

**Minutes of Proceedings
Special Board Meeting
La Feria Utilities Board
Tuesday, September 27, 2011**

Be it known that the Board of Directors of the City of La Feria Utilities Board met in special session on **Tuesday, September 27, 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

The following staff members were present at said meeting:

Mr. Sunny K. Philip	City Manager
Ms. Irene Szedlmayer	Planning and Community Dev. Director
Ms. Kin Mendoza	Accountant
Ms. Olga Oberwetter	City Secretary

The other persons at this meeting were Anne Burger, Managing Director with First Southwest Company and Mrs. Helen Muse.

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.

CONSIDERATION AND APPROVAL OF A RESOLUTION BY THE CITY OF LA FERIA PUBLIC UTILITIES BOARD RELATING TO THE ISSUANCE AND SALE OF OBLIGATIONS DESIGNATED AS "CITY OF LA FERIA, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2011"; AND OTHER MATTERS IN CONNECTION THEREWITH

City Manager Sunny K. Philip made a few comments concerning the Utilities Board participation in the issuance of the Certificates of Obligation, Series 2011 and Series 2012. The Utility System would pledge \$1,000.00 towards the issuance of the Certificates of Obligation. Mr. Philip discussed that the issuance of the Certificates of Obligation is necessary to provide grant-matching funds for both the City and the Utility System. The funds provided by the Certificates of Obligation issuance would include \$665,000 for the matching funds for the SECO grant for the Water and Wastewater

Treatment Plants Solar Panel Project, \$4.5 million for City capital improvement projects, and \$1.364 million for the Library and Fire Station and Substation projects. Mr. Philip explained that the United States Department of Agriculture (USDA) which is the agency funding the Library and Fire Station and Substation projects requires a separate issuance and that is reflected in the resolution to be considered after this item. He then introduced Ms. Anne Burger, Managing Director with First Southwest Company, the City's Bond Counsel. Ms. Burger presented the Board with a package of information, which included an interest rate study over the past five years that showed that current interest rates are at one of the lowest percentage rates. Ms. Burger presented a recommended plan of financing for the Utility System in order to create debt capacity for the matching funds that are needed for the grants received for capital improvements. The Certificates of Obligation would provide the \$665,000 matching funds needed for the SECO grant for the installation of solar panels at the Water and Wastewater Treatment Plants. The new issuance would also provide funds to pay off the Series 2004 Revenue Bonds to the North American Development Bank (NADB) and that debt would be restructured in the Certificates of Obligation, Series 2011 with a net loss of approximately \$40,777.00 to the Utility System. Ms. Burger reviewed the timeline for the issuance of these certificates and said that the interest rates would be locked in on November 1 or November 8, 2011. The projected closing date for the General Obligation Refunding Bonds, Series 2011 and Certificates of Obligation, Series 2011 is December 8, 2011. Ms. Burger answered the board members questions during the presentation. After the review, Mr. Ralph Muse moved to approve Resolution 2011-01 of the City of La Feria Public Utilities Board relating to the issuance and sale of obligations designated as "City of La Feria, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011"; and other matters in connection therewith. Mr. Ovidio Saldivar seconded the motion, and the motion carried by unanimous vote of the Board.

Mr. Philip thanked Ms. Burger for her presentation and said she has done a very good job for the City of La Feria. Mr. Philip said that when the City applied for a \$25 million grant with the TWDB, it received a grant in the amount of \$15 million and the TWDB required that the City take a \$10 million loan to complete the project. Ms. Burger met with the TWDB and was successful in securing the \$15 million TWDB grant as a forgivable loan, without having to take the additional \$10 million loan. Ms. Burger said that it was a collaborative effort and that since that time, the TWDB has changed their rules, and they are not approving any more forgivable loans.

CONSIDERATION AND APPROVAL OF A RESOLUTION BY THE CITY OF LA FERIA PUBLIC UTILITIES BOARD RELATING TO THE ISSUANCE AND SALE OF OBLIGATIONS DESIGNATED AS "CITY OF LA FERIA, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2012 (USDA)"; AND OTHER MATTERS IN CONNECTION THEREWITH

This item was discussed as part of the previous item and it pertains to the USDA projects. Mr. Ralph Muse moved to approve Resolution 2011-02 by the City of La Feria Public Utilities Board relating to the issuance and sale of obligations designated as "City of La Feria, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation,

Series 2012 (USDA)”; and other matters in connection therewith. Mr. Ovidio Saldivar seconded the motion, and the motion carried by unanimous vote of the Board.

REPORTS BY STAFF

• **Water and Wastewater System Improvements**

City Manager Sunny K. Philip reported on the following.

- The City is closing out the SLC Project and it should be receiving the final draw request.
- The Pressure Main Project should be closed by September 29.
- The \$15 million project is in the design stage, and the City is waiting on TCEQ to issue of final okay on the CCN Amendment. The TCEQ is waiting on information from the USDA that they are releasing that portion from the North Alamo Supply Corporation.

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, Mr. Ralph Muse moved for adjournment of the meeting. Ms. Betty Jo Dunlap seconded the motion, and the motion carried by unanimous vote of the Board.

ADJOURNMENT – BOARD CHAIRMAN

Board Chairman Mr. Adolfo Lopez adjourned the meeting at 6:00 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 1:30 PM on October 8, 2011.



Olga Oberwetter, City Secretary

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