



**MINUTES OF A REGULAR MEETING
OF THE WESLACO CITY COMMISSION
THURSDAY, MAY 23, 2019**

On Tuesday, May 23, 2019, at 5:34 p.m. the City Commission of the City of Weslaco, Texas convened in a Regular Meeting at City Hall in the Legislative Chamber, located at 255 South Kansas Avenue with the following member's present:

PRESENT:	Mayor	David Suarez
	Mayor Pro-Tem	Greg Kerr
	Commissioner	Letty Lopez
	Commissioner	Josh Pedraza
	Commissioner	Leo Muñoz
STAFF:	Asst. City Manager	Andrew Munoz
	Deputy City Secretary	Aida Vega
	City Attorney	Juan E. Gonzalez

Also present: Molly Vallejo, Secretary; Omar Rodriguez, Parks and Recreation Director, Leo Gonzalez, Information Technology Director; Benjamin Worsham, City Engineer/Planning and Code Enforcement Director; Joel Rivera, Police Chief, Antonio Lopez, Fire Chief, Rebekah de la Fuente, Senior Planner; Pete Garcia, Public Works Director; Arnold Becho, Library Director; and other staff members and citizens.

I. CALL TO ORDER

A. Certification of Public Notice.

Mayor David Suarez called the meeting to order and certified the public notice of the meeting as properly posted Friday, May 17, 2019.

B. Invocation.

Reverend Arturo Cardenas Avalos, St. Pius X Catholic Church, led the invocation.

C. Pledge of Allegiance.

Mayor Suarez led the Pledge of Allegiance and Texas Flag.

D. Mayoral Recognition.

None.

E. Roll Call.

Aida Vega, Deputy City Secretary, called the roll, noting at the time of roll call the absence of Mayor Pro Tem Kerr and a quorum present.

II. PUBLIC COMMENTS

Ricardo Tello addressed the commission requesting assistance with delinquent property taxes for the homestead he resides in stating others may owe a lot more than he does.

Arnold Becho, Library Director, reported the Summer Reading Program would begin June 1st and extended invitation to the public and the commission to join; thanked the partnerships formed with Weslaco ISD and sponsors from the community; introduced Maricarmen Garcia, Public Services Supervisor, that ensures the program is a success. Ms. Garcia gave a brief presentation of the program and the activities stating 11,000 books had been read.

III. CONSENT AGENDA

The following items are of a routine or administrative nature. The City Commission has been furnished with background and support material on each item, and/or it had been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by one commission member, in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote. Possible action.

A. Approval on second and final reading of the following:

1) Approval on Ordinance 2019-13 to rezone 413 N. Kansas Ave. also being Lot 14-15, Blk 4, Gonzalez Addition, Weslaco, Hidalgo County, Texas from R-1 One-family dwelling district to B-1 Neighborhood Business district and authorize the Mayor to execute any related documents. (First reading held on May 7, 2019; staffed by Planning and Code Enforcement Department.)

2) Approval on Ordinance 2019-15 to rezone 3520 N. Milano Rd. also being a 6.13 acre tract of Farm Tract 125, Lot 1, Blk 1, West Tract Subdivision out of Llano Grande Grant, Weslaco, Hidalgo County, Texas from R-1 One-family Dwelling District to R-2 Duplex and Apartment District and authorize the Mayor to execute any related documents. (First reading held May 7, 2019; staffed by Planning and Code Enforcement Department.)

3) Approve Ordinance 2019-16 to rezone 723 N Padre, also being Lot 1 & 2, Blk 4, El Texano Subdivision, Weslaco, Hidalgo County, Texas from R-1 One-family dwelling district to B-1 Neighborhood Business district and authorize the Mayor to execute any related documents. (First reading held on May 7, 2019; staffed by Planning and Code Enforcement Department.)

4) Approval on Ordinance 2019-17 regarding the City's Participation in the Texas Enterprise Zone Program and nominating Kapal Cabinet House, LLC as an Enterprise Project and authorize the Mayor to execute any related documents. First reading held May 7, 2019; staffed by Weslaco Economic Development Corporation.)

B. Authorization to continue participation in the LESO program allowing City to obtain military surplus equipment for law enforcement use and authorize the Mayor to execute any related documents. (Staffed by Police Department.)

C. Authorization to apply for the FY2019 Texas State Library Interlibrary Loan Lending Reimbursement Program and authorize the Mayor to execute any related documents. (Staffed by the Library Department.)

Commissioner Pedraza, seconded by Commissioner Muñoz moved to approve consent agenda items A through C as presented. The motion carried unanimously; Mayor Suarez was present and voting.

For the record, following are the ordinances.

ORDINANCE NO. 2019-13

AN ORDINANCE AMENDING ZONING ORDINANCE NO. 320 AND AMENDING THE ZONING MAP OF THE CITY OF WESLACO TO CHANGE THE ZONING OF 413 N. KANSAS AVE ALSO LOT 14-15, BLK 4, GONZALEZ ADDITION, WESLACO, HIDALGO COUNTY, TEXAS, FROM R-1 ONE-FAMILY DWELLING DISTRICT TO B-1 NEIGHBORHOOD BUSINESS DISTRICT

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS:

SECTION I: R-1 One-Family Dwelling District to B-1 Neighborhood Business district being 413 N. Kansas Ave also being lots Lot 14-15, Blk 4, Gonzalez Addition, Weslaco, Hidalgo County, Texas.

SECTION II: That this ordinance shall become effective upon its passage.

PASSED AND APPROVED on first reading at a special meeting of the City Commission this 7th day of May, 2019.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 23rd day of May,

ORDINANCE NO. 2019-15

AN ORDINANCE AMENDING ZONING ORDINANCE NO. 320 AND AMENDING THE ZONING MAP OF THE CITY OF WESLACO TO CHANGE THE ZONING OF 3520 N. MILANO RD ALSO BEING A 6.13 ACRE TRACT OF FARM TRACT 125, LOT 1, BLK 1, WEST TRACT SUBDIVISION OUT OF LLANO GRANDE GRANT, WESLACO, HIDALGO COUNTY, TEXAS, FROM R-1 ONE-FAMILY DWELLING DISTRICT TO R-2 DUPLEX AND APARTMENT DISTRICT BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS:

SECTION I: R-1 One-Family Dwelling District to R-2 Duplex and apartment district being 3520 N. Milano Rd also being a 6.13 acre tract of Farm Tract 125, Lot 1, Blk 1, West Tract Subdivision out of Llano Grande Grant, Weslaco, Hidalgo County, Texas.

SECTION II: That this ordinance shall become effective upon its passage.

PASSED AND APPROVED on first reading at a special meeting of the City Commission this 7th day of May, 2019.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 23rd day of May, 2019.

ORDINANCE NO. 2019-16

AN ORDINANCE AMENDING ZONING ORDINANCE NO. 320 AND AMENDING THE ZONING MAP OF THE CITY OF WESLACO TO CHANGE THE ZONING OF 723 N. PADRE AVE ALSO BEING LOT 1 & 2, BLK 4, EL TEXANO SUBDIVISION, WESLACO, HIDALGO COUNTY, TEXAS, FROM R-1 ONE-FAMILY DWELLING DISTRICT TO B-1 NEIGHBORHOOD BUSINESS DISTRICT BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS:

SECTION I: R-1 One-Family Dwelling District to B-1 Neighborhood Business district being 723 N. Padre Ave also being Lot 1 & 2, Blk 4, El Texano Subdivision, Weslaco, Hidalgo County, Texas.

SECTION II: That this ordinance shall become effective upon its passage.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 7th day of May, 2019.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 23rd day of May, 2019.

ORDINANCE 2019-17

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING TAX INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING KAPAL CABINET HOUSE, LLC TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT).

WHEREAS, the City Commission of the City of Weslaco, Texas desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the city and to provide employment to residents of such area; and

WHEREAS, the project or activity is located in an area designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, KAPAL Cabinet House, LLC has applied to the City for designation as an enterprise project; and

WHEREAS, the City finds that KAPAL Cabinet House, LLC meets the criteria for tax relief and other incentives adopted by the City on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

WHEREAS, a public hearing to consider this ordinance was held by the City Commission on May 7, 2019;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS THAT:

Section 1: AUTHORITY OF LAW. All requirements of law have been met in the passing of this Ordinance.

Section 2: The City nominates **KAPAL Cabinet House, LLC** for enterprise project status.

Section 3: The following local incentives, at the election of the governing body, are or will be made available to the nominated project:

- a) The City may amend the zoning ordinance of the municipality, as appropriate, to promote economic development.
- b) The City may fund infrastructure improvements to promote economic development.

- c) The City may make capital improvements in water and sewer facilities to promote economic development.
- d) The City may provide business and industrial development services to promote economic development.
- e) The City may provide promotion and marketing services to promote economic development.
- f) The City may provide job training and employment services to promote economic development.
- g) The City may provide foreign-trade zone services to promote economic development.
- h) The City may provide Freeport, and the Weslaco Independent School District, exemption to promote economic development.
- i) The City may provide economic development sales tax (4a) funds for economic development.
- j) The City and the EDC of Weslaco work diligently in recruiting business and industry, promoting our assistance in helping businesses navigate quickly through its permitting processes, as one of our valued incentive to prospective companies.
- k) The City is able to offer a Tax Abatement, Chapter 380, for businesses that are bringing high value development into the City.
- l) The EDC of Weslaco, working with South Texas College Mid Valley Campus, to design manufacturing and other relevant workforce training programs to provide manufacturing and technological skills to employees of firms doing business, or seeking to do business, in the City of Weslaco.
- m) The Capital Improvements Program of the City of Weslaco resurfaced and paved Utah Drive for traffic.
- n) The opening of the University of Texas Rio Grande Valley Commercialization and Innovation Center (UTRGV CIC) in August 2018 offers entrepreneurs a place to learn in the RGV and it is home to the Ph.D. Business program for the university. The UTRGV buses serve this institution connecting to Edinburg and Harlingen's UTRGV.

The following local incentives, at the election of the governing body, are or will be made available in the enterprise zone, which are not applicable throughout the City.

- a) The City may establish simplified, accelerated or special permit procedures for enterprise projects.
- b) The City may give priority consideration to enterprise projects for use of ½ cent sales tax for economic development through the Economic Development Corporation of Weslaco.
- c) The City may give priority consideration to enterprise projects for infrastructure improvements.

- d) The EDC of Weslaco has targeted areas of the city for Weslaco 100 to maintain a viable and attractive Central Business for retail, commercial, office and loft apartments by focusing resources on a block- by-block strategy.
- e) The EDC of Weslaco Façade Renovations and Improvements policy is to maintain our corridors and the Central Business District attractive to retail, office and commercial operations by encouraging restoration and improvement of commercial property through financial incentives.

Section 4: The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

Section 5: The City of Weslaco City Commission directs and designates its Executive Director of the Economic Development Corporation of Weslaco, Marie McDermott, as the City's liaison to communicate and negotiate with the EDT through the Bank and enterprise project(s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.

Section 6: The City finds that **KAPAL Cabinet House, LLC** meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

- (a.) **KAPAL Cabinet House, LLC** is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site located in an enterprise zone in the governing body's jurisdiction and at least twenty-five percent (25%) of the business' new employees will be residents of an Enterprise Zone or economically disadvantaged individuals; and
- (b.) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities in the area; and
- (c.) The designation of **KAPAL Cabinet House, LLC** as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

Section 7: The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate on May 2024.

Section 8: This ordinance shall take effect from and after its passage as the law and charter in such case provides.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 7th day of May, 2019.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 23rd day of May, 2019.

CITY OF WESLACO
/s/David Suarez, MAYOR

ATTEST:
/s/Myra L. Ayala Garza, CITY SECRETARY

APPROVED AS TO FORM:
/s/Juan E. Gonzalez, CITY ATTORNEY

IV. APPOINTMENTS

A. Discussion and consideration to approve Resolution 2019-52 appointing an official member and an alternate member to the Amigos del Valle, Inc. Board of Directors and authorize the Mayor to execute any related documents. Possible action. (Requested by Amigos del Valle.)

In response to Mayor Suarez, the alternate member is Commissioner Lopez. Mayor Suarez entertained a nomination for a primary member from the commission. Mayor Suarez stated Mr. Frank Castellanos would like to serve and if amicable Commissioner Lopez continue as the alternate.

Commissioner Lopez stated she would like to continue as the alternate and nominated Frank Castellanos as the primary member.

Commissioner Pedraza, seconded by Commissioner Muñoz moved to approve Resolution 2019-52 appointing Frank Castellanos as official member and Commissioner Lopez as alternate member to the Amigos del Valle, Inc. Board of Directors, as presented. The motion carried unanimously; Mayor Suarez was present and voting.

For the record following is the resolution.

RESOLUTION NO. 2019-52

THE STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF WESLACO

A RESOLUTION APPOINTING A MEMBER AND AN ALTERNATE MEMBER TO THE AMIGOS DEL VALLE, INC. BOARD OF DIRECTORS FOR FISCAL YEAR 2018-19

WHEREAS, the Amigos del Valle, Inc. has requested that a City of Weslaco elected official be appointed to serve as the official member of the Amigos del Valle, Inc. Board of Directors; and

WHEREAS, the City of Weslaco may elect to appoint an individual of the City of Weslaco to serve in place of the official member; and

WHEREAS, the Amigos del Valle, Inc. has requested that a City of Weslaco elected official be appointed to serve as an alternate member of the Amigos del Valle, Inc. Board of Directors; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WESLACO that Frank Castellanos be appointed as the official member of the Amigos del Valle, Inc. Board of Directors.

BE FURTHER RESOLVED that Commissioner Letty Lopez, City Commissioner be appointed as an alternate member of the Amigos del Valle, Inc. Board of Directors and a copy of this Resolution shall be delivered to the Amigos del Valle, Inc. to evidence these appointments.

PASSED AND APPROVED this 23rd day of May, 2019.

CITY OF WESLACO
/s/David Suarez, MAYOR

ATTEST:
/s/Myra L. Ayala Garza, CITY SECRETARY

APPROVED AS TO FORM:
/s/Juan E. Gonzalez, CITY ATTORNEY

V. OLD BUSINESS

A. Discussion and consideration after public hearing on behalf of Alejandro Peña to approve Ordinance 2019-14 to rezone 416 W Austin, also being Lot 2, Apostolic Assembly Church Subdivision, Weslaco, Hidalgo County, Texas from R-1 One-family dwelling district to B-2 Secondary Highway Business District and authorize the Mayor to execute any related documents. First reading of Ordinance 2019-14. The rezone request requires three-fourth vote. Possible action. (This item was tabled on May 7, 2019; staffed by Planning and Code Enforcement Department.)

Commissioner Muñoz, seconded by Commissioner Lopez moved to remove the item from the table. The motion carried unanimously; Mayor Suarez was present and voting.

Rebekah de la Fuente, Senior Planner, stated thirty-two (32) property owners were notified with no objection received. The Planning and Zoning Commission and staff recommended denial based on the 2040 Land Use Map. Previous commission action tabled the item requesting a representative be available. Staff attempted several times to make contact and no one was in attendance.

Commissioner Muñoz seconded by Commissioner Lopez moved to approve. The motion failed unanimously (0 ayes 6-nays); Mayor Suarez was present and voting.

B. Discussion and consideration to approve the Citrus 674 Subdivision– being a 8.46 acre tract being a portion of Farm Tract 674, Blk 164, West Adams Tract Subdivision, Weslaco, Hidalgo County, Texas located on the Northeast Corner of Border Ave and 18th St. and authorize the Mayor to execute any related documents. Possible action. (This item was tabled on May 7, 2019; staffed by Planning and Code Enforcement Department.)

Commissioner Muñoz abstained from vote and discussion and filed a conflict of interest disclosure.

Commissioner Lopez, seconded by Commissioner Pedraza, moved to remove the item off the table. The motion carried unanimously; Mayor Suarez was present and voting.

Rebekah de la Fuente stated this was a proposed thirty-five lot subdivision; drainage calculations are in order; the Planning and Zoning Commission recommended approval with condition the right-of-way be paved to city standard and relocation of fire hydrant to north side drainage ditch along 18th Street. Staff recommended approval with compliance of the ordinance on the variance request from the developer on right-of-way dedication.

In response to Mayor Suarez, developer agreed to the conditions.

Commissioner Lopez, seconded by Commissioner Pedraza, moved to approve the Citrus 674 Subdivision subject to right-of-way paving to meet city's standards; fire hydrants relocated to the North side of the drainage ditch along 18th Street as presented. The motion carried; Commissioner Muñoz abstained; Mayor Suarez was present and voting.

VI. NEW BUSINESS

A. Discussion and consideration to approve an Interlocal Agreement with Weslaco Independent School District and the City of Weslaco for community outreach through cooperative efforts by providing information regarding resources for the improvement of the health, safety, and welfare of individuals in Weslaco and authorize the Mayor to execute any related documents. Possible action. (Staffed by Planning and Code Enforcement Department.)

Rebekah de la Fuente, Senior Planner, stated in preparation for the 2020 U.S. Census and community outreach, staff contacted the WISD proposing a joint Public Service Announcement to include Mayor, School The agreement will allow the City to participate not only in the PSA message but any other potential events or Community outreach, which will include the use of KWES. Staff recommended approval.

Commissioner Pedraza, seconded by Commissioner Lopez moved to approve on Interlocal Agreement with Weslaco Independent School District and the City of Weslaco for community outreach, as presented. The motion carried unanimously; Mayor Suarez was present and voting.

B. Discussion and consideration to contract Southern Trenchless, Buyboard Vendor Contract No. 555-18, for sewer line pipe bursting project on Texas Blvd. (from 3rd St. - 7th St.) in an amount not to exceed \$139,994 and authorize the Mayor to execute any related documents. Possible action. (Staffed by Public Works Department.)

Pete Garcia, Public Works Director, stated the project entailed the replacement of old sewer lines that are partially collapsed and need replacement; budgeted under the Capital Outlay Improvements and recommended approval.

In response to Commissioner Muñoz; Pete Garcia stated pipe bursting involves an 8" PVC inserted into the older existing line (6" clay line) that will be done by sections and service taps are re-connected; cost is justifiable; more cost effective then trenching the alley; staff assessed if the project could be done in-house but not practicable does not have the manpower, alley is very narrow and other utilities located there. Cleanouts will be available.

Commissioner Muñoz, seconded by Commissioner Pedraza moved to approve Southern Trenchless, Buyboard Vendor Contract No. 555-18, for sewer line pipe bursting project on Texas Blvd. (from 3rd St. - 7th St.) in an amount not to exceed \$139,994, as presented. The motion carried unanimously; Mayor Suarez was present and voting.

C. Discussion and consideration on Resolution 2019-53 suspending the June 5, 2019 effective date of AEP Texas Inc.'s request for rate change to permit City time to study; approving cooperation with Cities served by AEP; hiring LLOYD Gosselink Attorneys and Consulting Services to negotiate and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Manager's Office.)

Andrew Munoz, Asst. City Manager/Airport Director, recommended approval of the resolution that suspends the effective date of the rate increase proposed and allows the city to work along with other cities served by AEP to evaluate and hire Lloyd Gosselink Attorneys and Consulting Services to represent the cities.

Commissioner Pedraza, seconded by Commissioner Rodriguez moved to approve Resolution 2019-53 suspending the June 5, 2019 effective date of AEP Texas Inc.'s request for rate change to permit City time to study; approving cooperation with Cities served by AEP; hiring Lloyd Gosselink Attorneys and Consulting Services to negotiate, as presented. The motion carried unanimously; Mayor Suarez was present and voting.

For the record, following is the resolution.

RESOLUTION NO. 2019-53

RESOLUTION OF THE CITY OF WESLACO SUSPENDING THE JUNE 5, 2019 EFFECTIVE DATE OF AEP TEXAS INC.'S REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH THE CITIES SERVED BY AEP TEXAS AND AUTHORIZING INTERVENTION IN AEP TEXAS INC.'S REQUESTED RATE CHANGE PROCEEDINGS BEFORE THE COMMISSION; HIRING LLOYD GOSSELINK ATTORNEYS AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; 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 THE COMPANY AND LEGAL COUNSEL

WHEREAS, on or about May 1, 2019, AEP Texas Inc. ("AEP Texas" or "Company"), pursuant to Public Utility Regulatory Act ("PURA") §§ 33.001 and 36.001 filed with the City of Weslaco ("City") a Statement of Intent to change electric delivery rates in all municipalities exercising original jurisdiction within its service area, effective June 5, 2019; and

WHEREAS, the City is an electric utility customer of AEP Texas and a regulatory authority with an interest in the rates and charges of AEP Texas; and

WHEREAS, the City is a member of the Cities Served by AEP Texas ("Cities"), a membership of similarly situated cities served by AEP that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in AEP Texas' service area; and

WHEREAS, PURA § 36.108 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days after the date the rate change would otherwise be effective; and

WHEREAS, the City retains its rights as a city with original jurisdiction including the right to suspend the application; and

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

WHEREAS, the City's consultants and attorneys recommend that the City suspend the application for further review.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF WESLACO, TEXAS THAT :

SECTION 1. That the June 5, 2019, effective date of the rate request submitted by AEP Texas on or about May 1, 2019, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

SECTION 2. That the City joins other Cities Served by AEP Texas in this proceeding and, subject to the right to terminate employment at any time, hereby authorizes the hiring of Thomas Brocato of Lloyd Gosselink Rochelle and Townsend, P.C, and consultants to review the Company's filing, negotiate with the Company, make recommendations regarding reasonable rates and to direct any necessary administrative proceedings or court litigation associated with an appeal of city action.

SECTION 3. That the City shall work with Cities Served by AEP Texas in the review and evaluation of whether the proposed rates are appropriate, fair, just, and reasonable; and, intervene as a necessary party in the Public Utility Commission of Texas' consideration of AEP Texas' rate filing in Docket No. 49494 as it affects the customers in the unincorporated areas of AEP Texas' service territory.

SECTION 4. That the City's reasonable rate case expenses shall be reimbursed by AEP Texas.

SECTION 5. 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.

SECTION 6. A copy of this Resolution shall be sent to AEP Texas, care of Jennifer Frederick, American Electric Power Company, 400 West 15th Street, Suite 1520, Austin, Texas 78701 (jffrederick@aep.com), and to Thomas Brocato at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PASSED AND APPROVED this 23rd day of May 2019.

CITY OF WESLACO
/s/David Suarez, MAYOR

ATTEST:
/s/Myra L. Ayala Garza, CITY SECRETARY

APPROVED AS TO FORM:
/s/Juan E. Gonzalez, CITY ATTORNEY

D. Discussion and consideration on Resolution 2019-54 authorizing intervention in AEP Texas Inc.'s requested rate change proceeding before the commission; approving cooperation with the cities served by AEP Texas; hiring Lloyd Gosselink Attorneys and Consulting Services to negotiate and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Manager's Office.)

Andrew Muñoz recommended approval stating the resolution will authorize the intervention on the request from AEP for the rate change and authorizes the hiring of Lloyd Gosselink Attorneys and Consulting Services to negotiate on behalf of the cities.

Commissioner Pedraza, seconded by Commissioner Lopez moved to approve Resolution 2019-54 authorizing intervention in AEP Texas Inc.'s requested rate change proceeding before the commission; approving cooperation with the cities served by AEP Texas; hiring Lloyd Gosselink Attorneys and Consulting Services to negotiate as presented. The motion carried unanimously; Mayor Suarez was present and voting.

For the record, following is the resolution.

RESOLUTION NO. 2019-54

RESOLUTION OF THE CITY OF WESLACO AUTHORIZING INTERVENTION IN AEP TEXAS INC.'S REQUESTED RATE CHANGE PROCEEDING BEFORE THE COMMISSION; APPROVING COOPERATION WITH THE CITIES SERVED BY AEP TEXAS; HIRING LLOYD GOSSELINK ATTORNEYS AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; REQUIRING REIMBURSEMENT OF CITIES' RATE CASE EXPENSES; 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 THE COMPANY AND LEGAL COUNSEL

WHEREAS, on or about May 1, 2019, AEP Texas Inc. ("AEP Texas" or "Company"), pursuant to Public Utility Regulatory Act ("PURA") §§ 33.001 and 36.001 filed with the City of Weslaco ("City") a Statement of Intent to change electric delivery rates in all municipalities exercising original jurisdiction within its service area and the Public Utility Commission, effective June 5, 2019; and

WHEREAS, the City is a member of the Cities Served by AEP Texas ("Cities"), a membership of similarly situated cities served by AEP that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in AEP Texas' service area; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF WESLACO, TEXAS THAT:

SECTION 1. That the City joins other Cities Served by AEP Texas ("Cities") in this proceeding and, subject to the right to terminate employment at any time, hereby authorizes the hiring of Thomas Brocato of Lloyd Gosselink Rochelle and Townsend, P.C, and consultants to review the Company's filing, negotiate with the Company, make recommendations regarding reasonable rates and to direct any necessary administrative proceedings or court litigation associated with an appeal of city action.

SECTION 2. That the City shall work with Cities Served by AEP Texas in the review and evaluation of whether the proposed rates are appropriate, fair, just, and reasonable; and, intervene as a necessary party in the Public Utility Commission of Texas' consideration of AEP Texas' rate filing in Docket No. 49494 as it affects the customers in the unincorporated areas of AEP Texas' service territory.

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

SECTION 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.

SECTION 5. A copy of this Resolution shall be sent to of Jennifer Frederick, American Electric Power Company, 400 West 15th Street, Suite 1520, Austin, Texas 78701 (jjfrederick@aep.com), and to Thomas Brocato, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701 (tbrocato@lglawfirm.com).

PASSED AND APPROVED this 23rd day of May 2019.

CITY OF WESLACO
/s/David Suarez, MAYOR

ATTEST:
/s/Myra L. Ayala Garza, CITY SECRETARY

APPROVED AS TO FORM:
/s/Juan E. Gonzalez, CITY ATTORNEY

E. Discussion and consideration on request from WesFAR Apts LLC for Traffic Impact Study Waiver for proposed 304 Unit Multi-Family Development and authorize cost participation for construction and installation of road improvements on Frost Proof Drive and authorize the Mayor to execute any related documents. Possible action. (Staffed by City Manager's Office.)

Commissioner Muñoz abstained from vote and discussion and filed a conflict disclosure statement.

Benjamin Worsham, City Engineer/Director of Planning, recommend approval of the request to waive Traffic Impact Study, developer is proposing a cost participation for construction of installation of road improvements (1,000 feet) on Frost Proof Drive and is acceptable to the city.

Commissioner Pedraza seconded by Commissioner Lopez moved to approve request from WesFAR Apts LLC for Traffic Impact Study Waiver for proposed 304 Unit Multi-Family Development and authorize cost participation for construction and installation of road improvements on Frost Proof Drive as presented. The motion carried; Commissioner Muñoz abstained; Mayor Suarez was present and voting.

F. Discussion and consideration on Interlocal between City of Weslaco and the Hidalgo County Drainage District #1 for the reimbursement for improvements included in the Austin and Merida Crossings Project and authorize the Mayor to execute any related documents. Possible action. (Staffed by Engineering Department.)

Benjamin Worsham, recommended approval stating the interlocal allows reimbursement to Hidalgo County Drainage District #1 of material and labor for improvements at Austin and Merida crossings project; cost is \$37,151.66 labor, materials estimated at \$114,583.17; a maximum total of \$151,734.

In response to Mayor Suarez and Commissioner Rodriguez; project includes both crossings and estimated engineering was \$340,000. In response to Commissioner Muñoz, City Attorney stated the agreement included an indemnification clause for the parties involved (City and HCDD#1) and staff stated engineering design was done in house.

Commissioner Pedraza seconded by Commissioner Muñoz moved to approve the Interlocal between City of Weslaco and the Hidalgo County Drainage District #1 for the reimbursement for improvements included in the Austin and Merida Crossings Project as presented. The motion carried unanimously; Mayor Suarez was present and voting.

VII. REPORTS

A. Report by Library Department.

Presented under Public Comments.

VIII. EXECUTIVE SESSION

At 6:07 p.m. Commissioner Pedraza seconded by Commissioner Muñoz, moved to convene the regular meeting in Executive Session. The motion carried unanimously; Mayor Suarez was present and voting.

The record will reflect Mayor Suarez did not return to the dais and Mayor Pro-Tem Kerr in attendance.

At 6:51 p.m. Mayor Pro Tem Kerr stated the City Commission had completed its Executive Session and reconvened the regular meeting as open to the public.

IX. POSSIBLE ACTION ON WHAT IS DISCUSSED IN EXECUTIVE SESSION

A. Personnel - Discussion regarding the goals, objectives, and evaluation of the City Manager for the City of Weslaco as authorized by §551.074 of the Texas Government Code.

No action

B. Legal Consultation - Seek City Attorney opinion relating to the lawsuit with CDM as authorized by §551.071 of the Texas Government Code.

No action

C. Legal Consultation - Consultation with City Attorney regarding City of Weslaco v. Briones Consulting and Engineering as authorized by §551.071 of the Texas Government Code.

No action

D. Pending Litigation - Report by City Attorney regarding all pending litigation as provided to City Auditor as authorized by §551.071 of the Texas Government Code

No action

E. Legal Consultation - Seek City Attorney opinion relating to breach of contract by Accela and consider authorizing City Attorney to proceed with legal action as authorized by §551.071 of the Texas Government Code.

No action.

F. Legal Consultation - Seek City Attorney opinion on potential litigation concerning a trailer located East of Pleasantview Drive on E Expressway Frontage as authorized by §551.071 of the Texas Government Code.

Commissioner Muñoz seconded by Commissioner Rodriguez moved to authorize the City Attorney proceed as discussed in executive session. The motion carried unanimously; Mayor Pro Tem Kerr was present and voting.

X. ADJOURNMENT

Commissioner Muñoz, seconded by Commissioner Rodriguez moved to adjourn the meeting at 6:52 p.m. The motion carried unanimously; Mayor Pro Tem Kerr was present and voting.

CITY OF WESLACO

MAYOR, David Suarez

ATTEST:

Myra L. Ayala Garza, CITY SECRETARY

MAYOR PRO-TEM, Greg Kerr

COMMISSIONER, Leo Muñoz

COMMISSIONER, Jose "J.P." Rodriguez

COMMISSIONER, Letty Lopez

COMMISSIONER, Josh Pedraza