

**MERCEDES CITY COMMISSION
REGULR MEETING
APRIL 18, 2017 – 6:00 P.M.
MERCEDES CITY HALL - COMMISSION CHAMBERS**

MEMBERS PRESENT:	Henry Hinojosa	Mayor
	Armando Lopez	Mayor Pro-Tem
	Ruben Guajardo	Commissioner
	Howard Wade	Commissioner
	Jose Gomez	Commissioner
	Juan R. Molina	City Attorney
	Daniel Tijerina	Assistant City Manager
	Arcelia Felix	City Secretary

MEMBERS ABSENT: NONE

Staff: Arturo Garcia, Tommy Ureste, Nereida Perez, Joselynn Castillo and Hernan Gonzalez from EDC.

1.) CALL MEETING TO ORDER.

Mayor Hinojosa welcomed everyone to the meeting and called the meeting to order at 6:00 p.m.

2.) ESTABLISH QUORUM.

All members of the Commission were present, which constituted a full quorum.

3.) INVOCATION.

Pastor Rick Leavell said the invocation.

4.) PLEDGE OF ALLEGIANCE.

Commissioner Guajardo led in the Pledge of Allegiance.

5.) OPEN FORUM.

No one signed up to speak before the Commission.

6.) CONSENT AGENDA (ORDINANCE NO. 98-21):

A.) APPROVAL OF MINUTES FOR CITY COMMISSION MEETING (S) HELD MARCH 30 AND APRIL 4, 2017. B.) APPROVAL OF GRANT FOR FIRE DEPARTMENT. C.) APPROVAL OF CHANGE ORDER TO CONTRACT WITH O.G CONST. FOR 2015 STREET, DRAINAGE AND UTILITY IMPROVEMENTS PROJECT. D.) APPROVAL OF QUARTERLY INVESTMENT REPORT. E.) APPROVAL OF REQUEST BY RELAY FOR LIFE.

At a question by Mayor Hinojosa on item 6E, Mr. Tijerina stated that the City of Mercedes has contributed in the past to the American Cancer Association's Relay for Life. At a question by Commissioner Gomez on item 6C, Mr. Garcia, owner for O.G Construction addressed the commission saying that the project is complete and the extension is for rain days. Commissioner Guajardo made a motion to approve the items under consent. Commissioner Wade seconded the motion, which passed unanimously.

7.) PRESENTATION AND POSSIBLE ACTION OF AUDIT FOR FISCAL YEAR 2015-2016.

At a question by Commissioner Gomez, Mr. Anderson stated the City of Mercedes had no material deficiencies and suggested that when ownership of a property is transferred, the utilities be transferred as well. Commissioner Guajardo made a motion to accept audit for fiscal year 2015-2016. Mayor Pro-Tem Lopez seconded the motion, which passed unanimously.

8.) PRESENTATION OF DEVELOPMENT CORPORATION OF MERCEDES, INC. MONTHLY REPORT.

Mr. Hernan Gonzales proceeded to give his presentation on EDC's monthly report.

9.) PRESENTATION ON UPDATE OF MILE 1 EAST STREET PROJECT.

Mr. Andrew Canon from the MPO was present for this item. He gave a report on the status of the Mile 1 East street project. He said that the City has to do the ROW acquisition and said that a surveyor should be brought in so that the City can start looking at taking care of this. At a question by Commissioner Guajardo, Director Mr. Cannon stated that in his opinion this should be an easy project.

10.) DISCUSSION AND POSSIBLE ACTION OF RESOLUTION #2016-04 REGARDING AEP.
Mr. Tijerina addressed the Commission saying that AEP has filed to increase rates and the purpose of the resolution is to join with other cities served by AEP to deny the distribution cost recovery fees. Mayor Hinojosa made a motion to approve Resolution #2017-04 regarding AEP. Commissioner Guajardo seconded the motion, which passed unanimously.

11.) DISCUSSION AND POSSIBLE ACTION OF RESOLUTION #2017-05 TCAP ELECTRIC SUPPLY AGREEMENT.
Mr. Tijerina addressed the Commission that the City would like approval of Resolution #2017-5 as the TCAP Electric Supply agreement will be saving the City money. Commissioner Gomez made a motion to go out for bids. The motion died for lack of a second. There was discussion on whether the Commission had already authorized to solicit proposals for electric supply. Commissioner Wade moved to table this item. Mayor Pro-Tem Lopez seconded the motion which passed with Commissioner Gomez voting naye.

12.) DISCUSSION AND POSSIBLE ACTION ON APPOINTMENT OF INTERIM CITY MANAGER. - RESOLUTION #2017-06.
Mayor Hinojosa made a motion to approve Resolution #2017-06 appointing Daniel Tijerina as interim City Manager. Commissioner Guajardo seconded the motion, which passed unanimously.

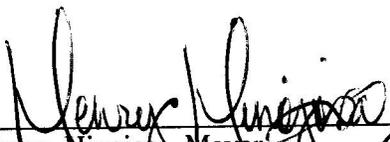
13.) PRESENTATION OF DEPARTMENT MONTHLY REPORTS.
The monthly reports were included for the City Commission's information.

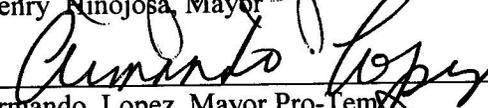
Mayor Hinojosa called the meeting into Executive Session at 6:40pm. No action will be taken during Executive Session

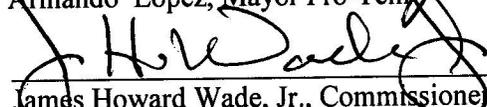
**14.) EXECUTIVE SESSION:
-DISCUSSION REGARDING DUTIES AND RESPONSIBILITIES OF THE CITY MANAGER. - TEXAS GOVERNMENT CODE, SECTON 551.074 - PERSONNEL.**

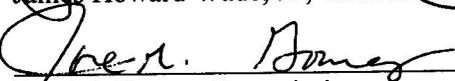
15.) DISCUSSION AND POSSIBLE ACTION REGARDING ITEM (S) DISCUSSED IN EXECUTIVE SESSION.
Mayor Hinojosa called meeting back to order at 7:20 PM. No action was taken on Executive Session item 15.

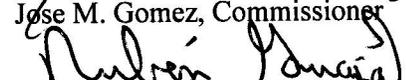
16.) ADJOURN.
There being no further items to be discussed, Mayor Pro-Tem Lopez made a motion to adjourn the meeting. Commissioner Guajardo seconded the motion, which passed unanimously and the meeting was adjourned at 7:21 PM.


Henry Hinojosa, Mayor


Armando Lopez, Mayor Pro-Tem


James Howard Wade, Jr., Commissioner


Jose M. Gomez, Commissioner


Ruben Guajardo, Commissioner

ATTEST:


Arcelia L. Felix, City Secretary

RESOLUTION NO. 2017 - 07_

RESOLUTION OF THE CITY OF MERCEDES APPROVING COOPERATION WITH THE CITIES SERVED BY AEP TO REVIEW AEP TEXAS INC.'S REQUESTED APPROVAL OF AN ADJUSTMENT TO ITS ENERGY EFFICIENCY COST RECOVERY FACTOR; HIRING LEGAL AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO LEGAL COUNSEL.

WHEREAS, on or about June 1, 2017, AEP Texas Inc. ("AEP" or "Company"), pursuant to the Public Utility Regulatory Act ("PURA") § 39.905 and Public Utility Commission of Texas ("Commission" or "PUC") Substantive Rule 25.181(f), filed with the Commission an application for a 2018 Energy Efficiency Cost Recovery Factor ("EECRF"), PUC Docket No. 47236; and

WHEREAS, the City of Mercedes will cooperate with similarly situated city members and other city participants located within the AEP service area in conducting a review of the Company's application and to hire and direct legal counsel and consultants and to prepare a common response and to negotiate with the Company and direct any necessary litigation; and

WHEREAS, working with the Cities Served by AEP ("Cities") to review the rates charged by AEP allows members to accomplish more collectively than each city could do acting alone; and

WHEREAS, Cities has a history of participation in PUC dockets and projects, as well as court proceedings, affecting transmission and distribution utility rates in AEP's service area to protect the interests of municipalities and electric customers residing within municipal boundaries; and

WHEREAS, PURA § 33.023 provides that costs incurred by cities in ratemaking activities are to be reimbursed by the regulated utility.

THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MERCEDES, TEXAS:

1. That the City is authorized to participate with Cities in PUC Docket No. 47236.
2. That subject to the right to terminate employment at any time, the City of Mercedes hereby authorizes the hiring of the law firm of Lloyd Gosselink and consultants to negotiate with the Company, make recommendations to the City regarding reasonable rates, and

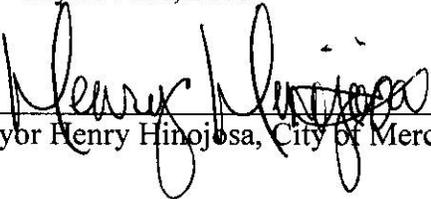
to direct any necessary administrative proceedings or court litigation associated with an appeal of this application filed with the PUC.

3. That the City's reasonable rate case expenses shall be reimbursed by AEP.

4. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

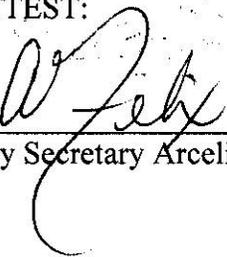
5. A copy of this Resolution shall be sent to Chris Brewster, Counsel to Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED this the 13th day of June, 2017.



Mayor Henry Hinojosa, City of Mercedes

ATTEST:



City Secretary Arcelia L. Felix