

**Minutes of Proceedings
Special Board Meeting
La Feria Utilities Board
Tuesday, August 23, 2011**

Be it known that the Board of Directors of the City of La Feria Utilities Board met in special session on **Tuesday, August 23, 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

Absent: Mr. Steve Brewer Mayor/Ex-Officio Member

The following staff members were present at said meeting:

Mr. Sunny K. Philip	City Manager
Ms. Maria Chavero	Finance Director
Ms. Irene Szedlmayer	Planning and Community Dev. Director
Ms. Olga Oberwetter	City Secretary

There were no other persons at this meeting.

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 AUGUST 9, 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 August 9, 2011 as presented in written form. Mr. Ovidio Saldivar seconded the motion, and the motion carried by unanimous vote of the board members present.

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

This item was placed on the previous meeting's agenda and considered then. It was placed on this meeting's agenda in error. Ms. Betty Jo Dunlap moved to take no action

on this item. Mr. Muse seconded the motion, and the motion passed by unanimous vote of the board members present.

BUDGET WORKSHOP – CITY OF LA FERIA WATERWORKS AND SEWER SYSTEM BUDGET FOR FY 2011-2012

City Manager Sunny K. Philip said that this is the second budget workshop in a row and Finance Director Ms. Maria Chavero has fine tuned the items. Ms. Chavero reviewed the proposed budget figures for FY 2011-2012. She said for the most part, the revenue figures for next fiscal year are being projected to be the same as the ending figure for FY 2010-2011, since there will be no increase in the water and sewer rates this year. The small increase in the revenues will be from the administration portion of grant funds that are expected for this fiscal year. The proposed budget for revenues is \$2,547,529.00 and the proposed budget for expenditures is \$3,469,922.00, for a total of \$922,393.00 revenues under expenditures. Ms. Chavero explained that in the current fiscal year, the capital outlay was \$588,093.00, but in the new budget there is no accommodation for any capital outlay expense. She explained that the depreciation amount for the fiscal year is \$873,705.00 and as a non-cash item, that figure reduces the overage of expenditures over revenues as shown for the total budget, leaving a deficit of \$48,688.00. This amount could be managed by an increase in water usage resulting in increased revenues. Ms. Chavero discussed some of the expenses and noted that the electricity bill for the new wastewater plant is one of the major items in the budget. Mr. Ovidio Saldivar discussed that there is a device that controls spikes on electric power when compressors turn on, and that it might be something to look at. Mr. Philip said he didn't know whether that system would be available for industrial use, but he explained that in the City Hall, there is a delay system that does not allow all the air conditioner compressors to turn on at the same time. Finance Director Ms. Maria Chavero asked the board members to contact her if they had any further suggestions for the budget before it is finalized. City Manager Sunny K. Philip added that at the previous meeting a discussion was held about the number of grants that the City has received and the grant for the solar power for the water treatment plant and the wastewater treatment plant will require a 20% match, approximately \$550,000.00. Also, the water and wastewater system improvements grant will require some acquisition of easements and about \$100,000.00 needs to be budgeted for that. Mr. Philip said this money will have to be raised in the form of a bond, and he expected to bring this before the Board at the September 13, 2011 meeting. There was no action needed as a result of the budget workshop discussion.

PUBLIC HEARING – CITY OF LA FERIA WATERWORKS AND SEWER SYSTEM BUDGET FOR FY2011-2012

Board Chairman Mr. Adolfo Lopez declared the public hearing open at 5:44 P.M. There were no comments, so Mr. Lopez declared the public hearing closed at 5:44 P.M.


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

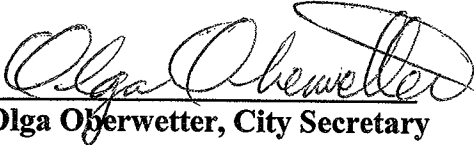
Board Chairman Mr. Adolfo Lopez adjourned the meeting at 5:45 P.M.

APPROVED:



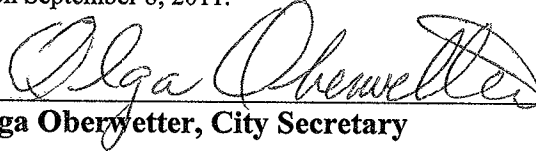
Adolfo Lopez, Board Chairman

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 September 8, 2011.



Olga Oberwetter, City Secretary

