize publication of same in accordance with the requirements of laws and regulations applicable thereto. (Local Government Code, Section 111.007).
  7. To authorize the County Judge to publish proposed salaries of Panola County Elected Officials as set out in the proposed Budget for Fiscal Year 2003 and to set the adoption of such salaries on August 26, 2002 at 7:10 p.m. in accordance with the requirements of laws and regulations applicable thereto. (Local Government Code, Section 152.013)
  8. To discuss amount of revenue to be raised. If there is an increase of more than three percent above the effective tax rate proposed, take a record vote and schedule a public hearing for August 16, 2002 at 9:00 a.m. and authorize applicable publications. (Tax Code, Section 26.05)
  9. To discuss and act upon approving a pit Lease Agreement between Panola County and TXU Mining Company, L.P.
  10. To discuss and act upon applying for a grant from the Texas State Library and Archives Commission for Sammy Brown Library, and to execute the applicable contract.

11. To discuss and act upon adopting an Order Amending the Previously Adopted Annually Determined Contribution Rate Plan of the Texas County and District Retirement System.
12. To approve and record Texas Association of Counties - County Choice Final Plan Selection Form - Choice 700 medical/health insurance benefits for Panola County elected officials and employees for the period December 1, 2002 to November 30, 2003.

### ADJOURNMENT

WITNESS THE HAND OF THE UNDERSIGNED CLERK ON THIS THE 1<sup>ST</sup> DAY OF AUGUST, 2002 AT 9:45 O'CLOCK A.M.

Sue Grafton  
SUE GRAFTON, COUNTY CLERK  
PANOLA COUNTY, TEXAS  
By: Martha L. Beyer, Deputy

I, SUE GRAFTON, CLERK OF THE COMMISSIONERS' COURT OF PANOLA COUNTY, TEXAS DO HEREBY CERTIFY THAT THE ABOVE NOTICE WAS POSTED ON THE OFFICIAL BULLETIN BOARD IN THE PANOLA COUNTY COURTHOUSE IN THE CITY OF CARTHAGE, TEXAS AND IN A PUBLIC PLACE VISIBLE AT ALL TIMES ON THE 1<sup>ST</sup> DAY OF AUGUST, 2002 AT 9:45 O'CLOCK A.M.

Sue Grafton  
SUE GRAFTON, COUNTY CLERK  
PANOLA COUNTY, TEXAS  
By: Martha L. Beyer, Deputy

AT \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M \_\_\_\_\_

SEP - 9 2002

The State of Texas  
County of PanolaSUE GRAFTON  
COUNTY CLERK, PANOLA COUNTY, TEXAS  
BY *Sue Grafton* DEPUTY

On this the 5th day of August A.D. 2002, the Commissioners' Court of Panola County, Texas met in a Special Meeting of the Court at 9:00 o'clock a.m. in the Commissioners' Courtroom of said County with the following members of the Court present:

John Cordray	County Judge
Ronnie LaGrone	Commissioner, Precinct No. 1
Douglas M. Cotton	Commissioner, Precinct No. 2
Hermon E. Reed, Jr.	Commissioner, Precinct No. 3
Jimmy Davis	Commissioner, Precinct No. 4

with none absent, constituting a quorum of the Court. Also attending were Sue Grafton, County Clerk and Lee Ann Jones, Administrative Assistant to the County Judge. Attached to and made a part of these Minutes is a list of other attendees and the office or organization that each represents. The following proceedings were held at this meeting:

## OPEN MEETING:

## 1. CITIZEN COMMENTS:

Dr. Austin Pennington expressed concern about the removal of the trees which was necessary to clear space for the new courthouse addition.

His sentiments were echoed by Mrs. Geraldine Graves who also commented that the appearance of the grounds had been improved by the installation of the grass.

## 2. COMMISSIONERS' REPORT:

There were no reports from the Commissioners.

## 3. COUNTY JUDGE'S REPORT:

Judge Cordray reminded Lee Ann Jones to place an item on the next agenda for an easement for a water main to serve the new building.

He reminded members of the Court that there will be five meetings held this month due to the budget process.

## 4. CONSENT ITEMS:

## PERSONNEL

- a. To record the employment of Curtis Cabaniss as a Truck Driver with the Panola County Road and Bridge Department effective July 29, 2002 at the rate of \$8.53 per hour.
- ✓ b. To record an increase in salary to \$10.29 for John Brady, a Truck Driver with the Panola County Road and Bridge Department, effective July 29, 2002.
- ✓ c. To record a promotion for Michael Atwood from Truck Driver with the Panola County Road & Bridge Department to Operator with the Panola County Road and Bridge Department effective July 29, 2002 at the rate of \$10.72 per hour.

## ROAD &amp; BRIDGE

- ✓ a. To alter Panola County Road #420.

MISCELLANEOUS

- a. None.

REQUESTS FOR CONFERENCE ATTENDANCE

- a. To approve and record a Request for Attendance at a Conference form(s) for the following Panola County Elected Official(s)/employee(s): None.

Commissioner Cotton moved and Commissioner Davis seconded the motion to approve all the Consent Items. The motion passed unanimously.

A COPY OF EACH AMENDMENT REQUEST AND/OR BOND IS ATTACHED TO AND MADE A PART OF THE MINUTES.

5. The effective and roll back tax rate schedule from Tax Assessor/Collector Jean Whiteside was presented by the County Judge. He announced that the effective rate will be 33.918 cents per \$100.00 of valuation and the total roll back rate will be 36.783 cents per \$100.00 of valuation. The proposed tax rate is 36.77 cents per \$100.00 of valuation. SEE RATE SCHEDULE ATTACHED.

6. Commissioner LaGrone moved and Commissioner Cotton seconded the motion to set Panola County Budget Hearing for Fiscal Year 2003 on August 26, 2002 at 7:00 p.m.; and to set the adoption of the Fiscal Year 2003 Budget on August 26, 2002 at 7:05 p.m.; and to authorize publication of same in accordance with the requirements of laws and regulations applicable thereto. (Local Government Code, Section 111.007). The motion passed unanimously. SEE NOTICE ATTACHED.

7. Commissioner Davis moved and Commissioner Reed seconded the motion to authorize the County Judge to publish proposed salaries of Panola County Elected Officials as set out in the proposed Budget for Fiscal Year 2003 and to set the adoption of such salaries on August 26, 2002 at 7:10 p.m. in accordance with the requirements of laws and regulations applicable thereto. (Local Government Code, Section 152.013). The motion passed unanimously. SEE SALARY SCHEDULE ATTACHED.

8. The amount of revenue to be raised by the proposed tax rate was discussed. Since the amount to be raised is more than three percent (3%) above the effective tax rate, Commissioner LaGrone moved and Commissioner Davis seconded the motion to set a public hearing on the proposed rate for August 16, 2002 at 9:00 o'clock a. m. and authorize applicable publications in accordance with (Tax Code, Section 26.50). The motion passed unanimously. SEE COPY OF NOTICE ATTACHED.

9. Commissioner Cotton moved and Commissioner Davis seconded the motion to approve a Pit Lease Agreement between Panola County and TXU Mining Company, L.P. The motion passed unanimously. SEE COPY OF AGREEMENT ATTACHED.

10. Commissioner LaGrone moved and Commissioner Cotton seconded the motion to apply for a grant from the Texas State Library and Archives Commission for Sammy Brown Library, and to execute the applicable contract as recommended by Ms. Leah Adams, Librarian of the Sammy Brown Library. The motion passed unanimously. SEE COPY OF CONTRACT ATTACHED.

11. Commissioner Cotton moved and Commissioner Reed seconded the motion to adopt an Order Amending the Previously Adopted Annually Determined Contribution Rate Plan of the Texas County and District Retirement System. The motion passed unanimously. SEE COPY OF ORDER ATTACHED.

- ✓ 12. Commissioner LaGrone moved and Commissioner Davis seconded the motion to approve and record Texas Association of Counties-County Choice Final Plan Selection Form-Choice 700 medical/health insurance benefits for Panola County elected officials and employees for the period of December 1, 2002 to November 30, 2003. The motion passed unanimously. SEE COPY OF FORM ATTACHED.

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The meeting was then adjourned.

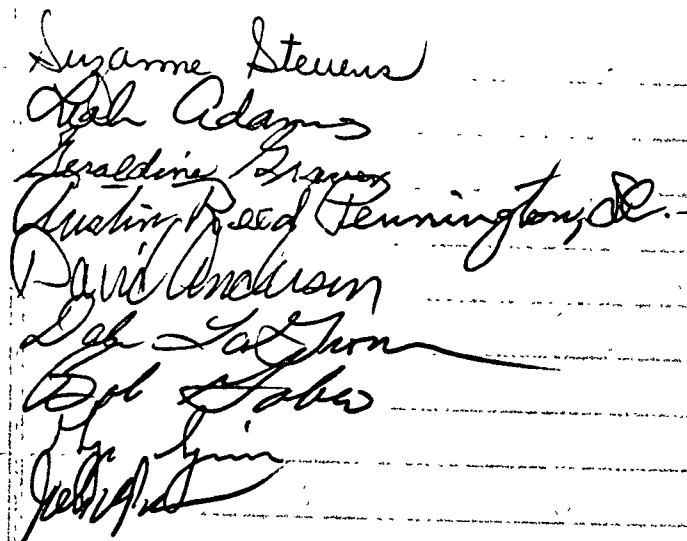
Dated this the 5th day of August, 2002.

  
John Cordray, County Judge, Panola County, Texas

ATTEST:

  
Sue Grafton, County Clerk, Panola County, Texas



  
Suzanne Steuen  
Alab Adams  
Geraldine Brown  
Cushing Reed Pennington, Jr.  
David Anderson  
Lub Talton  
Bob Hobbs  
Lynne Gunn  
Jedidiah

5 Aug 02 9:00am

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## County Of Panola

JEAN WHITESIDE  
TAX ASSESSOR - COLLECTOR  
PANOLA COUNTY COURTHOUSE  
ROOM 211  
CARTHAGE, TEXAS 75633  
  
(903) 693-0340

JULY 24, 2002

I, JEAN WHITESIDE, CERTIFY TO THE GOVERNING BODY OF PANOLA COUNTY:

THE 2002 EFFECTIVE TAX RATE FOR PANOLA COUNTY TO BE .32812/\$100  
THE 2002 EFFECTIVE TAX RATE FOR PANOLA COUNTY SPECIAL TO BE .01106/\$100  
THE TOTAL 2002 EFFECTIVE TAX RATE TO BE .33918/\$100

THE 2002 ROLL BACK RATE FOR PANOLA COUNTY TO BE .35589/\$100  
THE 2002 ROLL BACK RATE FOR PANOLA COUNTY SPECIAL TO BE .01194/\$100  
THE TOTAL 2002 ROLL BACK RATE FOR PANOLA COUNTY SPECIAL TO BE .36783/\$100

  
JEAN WHITESIDE, R.T.A.

This notice concerns 2002 property tax rates for PANOLA COUNTY. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

	General Fund	Farm to Market/ Flood Control Fund	Special Road/ Bridge Fund
<b>Last year's tax rate:</b>			
Last year's operating taxes	\$ 8,445,273	\$ 283,519	\$ _____
Last year's debt taxes	\$ -0-	\$ -0-	\$ _____
Last year's total taxes	\$ 8,445,273	\$ 283,519	\$ _____
Last year's tax base	\$ 2,687,010,152	\$ 2,674,708,679	\$ _____
Last year's total tax rate	\$ .31430/\$100	\$ .01060/\$100	\$ _____/\$100
<b>This year's effective tax rate:</b>			
Last year's adjusted taxes (after subtracting taxes on lost property)	\$ 8,440,833	\$ 283,348	\$ _____
+ This year's adjusted tax base (after subtracting value of new property)	\$ 2,572,433,810	\$ 2,560,680,988	\$ _____
- This year's effective tax rate for each fund	\$ .32812/\$100	\$ .01106/\$100	\$ _____/\$100
Total effective tax rate	\$ .33918/\$100		
x 1.03 = maximum rate unless unit publishes notices and holds hearing	\$ .34935/\$100		
<b>This year's rollback tax rate:</b>			
Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent health care expenditures)	\$ 8,477,101	\$ 283,348	\$ _____
+ This year's adjusted tax base	\$ 2,572,433,810	\$ 2,560,680,988	\$ _____
- This year's effective operating rate	\$ .32953/\$100	\$ .01106/\$100	\$ _____/\$100
x 1.08 = this year's maximum operating rate	\$ .35589/\$100	\$ .01194/\$100	\$ _____/\$100
+ This year's debt rate	\$ -0-/\$100	\$ -0-/\$100	\$ _____/\$100
- This year's rollback rate for each fund	\$ .35589/\$100	\$ .01194/\$100	\$ _____/\$100
This year's total rollback rate	\$ .36783/\$100		

**Statement of Increase/Decrease**

If PANOLA COUNTY adopts a 2002 tax rate equal to the effective tax rate of \$ .33918 per \$100 of value, taxes would INCREASE compared to 2001 taxes by \$ 29,811.

**Schedule A - Unencumbered Fund Balances**

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
GENERAL REVENUE	\$7,665,631
SPECIAL REVENUE	6,389,810
INTERNAL SERVICE	1,537,598

**Schedule B - 2002 Debt Service --NONE--**

**Schedule D - State Criminal Justice Mandate (For Counties)**

The PANOLA County Auditor certifies that PANOLA County has spent \$ 166,410.55 in the previous 12 months beginning JANUARY 1, 2001 for the maintenance and operations cost of keeping inmates sentenced to the Texas Department of Criminal Justice. PANOLA County Sheriff has provided information on these costs, minus the state revenues received for reimbursement of such costs.

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at PANOLA COUNTY TAX OFFICE ROOM 211 COURTHOUSE CARTHAGE TX

Name of person preparing this notice JEAN WHITESIDE, R.T.A.

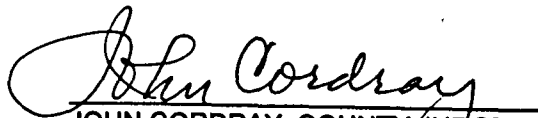
Title TAX ASSESSOR-COLLECTOR

Date prepared 7/26/02

**LEGAL NOTICE**

IN ACCORDANCE WITH VERNON'S CIVIL STATUTES OF THE STATE OF TEXAS ANNOTATED - LOCAL GOVERNMENT CODE SECTION 111.007, ON MONDAY, AUGUST 26, 2002 AT 7:00 P.M. IN THE COMMISSIONERS' COURTROOM, COUNTY COURTHOUSE, CARTHAGE, TEXAS, A PUBLIC HEARING WILL BE HELD ON THE PROPOSED PANOLA COUNTY BUDGET FOR FISCAL YEAR ENDING DECEMBER 31, 2003, AS PREPARED BY THE COUNTY JUDGE. ANY TAXPAYER OR CITIZEN SHALL HAVE THE RIGHT TO BE PRESENT AND PARTICIPATE IN SAID HEARING. AT THE CONCLUSION OF THE HEARING, THE PROPOSED BUDGET SHALL BE CONSIDERED AND ACTED UPON BY THE COMMISSIONERS' COURT.

SIGNED THIS 5<sup>TH</sup> DAY OF AUGUST, 2002.

  
JOHN CORDRAY, COUNTY JUDGE  
PANOLA COUNTY, TEXAS

**LEGAL NOTICE**

**ON MONDAY, AUGUST 26, 2002 AT 7:05 P.M. IN THE COMMISSIONERS' COURTROOM IN THE PANOLA COUNTY COURTHOUSE AT CARTHAGE, TEXAS THE PANOLA COUNTY BUDGET FOR FISCAL YEAR ENDING DECEMBER 31, 2003 AS PREPARED BY THE COUNTY JUDGE WILL BE CONSIDERED, ACTED UPON AND ADOPTED BY THE COMMISSIONERS' COURT, PURSUANT TO VERNON'S CIVIL STATUTES OF THE STATE OF TEXAS ANNOTATED - LOCAL GOVERNMENT CODE SECTION 111.008.**

**SIGNED THIS 5<sup>TH</sup> DAY OF AUGUST, 2002.**

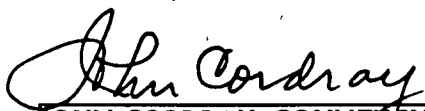
  
**JOHN CORDRAY, COUNTY JUDGE  
PANOLA COUNTY, TEXAS**

## LEGAL NOTICE

ON MONDAY, AUGUST 26, 2002 AT 7:10 P.M. IN THE COMMISSIONERS' COURTROOM IN THE PANOLA COUNTY COURTHOUSE AT CARTHAGE, TEXAS, THE ELECTED OFFICIALS' SALARIES WILL BE SET BY THE COMMISSIONERS' COURT AS ADOPTED IN THE BUDGET, IN ACCORDANCE WITH VERNON'S CIVIL STATUTES OF THE STATE OF TEXAS ANNOTATED - LOCAL GOVERNMENT CODE SECTION 152.013. AT PRESENT, THE PROPOSED SALARIES AND THE PROPOSED INCREASES IN SALARIES OF THE ELECTED OFFICIALS FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2003 AND ENDING DECEMBER 31, 2003 ARE AS FOLLOWS:

	PROPOSED SALARIES & ALLOWANCES	PROPOSED INCREASES
COUNTY JUDGE	\$ 42,946	\$ 843.00
COMMISSIONERS (PCTS. 1, 2, 3, & 4)	\$ 34,705	\$ 681.00
COUNTY CLERK	\$ 34,705	\$ 681.00
COUNTY COURT AT LAW JUDGE	\$101,700	-0-
DISTRICT CLERK	\$ 34,705	\$ 681.00
JUSTICE OF THE PEACE - PCT. 1	\$ 33,107	\$ 650.00
JUSTICE OF THE PEACE - PCT. 2	\$ 33,107	\$ 650.00
COUNTY TREASURER	\$ 34,705	\$ 681.00
TAX ASSESSOR/COLLECTOR	\$ 34,705	\$ 681.00
COUNTY SHERIFF	\$ 34,705	\$ 681.00
CONSTABLE - PCT. 1	\$ 33,107	\$ 650.00
CONSTABLE - PCT. 2	\$ 33,107	\$ 650.00

DATED THIS 5<sup>TH</sup> DAY OF AUGUST, 2002.

  
JOHN CORDRAY, COUNTY JUDGE  
PANOLA COUNTY, TEXAS

## NOTICE OF PUBLIC HEARING ON TAX INCREASE

The County of Panola will hold a public hearing on a proposal to increase total tax revenues from properties on the tax roll in the preceding year by 8.40 percent. Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

The public hearing will be held on August 16, 2002 at 9:00 o'clock a.m at the Commissioners' Courtroom, Courthouse, Carthage, Texas.

FOR the proposal: John Cordray, Ronnie LaGrone, Doug Cotton, Hermon E. Reed, Jr. and Jimmy E. Davis  
 AGAINST the proposal: None  
 PRESENT and not voting: None  
 ABSENT: None

The following table compares taxes on an average home in this taxing unit last year to taxes proposed on the average home this year. Again, your individual taxes may be higher or lower, depending on the taxable value of your property.

	Last Year	This Year
Average residence homestead value	\$ 45,216	\$ 46,852
General exemptions available (amount available on the average homestead, not including senior citizen's or disabled person's exemptions)	\$ 9,043	\$ 9,370
Average taxable value	\$ 36,173	\$ 37,482
Tax rate	.3249/\$100	.3677/\$100 (proposed)
Tax	\$ 117.53	\$ 137.82 (proposed)

Under this proposal, taxes on the average homestead would increase by \$20.29 or 17.26 percent compared with last year's taxes. Comparing tax rates without adjusting for changes in property value, the tax rate would increase by \$.0428¢ per \$100 of taxable value or 13.17 percent compared to last year's tax rate. These tax rate figures are not adjusted for changes in the taxable value of property.

### Criminal Justice Mandate

The Panola County Auditor certifies that Panola County has spent \$166,410.55 in the previous 12 months beginning January 1, 2001, for the maintenance and operations cost of keeping inmates sentenced to the Texas Department of Criminal Justice. Panola County Sheriff has provided information on these costs, minus the state revenues received for reimbursement of such costs.

LEASE AGREEMENT

THE STATE OF TEXAS,

COUNTY OF PANOLA.

This Agreement made and entered into between TXU MINING COMPANY LP, as Lessor, and PANOLA COUNTY, TEXAS, as Lessee, this the 12th day of July, 2002, and covers the land described in Exhibit "A" which is attached hereto and made a part hereof for all purposes.

WHEREAS, Lessor is desirous of allowing Lessee to use such land for the limited purposes of acquiring, dirt, mixing oil, and providing clay used in construction and maintenance of roads in Panola County, Texas; and

WHEREAS, Lessee is desirous of obtaining a location to acquire dirt and clay on which to mix oil with such substances for the purpose of building and maintaining roads in Panola County, Texas;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

Lessor does hereby grant to Lessee the exclusive right for a period of five (5) years from the date hereof to use the property described in Exhibit "A" for the purposes set out above and the right to store materials and equipment on the site as needed, with the right of ingress and egress required for the full exercise and enjoyment of the rights hereby conferred. Either party may cancel this agreement upon one hundred twenty (120) days written notice. At the expiration of the initial five (5) year period this lease shall be automatically renewed for an additional five (5) year period unless either party gives written notice to the contrary.

Lessee's right of ingress and egress shall be by way of the existing county road and Lessee shall allow entrance to such property by its authorized personnel only, and only for the purpose of conducting the business of Panola County, Texas. Lessee shall be responsible for, and secure any necessary regulatory agency permits, which may be required for the conduct of its operations on the premises, and will furnish copies of the same to Lessor.

Lessee shall defend, indemnify and hold harmless Lessor, its officers, directors, shareholders, associated, affiliated or related firms and entities, employees, servants, independent contractors and agents of each (Lessor Group) from and against all Claims, damages, causes of action, including environmental matters (Claims); personal injury, death and property damage to Lessee, Lessee's employees, and any other person or entity, arising in any way from this agreement, or the work to be performed hereunder, expressly including Claims arising in any way from any condition of the premises, separate operations being conducted on the premises, or the imperfection or defective condition of any material or equipment sold, supplied or furnished by Lessor and further, it is the express intent of the parties that Claims shall include, but not be limited to, Claims arising in any way from Lessor Group's sole or concurrent negligence, strict liability or other fault of any nature. The termination of this agreement shall not affect this indemnification provision nor the other obligations of Lessee hereunder.

At the end of the usage of said premises by Lessee, it agrees to restore the described property to as nearly as possible to its original contours and conditions, including the removal of spoil piles, and contaminated soils and contaminants, and remove all equipment and materials stored on Lessor's described lands, and to remove any trash or other refuse from said property.

EXECUTED this 12th day of July, 2002.

TXU MINING COMPANY LP,

By: TXU MINING MANAGEMENT COMPANY LLC,

Hazel Taylor  
Hazel Taylor, Attorney-in-Fact

This instrument was acknowledged before me on the 12th day of July, 2002, by Hazel Taylor, as Attorney-in-Fact of TXU MINING MANAGEMENT COMPANY LLC, as General Partner of TXU MINING COMPANY LP.

Betty Peck  
Notary Public, State of Texas.



As approved in Panola County Commissioners' Court on the 5 day of August, 2002.

John Cordray  
John Cordray, County Judge  
Panola County, Texas

Exhibit "A"

PANOLA COUNTY ROAD OIL MIXING SITE  
LEASE - 18.77 ACRES  
COUNTY PRECINCT #2  
PANOLA COUNTY, TEXAS

ALL THAT CERTAIN 18.77 ACRES LEASE LOCATED IN THE WESLEY GOODWIN SURVEY, A-221, PANOLA COUNTY TEXAS; BEING OUT OF AND APART OF A CALLED 55.170 ACRES TRACT CONVEYED BY JOHN MARTIN, ET UX, TO TEXAS UTILITIES MINING COMPANY BY DEED DATED NOVEMBER 14, 1985 AND RECORDED IN VOLUME 784 PAGE 624 OF THE DEED RECORDS OF PANOLA COUNTY, TEXAS; SAID 18.77 ACRES LEASE BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING** at the northeast corner of the herein described 18.77 acres tract and of said 55.170 acres tract; said point marking the northwest corner of a called 50 acres tract conveyed by Billy Carter, et ux, to Kathrine Carter by deed dated February 1, 1989 and recorded in volume 944 page 302 of the Deed Records of Panola County, Texas; said point also marking the southwest corner of a called 51-1/4 acres tract conveyed by Alfred Wylie to Texas Utilities Mining Company by deed dated June 15, 1984 and recorded in volume 758 page 427 of the Deed Records of Panola County, Texas; said point also marking the southeast corner of a called 109 acres tract known as "Tract Number 12" conveyed by Jesse Harris, et al, to Texas Utilities Mining Company by deed dated November 4, 1994 and recorded in volume 970 page 100 of the Official Public Records of Panola County, Texas;

THENCE South 00 degrees 38 minutes West, along the east line of said 55.170 acres tract and the west line of said 50 acres tract, for a distance of 350.0 feet to an outside ell corner of the herein described 18.77 acres tract;

THENCE North 89 degrees 51 minutes West for a distance of 368.7 feet to an inside ell corner of the herein described 18.77 acres tract;

THENCE South 00 degrees 09 minutes West for a distance of 851.3 feet to the southeast corner of the herein described 18.77 acres tract; said point being on the north line of a called 55.744 acres tract conveyed by Ann Tuttle, et al, to Texas Utilities Mining Company by deed dated March 22, 1990 and recorded in volume 858 page 262 of the Deed Records of Panola County, Texas;

THENCE South 89 degrees 58 minutes West for a distance of 505.7 feet to the southwest corner of the herein described 18.77 acres tract, inside ell corner of said 55.170 acres tract and the northwest corner of said 55.744 acres tract;

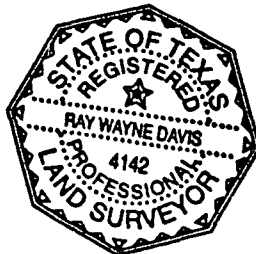
THENCE North 05 degrees 06 minutes West for a distance of 1235.6 feet to the northwest corner of the herein described 18.77 acres tract; said point being on the north line of said 55.170 acres tract and the south line of said 109 acres tract;

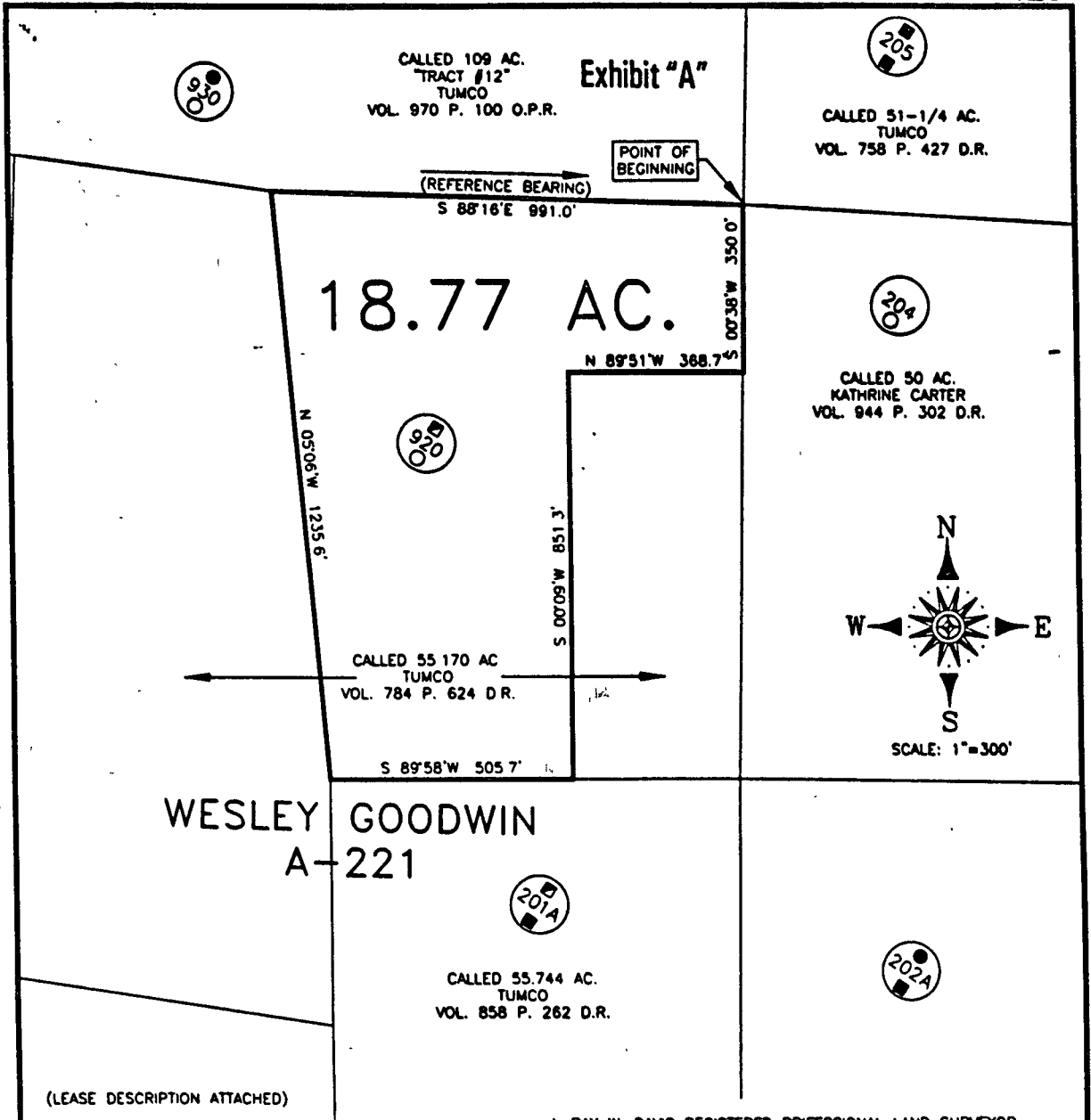
THENCE South 88 degrees 16 minutes East for a distance of 991.0 feet to the **PLACE OF BEGINNING** containing in area 18.77 acres of land.

(Survey Plat Attached)

I, RAY W. DAVIS, REGISTERED PROFESSIONAL LAND SURVEYOR NO.4142, HEREBY CERTIFY THAT THE ABOVE LEASE DESCRIPTION REPRESENTS THE RESULTS OF A SURVEY MADE UNDER MY DIRECT SUPERVISION ON THE DATE SHOWN BELOW AND THE DIMENSIONS WRITTEN ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*Ray W. Davis*      7/08/02  
RAY W. DAVIS      DATE  
R.P.L.S. NO.4142  
P.O. Box 1359  
TATUM, TEXAS 75633  
(903) 836-6582





(LEASE DESCRIPTION ATTACHED)

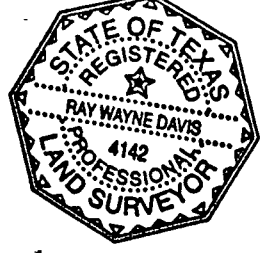
**TXU MINING**

18.77 ACRES LEASE  
 ROAD OIL MIXING SITE  
 COUNTY PRECINCT #2  
 PANOLA COUNTY, TEXAS

SCALE: 1"=300'      DATE 7/08/02

I, RAY W DAVIS REGISTERED PROFESSIONAL LAND SURVEYOR, NO. 4142, DO HEREBY CERTIFY THAT THE PLAT SHOWN HEREON REPRESENTS THE RESULTS OF A SURVEY MADE UNDER MY DIRECT SUPERVISION ON THE DATA SHOWN BELOW AND THE DIMENSIONS SHOWN ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*Ray W. Davis* 7/08/02  
 DATE  
 RAY W. DAVIS  
 P.O. BOX 1359  
 TATUM, TEXAS 75691-1359  
 PH (903) 836-6582



TEXAS STATE LIBRARY & ARCHIVES COMMISSION

LOAN STAR LIBRARIES GRANT

Grant # 442-02079

RECEIVED

AUG 07 2002

ACCOUNTING

I. CONTRACTING PARTIES

Grantor: Texas State Library and Archives Commission (TSLAC)

Grantee: Panola County, Sammy Brown Library  
522 West College Street  
Carthage, Texas 75633



II. TERM OF GRANT

September 1, 2001 to August 31, 2002

III. GRANTOR CERTIFICATION

The Grantor certifies that (1) the services specified below are necessary and essential for activities that are properly within the statutory functions and programs of the affected organizations; (2) the services, supplies or materials contracted for are not required by Section 21 of Article 16 of the Constitution of Texas to be supplied under contract given to the lowest bidder; and (3) the grant is in compliance with Texas Government Code § 441.0091 et. seq., the Library System Act; Texas Government Code § 441.006, General Powers and Duties; and, the Uniform Grant Management Standards (UGMS).

IV. GRANT AMOUNTS

A. The total amount of the grant shall not exceed: \$2,819

B. Source of funds: General Revenue  
State Fiscal Year 2002

TSLAC's accounting codes: Index Code 34421  
Object Code 7612

**C. Budget:**

Supplies	\$2,819
Total Direct Costs	<u>\$2,819</u>
Indirect Costs	
Total	<u>\$2,819</u>

**V. WRITTEN PRIOR APPROVALS FOR FISCAL AND PROGRAMMATIC CHANGES**

- A. The Grantor must give written prior approval for any of the following fiscal changes:
1. Making cumulative transfers among budget cost categories or projects which are expected to exceed ten (10) percent of the total grant.
  2. Transferring any funds into a budget cost category that equals zero (\$0).

Written prior approval is to be requested on the Loan Star Libraries Grant Program Revision Form and shall be requested when nearing the 10% limit or the end of the grant term. This provision does not allow the grant to be exceeded. All prior approvals must be requested by August 1, 2002. Approvals received after this date will be considered on a case-by-case basis.

- B. The Grantor must give written prior approval for any of the following programmatic changes to the application (Loan Star Libraries Grants for State Fiscal Year 2002).
1. Changing key persons specified in the grant; however, none of the personnel are considered key personnel for the purpose of this section.
  2. Obtaining the services of a third party to perform activities that are central to the purposes of the grant.
  3. Changing the scope or objectives (regardless of whether there is an associated budget revision). A change in scope is a substantive difference in the approach or method used to reach program objectives.

Written prior approval is to be requested on the Loan Star Libraries Grant Program Revision Form. All prior approvals must be received by August 1, 2002.

C. The Grantor hereby gives prior approval for the items specified under the cost categories outlined below. Before the Grantee obligates or expends grant funds for additional items in the following cost categories, the Grantor must give written prior approval. Written prior approval is to be requested on the Program Revision form. Written prior approval is also required if an item's cost or features are substantially different from what the grant specifies, or from a previous Program Revision. All Program Revision forms must be received by Grantor on or before August 1, 2002.

**COST CATEGORIES**

1. Preaward Costs  
None
2. Insurance (if not required by the grant)  
None
3. Rearrangements and Alterations of Facilities  
None
4. Equipment/Property  
None

Subject to the obligations and conditions set forth in Uniform Grant Management Standards (UGMS) Section III, Subpart C.32 (a), title to equipment acquired under a grant will vest upon acquisition in the Grantee.

Each piece of equipment/property is an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost that exceeds the capitalization amount established by Grantee's governing entity. Equipment/property includes furniture, library materials, etc., purchased wholly or in part with grant funds. The prior approval amount is the capital expenditure, which means the cost of the equipment/property including the cost to put it in place. Capital expenditure for equipment/property means the net invoice price of the equipment/property, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in, or excluded from, capital expenditure cost in accordance with the Grantee's regular accounting practices.

**VI. STATEMENT OF SERVICES TO BE PERFORMED**

The Grantee will comply during the period of this contract and provide services outlined within the grant application (Loan Star Libraries Grants Plan of Action for SFY 2002) as approved by the Grantor.

**VII. TERMS AND CONDITIONS**

- A. The Grantee will comply with the Loan Star Libraries Administrative Rules for SFY 2002. Note that per 2.165(c) of the Rules, assurances relating to non-resident fees or TexShare Library Card Program are in effect for entire term of grant contract.
- B. The Grantee acknowledges that the intent of the grant is to provide funds to maintain, improve, and enhance local library services, and to provide Texans who are not residents of a particular local community access to and services from the many participating public libraries.
- C. The Grantee will comply with the Rules for Administering the Library Systems Act. Note that Grantee must continue to meet system membership requirements to be eligible for future grants, per *Texas Government Code* 441.138(c).
- D. The Grantee will comply with the following three parts of the Governor's Office of Budget and Planning Uniform Grant Management Standards (UGMS), revised January 2001, located at [http://www.governor.state.tx.us/the\\_office/gts\\_tracs/Grants/guidelines.htm](http://www.governor.state.tx.us/the_office/gts_tracs/Grants/guidelines.htm).
  - 1. Cost Principles for state and Local Governments and Other Affected Entities (adapted from OMB Circular A-87)
  - 2. State Uniform Administrative Requirement for Grants and Cooperative Agreements (adapted from OMB Circular A-102)
  - 3. State of Texas Single Audit Circular
- E. The Grantee will send the Grantor a copy of any management letters issued by the auditor with the reporting package (or written notification, as applicable). The audit's *Schedule of Expenditures of Federal and State Awards* will list the amount of awards expended for each award year separately.
- F. The Grantee may not obligate grant funds after August 31, 2002. By October 31, 2002, all obligations must be liquidated. Any interest accrued above \$100 must be returned to Grantor, per requirements in UGMS. **All unexpended funds must be returned to the Grantor.**
- G. The Grantee will add any program income to the funds committed to the grant, using such program income for the purposes and under the conditions of the grant. The source and amount of the program income must be explained in box 12 of the Financial Status Report.
- H. All publicity relating to the grant award must include acknowledgement of the Texas State Library and Archives Commission whenever possible and practical. Publicity includes but is not limited to press releases, media events, public events, displays in the library, announcements on the library's website, and materials distributed through the grant project.

- I. The Grantee certifies by this contract that it will comply with the Assurances – Non-Construction Programs (OMB Standard Form 124B), the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions, and the Certification Regarding Lobbying as submitted to the Grantor. Additional assurances are listed in UGMS, Subpart B.14.
- J. The Grantee affirms that it has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant in connection with this contract. The Grantee further affirms that its employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to subagreements.
- K. The Grantee agrees to provide the Grantor with one (1) set of any public relations materials produced under this grant.
- L. The Grantee agrees to maintain records on all equipment/property with an acquisition cost that exceed governing entity's capitalization level. The Grantee will reconcile the equipment/property records with a physical inventory of the equipment/property every two years.

The UGMS Subpart C, Sec. 32, (d) (3) requires certain items of equipment (stereo systems, still and video cameras, facsimile machines, VCRs and VCR/TV combinations, and cellular and portable telephones) to be maintained on inventory if their cost is above \$500, or if they could be easily lost or stolen.

Subject to the obligations and conditions set forth in the UGMS Section III, Subpart C, Sec. 32 (a), title to equipment acquired under a grant will vest upon acquisition in the Grantee. When property is vested in the Grantee, the Grantee will dispose of equipment/property in accordance with the UGMS Subpart C, Sec. 32, (e).

- M. The Grantee agrees to submit the Equipment/Property Acquired form by October 31, 2002 for all equipment/property purchased during that grant year.
- N. The State Legislature has charged the Grantor with submitting performance measurement reports that specify the level of services provided by its programs and services. The Grantee agrees to submit reports that are timely, accurate, auditable, and consistent with definitions.

The Grantee agrees to submit the Loan Star Libraries Reporting Form for Loan Star Libraries Grants according to the following schedule and grant award:

Reporting Period	Due Date	Grant Award
September 1, 2001 - May 31, 2002	June 6, 2002	Over \$5,000
June 1, 2002 - August 31, 2002	September 6, 2002	Over \$5,000
September 1, 2001 - August 31, 2002	September 6, 2002	Under \$5,000

If library materials ordered with grant funds are received after the end of the grant year, a final Loan Star Libraries Report may also be required covering receipt of those materials. This final report will be due on or before November 15, 2002.

*Note: Per Rule 2.165 (e), future funds will not be awarded to a library until all requirements for all preceding contracts have been fulfilled.*

- O. The Grantee agrees to submit the Financial Status Report for this contract according to the following schedule:

Reporting Period	Due Date	Grant Award
September 1, 2001 - May 31, 2002	June 6, 2002	Over \$5,000
June 1, 2002 - August 31, 2002	September 6, 2002	Over \$5,000
September 1, 2001 - August 31, 2002	September 6, 2002	Under \$5,000

If necessary, a final Financial Status Report is due on or before November 15, 2002.

- P. The Grantee agrees to maintain all financial and programmatic records, supporting documents, statistical records, and other grantee records according to Section II, Subpart C.42, of UGMS. In general, Grantees must maintain records for a minimum of three years from the date the Grantee submits to Grantor the last single audit or audit report for the grant period.

### VIII. ENFORCEMENT

- A. Remedies for noncompliance. If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a federal or state statute or regulation, an assurance, in a state plan or application, a notice of award, or elsewhere, the awarding agency may take one or more of the following actions, or impose other sanctions, as appropriate in the circumstances:
- (1) Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency,
  - (2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
  - (3) Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program,
  - (4) Withhold further awards for the program, or
  - (5) Take other remedies that may be legally available.
- B. Hearings, appeals. In taking an enforcement action, the awarding agency will provide the grantee or subgrantee an opportunity for such hearing, appeal, or other administrative proceeding to which the grantee or subgrantee is entitled under any statute or regulation applicable to the action involved.

C. Effects of suspension and termination. Costs of grantee or subgrantee resulting from obligations incurred by the grantee or subgrantee during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or subsequently. Other grantee or subgrantee costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if:

- (1) The costs result from obligations which were properly incurred by the grantee or subgrantee before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are noncancelable, and,
- (2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

D. Relationship to Debarment and Suspension. The enforcement remedies identified in this section, including suspension and termination, do not preclude grantee or subgrantee from being subject to "Debarment and Suspension" under E.O. 12549 (see Section \_\_\_\_ .35) and state law.

**IX. CONTACTS AT TSLAC**

Questions or concerns about programmatic issues and Program Revision Requests should be directed to this grant's Project Manager:

Deborah Littrell Phone: 512-463-5456 Fax: 512-463-8800  
Director, Library Development Division E-mail: [dlittrell@tsl.state.tx.us](mailto:dlittrell@tsl.state.tx.us)

Questions or concerns about regulatory or financial issues should be directed to:

Manager of Accounting and Grants Department  
Phone: 512-463-6626  
E-mail: [camack@tsl.state.tx.us](mailto:camack@tsl.state.tx.us)

Fax reports to: Grants Accountant  
Phone: 512-463-5472 Fax: 512-463-3560  
E-mail: [accounting@tsl.state.tx.us](mailto:accounting@tsl.state.tx.us)

Payments to the Grantor, such as those for interest earned each quarter on advanced funds, should be mailed with an explanation of the purpose of the payment and the grant number to:

Accounting and Grants Department  
Texas State Library and Archives Commission  
PO Box 12516  
Austin, TX 78711-2516

**X. APPLICABLE AND GOVERNING LAW**

- A. This grant shall be governed by the laws of the State of Texas. All duties of either party shall be legally performable in Texas. The applicable law for any legal disputes arising out of this contract shall be the law of (and all actions hereunder shall be brought in) the State of Texas, and the forum and venue for such disputes shall be Travis County, District Court.
- B. This grant is subject to availability of funds.

**XI. SIGNATURES**

**GRANTOR**

Texas State Library and Archives Commission

Edward Seidenberg  
Edward Seidenberg, Assistant State Librarian

08-10-02  
Date

Donna Osborne  
Donna Osborne, Chief Fiscal Officer

8-9-02  
Date

**GRANTEE**

Panola County, Sammy Brown Library

John Cordray  
Signature (Must be an official empowered to enter into contracts)

JOHN CORDRAY  
Typewritten or Printed Name

COUNTY JUDGE  
Title

8-5-02  
Date



ORDER AMENDING THE ANNUALLY DETERMINED CONTRIBUTION RATE PLAN (Variable-Rate County) - Revised 2002

Subdivision # 282

PART ONE: Form of Minutes for Adoption of Order

THE STATE OF TEXAS

COUNTY OF PANOLA

On this the 5th day of August, 2002, the Commissioners Court of Panola County, Texas ("the County") was convened in Special

session with the following members present:

- John Cordray County Judge
Ronnie LaGrone Commissioner, Precinct #1
Doug Cotton Commissioner, Precinct #2
Hermon E. Reed, Jr. Commissioner, Precinct #3
Jimmy E. Davis Commissioner, Precinct #4
Sue Grafton County Clerk

Mr./Ms. Cotton moved that the order, (Exhibit One of these minutes), be adopted by the County. The motion was seconded by Mr./Ms. Reed, and was adopted with the following members voting AYE: Cordray, LaGrone, Cotton, Reed, and Davis; and the following members voting NO: and

ORDER AMENDING THE ANNUALLY  
DETERMINED CONTRIBUTION RATE PLAN  
(Variable-Rate County) - Revised 2002

**PART TWO: Form of Order to be Adopted and Included in Minutes**

**Exhibit One**

**Commissioners Court Order Amending the Annually Determined Contribution Rate Plan  
and Making Plan Selections Thereunder  
(Subchapter H, Chapter 844)**

WHEREAS, the County is a participating subdivision in the Texas County and District Retirement System (hereafter "System") under Subtitle F, Title 8, Government Code (hereafter "TCDRS Act"); and

WHEREAS, the County previously adopted the Annually Determined Contribution Rate Plan under Subchapter H, Chapter 844 of the TCERS Act and made certain elections and selections authorized by said Act; and

WHEREAS, the Commissioners Court finds it to be in the public interest to amend or add to the selections previously made by the County; now, therefore, be it **ORDERED**, That:

**I. Employee Deposit Rate**

For each payroll period from and after January 1, 2003, member deposits of each eligible County employee shall be made to the System at the rate of 7 %<sup>1</sup> of compensation; and such deposits shall be certified by the subdivision correspondent and transmitted to the System for deposit to the individual employee account.

**II. Current Service Credit Percentage**

For county service performed on and after January 1, 2003, each member shall receive *multiple matching credit*, which, when added to the rate used to determine the *current service credit* allowable under Section 843.403, will total 225 %<sup>2</sup> of the member's deposits. Current service credit for periods ending prior to January 1, 2003, shall be the greater of the rate in effect on December 31, 2002, or the rate to take effect January 1, 2003.

**III. Prior Service Credit Percentage**

Allocated (special) prior service credits granted to any member by the County and in effect on December 31, 2002, shall be recomputed at 160 %<sup>3</sup> of the maximum (special) prior service credit of each member affected.

<sup>1</sup> 4%, 5%, 6% or 7%, unless a lower percentage is required under Section 844.703(h) of the TCERS Act.

<sup>2</sup> The percentage may be 100%, 125%, 150%, 175%, 200%, 225% or 250% or the percentage currently in effect.

<sup>3</sup> Must be a multiple of 5%; may be the same as, but not less than the percentage previously adopted



**ORDER AMENDING THE ANNUALLY  
DETERMINED CONTRIBUTION RATE PLAN  
(Variable-Rate County) - Revised 2002**

**IV. Selection and Adoption of Other Optional Credits and Benefits**

Effective January 1, 2003, in accordance with Section 844.704 of the TCDRS Act, the County adopts the following additional rights, credits and benefits (see footnote <sup>4</sup>):

     **Increase in Existing Annuities (CPI-Based Increase) under Sec. 844.208 at the rate of 80 %**  
The percentage rate may be 30%, 40%, 50%, 60%, 70%, or 80% of the change in the Consumer Price Index (CPI).

     **Increase in Existing Annuities (Flat-Rate Increase) under Sec. 844.209 at the rate of      %**  
The percentage rate must be an integer (e.g., 1%, 2%, 3%, etc.).

**NOTE: ONLY ONE OF THE ABOVE OPTIONAL INCREASES IN EXISTING ANNUITIES MAY BE SELECTED UNDER THIS ORDER**

     **Optional Benefit Eligibility Plan Two (8-year/Age 60 Retirement Eligibility) under Sec. 844.210**  
8-year service eligibility requirement for vesting, service and disability retirement. Please do not initial if your county has previously authorized this option.

     **Optional Benefit Eligibility Plan Three (Rule of 75 Retirement Eligibility) under Sec. 844.211**  
A member shall have the right to retire and receive a service retirement annuity when the years of such credited service added to his or her years of attained age equals or exceeds seventy-five (75). Please do not initial if your county has previously authorized this option.

     **Optional Benefit Eligibility Plan Four (20-Year/Any Age Retirement Eligibility) under Sec. 844.212**  
A member shall have the right to retire and receive a service retirement annuity when the years of such credited service equals or exceeds twenty (20). Please do not initial if your county has previously authorized this option.

     **Reinstatement (Buyback) of Previously Forfeited Service Credit under Sec. 843.003**  
You must have received an actuarial study describing the potential employer costs for granting this credit. If you have not obtained such a study as a prerequisite to selecting this option, please contact TCDRS before October 1.

     **Credited Service for Qualified Military Service (10-Year Requirement) under Sec. 843.601(c)**  
Please do not initial this option if your county has previously authorized this credit.

     **Credited Service for Qualified Military Service (8-Year Requirement) under Sec. 843.601(g)**  
Please do not initial this option if your county has previously authorized this credit.

     **Pre-Membership Service Credit under Sec. 843.204**  
You must have received an actuarial study and supplemental Exhibit A describing the additional employer rates for granting this credit. If you have not obtained such a study as a prerequisite to selecting this option, please contact TCDRS before Sept 1.

     **Partial Lump-Sum Payment on Service Retirement under Sec. 844.009**  
At service retirement, this option allows members to receive a portion of their retirement benefit in the form of a partial lump sum distribution that cannot exceed 100% of their account balance. Please do not initial if your county has previously authorized this option.

<sup>4</sup> An explanation of all plan options can be found in the attached instructions or by contacting TCDRS. In order to adopt any of the optional rights, credits and benefits described in this section, the County Judge must initial in the space preceding each option selected. Please refer to the Exhibit A for Year 2003 to determine the additional employer contribution rate associated with adopting a particular optional right, credit and benefit described in this section.



**ORDER AMENDING THE ANNUALLY  
DETERMINED CONTRIBUTION RATE PLAN  
(Variable-Rate County) - Revised 2002**

**V. Employer Contribution Rate**

The County hereby undertakes to make monthly normal contributions and prior service contributions to the System at an employer contribution rate that equals or exceeds the total calculated employer contribution rate (*i.e.*, the calculated employer contribution rate plus the rates for any optional rights, benefits and credits elected in Section IV) determined from year to year by the actuary of the System, and approved by the Board of Trustees of the System as provided by Subchapter H of Chapter 844. Such employer contribution rate, which does not include the rate for "picked-up" contributions under Section 845.403(i) and the rate, if any, for contributions to the Supplemental Death Benefits Fund under Section 845.406, shall not exceed the statutory maximum employer contribution rate prescribed by Section 844.703(c) (*currently 11 percent*) unless this Commissioners Court elects to waive that statutory limit. Any waiver of the statutory maximum rate made in accordance with Section 844.703(c) shall remain in effect until January 1 of the year following the year in which the Commissioners Court repeals the waiver. An employer contribution rate adopted by the Commissioners Court that exceeds the total calculated employer contribution rate shall remain in effect for each subsequent year until rescinded by the Commissioners Court. For the 2003 year, the County shall make subdivision contributions to the System at the total employer contribution rate of 17.66 %<sup>5</sup>.

<sup>5</sup> The employer contribution rate should equal either (a) or (b):

(a) the Total Rate shown on the Exhibit A for Year 2003, plus the sum of:

- 1) the rate for the cost-of-living annuity increase under Section 844.208 (CPI-Based Benefit Increase) or under Section 844.209 (Flat-Rate Benefit Increase), if authorized, plus
- 2) the rate for 8-year vesting and retirement eligibility at age 60, if authorized; plus
- 3) the rate for Rule of 75 early retirement eligibility, if authorized; plus
- 4) the rate for 20-year retirement eligibility at any age, if authorized; plus
- 5) the rate for Partial Lump-Sum Distribution option, if authorized; plus
- 6) the rate for Pre-Membership credit, if authorized (refer to the *Supplemental Exhibit A*)

**OR**

(b) any percentage rate (e.g., 4%, 4.50%, 7%, 8%, 8.75%, 9.90%, 10%, 11%) that is equal to or greater than the rate computed in accordance with the instructions set out in (a) immediately above. The County may elect to contribute at a total calculated employer contribution rate in excess of 11% or at an elected rate in excess of 11% only if the County waives the statutory maximum employer contribution rate limit in accordance with section 844.703(c). The waiver of the statutory maximum employer contribution rate remains in effect until revoked by the Commissioners Court. If the County elects to contribute at a rate above the required rate, that elected rate will remain in effect unless changed by subsequent Commissioners Court order. However, if the total calculated employer contribution rate exceeds the elected rate in a subsequent year, the County must pay at the higher calculated employer contribution rate.



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**V. Employer Contribution Rate (continued)**

**Election to Waive the Statutory Maximum Employer Contribution Rate Limit**

Please note that the County Judge **MUST** sign the following election, but **ONLY IF**:

1. The Commissioners Court is adopting optional rights, credits or benefits that produce an employer contribution rate in excess of 11 %; or
2. The Commissioners Court is adopting an elected employer contribution rate in excess of 11% (refer to footnote 5 on the previous page).

Effective January 1, 2003, the Commissioners Court elects to waive the statutory maximum employer contribution rate limit as prescribed by Section 844.703(c).<sup>6</sup>

\_\_\_\_\_  
Signature, County Judge

**VI. Other Participation Provisions Continued**

Except as modified by this order, the orders previously adopted by the Commissioners Court relating to participation in the System and in effect on December 31, 2002, are continued in effect.

<sup>6</sup> Information regarding the waiver of the statutory maximum employer contribution rate can be found in the instructions or by contacting TCDRS.

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ORDER AMENDING THE ANNUALLY  
DETERMINED CONTRIBUTION RATE PLAN  
(Variable-Rate County) - Revised 2002

**PART THREE: Clerk's Certification**

I, \_\_\_\_\_, Clerk of \_\_\_\_\_ County and ex-officio Clerk of the Commissioners Court, do hereby certify that the foregoing is a full, true and correct copy of: *Commissioners Court Order Amending the Annually Determined Contribution Rate Plan and Making Plan Selections Thereunder*, and of the official minutes pertaining to its adoption, as the same appear of record in the official minutes of the Commissioners Court of the County.

SEAL

Given under my hand and seal of office this \_\_\_\_\_ day  
of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
County Clerk and Ex-Officio Clerk of the Commissioners Court

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**EXHIBIT A - Present Plan and Sample Plans for Year 2003**  
**Panola County -- TCDRS Employer # 282**

		Present Plan <sup>(1)</sup>	Plan 1	Plan 2	Plan 3	Plan 4
<b>BASIC PLAN</b>	Plan Type	Variable Rate	Variable Rate	Variable Rate		
	Employee Deposit Rate	7%	7%	7%		
	Matching Rate	200% (\$2.00/\$1)	225% (\$2.25/\$1)	175% (\$1.75/\$1)		
	Prior Service Credit	150%	160%	150%		
	Vesting Provision	8 Yrs	8 Yrs	8 Yrs		
	Rule of Provision	Rule of 75	Rule of 75	Rule of 75		
<b>RATES</b>	Normal Cost Rate	7.27%	8.10%	6.43%		
	UAAL Rate	7.98%	9.45%	7.80%		
	Total Rate <sup>(2)</sup>	15.25%	17.55%	14.23%		
<b>ASSETS &amp; LIABILITIES</b>	Actuarial Assets	\$ 7,723,124	\$ 7,723,124	\$ 7,723,124		
	Actuarial Liabilities	\$ 12,273,924	\$ 13,013,621	\$ 12,179,304		
	Funding Ratio	63%	59%	63%		
	UAAL (Unfunded Amount)	\$ 4,550,800	\$ 5,290,497	\$ 4,456,180		
	Years to Finance	20.0 Years	20.0 Years	20.0 Years		
<b>OPTIONAL BENEFITS</b>	8-year Vesting <sup>(2)</sup>	adopted	adopted	adopted		
	Rule of 75 <sup>(2)</sup>	adopted	adopted	adopted		
	20-year Retirement <sup>(2)</sup>	.18%	.20%	.18%		
	Partial Lump-Sum <sup>(2)</sup>	.23%	.26%	.21%		

<b>Optional Benefit Increases for Current Retirees and Beneficiaries</b>			
<b>CPI-Based Benefit Increase</b>		<b>Flat-Rate Benefit Increase<sup>(3)</sup></b>	
<b>Increase Basis<sup>(4)</sup></b>	<b>Additional Rate</b>	<b>Increase Basis</b>	<b>Additional Rate</b>
30% of CPI	.00%	1%	.09%
40% of CPI	.00%	2%	.17%
50% of CPI	.00%	3%	.26%
60% of CPI	.01%	4%	.35%
70% of CPI	.02%	5%	.43%
80% of CPI	.11%	6%	.52%

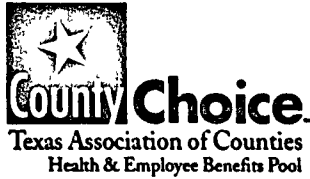
Only one of the two types of Optional Benefit Increases may be elected in any given year. The increase will begin January 2003. Future increases must be adopted in future years.

**Notes**

- (1) For comparison, the calculated employer contribution rate for 2002 under the Present Plan is 15.11%.
- (2) Calculated employer contribution rates must be increased by the additional contribution rate applicable to any of the optional benefits (8-year vesting, rule of 75, 20-year retirement eligibility, partial lump-sum option, benefit increases for annuitants) being adopted for 2003. Benefits that produce total calculated employer contribution rate greater than 11% cannot be adopted unless you continue your waiver of the maximum contribution rate of 11%.
- (3) The Flat Rate Benefit Increase may be any whole number increase, including increases above the 6% shown on this Exhibit A. Contact TCDRS for additional rates.
- (4) The actual increase under the CPI-Based Benefit Increase may be less if previous increases have been awarded.
- (5) The most recent adoption of the CPI-Based Benefit Increase was 80% in 2002; the Flat Rate Benefit Increase has never been adopted.

If you would like rate information on benefit plans not shown on this statement, please contact TCDRS at 800-823-7782 and ask for Plan Administration.

May 06, 2002 2:44 PM



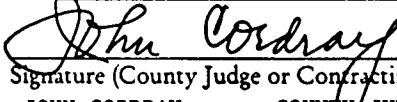
## CountyChoice Final Plan Selection Form

Please follow Steps 1-5, complete this form and return it to TAC, *due no later than 30 days prior to Anniversary Date.*

**Step 1:** Please provide us with the following information (please print):

Date: August 1, 2002  
 Group #: 62946  
 Phone: (903) 693-0391  
 Fax: (903) 693-2726

County/Entity: PANOLA COUNTY  
 Anniversary date: 12 - 01 - 02  
 Email: panola@thenett.com  
 E-mail recipient: John Cordray

  
 Signature (County Judge or Contracting Authority)  
JOHN CORDRAY COUNTY JUDGE  
 Print name and title

**Step 2:** Please mark the medical, prescription and/or dental plan your Court has chosen for 2002-2003.  
 Our final selection is:

### Medical Plans

- |  |                                      |
|--|--------------------------------------|
| <input type="checkbox"/> Choice 100            | <input type="checkbox"/> Choice 800  |
| <input type="checkbox"/> Choice 200            | <input type="checkbox"/> Choice 900  |
| <input type="checkbox"/> Choice 300            | <input type="checkbox"/> Choice 1000 |
| <input type="checkbox"/> Choice 400            | <input type="checkbox"/> Choice 1100 |
| <input type="checkbox"/> Choice 500            | <input type="checkbox"/> Choice 1200 |
| <input type="checkbox"/> Choice 600            | <input type="checkbox"/> Choice 1300 |
| <input checked="" type="checkbox"/> Choice 700 | <input type="checkbox"/> Choice 1400 |

### Prescription Drug Plans

- |  |
|--|
| <input type="checkbox"/> \$5/15/30   |
| <input type="checkbox"/> \$5/20/35   |
| <input type="checkbox"/> \$10/20/35  |
| <input checked="" type="checkbox"/> \$10/25/40                                   |
| <input type="checkbox"/> \$100 drug deductible<br>(optional for all copay plans) |

### Dental Plans

- |   |
|---|
| <input type="checkbox"/> Choice I                                     |
| <input type="checkbox"/> Choice II                                    |
| <input type="checkbox"/> Choice III                                   |
| <input type="checkbox"/> Choice IV                                    |
| <input type="checkbox"/> With Orthodontics                            |
| <input type="checkbox"/> Without Orthodontics<br>(optional per group) |

**Step 3:** Initial the rates for plan chosen

**Step 4:** Initial each page of your chosen Schedule of Benefits

**Step 5:** Fax this form and all initialed pages to (512) 481-8481.

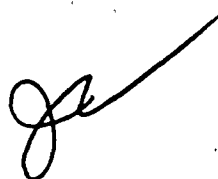
Questions? Call us at 1-800-456-5974.

The Texas Association of Counties would like to thank you for your membership in the only all county-owned and county-directed Health and Employee Benefits Pool in Texas.

**TEXAS ASSOCIATION OF COUNTIES  
HEALTH AND EMPLOYEE BENEFITS POOL  
2002 RERATE NOTICE**

**Group Number: 62946 Panola County**

<b>Medical:</b>	<b>Current Rates</b>	<b>New Rates Effective 12/1/02</b>
<b>Active Employees Regardless of Age</b>		
Employee Only:	\$447.18	\$478.48
Employee & 1 Child:	\$514.26	\$550.26
Employee & Children:	\$585.27	\$626.24
Employee & Spouse:	\$689.26	\$737.52
Employee & Family:	\$815.47	\$872.56



- Retirees pay same as actives, regardless of age.
- For COBRA participants add 2%.
- Rates based upon current benefits and enrollment. A substantial change in enrollment (10% over 30 days or 30% over 90 days) may result in a change in rates.

Texas Association of Counties  
Summary of Benefits - CHOICE 700

TYPE OF SERVICE	NETWORK		OUT-OF-NETWORK
	90%	None	70%
<b>GENERAL PROVISIONS</b> Calendar Year Deductible (Applies to Non-Independent Hospital Services) 4 <sup>th</sup> Quarter Carryover Applies Deductible Credit from Prior Carrier Costshare Stoploss Maximum Costshare Stoploss Credit from Prior Carrier Lifetime Maximum per Participant INPATIENT HOSPITAL SERVICES (must be precertified) Penalty for Failure to Pre-certify	\$500 Indiv/\$1500 Family Yes Yes \$2,000 Indiv/\$6,000 Family per cal. yr. Network deductible and costshare will only apply toward Network deductible and costshare Yes	\$2,000,000 None None	\$750 Indiv/\$2,250 Family Yes Yes \$4,000 Indiv/\$12,000 Family per cal. yr. Out-of-Network deductible and costshare will also apply toward Network deductible and costshare Yes
<b>EMERGENCY ROOM/TREATMENT ROOM</b> Accident & Medical Emergency Situation within 48 Hours Facility Charges Physician Charges Non-Emergency Situations Facility Charges Physician Charges	90% after \$75 copay, waived if admitted 90% after cal. yr. deductible	90% after \$75 copay, waived if admitted 90% after cal. yr. deductible	70% after \$75 copay & cal. yr. deductible, waived if admitted 70% after cal. yr. deductible
<b>MEDICAL-SURGICAL SERVICES</b> Services Performed in Physician Office (non-surgical), Including Lab & X-ray Immunizations (birth to the day of the 6 <sup>th</sup> birthday) Physician Surgical Services in any Setting Lab & X-Ray in Other Outpatient Facilities: <ul style="list-style-type: none"> <li>All Knee/Shoulder Arthroscopic, Bone Scans, Cardiovascular Stress Test, CT Scans, Carotid Ultrasounds, Endoscopic Procedures, MRIs, Myelogram &amp; PET Scans</li> <li>Other Diagnostic Medical Services</li> </ul> Home Infusion Therapy (must be precertified) In-Vitro Fertilization Chiropractic Care - Office Services Physician Charges	100% after \$25 copay per visit 100% 90% after cal. yr. deductible 90% after cal. yr. deductible 100% 90% after cal. yr. deductible Declined \$1,500 cal. yr. max. All Other Physical Medicine Services rendered by any other eligible Provider will be allowed on the same basis as any other providers. Covered as any other sickness 90% after cal. yr. deductible	70% after cal. yr. deductible 100% 70% after cal. yr. deductible 70% after cal. yr. deductible 70% after cal. yr. deductible 70% after cal. yr. deductible 70% after cal. yr. deductible 70% after cal. yr. deductible Covered as any other sickness 70% after cal. yr. deductible	
Speech and Hearing Services without Hearing Aids All Other Outpatient Services and Supplies	Covered as any other sickness 90% after cal. yr. deductible	Covered as any other sickness 70% after cal. yr. deductible	

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Texas Association of Counties—CHOICE 700

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TYPE OF SERVICE	NETWORK	OUT-OF-NETWORK
<b>PREVENTIVE CARE</b> Routine Physicals, Well Baby Care, Immunizations (after 6 <sup>th</sup> birthday), Vision & Hearing Exams	100% after \$25 copay per visit	70% after cal. yr. deductible
<b>EXTENDED CARE SERVICES (must be precertified)</b> Home Health Care Skilled Nursing Facility Hospice Care	100% \$10,000 per cal. yr. \$10,000 per cal. yr. \$20,000 lifetime max.	70% after cal. yr. deductible \$7,000 per cal. yr. \$7,000 per cal. yr. \$14,000 lifetime max.
<b>MENTAL HEALTH/CHEMICAL DEPENDENCY (must be precertified)</b> Inpatient Services Hospital Services (Facility) Physician Services Calendar Year Limitations	90% 90% after cal. yr. deductible 30 inpatient days/30 physician visits Days and visits used in Network or Out-of-Network apply towards satisfying both maximums.	70% 70% after cal. yr. deductible 15 inpatient days/15 physician visits
<b>Outpatient Services</b> Office Visit/Consultation Emergency Room/Treatment Room Facility Charges Professional Provider/Facility Visits Allowed Chemical Dependency Lifetime Maximum	100% after \$25 copay 90% after \$75 copay, waived if admitted 90% after cal. yr. deductible Three separate series of treatments per lifetime. Paid as any other sickness 30 outpatient visits per cal. yr. Covered as any other sickness	70% after cal. yr. deductible 70% after \$75 copay & cal. yr. deductible waived if admitted 70% after cal. yr. deductible
<b>SERIOUS MENTAL ILLNESS (must be precertified)</b>		

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## Texas Association of Counties—CHOICE 700

## EMPLOYEE INFORMATION



- This is a general Summary of your benefit design. Please refer to your benefit booklet for other details and for limitations and exclusions.
- The following benefits apply to dependant coverage:
  - Dependent children are covered to age 25.
  - Automatic coverage for newborns for the first 31 days following birth. Infants not enrolled for coverage within the first 31 days after birth will not be eligible for coverage until the following open enrollment period or special enrollment event.
- Provider charges are paid according to BCBSTX determined Allowable Amount and negotiated prices.
- Preexisting conditions are defined in the benefit booklet and are excluded for 12 months. Appropriate credit will be given for time served under another health benefit plan as defined under the law.
- Replacement of Medical Coverage: In compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the following provisions apply to each eligible participant who has health coverage under the employer's plan immediately prior to the effective date of the health contract between the employer and BCBSTX (the contract date):
  - Benefits for eligible expenses incurred for any service or supplies prior to the contract date, are not covered under the contract.
  - Eligible expenses for services or supplies incurred on or after the effective date will be considered for benefits subject to all applicable contract provisions.

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Texas Association of Counties—CHOICE 700

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TYPE OF SERVICE	TRADITIONAL BENEFITS (OUT OF AREA)
<b>GENERAL PROVISIONS</b> Calendar Year Deductible (Applies to Non-Resident Hospital Services) 4 <sup>th</sup> Quarter Carryover Applies Deductible Credit from Prior Carrier Co-insure Stoploss Maximum Co-insure Stoploss Credit from Prior Carrier Lifetime Maximum per Participant	\$500 Indiv/\$1500 Family Yes Yes \$2,000 Indiv/\$6,000 Family per cal. yr. Yes \$2,000,000
<b>INPATIENT HOSPITAL SERVICES</b> (must be precertified) Per Admission Deductible Penalty for Failure to Pre-certify	80% None \$250
<b>EMERGENCY ROOM/TREATMENT ROOM</b> Accident & Medical Emergency Situation within 48 Hours Facility Charges Physician Charges Non-Emergency Situations Facility Charges Physician Charges	80% after cal. yr. deductible 80% after cal. yr. deductible 80% after cal. yr. deductible 80% after cal. yr. deductible
<b>MEDICAL/SURGICAL SERVICES</b> All Eligible Expenses, including Outpatient Hospital Immunizations (Birth to the day of the 6 <sup>th</sup> birthday) Home Infusion Therapy (must be pre-certified) In-vitro Fertilization Services Chromosome Care—Office Services Speech and Hearing Services without Hearing Aids	80% after cal. yr. deductible 100% 80% after cal. yr. deductible Declined 80% after cal. yr. deductible, \$1,500 cal. yr. maximum <i>All Other Physical Medicine Services rendered by any other eligible Provider will be allowed on the same basis as any other sickness.</i> Covered as any other sickness
<b>PREVENTIVE CARE</b> Routine Physical, Well Baby Care, Immunizations (After 6 <sup>th</sup> birthday), Vision & Hearing Exams Maximum Benefit	80%, deductible waived \$300 per 2-year period per participant

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Texas Association of Counties—CHOICE 700

TYPE OF SERVICE	TRADITIONAL BENEFITS (OUT OF AREA)
EXTENDED CARE SERVICES (must be precertified) Home Health Care Skilled Nursing Facility Hospice Care	100% \$10,000 per cal. yr. \$10,000 per cal. yr. \$20,000 lifetime max.
MENTAL HEALTH/CHEMICAL DEPENDENCY Inpatient Services (must be precertified) Hospital Services (Facility) Physician Services Outpatient Services Office Visit/Consultation Professional Provider/Facility Number of Outpatient Visits Chemical Dependency Lifetime Maximum SERIOUS MENTAL ILLNESS (must be precertified)	80%/30 days per cal. yr. 80% after cal. yr. deductible/30 visits per cal. yr. 80% after cal. yr. deductible 80% after cal. yr. deductible 30 visits per cal. yr. Three separate series of treatments per lifetime/Paid as any other sickness Covered as any other sickness

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Texas Association of Counties—CHOICE 700

EMPLOYEE INFORMATION



- This is a general Summary of your benefit design. Please refer to your benefit booklet for other details and for limitations and exclusions.
- Employees and eligible dependents who reside outside the service area will receive the Traditional Benefits and are responsible for the precertification process, and in some cases, may be responsible for filing the claim.
- The following benefits apply to dependent coverage:
  - Dependent children are covered to age 25.
  - Automatic coverage for newborns for the first 31 days following birth. Infants not enrolled for coverage within the first 31 days after birth will not be eligible for coverage until the following open enrollment period or special enrollment event.
  - Provider charges are paid according to BCSTX determined Allowable Amount and negotiated prices.
  - Preexisting conditions are defined in the benefit booklet and are excluded for 12 months. Appropriate credit will be given for time served under another health benefit plan as defined under the law.
  - Replacement of Medical Coverage: In compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the following provisions apply to each eligible participant who has health coverage under the employer's plan immediately prior to the effective date of the health contract between the employer and BCSTX (the contract date):
    - Benefits for eligible expenses incurred for any service or supplies prior to the contract date, are not covered under the contract.
    - Eligible expenses for services or supplies incurred on or after the effective date will be considered for benefits subject to all applicable contract provisions.

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RECORDED \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 2002

SUE GRAFTON, COUNTY CLERK, P. C. T.

