

**Minutes of Proceedings
Special Board Meeting
La Feria Utilities Board
Tuesday, August 30, 2016**

Be it known that the Board of Directors of the City of La Feria Utilities Board met in special session on **Tuesday, August 30, 2016, 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. Ralph Muse	Board Member
Ms. Olga H. Maldonado.	Mayor/Ex-Officio Member

The following Board Member was absent from said meeting:

Mr. Ovidio Saldivar	Board Member
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The following staff members were present at said meeting:

Ms. Esmeralda R. Sánchez	Interim City Manager
Ms. Paula Rodriguez	Planning Director
Ms. Kin Mendoza	Finance Director
Ms. Tabitha Outlaw	Administrative Assistant

Other individual present at the meeting was Mrs. Helen Muse.

Board Chairman Adolfo Lopez asked all present to rise and recite the Pledge of Allegiance to the Flag of the United States of America. He then declared that a quorum was present and called the meeting to order at 5:15 PM

PUBLIC COMMENTS

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

REVIEW AND TAKE ACTION TO APPROVE MINUTES OF PROCEEDINGS OF THE REGULAR MEETING OF THE LA FERIA UTILITIES BOARD HELD ON TUESDAY AUGUST 9, 2016.

A copy of the minutes was provided for review. Ms. Dunlap stated a correction needed to be made to the first sentence on page three, adding the word "be" and correcting the spelling of "submitted" to read "will be submitted." A motion to approve the minutes as corrected was made by Mr. Muse, seconded by Ms. Dunlap, and approved unanimously by the board members present.

DISCUSS, CONSIDER AND TAKE POSSIBLE ACTION ON PROPOSED RAW WATER PURCHASE CONTRACT

The City entered into the contract in 1973. In 1999 there was an amendment to the contract to increase the rate of water to .11 cents per 1,000 gallons. The La Feria Irrigation District (LFID) is under new management and according to the letter received March 2015, the LFID plans to increase the rate to .20 cents, by 2018. The City has not received a formal amendment to the contract, but has been paying the new rates. In May of 2015 the City began paying .15 cents per 1,000 gallons and in July 2016 the rate increased to .17 cents. Under advisement of special legal counsel, Ms. Sánchez confirmed that the City does not have to execute an amendment. The letter from LFID and the invoices showing the current rate is being paid are sufficient to validate the agreement.

PUBLIC HEARING REGARDING FISCAL YEAR 2016-2017 BUDGET & WATER AND SEWER RATES

Mr. Lopez opened the public hearing at 5:41 PM.

There were no public comments. Discussion with the Board included the current TCEQ review and recommended improvements at the water and wastewater plants, including higher salaries for plant operators. The proposed budget includes salary increases for the water and wastewater plant employees. The Board then discussed the licensing process for the plant operators. Ms. Dunlap inquired about the insurance item listed on the budget. Ms. Mendoza clarified that it is the liability on the buildings, vehicles, and equipment.

Mr. Lopez closed the public hearing at 5:48 PM.

CONSIDER AND TAKE ACTION TO APPROVE THE CITY OF LA FERIA UTILITIES BOARD BUDGET FOR FISCAL YEAR 2016/2017

A copy of the Budget for Fiscal Year 2016/2017 was provided to the Board. Ms. Sánchez reviewed the budget, stating there is a proposed budget including \$8.8 million in revenues and expenses of \$9.8 million, resulting in a \$1 million deficit. Considering depreciation of \$1.2 million the budget results in a positive cash flow of \$200,000.

Following discussion, a motion to approve the budget for fiscal year 2016/2017 was made by Ms. Dunlap, seconded by Mr. Muse, and passed by unanimous vote of the members present.

Mr. Lopez declared the budget was approved to be sent to the City Commission.

ACTION FOR ADJOURNMENT

There being no further business to conduct, Mr. Muse made a motion to adjourn the meeting. Ms. Dunlap seconded the motion, and the motion carried by unanimous vote of the Board Members present.

ADJOURNMENT

Chairman Adolfo Lopez adjourned the meeting at 5:52 P.M.

APPROVED:



Adolfo Lopez, Board Chairman

ATTEST:

Esmeralda R. Sánchez, City Secretary

These minutes were prepared and filed with the City of La Feria as official record of the Utilities Board at 9:20 PM on September 9, 2016.

Esmeralda R. Sánchez, City Secretary