

**Minutes**  
**Regular Council Meeting**  
**July 17, 2018**

On this 17<sup>th</sup> day of July, 2018, at 6:00 p.m., the City Council of the City of Devine convened in a Regular Meeting; the same being opened to the public at their regular meeting place; thereof, at City Hall, 303 S. Teel Drive, Devine, Texas. Notice of said Meeting having been prescribed in Chapter 551, Government Code, and Vernon's Texas Codes, Annotated, and the following members being present:

Mayor William L. Herring  
Alderman Steve A. Lopez  
Alderman David Espinosa  
Alderman Cory Thompson

Absent being Alderman David Valdez and Alderwoman Jennifer Schott; thus, constituting a quorum.

Personnel present: Dora V. Rodriguez, Interim City Administrator/City Secretary; Denise Duffy, City Accountant; Mary Badillo, City Financial Advisor; Kandy Benavides, Chief of Police; Tom Cate, City Attorney; Raul Garcia, City Engineer; Ismael Carrillo, Director of Public Works; and Rob Flores, Superintendent of Public Works.

Others present: Marly Davis, Devine News; Sasha Robinson, Medina Valley Times; Andrew Friedman, SAMCO Capital, Inc.; Arnold Cantu, Norton Rose Fulbright; Marco A. Arredondo, Energy Consultant, Marco A. Arredondo, Inc.; Jeff Wisenbaker, Richard Malone and Tommy Weisinger, Devine Golf Course; Mike Walker, Devine Fire Chief; Christian Jones, Devine Asst. Fire Chief; Shannon Rackley Rangel; Willie Shelton; Sandy Herrera; Leslie & Jeremy Vail; Debbie Rangel; Diane Bradford; Laura Sinclair; Charlie Baker; Kiel Boehme; and Fred Morales of Devine, Texas.

Mayor Herring, presiding, declared the meeting open at 6:00 p.m.

Mayor Herring delivered the Invocation and Alderman Espinosa led the Pledge of Allegiance.

The first order of business was the Visitors/Citizens Forum.

No one signed up to speak under this item.

The second order of business was Recognition.

- Baseball Teams – Mayor Herring announced that we will honor our baseball teams after they get back and we can get them all together.
- Devine VFW Post 3966 – Was recognized for achieving the All American Award in Community Service again this year. Alderman Lopez reported that Devine and Boerne were the only ones in District 13 that received this award.

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The third order of business was to discuss and consider Approval of Minutes: Regular Council Meeting, June 19, 2018.

Interim City Administrator/City Secretary Dora V. Rodriguez announced that we held a Special Meeting on Wednesday, July 11<sup>th</sup>, but those minutes aren't ready yet. Those will be reviewed later.

Council reviewed minutes for Regular Council Meeting, June 19, 2018.

Motion by Alderman Lopez, seconded by Alderman Thompson to approve minutes for Regular Council Meeting, June 19, 2018.

Ayes	--	Three
Nays	--	None
Absent	--	Two – Alderman Valdez Alderwoman Schott

Motion carried.

The fourth order of business was to discuss and consider to authorize the Interim City Administrator or their designee to enter into a contract for up to 5 years with one of the 3 Retail Electrical Providers with the lowest quotes with the recommendation of the City's Energy Consultant Marco Arredondo, Inc.

Marco Arredondo, the City's Energy Consultant, addressed Council, and provided a graph and a spreadsheet of companies with the lowest energy rates for Council to review. He spoke to Council about the energy industry and deregulation. According to Mr. Arredondo, the price of natural gas has ranged from \$0.04 to \$0.14 per kWh between the year 2000 and today, and now it is finally back down to \$0.04 per kWh. He told Council that right now the energy companies are willing to go up to 10 year energy contracts when before the maximum was only five years. He said that today we can actually get a \$0.04 energy contract for five years starting in 2021, which would actually give us a budget decrease of about \$2,000 to \$3,000 per year starting in 2021 and for the next five years after that. The contract that the City of Devine currently has, with a rate of \$0.04340, will expire in 2021 with Direct Energy. Mr. Arredondo compared rates with Direct Energy and TXU Energy, with TXU having the lowest rates and Direct Energy the second lowest; he still recommended for Council to stay with Direct Energy simply because we've been with them for a long time and they're very pleasant and easy to work with. He explained that TXU is one of the largest utility companies in the country but sometimes getting them to energize an account is like pulling teeth. Mr. Arredondo told Council that he feels that we currently have a good supplier and we have a good history with them so he recommended that we stay with Direct Energy.

Interim City Administrator/City Secretary Dora V. Rodriguez commented that we are good with our current provider, Direct Energy, and added that in the past, any time that we did have problems, we would call Mr. Arredondo and he would take care of it.

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Mr. Arredondo told Council that he wants to make sure we secure our energy price no matter what happens. He explained that this long-term contract will take us all the way to 2026 and will give us plenty of security for our budget.

Interim City Administrator/City Secretary Dora V. Rodriguez asked City Attorney Tom Cate how this would affect us being that AEP owns all the power lines, and with all the resolutions that we've been adopting. According to City Attorney Tom Cate, as far as when they're asking for price increases, it is not going to affect us with Direct Energy. Mr. Arredondo confirmed that this will not affect us because AEP charges are totally different; they are regulated by ERCOT. He also confirmed that Direct Energy or any provider still has no control of when AEP reads their meters; that is an AEP function.

Mr. Arredondo explained to Council that he is actually recommending 53 months with Direct Energy. He said it's more like four and one-half years instead of five years. We are under a contract now for three more years, and we're talking about adding another 53 months so that we can lock in at \$0.04 per kWh. Mr. Arredondo will get the contract to Interim City Administrator/City Secretary Dora V. Rodriguez.

Motion by Alderman Espinosa, seconded by Alderman Thompson to authorize the Interim City Administrator or their designee to enter into a contract with Direct Energy on the recommendation of City Energy Consultant Marco A. Arredondo, Inc.

Ayes	--	Three
Nays	--	None
Absent	--	Two – Alderman Valdez Alderwoman Schott

Motion carried.

The fifth order of business was to discuss and consider Approval of an Ordinance by the City Council of the City of Devine, Texas Authorizing the Issuance of "City of Devine, Texas Utility System Revenue Bonds, Series 2018A"; Providing for the payment of the Principal of and Interest on the Bonds, together with certain currently outstanding previously issued Bonds, by a first and prior Lien on and Pledge of the Pledged Revenues of the City's combined Utility System; Providing the terms and conditions of such Bonds, including the approval of an application to the Texas Water Development Board and resolving other matters incident and relating to the Issuance, Payment, Security, Sale, and Delivery of such Bonds; Authorizing the Execution of a Paying Agent/Registrar Agreement and an Escrow Agreement; complying with the requirements of the Depository Trust Company's Letter of Representations; complying with the regulations promulgated by the Texas Water Development Board; and providing for an effective date.

Mayor Herring welcomed Arnold Cantu from Jeff Kunz' office with Norton Rose Fulbright, and also Andrew Friedman from Mark McLiney's office with SAMCO, Inc.

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Mr. Andrew Friedman with SAMCO Capital Markets, Inc. addressed Council and introduced Mr. Arnold Cantu. He told Council he was here to share some very good results and said this was the last action for City Council to take regarding this series of loans through the Texas Water Development Board which will ultimately culminate with a closing on August 14, 2018, if Council takes affirmative action tonight.

Mr. Friedman handed Council a copy of the pro form of the analysis which they put together for this project to borrow \$9.9 Million Dollars. He explained that through our application to the Water Development Board, we received \$6.645 Million at an interest rate of 0%, so this is nearly free money as we pay it back. \$2.775 Million is through the Drinking Water State Revolving Fund at their subsidized interest rate which is the interest rate we would borrow at less 1.65%, so this is a very affordable loan. We also received a \$500,000 grant which the City does not have to pay back. Mr. Friedman commented that this is one of the most cost effective financings that he's ever seen in his career.

Mr. Friedman explained that the interest rate they were originally looking at for these obligations was 2.25% and we are locking in at an interest rate of 2.36% which is a little more expensive from when we first went into this process over a year ago. He said this is simply a result of interest rates rising in general. He briefly discussed seeing an increase in treasury bonds, federal reserves and additional rate hikes in the last year, but while the interest rates have gone up, interest rates are still closer to their historical lows than they were 10 years ago.

Mr. Friedman told Council that they are very pleased with the interest rate which we are receiving. In conjunction with that, the City adopted the 2017 Audit. He said that our audit came back even stronger than we were predicting, so our coverage levels of the revenues over the expenditures exceeded what we had been considering through this bond issuance. And, so the City is in a very strong financial position to repay these two series of bonds over the next 30 years.

Interim City Administrator/City Secretary Dora V. Rodriguez told Council that this is just one of the steps needed to keep moving forward with this loan through the Texas Water Development Board. They are the ones requiring for all of this to get done so that they can submit it and get everything ready.

Council then heard from Mr. Arnold Cantu who explained that Agenda Items #7, 8 and 9, from a legal standpoint, come with a series of contracts which Interim City Administrator/City Secretary Dora V. Rodriguez will be coordinating with the Mayor to execute. He explained that after that, it will be a back and forth process between themselves, the City and the State Attorney General's office who reviews every security issue. He explained that between now and August 14<sup>th</sup>, when funds are received, they will be working in the background with Interim City Administrator/City Secretary Dora V. Rodriguez to ensure that all the legal T's and legal I's are crossed and dotted.

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City Attorney Tom Cate just reminded everyone that this is the loan to replace the asbestos concrete water lines and the cast iron water lines. He said this is something that we need to do. He explained that Jeff Kunz with Norton Rose Fulbright has been our bond counsel for a number of years, and Mark McLiney and Andrew Friedman with SAMCO Capital Markets, Inc. have been our financial advisors for a number of years. He told Council that this is why we have them here, because we rely on them.

Mayor Herring complimented Interim City Administrator/City Secretary Dora V. Rodriguez, City Accountant Denise Duffy, City Financial Advisor Mary Badillo, Mark McLiney and Jeff Kunz; he said he appreciated everything they've done. According to Interim City Administrator/City Secretary Dora V. Rodriguez, this has been a team effort along with City Engineer Raul Garcia and Langford and Associates.

Motion by Alderman Lopez, seconded by Alderman Espinosa for City Council to adopt Ordinance 7-18 authorizing the issuance of "City of Devine, Texas Utility System Revenue Bonds, Series 2018A."

Ordinance 7-18 is on file in the City's Ordinance Book as Exhibit A.

Ayes	--	Three – Aldermen Espinosa, Thompson and Lopez
Nays	--	None
Absent	--	Two – Alderman Valdez and Alderwoman Schott

Motion carried.

The sixth order of business was to discuss and consider Approval of an Ordinance by the City Council of the City of Devine, Texas Authorizing the Issuance of "City of Devine, Texas Utility System Revenue Bonds, Series 2018B"; Providing for the payment of the Principal of and Interest on the Bonds, together with certain currently outstanding previously issued Bonds, by a first and prior Lien on and Pledge of the Pledged Revenues of the City's combined Utility System; Providing the terms and conditions of such Bonds, including the approval of an application to the Texas Water Development Board and resolving other matters incident and relating to the Issuance, Payment, Security, Sale, and Delivery of such Bonds; Authorizing the Execution of a Paying Agent/Registrar Agreement and an Escrow Agreement; complying with the requirements of the Depository Trust Company's Letter of Representations; complying with the regulations promulgated by the Texas Water Development Board; and providing for an effective date.

Motion by Alderman Espinosa, seconded by Alderman Thompson for the City Council to adopt Ordinance 7-18A authorizing the issuance of "City of Devine, Texas Utility System Revenue Bonds, Series 2018B."

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Ordinance 7-18A is filed in the City's Ordinance Book as Exhibit B.

Ayes	--	Three – Aldermen Espinosa, Thompson and Lopez
Nays	--	None
Absent	--	Two – Alderman Valdez and Alderwoman Schott

Motion carried.

The seventh order of business was to discuss and consider Approval of a Resolution approving the Principal Forgiveness Agreement Drinking Water State Revolving Fund in the amount of \$500,000 and an Escrow Agreement relating thereto; Authorizing the Mayor and/or the Interim City Administrator, or their designees, to Execute any and all documents related thereto; and other matters in connection therewith.

Mayor Herring commented that this is One-Half Million Dollars that we don't have to pay back.

Motion by Alderman Thompson, seconded by Alderman Lopez for the City Council to adopt Resolution 7-18B approving the Texas Water Development Board Principal Forgiveness Agreement.

Resolution attached as Exhibit C.

Ayes	--	Three – Aldermen Espinosa, Thompson and Lopez
Nays	--	None
Absent	--	Two – Alderman Valdez and Alderwoman Schott

Motion carried.

The eighth order of business was to discuss and consider Council to adopt an Ordinance approving the Devine Water Conservation Plan.

City Attorney Tom Cate explained that we've done this packet of ordinances before but the Water Board is wanting us to put them together as a Comprehensive Plan, so basically we are taking ordinances that we've previously passed and putting them together in a Plan, and we need to submit this to the Water Board; this is all in conjunction with the grant and the loan.

Alderman Thompson inquired about what would happen if we don't meet our goals. According to City Attorney Tom Cate, we could get in a lot of trouble with the EAA. Council held discussion on water restrictions and the fact that Devine is very fortunate to have water resources from the Edwards's wells and also Carrizo wells. Interim City Administrator/City Secretary Dora V. Rodriguez also added that we have enough water, and we will not be leasing any further to the Edwards Aquifer Authority. She also informed Council that the Conservation Plan has already been submitted to the Texas Water Development Board so that they can review it, but she explained that one of their requirements to be able to close this loan is to have an ordinance in place.

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Motion by Alderman Thompson, seconded by Alderman Espinosa to adopt Ordinance 7-18C approving the Devine Water Conservation Plan.

Ordinance attached as Exhibit D.

Ayes	--	Three – Aldermen Espinosa, Thompson and Lopez
Nays	--	None
Absent	--	Two – Alderman Valdez and Alderwoman Schott

Motion carried.

The ninth order of business was to discuss and consider Proposed Budget for 2019 for the Medina County Appraisal District.

Council reviewed the proposed budget.

Motion by Alderman Espinosa, seconded by Alderman Lopez to approve the Proposed Budget for 2019 for the Medina County Appraisal District.

Proposed budget attached as Exhibit E.

Ayes	--	Two
Nays	--	One – Alderman Thompson
Absent	--	Two – Alderman Valdez and Alderwoman Schott

Motion carried.

The tenth order of business was to discuss and consider Golf Course Association, including the possibility of a Public Hearing.

Mayor Herring announced that the City was notified by Mr. Jeff Wisenbaker and two other members of the board that they might be dissolving the Golf Course Association by the end of the month. Mayor Herring commented that this will affect all of Devine and stated that, in his opinion, Devine needs a golf course. He stated that not only will this affect the appraised value of the houses around the golf course, but most of District #5 will see some of their market value drop.

Alderman Thompson commented that he would argue that all of Devine would be affected. He stated that not having it would cause all tax appraisals to go down.

According to Mayor Herring, if the appraised values go down, it will affect the entire City of Devine because it will be less revenue for the City. He explained that to make up for it, we will need to raise the tax rates and for 10 years, we have fought to bring the rates down from \$0.7190 down to \$0.5110 to get this rate down. He stated that we have a competitive rate that can bring in

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people/businesses but if we have to raise it, we've just defeated everything we've got. Mayor Herring stated that we've requested a number of different documents. He explained that it's not to catch anybody doing anything wrong but it's for us to make a decision on what to move forward to as a City.

Mayor Herring stated that we did meet with Mr. Ruben Chapa who is the groundskeeper at this time, and he has agreed to stay on regardless of what happens when this golf course is in limbo. The City then needs to keep it up. He commented that we've got to keep up the good work done by Shannon Rackley Rangel and her group, along with her brother, with all the finances. We need to keep it to where it can be appealing to everyone. Mayor Herring stated that this was his opinion only.

Mayor Herring stated that what he'd like to do is to have a Public Hearing followed by a Public Meeting where we can make a decision, maybe, if our ladies who handle the finances, Interim City Administrator Dora V. Rodriguez, City Accountant Denise Duffy and City Financial Advisor Mary Badillo can all come up with some recommendations.

Alderman Thompson agreed with Mayor Herring that we need to hold a Public Hearing so that everyone is aware of what's going on because so much is in limbo right now and to allow people to speak their peace. He wants everyone to be able to do their jobs without a massive influx of opinions. He stated that whatever decisions we make, we are tying future city councils to this.

Mayor Herring informed Council that the City has a deed, given to us by Mr. Joe Briscoe and Mr. Ingram, of 49 acres. We sold the swimming pool and some other parts, so we know we own 48 acres but we don't know about the back 9 holes. Mayor Herring told Council that, in his opinion, if the City takes over, we need to have all 18 holes to be able to move forward.

Alderman Thompson told Council that he feels that we have an obligation to the people of Devine to keep it as an 18-hole golf course.

Alderman Espinosa agreed with Alderman Thompson. He said this is a very big and important issue, and said we need to have a Public Hearing on this.

Council held discussion, along with City Attorney Tom Cate, to publish in the newspaper one time on July 25<sup>th</sup>, to hold a Public Hearing on July 31, 2018. This would give people enough time to be informed about it.

Shannon Rackley Rangel addressed Council and explained that the reason they chose the date of July 30<sup>th</sup> to dissolve the association is because that is when their last payroll ends. She explained that they have enough funds in their account to pay their employees through July 30<sup>th</sup>. She told Council that she didn't know if they will have enough funds to pay employees after that date. She spoke of closing the doors to at least the club house, and putting enough funds to the side to be able to pay the outside staff to keep the grounds going until a decision is made.

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City Attorney Tom Cate commented that he's not sure how long it's going to take the Golf Association to dissolve to get all the debts paid, but said that the City is willing to take over to help out in that interim to at least keep the golf course greens in shape.

Shannon Rackley Rangel inquired if all the city staff will be working so that she can let her current staff know. According to Interim City Administrator Dora V. Rodriguez, she still has to get with Public Works on how they are going to handle this.

Discussion was held on the different types of mowers that are used. Mayor Herring commented that we were given a lesson by their groundskeeper on what needs to be done.

Ms. Shannon Rackley Rangel told Council that they were open to any questions as some of their board members were present, and they could make this transition as smooth as possible. Interim City Administrator said that what the City needs is the laundry list of all the current things so we can start looking at everything. Ms. Rangel told Council that she has two years' worth of documents that she will turn in to us by tomorrow. She will also be turning in all minutes after 2015.

Mayor Herring assured that we are not looking to find things that were done wrong; we are only looking to see what we can improve on and make an effort to keep this golf course going.

Alderman Lopez inquired about any pending tournaments. According to Ms. Rangel, the only tournament that is pending is the one for the Crime Stoppers in September, and that depends on us. According to Interim City Administrator Dora V. Rodriguez, we are going to shoot to have it ready by then.

Council heard from Leslie Vail. She commented that the golf course was in this predicament back in November, they saw this coming, and Tommy Ramirez offered \$70 Grand for the golf course. She stated that the golf course has to be run as a business to be successful, and wondered if anyone has reached out to Mr. Ramirez to see if he's willing to take over the golf course.

Mayor Herring stated that Mr. Ramirez has been in contact with him and he has said that he is still interested. However, he said that was all he could say and that is all that Mr. Ramirez wants to say. According to Mayor Herring, we were supposed to have a meeting with Tommy yesterday but he cancelled the meeting, and that is where we are now. Mrs. Vail said that is all she wanted to know.

Council heard from Jeff Wisenbaker, Vice President of the Board. He inquired if the Council saw any reason for them to change their date from July 30<sup>th</sup>. The only reason he was asking was because they are still calling for special meetings every week just to try to keep up with whatever our wishes are.

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City Attorney Tom Cate responded that we don't know if they can get everything together to dissolve by the 30<sup>th</sup>. He asked if all their vendors have been contacted, and Mr. Wisenbaker said that they are in the process of doing that right now, and are trying to do the best that they can. Mr. Cate advised that if they could extend the date, it would help to make it an easier transition for us because we are still trying to get all the financials together and we are still waiting on more financials. He explained that if we have this Public Hearing, there will be a lot of citizens asking questions that we won't be able to answer until we get all the financials.

Mayor Herring inquired if they had enough funds to keep it going. Mr. Weisenbaker commented that they would take this up at their Monday meeting. Ms. Rangel added that the Association can stay intact; however, they just can't pay employees and pay the bills.

Ms. Debbie Randall inquired if the Association could just close their doors only but not dissolve as an association so there would be someone there to negotiate. The answer to that was, yes. Ms. Rangel responded that someone from the association is actually going to have to sign off saying "we are giving this to you" so, yes, they would have to remain an association until everything is final.

Kiel Boehme addressed Council about who is going to be maintaining the course. According to City Attorney Tom Cate, we might be able to enter into some type of agreement with the Association, if they stay in existence, to maintain the course and keep the grass alive until we figure out what we are going to do.

Mr. Boehme also inquired about the back nine holes as far as deed restrictions. Since it's an 18-hole course, he asked if the deed restrictions on the front match the back now, as far as it having to be maintained as a golf course or a park. He asked if they would need to hire legal counsel to get the deed restrictions put on the back 9 to match the front 9. City Attorney Tom Cate stated that this would be an item that we will need to talk about. He said that when the City received the deed, it was with the understanding, but not with the deed restrictions, that it would always be used as a golf course. He explained that those restrictions are not in the deed that we received, for the front. He doesn't know what type of restrictions are in the deed to the back 9. City Attorney Tom Cate stated that it is his understanding that the City wants to keep the entire 18 holes and keep it as a golf course.

Brief discussion was held by Mayor Herring and City Attorney Tom Cate if we could enter into this temporary agreement with the Association after the Public Hearing if they agree to it. Both parties seemed to agree to it. This would guarantee that we can keep the course viable.

Mayor Herring entertained a motion to have a Public Hearing on July 31<sup>st</sup> to listen to the public, and said that if we feel that we can make a decision that night, we will. The meeting would need to be held at the community center.

Council then heard from Jeremy Vail who stated he preferred the golf course be run by a company and not by the City. Mayor Herring requested that he repeat his comments when we have the public hearing.

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Willie Shelton, President of the Golf Association, addressed Council and informed them that they have already scheduled another meeting for July 23, 2018 to discuss possibly moving the July 30<sup>th</sup> date back.

Alderman Thompson extended a thank you to Shannon Rackley Rangel and the Golf Course Association for not just closing the doors and leaving it in the dark and leaving us wondering what happened. He applauded them for trying to work through this and for making it work for 50 years. He said they are doing it in a way that will hopefully help the transition go smoothly.

Motion by Alderman Espinosa, seconded by Alderman Thompson to schedule a Public Hearing followed by a Public Meeting discussing the Golf Course, to be held on July 31, 2018, 6:00 p.m. at the Devine Community Center.

Ayes	--	Two
Nays	--	One – Alderman Thompson
Absent	--	Two – Alderman Valdez and Alderwoman Schott

Motion carried.

The eleventh order of business was to discuss and consider allowing Glenn Dale and Vera Estep to use the City's T-Hangar to store their plane for six months.

Mayor Herring explained that when the City bought the hangar from the Estep's, they had requested to be allowed time to keep their plane there until they sell it. He explained that Administration had told them verbally that we would recommend to City Council that they be allowed six months, so this will just make it official to give them time to sell it, and to allow us to rent out the hangar to someone else.

Motion by Alderman Espinosa, seconded by Alderman Lopez to allow Glen Dale and Estep to use the City's T-Hangar to store their plan for six months without paying.

Ayes	--	Three
Nays	--	None
Absent	--	Two – Alderman Valdez and Alderwoman Schott

Motion carried.

Discussion was carried after the motion. City Attorney Tom Cate pointed out that the six month term was part of the consideration on the purchase of the hangar from the Estep's, and his understanding is that the six months begins from the date of the purchase.

The twelfth order of business was to discuss and consider for Council to:

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- A. Select a company to do the Asbestos and Lead Survey on the three Grant Homes. They are as follows:
  - 1. AEHS, Inc. Total Environmental, Safety, and Health Services.
  - 2. Environmental/Occupational Solutions Corp. (EOS).

Mayor Herring stated that the problem is that we have a case of apples and oranges. He explained that they did send in their quotes but they don't match up on what they're quoting on. Mayor Herring recommended that Council not take any action on the twelfth order of business – Item A and move on to Item B. This was okay with City Attorney Tom Cate.

Motion by Alderman Espinosa, seconded by Alderman Thompson to take no action on the twelfth order of business - Item A.

Ayes	--	Three
Nays	--	None
Absent	--	Two – Alderman Valdez and Alderwoman Schott

Motion carried.

- B. Authorize the Interim City Administrator to enter into a contract with the Company that Council selected.

Mayor Herring told Council that we can authorize the Interim City Administrator to review all the Proposals, sort out what is relevant, and allow her to make a decision on selecting a company, not to exceed \$10,000. Mayor Herring expressed that we cannot wait and do this any other time because we are in a bind on this now because of the Home Program; we cannot miss any deadlines or we'll lose the three houses on this.

Interim City Administrator/City Secretary Dora V. Rodriguez explained that we have the survey and they need to do the specs to do the abatement, and then we need the company to come in and knock the homes down so that the contractor can start these homes. She explained that these people have already moved out as of July 8<sup>th</sup> so the clock is ticking.

Motion by Alderman Lopez, seconded by Alderman Espinosa to authorize Interim City Administrator Dora V. Rodriguez to review all the proposals, sort out what is relevant, and allow her to make a decision on selecting a company, not to exceed \$10,000.

Ayes	--	Three
Nays	--	None
Absent	--	Two – Alderman Valdez and Alderwoman Schott

Motion carried.

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The thirteenth order of business was to discuss and consider Approving the Minutes for the Parks & Recreation Advisory Board.

Council reviewed minutes. Mayor Herring commented that they are doing a great job with both parks.

Motion by Alderman Espinosa, seconded by Alderman Thompson to Approve the Minutes for the Parks & Recreation Advisory Board.

Ayes	--	Three
Nays	--	None
Absent	--	Two – Alderman Valdez and Alderwoman Schott

Motion carried.

The fourteenth order of business was to discuss and consider Amending Ordinance 8-17 Creating a City of Devine Parks and Recreation Advisory Board.

Mayor Herring talked about how great the Parks Board has been doing and mentioned all their projects going on but not all are complete yet. He explained that we are at point where we are working on budget and not allowing any amendments to the budget unless it is a dire circumstance such as the sewer plant or a well going out. He explained that we are trying to get the Parks and Recreation Advisory Board, even though they've got some great ideas, in line with the other advisory boards and have them meet on a quarterly basis rather than monthly.

Alderman Thompson stated that the main reason the Parks and Recreation Advisory Board was created was to get them on a mission to handle the pool. He feels that until we have a resolution on the pool, he doesn't want to limit their ability at the moment to that. He said other boards are already set in their ways; however the Parks Board is still working on creating this board from scratch, and they are still trying to find ways to fit into our community and into our budget. According the Alderman Thompson, they need a little more time; maybe a couple more meetings before they move to quarterly meetings to line them up with the other boards.

Interim City Administrator/City Secretary Dora V. Rodriguez talked about the other boards. She said the Planning and Zoning Commission only meets as needed. The Library Advisory Board meets on a quarterly basis, and the Airport Advisory Board meets on an as needed basis, but they haven't been meeting in a long time.

Alderman Thompson stated that he'd like for the Parks and Recreation Advisory Board to meet as needed. He said that any more than monthly may be unnecessary but he hopes that within the next two months we might have a conclusion to what we set them up to do.

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Discussion was held on the current projects going on with the Parks and Recreation Advisory Board such as parking lots, pads for picnic tables and sidewalks to be ADA compliant, an AEP easement for lights at the John Curcio Park, and a Toddler Swing for the John Curcio Park, just to name a few.

Discussion was also held on not adding any more projects until we can complete the ones we are working on now. Mayor Herring added that we can't give them any money now because it's budget amendment time, so we basically just put a stop to what they are doing.

Debbie Randall, Chairman of the Parks and Recreation Advisory Board commented that they've been discussing other projects but these are ideas only. She told Council that they need at least two more monthly meetings especially because of budget time. She expressed her feelings on going to quarterly meetings, and she told Council that she would prefer for Council not to change this right now but maybe think about doing it later like mid-year next year or in the spring time because they have a lot of stuff going on right now, especially the pool.

Alderman Espinosa stated that he would like for the Parks and Recreation Advisory Board to continue with their monthly meetings for the next couple of months.

According to Alderman Thompson, we can re-assess the situation later; we just need to give it a couple more months.

Motion by Alderman Espinosa, seconded by Alderman Thompson to table any action on this item.

Ayes	--	Three
Nays	--	None
Absent	--	Two – Alderman Valdez and Alderwoman Schott

Motion carried.

The fifteenth order of business was to discuss and consider recommendation of the Parks and Recreation Advisory Board for Council to send a letter to Fred Morales, giving him a deadline on gifting the Swimming Pool to the City.

Debbie Randall, Chairman of the Parks and Recreation Advisory Board briefed Council on their last meeting. She informed Council that pretty much nothing has happened since the City decided to take back the pool. She explained that the Board had decided to recommend to Council that they allow them to send a letter to Mr. Morales on when, if, how, or what we could do about getting this done soon. Whether we want to give it a deadline of September 1<sup>st</sup> or October 1<sup>st</sup>, that would be up to Council. She told Council that she understands that we have the pool, we have the golf course and we have budgets, but stated that we need to come up with a solution for the pool.

Mr. Fred Morales, who was present at the meeting, was asked to respond by Mayor Herring.

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Mr. Morales stated that the Devine Swim Club is an entity much different than the Golf Association entity. He stated that there have been some issues with dissolving the entity and they are working through them. He told Council that he thought a letter would in time be beneficial to him to help him negotiate with the final people he needs to negotiate with to get this resolved. He told Council that he thought this was a great idea but asked if he could be given a deadline of December 1, 2018 to get this done. He told Council that he needs to resolve this, this year, desperately.

City Attorney Tom Cate advised Council that we can do this. He explained that getting dissolved is not an easy thing to do.

According to Mr. Fred Morales, they need the entity to be intact so they can dissolve. He said that a letter from the City announcing that there is a time limit is beneficial to him to negotiate with his entity to get this dissolved and resolved. He explained that if we give him until December 1<sup>st</sup>, he should be able to get this resolution done before the end of the year, which is something he'd like to see.

Mayor Herring stated that we could do an extension if needed. According to Mr. Morales, hopefully that will not be the case.

Ms. Debbie Randall stated that she was happy that we could come to an agreement and inquired that if we wait until December 1<sup>st</sup>, could they still be on the budget for the pool even if we don't know for sure and don't have the money. She stated that she is freaking out over this because she knows budget has to be done before October. She inquired about a contingency plan.

Mayor Herring stated that we can't do anything until we actually have Mr. Morales transfer the pool over to us. He pointed out that Council only voted to take back the pool period; just to take it out of Mr. Morales' hands, and we did not stipulate that we were going to do anything with it. Council agreed with this.

Mayor Herring commented that we've all done all we can do until we get the pool.

Ms. Randall inquired if there was any way they could do budget in at the end of December or beginning of January because they would want to open the pool by summer.

Mayor Herring informed Ms. Randall that she could put it in as a budget request like any other departments can, and it would be considered, but he emphasized that there is no guarantee.

Mr. Morales wanted to be clear that asking for December 1<sup>st</sup> is not adversely affecting how the City gets the budget done. He was told by Mayor Herring that this is correct.

Ms. Randal stated that this works, as long as we have a deadline. Mr. Morales added that it's a great idea and it will be helpful to him because he has an entity that he has to dissolve as well and he needs some help to get it done.

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Mr. Jeremy Vail brought to Council's attention that the pool needs to get cleaned up. He inquired if the letter being sent to Mr. Morales could address this issue because it's creating mosquito harvest.

Motion by Alderman Thompson, seconded by Alderman Espinosa to send a letter to Mr. Fred Morales giving him a deadline of December 1, 2018 on gifting the Swimming Pool to the City.

Ayes	--	Three
Nays	--	None
Absent	--	Two – Alderman Valdez and Alderwoman Schott

Motion carried.

Much discussion was held after the motion between Mayor Herring and the Council regarding council members attending the Parks meetings. Ms. Marly Davis suggested for the council member to contact his or her representative on the Parks Board and get them to pass it on; this way there wouldn't be an issue. City Attorney Tom Cate pointed out that we do not want to get into trouble with the Open Meetings Act, and we also don't want a walk-in quorum where one council member would be at the meeting and then discuss it with another council member. According to City Attorney Tom Cate, Marly Davis brought up a good point to have the council member contact their representative for the Parks Board. If any council member wants to attend, they are to contact Interim City Administrator/City Secretary Dora V. Rodriguez first.

The sixteenth order of business was to Review the Quarterly Report.

Council reviewed the report.

The seventeenth order of business was Informational Items.

The following was discussed:

- Little League – Alderman Espinosa announced that three teams advanced. He said two of them advanced to the World Series level, and one of them has one more to go before they can get there. Once they get back from their tournaments, he will get all the information so we can give them recognition.
- Warhorse Drive Project – Mayor Herring announced that on July 19<sup>th</sup>, the County Commissioners Court will decide whether or not to sign the temporary Interlocal Agreement between the City of Devine and Medina County and Devine ISD so that we can work together to pave Warhorse Drive all the way from Highway 173 to Colonial Parkway. It will also be paved all the way to the ticket booth where the street forks to the left. Mayor Herring thanked City Attorney Tom Cate on figuring a way that we can do this with the school still retaining possession of the land.

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- Update from Public Works on Warhorse Drive – Director of Public Works Ismael Carrillo informed Council that there are certain areas by Mark Kidd’s office that need some touch up on the base. He said that City Engineer Raul Garcia will be adding about two inches of compact base in front of Mark Kidd’s office, around 200 feet; and also to about 1000 feet closer to Colonial Parkway, on one side of the road. Other than that, he said it has a good amount of base underneath the street. They potholed it last week. According to Mayor Herring, we are just waiting on the County to sign off on the agreement.
- Clearing of streets – Alderman Espinosa said he’s noticed that Public Works has been cleaning the street and curbs in the Windy Knoll area. He thanked Director of Public Works Ismael Carrillo and his crew for doing a great job.
- Fire Department – Mayor Herring thanked the Fire Department for all that they do.

There being no further business to come before the governing body, motion made by Alderman Espinosa, seconded by Alderman Valdez to adjourn meeting.

Ayes	--	Five
Nays	--	None

Motion carried.

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Mayor

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City Secretary

RESOLUTION NO. 7-18B

**A RESOLUTION APPROVING THE PRINCIPAL FORGIVENESS AGREEMENT DRINKING WATER STATE REVOLVING FUND IN THE AMOUNT OF \$500,000 AND AN ESCROW AGREEMENT RELATING THERETO; AUTHORIZING THE MAYOR AND/OR THE CITY ADMINISTRATOR, OR THEIR DESIGNEES, TO EXECUTE ANY AND ALL DOCUMENTS RELATED THERETO; AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the City of Devine, Texas (the *City*) deems it necessary to request additional financial assistance from the Texas Water Development Board (the *Board*) as evidenced by a Principal Forgiveness Agreement Drinking Water State Revolving Fund; and

WHEREAS, in accordance with the rules and regulations of the Board, which govern the procedures in making this request, the governing body of the City is required to pass a resolution to accompany this request; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEVINE, TEXAS THAT:

1. It is hereby found and determined that the City cannot reasonably finance the proposed project without the financial assistance of the Board in the amount requested in the City's Resolution adopted on September 19, 2017 filing an application (the *Application*) with the Board.

2. The Mayor and City Administrator of the City are hereby authorized to execute and submit to the Board the Principal Forgiveness Agreement Drinking Water State Revolving Fund and the Escrow Agreement, and the Mayor and City Administrator of the City, together with the bond counsel, financial advisors and consulting engineers named in the Application, are authorized to appear before the Board in support of the Application and this additional request.

3. The Mayor and City Administrator of the City are further specifically authorized to make any required assurances to the Board in accordance with the rules, regulations, and policies of the Board.

4. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the City.

5. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

6. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

7. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of

such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Resolution would have been enacted without such invalid provision.

8. It is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

9. This resolution shall be in force and effect from and after its passage on the date shown below.

*[The remainder of this page intentionally left blank]*

**EXHIBIT A**

**PRINCIPAL FORGIVENESS AGREEMENT DRINKING WATER  
STATE REVOLVING FUND**

**SEE TAB NO. 21**

**EXHIBIT B**  
**ESCROW AGREEMENT**  
**SEE TAB NO. 21**

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS                   §  
  §  
COUNTY OF MEDINA                   §  
  §  
CITY OF DEVINE                       §  
  §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 17<sup>th</sup> day of July, 2018, the City Council (the *Council*) of the City of Devine, Texas (the *City*) convened in regular session at its regular meeting place in the City Hall (the *Meeting*), the duly constituted members of the Council being as follows:

William L. Herring	Mayor
Steve A. Lopez	Mayor Pro Tem
David Valdez	Councilmember, District 1
David Espinosa	Councilmember, District 3
Jennifer Schott	Councilmember, District 4
Cory Thompson	Councilmember, District 5

and all of such persons were present at the Meeting, except the following: David Valdez and Jennifer Schott, thus constituting a quorum. Among other business considered at the Meeting, the attached resolution (the *Resolution*) entitled:

A RESOLUTION APPROVING THE PRINCIPAL FORGIVENESS AGREEMENT DRINKING WATER STATE Revolving FUND IN THE AMOUNT OF \$500,000 AND AN ESCROW AGREEMENT RELATING THERETO; AUTHORIZING THE MAYOR AND/OR THE CITY ADMINISTRATOR, OR THEIR DESIGNEES, TO EXECUTE ANY AND ALL DOCUMENTS RELATED THERETO; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced and submitted to the Council for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Councilmember Thompson that the Resolution be finally passed and adopted. The motion was seconded by Councilmember Lopez and carried by the following vote:

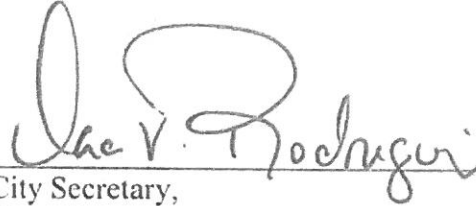
  3   voted "For"   0   voted "Against"   0   abstained

all as shown in the official Minutes of the Council for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Council of the City on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Council was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation

of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the Resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 17<sup>th</sup> day of July, 2018.



City Secretary,  
City of Devine



PASSED, ADOPTED AND APPROVED on the 17<sup>th</sup> day of July, 2018.

CITY OF DEVINE, TEXAS

William L. Hering  
Mayor

Attest:

Jose V. Rodriguez  
City Secretary



Exhibit D

ORDINANCE NO. 7-18C

AN ORDINANCE OF THE CITY OF DEVINE ADOPTING A WATER CONSERVATION PLAN FOR THE CITY OF DEVINE TO PROMOTE RESPONSIBLE USE OF WATER AND TO ESTABLISH CRITERIA FOR THE INITIATION AND TERMINATION OF DROUGHT RESPONSE STAGES INCLUDING RESTRICTIONS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR THE REPEAL OF ANY ORDINANCES OR SECTIONS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS: The City of Devine, Texas (City), recognizes that the amount of water available to its citizens and customers is limited; and,

WHEREAS: The City recognizes that drought, system failure and other acts of God may occur and that the City cannot guarantee an uninterrupted water supply for all purposes at all times; and,

WHEREAS: The City desires to conserve water resources and prepare for drought; and,

WHEREAS: The City desires to comply with Section 11.1272 of the Texas Water Code and applicable rules of the Texas Commission on Environmental Quality which require conservation plans for all public water supply systems; and,

WHEREAS: The City desires to comply with the rules of the Texas Water Development Board pertaining to financial assistance programs found in Title 31, Texas Administrative Code Chapter 363; and,

WHEREAS: The City of Devine is a Type A municipality created under the General Laws of the State of Texas; and,

WHEREAS: The Texas Local Government Code Section 51.001 authorizes the governing body of any municipality to adopt, publish, amend, or repeal an ordinance, rule or police regulation that is for the good government, peace, or order of the municipality or for the trade and commerce of the municipality and is necessary or proper for carrying out a power granted by law to the municipality or to an office or department of the municipality;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DEVINE, TEXAS:

Section 1. Water Conservation Plan. The City Council hereby adopts the Water Conservation Plan attached to this ordinance.

Section 2. Filing. The Interim City Administrator or her designee is hereby directed to file a copy of this ordinance and the Water Conservation Plan with the Texas Water Development Board in accordance with Title 31, Chapter 363 of the Texas Administrative Code.

Section 3. Code of Ordinances. It is the intention of the City Council that this ordinance shall become part of the Code of Ordinances of the City of Devine and may be renumbered and codified therein accordingly.

Section 4. Severability. If any section, provision, subdivision, clause or part of this ordinance shall be adjudged or held unconstitutional or invalid, it shall not affect the validity of this ordinance as a whole or any other part or provision contained herein.

Section 5. Repeal. Any existing ordinance or portion of an existing ordinance in conflict with the terms of this ordinance is hereby repealed.

Section 6. Effective Date. This ordinance shall become effective upon its passage.

Section 7. Notice. It is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Texas Open Meeting Act, Chap. 551, Texas Government Code.


PASSED, APPROVED AND ADOPTED at the regular meeting of the Devine City Council held on the 17th day of July, 2018.



  
DORA V. RODRIGUEZ, CITY SECRETARY

  
WILLIAM L. HERRING, MAYOR

APPROVED AS TO FORM:

  
THOMAS P. CATE, CITY ATTORNEY