

**Minutes of Proceedings
Regular Board Meeting
La Feria Utilities Board
Tuesday, August 9, 2011**

Be it known that the Board of Directors of the City of La Feria Utilities Board met in regular session on **Tuesday, August 9, 2011, at 5:15 P.M.** in the City Commission Meeting Room, 115 East Commercial Avenue, La Feria, Texas 78559. The purpose of said meeting was to consider and take action on those items of Utilities Board business as was duly posted by agenda in accordance with the State Open Meetings Law. The following Board Members were present at said meeting:

Mr. Adolfo Lopez	Chairman
Ms. Betty Jo Dunlap	Vice Chairman
Mr. Ovidio Saldivar	Board Member
Mr. Ralph Muse	Board Member
Mr. Steve Brewer	Mayor/Ex-Officio Member – Late 5:26 P.M.

The following staff members were present at said meeting:

Mr. Sunny K. Philip	City Manager
Ms. Maria Chavero	Finance Director
Ms. Olga Oberwetter	City Secretary

The only other person present at this meeting was Julie Cavazos.

At 5:15 P.M., Board Chairman Mr. Adolfo Lopez asked all present to rise and recite aloud the Pledge of Allegiance to the Flag of the United States of America. After this was done, Mr. Lopez declared that a quorum of the Board was present and called the meeting to order.

**CONSIDER AND TAKE ACTION TO APPROVE MINUTES OF PROCEEDINGS
OF THE REGULAR MEETING OF THE LA FERIA UTILITIES BOARD HELD
ON JULY 12, 2011**

After review of the minutes, Mr. Ralph Muse moved to approve the minutes of proceedings of the regular meeting of the La Feria Utilities Board held on July 12, 2011 as presented in written form. Ms. Betty Jo Dunlap seconded the motion, and the motion carried by unanimous vote of the board members present.

FINANCIAL REPORTS FOR THE MONTH OF JULY 2011

Finance Director Ms. Maria Chavero reviewed the financial reports for the month of July 2011, reviewing both the monthly and year-to-date figures. Ms. Chavero then reviewed the performance indicators, after which Board Chairman Adolfo Lopez announced that the reports would be filed for audit.

Mayor Steve Brewer joined the meeting at this time.

CONSIDER AND TAKE ACTION TO APPROVE BUDGET AMENDMENT FOR FY 2010-2011

City Manager Sunny K. Philip made a few comments regarding the economy and the lack of growth in tax base. He said the City just completed a major capital improvements project for water and sewer, but unless there are hookups to the system, there is not much revenue.

Finance Director Ms. Maria Chavero reviewed the proposed budget amendment with the board. The budget amendment reflected an increase of revenues in the amount of \$417,957.00 and an increase of expenditures in the amount of \$212,083.00, for a total of \$205,874.00 in revenues over expenditures. With the approval of the budget amendment, the adjusted revenues for the FY 2010-2011 will be \$3,322,300.00 and the adjusted expenditures for FY 2010-2011 will be \$4,029,823.00 for a total of \$707,523.00 revenues under expenditures. Ms. Chavero then reviewed some department totals and line items of the budget amendment with the board members. She explained the reasons for the adjustments. After review and all questions answered, Mr. Ralph Muse moved to approve the budget amendment for FY 2010-2011. Mr. Ovidio Saldivar seconded the motion, and the motion carried by unanimous vote of the Board.

BUDGET WORKSHOP FOR FY 2011-2012

Finance Director Ms. Maria Chavero reviewed the proposed budget figures for FY 2011-2012. She said for the most part, the figures for next fiscal year are being projected to be the same as the ending figure for FY 2010-2011. These figures show no increases in rates. The proposed budget for revenues is \$2,547,529.00 and the proposed budget for expenditures is \$3,503,042.00, for a total of \$955,513 revenues under expenditures. Ms. Chavero said the fees and charges should generate enough revenues to cover the operating expenses, but due to low consumption there is a shortfall. She added that the City wants to add another accountant to help with all the grant projects that are coming up in the near future and a part time employee for the Water Distribution Department. The Water System pays one half of the employees' salaries. There was no action needed as a result of the budget workshop discussion.

REPORT BY STAFF

- **Water and Wastewater System Improvements projects**
- **Proposed Water and Wastewater Project Funding**

City Manager Sunny K. Philip reported the following:

- The contractor that took over the SLC project has a deadline of August 20, 2011 to finish up the project, so that the City can close it out.
- The pressure main project is almost complete and they should be finishing the installation of the odor control unit soon.
- All documentation has been submitted to close out the generator project.
- There is an issue with one of the new generators, the one installed at the Arroyo Lift Station was struck by lightning and it is not operating. The manufacturer and the contractor are working on it to see what the damage is and what can be

done. If it is a major expense, the City may have to file a claim with the insurance company.

- The CCN application has been submitted to TCEQ and once the City receives that, it should be able to close on the \$15 million forgivable loan with the Texas Water Development Board (TWDB). TWDB laid off about 70 engineers and two of the people who worked on La Feria's project are no longer there. Initially, the plan was to go out for bids in April, but that was extended until August 2011.
- Mr. Philip reviewed the list of Grant/Loan Applications that have been approved for La Feria. The items related to the water and sewer system were highlighted in yellow.

Mayor Steve Brewer left at this time to prepare for the City Commission Meeting, which followed this meeting.

PUBLIC COMMENTS

Board Chairman Mr. Adolfo Lopez declared the public comment session open. No one signed up to speak before the board, so Mr. Lopez declared the public comment session closed.

ACTION FOR ADJOURNMENT

There being no further business to conduct, Ms. Betty Jo Dunlap moved for adjournment of the meeting. Mr. Ralph Muse seconded the motion, and the motion carried by unanimous vote of the board members present.

ADJOURNMENT – BOARD CHAIRMAN

Board Chairman Mr. Adolfo Lopez adjourned the meeting at 6:18 P.M.

APPROVED:



Adolfo Lopez, Board Chairman

ATTEST:



Olga Oberwetter, City Secretary

These minutes were prepared and filed with the City of La Feria as official record of the Utilities Board at 8:30 AM on August 22, 2011.



Olga Oberwetter, City Secretary

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