

September 13, 2004

A REGULAR MEETING OF THE KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, SEPTEMBER 13, 2004 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL / 200 EAST KLEBERG AVENUE 6:00 P.M.

CITY COMMISSION PRESENT:

Sam R Fugate, Mayor
Charles E Wilson, Commissioner
Arturo Pecos, Commissioner
Stanley Laskowski, Commissioner
Al Garcia, Commissioner

CITY STAFF PRESENT:

Carlos Yerena, City Manager
Courtney Alvarez, City Attorney
Edna S Lopez, City Secretary
George Bejarano, Finance Director
Dora Byington, Purchasing Director
Arnold Valadez, Warehouse Clerk
Jennifer Cantu, Director of Development Services
Dianne Leubert, Solid Waste Superintendent
Diana Gonzalez, Human Resource Director
Stanley Fees, City Engineer
Ricardo Torres, Police Chief
Y I Hinojosa, Street Field Supervisor
Tina Galvan, Field Supervisor
Macario Mayorga, Water Supervisor
A L Noyola, Health Director
Joe Casillas, Water Production Supervisor

I. Preliminary Proceedings.

Mayor Fugate opened the meeting at 6:00 P.M.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

Ms Dora Byington led everyone in prayer. The Pledge of Allegiance and the Texas Pledge followed.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Commissioner Laskowski made a correction to the minutes of August 24, 2004, page 6, Department 140 Legal, 2nd paragraph “case reserve” should be “case research”. He also made a correction to minutes of August 30, 2004, page 6, the last sentence was duplicated onto the next page.

Commissioner Pecos made a motion to accept the minutes as amended, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Wilson, Garcia, Laskowski, Pecos voting “FOR”.

Public Hearing - (Required by Law).¹

1. None.

II. Petitions, Grievances, and Presentations.²

1. Proclamation designating September 16, 2004 as “Stepfamily Day”.

Commissioner Wilson said he was contacted by an organization that supports stepfamilies. Commissioner Wilson read the proclamation.

2. Proclamation designating the month of September 2004 as "National Preparedness Month".

Commissioner Pecos read the proclamation.

3. City Manager's Report. (City Manager).

City Manager Yerena reported that last week, staff met with the financial advisor to start the process of issuing the Certificates of Obligations. He also reported on the KWOP program and presented copies of actual photos taken of the sites. He presented information on total houses demolished, total tonnage taken to the landfill, and personnel involved. He reported that February 2005 is the next date for this program. He said that overall the process was a success.

Commissioner Laskowski asked about filing liens or charging for fees for debris taken to the landfill for the houses that were demolished. City Manager Yerena replied that the condemnation process was not used so this would not allow the City the ability to file liens.

City Manager Yerena said that one of the advantages to this program is that there are no notice requirements, and the National Guard participated due to the individual's cooperation.

Ms Jennifer Cantu gave overview of cost for the KWOP program.

Mayor Fugate commented that this was a great program.

4. City Attorney's Report. (City Attorney).

Ms Courtney Alvarez reported that staff had attended a meeting with NAS. She said the NAS people were very pleased with the progress, with regard to chlormination, and the way that the City and STWA had moved. She reported that on Tuesday there will be collective bargaining negotiation for both Fire and Police, with an additional meeting set for the Fire Department, if needed, on Friday. She also reported that she attended a meeting with the financial advisor, last week. Ms Alvarez said that Ms Melissa DelaGarza, Tax Assessor contacted the City with regard to having a special meeting to do the final passage of the ordinance for the tax rate and the budget on or before the 20th. She said that Ms DelaGarza stated that she would try to bring tax roll to the Commission meeting on the 27th.

5. City Commission's Reports. (City Commission).

Commissioner Garcia asked Ms Alvarez if the City had been served on the Granato case. Ms Alvarez replied that the City had not.

Commissioner Pecos commented that the City needs to get proactive in making sure that the creeks and ditches are clean.

Mayor Fugate said that he would like for the Commission to consider a consent agenda.

III. Public Comment on Agenda Items ³

1. Comments on all agenda and non-agenda items.

Ms Carolyn Fees, 1506 Santa Cecilia, spoke about her concerns with the City's Health Insurance, Entrust.

Ms Janette Price, 2420 S 6th Apt 408, read a letter asking for a \$10,000 contribution for the Douglas Center.

Mr. Dennis Burkholder, Employee Benefit Administrator from San Antonio, Texas, spoke about his company submitting a response to the RFP to City's health insurance.

Mr. Rudy Galvan, 1908 Kelly, spoke in reference to the 2000 Building Code requirements in regards to fire hydrant placements.

IV. Items for consideration by Commissioners.⁴

1. Consider purchase of a Truck Mount Durapatcher through Buyboard for the Street Department. (Director of Purchasing).

Ms Dora Byington said that this item authorizes the purchase of one truck mount patching machine for the Street Department. She said that her recommendation was to purchase the street patching machine from H&V through Buyboard for a total of \$48,164.00.

Mayor Fugate asked for any questions or comments.

Commissioner Laskowski made a motion to approve Staff recommendation, seconded by Commissioner Wilson.

Mayor Fugate asked for any other discussion.

Commissioner Laskowski asked for the age of the first durapatcher and if it was going to be sold. Mr. Stanley Fees, City Engineer replied it was ten (10) years old, and it would be kept as a back up.

The motion was passed and approved by the following vote: Fugate, Pecos, Garcia, Wilson, Laskowski voting "FOR".

2. Consider awarding bid for annual contract for Water & Wastewater Utility Supplies. (Bid #25-05). (Director of Purchasing).

Ms Byington said that this item authorizes execution of annual contracts effective October 1st through September 30, 2005. She said that three companies are being recommended for supplying utility supplies for the Water and Wastewater departments. She said that this action does not directly expend any funds. She added that the contract specifies unit prices and enables these items to be acquired as needed during the time of the contract. Ms Byington said that if every item on the list was purchased, the city would spend \$207,174.39, however, based on estimated usage approximately \$180,000.00 will be expended under this contract. She said that it is recommended that the bid be awarded the following bidders (Hughes Supply Co, Morrison Supply Co, and National Water Works) and asked the Commission if they would like for her to read the list.

Mayor Fugate replied it was self-explanatory.

Commissioner Laskowski made motion to approve staff recommendation, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Wilson, Pecos, Garcia, Laskowski voting "FOR".

3. Consider awarding bid for annual contract for Road Materials. (Bid #25-09). (Director of Purchasing).

Ms Byington said that this is another annual contract for the same period of time, and recommendation is that the annual contracts be awarded to four (4) companies (R.P. Trucking, Vulcan Materials, Eagle Asphalt and Garner Asphalt Co). She said that it is estimated that the City will spend \$223,000.

Commissioner Laskowski made a motion to approve staff recommendation, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Wilson, Garcia, Pecos, Laskowski voting "FOR".

4. Consider awarding bid for annual contract for Diesel Fuel. (Bid #25-11). (Director of Purchasing).

Ms Byington said that this is a twelve (12) month contract. She said that the mark-up/down price is the only determinator for the low bidder since these prices fluctuate. She said that staff recommends approval for SSP Petroleum for services to the warehouse and landfill, for a total of \$135,956.

Commissioner Laskowski made a motion to approve staff recommendation, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Pecos, Garcia, Wilson, Laskowski voting "FOR".

5. Consider awarding bid for annual contract for Gasoline. (Bid #25-12). (Director of Purchasing).

Ms Byington said this was also a bid for a twelve (12) month contract. She said that staff's recommendation is to award the bid for regular unleaded gasoline for the warehouse to Petroleum Traders Corp., and the bid for regular unleaded gasoline for the landfill to be awarded to SPP Petroleum. She said the total amount is \$237,250.

Commissioner Laskowski asked about gasoline price for landfill. Ms Byington replied that the price difference is about \$50.00, because of the amount of deliveries to that area. She said that the truck bringing in the diesel could also bring in the gasoline.

Commissioner Laskowski made a motion to accept staff recommendation, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Pecos, Garcia, Wilson, Laskowski voting "FOR".

6. Consider awarding bid for annual contract for Tires & Services for the Police and Task Force Departments. (Bid #25-13). (Director of Purchasing).

Ms Byington said that it is recommended that the same vendor that has had the contract for the last 3-4 years be awarded the bid. She asked that Kingsville C&A Tire Company be awarded the bid. She said that this bid was posted on the web page because the annual contract is for less than \$25,000.

Commissioner Garcia made a motion to approve staff recommendation, seconded by Commissioner Laskowski.

Commissioner Garcia asked Ms Byington if other companies or businesses had been contacted. Ms Byington replied that notices were sent.

The motion was passed and approved by the following vote: Fugate, Wilson, Pecos, Laskowski, Garcia voting "FOR".

7. Consider awarding Life Insurance and Self-funded Health Insurance Contracts. (Director of Purchasing).

Ms Byington said that this item authorizes the purchase of self-funded health insurance. She said that a total of eighty-two (82) proposals were received. She said that after reviewing, it was determined that six (6) listed on the comparison sheet needed further review and evaluations. She said that she was told by an outside Broker that the City was paying too much for administrative fees. She said she had asked the Finance Department to pull out the bank statements so that the actual cost being paid to Entrust would be compared to the outside Broker's comparison.

Ms Byington said that this action would incur a total of \$218,558.40 for total fixed costs. She said that it is recommended that Entrust be approved to offer health coverage and Standard Insurance Company for life coverage at .13 cents per \$1000 and .025 for AD&D.

Mayor Fugate asked Ms Diana Gonzalez, Human Resource Director if she had received any complaints about Entrust. Ms Gonzalez replied that some employees are confused about the deductible.

Commissioner Wilson and Commissioner Laskowski spoke about an experience he had with a doctor's office and a hospital concerning their deductible.

City Manager Yerena said that looking at the money that was available and giving the employees the best comfort level, and that this rate structure was found.

Commissioner Garcia asked to omit employee's social security numbers from the identification cards.

Commissioner Pecos said that full-time college enrollment is no longer required in order for a child to be covered by the parents' health insurance.

City Manager Yerena said that this would have to be put on the agenda in order to amend our policy.

Commissioner Wilson made a motion to accept staff recommendation for both plans, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Laskowski, Pecos, Garcia, Wilson voting "FOR".

8. Consider removing from the table a resolution providing for the adoption of Revised Travel Policy 2.1 for the City of Kingsville. (Commissioner Laskowski).

Commissioner Wilson made a motion to remove item from the table, seconded by Commissioner Laskowski and Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Garcia, Pecos, Laskowski, Wilson voting "FOR".

9. Consider resolution providing for the adoption of Revised Travel Policy 2.1 for the City of Kingsville. (Commissioner Laskowski).

Commissioner Laskowski said that this policy now applies not only to the City employees but to the City Commission members, as well. He said several paragraphs were added and changes are underlined. He added that the Commission would now have some responsibility to fill out their own forms for travel. He said that reimbursement for mileage should be calculated beginning with the 51st mile.

Commissioner Wilson said that the original travel ordinance was drafted for City employees and that the document is correctly drafted for those who are under the City Manager's authority. He said that the language needed to be cleaned up under Policies and Procedures, #2, "Upon approval by the City Manager". Commissioner Wilson added that one ordinance was molded to fit two unique groups.

Ms Alvarez suggested that "For City Employee Travel" be added before "Upon approval".

Commissioner Wilson said he did not think that would work and that there is another section that also needs to be revised.

Commissioner Wilson suggested it read, "The City Manager's office shall have exclusive authority to approve travel for City employees, and City Commission members shall submit their travel documents to the City Secretary who will then transmit them to the Finance Department". He then suggested that the following be added to 4 (b) - "shall submit travel document to the Finance Department, directly." He also suggested that "except for travel by City Commission members or the Mayor", be added to the last sentence.

Commissioner Laskowski suggested striking the last sentence. He said that 4(a) pertains to City employees and 4(b) is for City Commission.

Commissioner Laskowski made a motion to adopt the policy as revised, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Wilson, Garcia, Pecos, Laskowski voting "FOR".

10. Consider a resolution of the City of Kingsville, Texas, authorizing the South Texas Aggregation Project, Inc. to negotiate an electric supply agreement for deliveries of electricity effective January 1, 2005; Authorizing the Mayor or other designated City Official to sign a contract with STAP for the City of Kingsville's 2005 electricity needs; and committing to budget for energy purchases in 2005 and to honor the City of Kingsville's commitments to purchase power for its electrical needs in 2005 through STAP. (City Engineer).

Mr. Stanley Fees said that the STAP Board is currently advertising for bids for our electric utility providers. He said that this resolution allows the STAP Board to actually do the negotiating for the City of Kingsville for the electric utility rates. He said that the City received a very good deal last year and that his recommendation is to allow the STAP Board to do the bidding process for our electric bills.

Commissioner Laskowski voiced his concern stating that in the past 24% was saved and this year the savings is expected to exceed 10%. He said that he hopes that was taken into account during the budget preparations.

Mayor Fugate asked if that was a conservative number. Mr. Fees replied it was.

Commissioner Wilson made a motion to adopt the resolution as presented by staff, seconded by Commissioner Laskowski. The motion was passed and approved by the following vote: Fugate, Garcia, Pecos, Laskowski, Wilson voting "FOR".

11. Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter IX, Article 10, Streets and Sidewalks, Amending Sections 9-10-5 and 9-10-7 Providing for Maintenance of Alleys and Rights of Way by Adjacent Property Owners; Prohibiting Dumping in Alleys. (City Engineer).

Mr. Fees said that at the request of the Commission some clarification was done on what actually maintaining alleys and right-of-ways were.

Mr. Fees said that under Parkways B (3) trimming of the tree limbs was changed from 11 feet to 13 feet so the 12 ½ garbage trucks could clear.

Commissioner Wilson said that the objective of 9-10-5 is to obstruct, to keep from clear passage. He said that there have been general concerns about not being able to put brush in the alley.

City Manager Yerena said that at the top of the page "Prohibiting dumping in alleys" should be changed to "Prohibiting obstructions of alleys".

Commissioner Wilson commented that there is now another ordinance that says, to keep clean, and now this has to be enforced. He said that there needs to be a balance in passing an ordinance that gets the message across, but there is still not an appropriate amount of people to enforce.

Mayor Fugate said that he agrees with Commissioner Wilson about enacting new ordinances. He said that he would hope to get enforcement if this ordinance if passed.

Commissioner Pecos brought up the issue of senior citizens not able to mow.

Commissioner Wilson asked Ms Alvarez if an effective date could be given if this ordinance was approved. Ms Alvarez replied that the effective date is set out in the Charter, but something could be done with the actual enforcement date.

Commissioner Wilson said that for education purpose, a message could be put in the water bill.

Commissioner Garcia asked what department would be in charge of the enforcement issue. City Manager Yerena replied it would fall under the Health Department, but would anticipate that any particular department that notices problem would report it to the proper authority.

Commissioner Laskowski made a motion to adopt ordinance as presented changing the word to obstructing alleys, seconded by Commissioner Wilson.

The motion was passed and approved by the following vote: Fugate, Garcia, Wilson, Laskowski voting "FOR", and Pecos voting "AGAINST".

12. Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Sections 13-1-10 and 13-1-11, Providing for the Removal of Postings within 5 Days of an Event. (Director of Development Services).

Ms Cantu said that was brought to the Commissions' attention at the past City Commission meeting for the public hearing and the first reading. She said that at that time there were comments about "Handbills" which was changed to "Fliers" throughout the ordinance. She said this is being brought for clarification purposes with regard to, you absolutely, positively can not post anything of a flier type on a telephone pole and if anything is posted on people's property it has to be removed within five (5) calendar days.

Mayor Fugate asked if telegraph poles were taken out. Ms Cantu replied yes.

It was brought to Ms Cantu's attention that the word telegraph was still in the document. Ms Cantu said it would be removed.

Commissioner Laskowski made a motion to adopt the ordinance as presented with the correction to telegraph, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Pecos, Wilson, Garcia, Laskowski voting "FOR".

13. Consider submission of forty properties for review by Staff for future National Guard Project Wipe Out. (Director of Development Services).

Ms Cantu said that Commissioner Pecos initially presented a list of houses to the former Fire Marshall. She explained the procedure that was used to create a master list. She said that the houses that are approved by the Commission would go before the Historical Development Board. She added that the National Guard anticipates a two (2) week stay in February and the demolition of approximately 25 houses.

Commissioner Garcia asked why the Commission should decide on the homes instead of staff. City Manager Yerena replied that staff is asking to recommend several houses which still have to be approved by the National Guard.

Mayor Fugate said that he trusts staff to pick out the houses and recommended houses in high visibility thoroughfares.

Ms Cantu said that she has never had a problem with deciding, and would say that the Commission was given the opportunity to review the list.

Commissioner Wilson made a motion to authorize staff to select forty (40) properties for addition to the KWOP program in cooperation with the National Guard, seconded by Commissioner Garcia and Commissioner Laskowski. The motion was passed and approved by the following vote: Fugate, Pecos, Garcia, Laskowski, Wilson voting "FOR".

It was the consensus of the Commission to consider agenda item #17 at this time.

17. Consider request for funds budgeted by the City for capital improvements to be made available for expenditures. (Parks Director).

Ms Susan Ivy, Parks Director said that she is requesting the Commissions' approval to spend the funds as they are being presented and that some of the expenditures are for properties not listed as City owned property. She said that she is requesting to use some of the funds to replace the roof over the foyer at the J K Northway Expo Center. She said that a copy of the bid from Gillespie Roofing for a cost of \$8,900 was provided.

Ms Ivy said that the installation of a restroom at Flores Park is being considered and that the County will provide the labor, but is requesting the City's assistance in providing the electrical & plumbing work and permits. She said that the estimate amount for this project is \$7,200.

Ms Ivy gave brief overview of the capital improvement projects.

City Manager Yerena said the City does not have the adequate staff to accomplish the electrical and plumbing work. He said that the City can work with the County on the plan review, electrical and plumbing fees.

Ms Ivy said that if the City does not have the capability, they are asking that the City contract someone or provide the funds for the project.

Commissioner Wilson asked Ms Ivy if the City was paying for the entire cost of the roof. Ms Ivy replied that monies from the City's water trade and the County will be used for this project.

Ms Alvarez asked if there was any building plans for the proposed restroom. Ms Ivy replied that plans were prepared by Castillo Engineering.

Commissioner Wilson made a motion to approve the Kleberg Park Capital Improvement Projects minus the Flores Park project, until such time as there is better clarification as to whether or not the City can afford to be a part of that, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Garcia, Laskowski, Pecos, Wilson voting "FOR".

Mayor Fugate called for a break at 8:00 P.M.

The Commission reconvened at 8:10 P.M.

14. Consider introduction of an ordinance adopting the annual budget of the City of Kingsville, Texas, and appropriating funds for the fiscal year beginning October 1, 2004 and ending September 30, 2005. (Finance Director).

Mr. George Bejarano, Finance Director gave an overview of the recap sheet that was given to the Commission. He said that the total revenue in the general fund was \$12,116,506, total expenditures \$12,028,885, and total fund balance was \$87,621. He also said that the total revenue in the utility fund was \$5,432,250, total expenditures \$4,950,951, and total fund balance was \$481,299. Mr. Bejarano said that under Section Three of the ordinance, the sum of \$16,979,835 is the budget for this coming year.

Commissioner Wilson said that City Manager Yerena is contractually committed to a six percent annual raise. He said that the way it is budgeted is that all employees would receive a three percent, and the City Manager would get an additional six. He said it should only be six percent for the City Manager.

City Manager Yerena said it was only six percent.

Commissioner Laskowski made the following cuts to the Fire Department's budget: Account #211 – Supplies cut to \$8,000; Medical Supplies cut to \$40,000; Professional Services cut from \$8,000 to \$6,000; Training & Travel cut to \$18,000; Equipment Rent cut from \$11,000 to \$8,000; and Building Maintenance cut from \$16,500 to \$10,000.

Mayor Fugate suggested taking another \$5,000 out of Medical Supplies leave Professional Services alone.

There was discussion on setting a date for the next meeting for the second reading of the ordinance to adopt the budget. It was decided that a meeting would be held on Monday at 6:00 P.M.

Commissioner Laskowski said that last year the City funded half of the salary for a 4-H employee in the Extension Service.

Ms Alvarez said that last year the City received a letter of request for funding from the Extension Service. She added that she did not know if they had received a new grant for that position or if that was still a financial need that was being requested of the City.

Mr. Bejarano advised the Commission that just today he had received by e-mail a request for funding that position. He said that this position was not included in the budget.

Commissioner Wilson said that this position is not a park position, but has historically been funded by the State of Texas to the Extension Agent. He said that last fiscal year this position was not funded and the Commission decided it was important enough to make sure the employee was retained. He said that it was his understanding that the position would not be needed this year.

Mayor Fugate asked City Manager Yerena for his suggestion. City Manager Yerena replied that we are well within the range of the goal that was set and it is hard to differentiate among the other groups.

No Action, INTRODUCTION ONLY.

15. Consider introduction of an ordinance establishing and adopting the Ad Valorem Tax Rate for all taxable property within the City of Kingsville, Texas for the fiscal year beginning October 1, 2004 and ending September 30, 2005, distributing the tax levy among the various funds, and providing for a lien on real and personal property to secure the payment of taxes assessed. (Finance Director).

Mr. Bejarano said that this ordinance is effective from October 1, 2004 to September 30, 2005 and sets a tax rate of \$.70196 based on 100% of the fair market value. He said for the General Fund Expenditures the sum of \$.44924 on each one hundred dollar (\$100), and for the Debt Service Fund Expenditures it is set at \$.25272 on each one hundred dollar (\$100). He said that this is just below the Notice of Hearing.

Commissioner Wilson asked if the calculation for 65 and over had been done. Mr. Bejarano replied it was calculated.

No Action, INTRODUCTION ONLY.

16. Consider introduction of an ordinance amending the Fiscal Year 2003-2004 Budget for the City of Kingsville. (Finance Director).

Mr. Bejarano said that this ordinance will allow the moving of monies to cover deficits and that only emergency items are being allowed to be purchased.

City Manager Yerena said that the money is being spent, but only for things that are needed.

Commissioner Laskowski said that during the budget process, it was talked about that the only person, Sgt. Cuellar, in Department 210.1 receives a clothing allowance. He said that the line item for Uniforms and Personal Wear was adjusted to \$900, but the budget amendment is showing \$4,700.

Mr. Bejarano said he would look into this matter.

No Action, INTRODUCTION ONLY.

18. Consider authorizing out-of-state travel for Mayor Fugate to attend a meeting in Washington, D.C. with the South Texas Military Facilities Task Force on September 22 – 24, 2004. (Mayor Fugate).

Mayor Fugate said that he has attended a couple of the BRAC Task Force meetings in Corpus Christi. He said that the people hired to help with the lobbying effort have commented that the BRAC process has started. He said that the list for base closures will be pretty well complete by January 2005, but the Department of Defense will not publish list until May 2005. He said that the meetings are scheduled at the Pentagon and will meet with Congressional people. Mayor Fugate said that he will be traveling with Dick Messberger, EDC Director.

Commissioner Wilson made a motion to authorize the out-of-state travel for Mayor Fugate, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Pecos, Laskowski, Garcia, Wilson voting "FOR", Fugate "ABSTAINING".

The Commission convened into Executive Session at 8:35 P.M.

19. Executive Session: Under Section 551.071 of the Texas Open Meetings Act, the City Commission shall convene in executive session to seek legal advice from the City Attorney regarding potential litigation regarding administration and enforcement of City obligations under the South Texas Water Authority Supply Contract. (Mayor Fugate).

The Commission reconvened into Regular Session at 9:09 P.M.

20. Consider proposal for a five year contract with the South Texas Water Authority. (City Manager).

City Manager Yerena said that this is a five (5) year contract that will be re-negotiated in March 2007, and would end September 30, 2009. City Manager Yerena said that the major terms of the contract are in Section 8(A) – Prices and Terms – Uniform water rate and (B) City agrees to purchase a minimum amount of water equal to \$350,000 annually, or \$29,166.67 monthly.

Ms Alvarez advised the Commission that on the page 3, under Section 2, top paragraph, the language "or any future water supply contracts" should be included at the end of the sentence. She said that after discussion with the City Manager and other Staff, it was decided that page 5, Section 8 (b) which reads "this establishes the monthly minimum volume of water the City agrees to purchase, regardless of whether or not the authority actually delivers or tenders delivery of water to the City", should include after City "because of limitations set out in Sections 2 and 11 of this contract".

Commissioner Laskowski made a motion to offer this contract to the Water Authority for consideration of adoption, as amended, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Wilson, Garcia, Pecos, Laskowski voting "FOR".

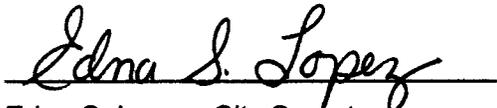
V. Adjournment.

The meeting was adjourned at 9:15 P.M.



Sam R. Fugate, Mayor

ATTEST:


Edna S. Lopez, City Secretary