

Minutes
Regular Council Meeting
October 18, 2011

On this 18th day of October 2011, 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 Hal Lance
Alderwoman Kathy Wilkins
Alderwoman Gina Champion
Alderman Steve A. Lopez
Alderman David Valdez

Thus, constituting a quorum.

Personnel present: Gary Pelech, City Administrator; Dora V. Rodriguez, City Secretary; Adalberto Bosquez, City Accountant and Retiring City Accountant, Nancy Pepper.

Others present: Wanda Gardner, Sonia Lance, Rogene Cupp, and Dave & Betty Morgan, Devine Texas; Toby Cargile, 1506 W 1st Street, Abilene, KS 67410; David Mueller, West Texas Gas; Sandy Herrera, Devine News and Jovanna Naddski, Medina Valley Times.

Mayor Herring, presiding, declared the meeting opened and welcomed all visitors; Mayor Herring also delivered the Invocation and led the Pledge of Allegiance.

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

Wanda Gardner addressed the council on the West Texas Rate Increase. She is against this increase.

The second order of business was Proclamation – Breast Cancer Awareness Month.

Mayor Herring informed the Council that he had already signed and approved this Proclamation to get it in the newspaper.

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The third order of business was to discuss and consider adopting a Proclamation for Veteran's Day.

Mayor Herring read the proclamation. Proclamation attached as Exhibit A.

Motion by Alderman Lance, seconded by Alderman Lopez to adopt a Proclamation for Veteran's Day on November 11, 2011.

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| Ayes | -- | All |
| Nays | -- | None |

Motion carried.

The fourth order of business was adopting a Proclamation for Municipal Court Week.

Mayor Herring read the Proclamation. Proclamation attached as Exhibit B.

Motion by Alderman Lopez, seconded by Alderman Valdez to adopt a Proclamation for Municipal Court Week.

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| Ayes | -- | All |
| Nays | -- | None |

Motion carried.

The fifth order of business was approval of minutes.

Motion by Alderman Lopez, seconded by Alderwoman Wilkins to approve the Minutes for the Regular Meeting September 20, 2011.

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| Ayes | -- | All |
| Nays | -- | None |

Motion carried.

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The sixth order of business was to discuss and consider request made by Toby Cargile for Council to grant a variance allowing for one or two Travel Trailers to be placed on the property located at 720 N Transportation so improvements can be made to the house to make it livable.

Council held discussion on the length of time to give on the variance. Mayor Herring informed that we have already given out two variances with a time limit of six months.

Motion by Alderman Valdez, seconded by Alderman Lopez to grant a variance to Toby Cargile for six months.

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| Ayes | -- | All |
| Nays | -- | None |

Motion carried.

The seventh order of business was to discuss and consider the following for West Texas Gas:

- a. Accept Rate Increase submitted by West Texas Gas.
- b. Adopt an Ordinance denying the Rate Increase.

David Mueller with West Texas Gas informed the council that West Texas Gas has asked the State for a rate change for all 28 cities that they currently supply. He advised that the last time they asked for a rate change was back in 2004, and it is only the second time they have asked for a rate change in 25 years. He informed that the last 4 to 5 years, the federal and state government has passed legislature which has affected their business. One of the main things is operator qualifications, which is more extensive employee training; also integrity management, which means that they have to upgrade a lot of the piping system that is currently in the ground; steel pipe that is not protected, and PVC or any other not approved pipe. Mr. Mueller advised that he does agree with our citizens that it is a steep increase and also in saying that, they as West Texas Gas, ask that we reject their request for approval. He said that in doing this we can form a coalition within the cities and come to an agreement on what price would be a fair price that everyone could agree on. If this is not obtained within 150 days, then it would go to the Texas Railroad Commission and they would set the rate.

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Mr. Mueller advised that other cities in the area have declined their request and are talking to attorneys to form a coalition. By forming a coalition instead of doing this individually and when we fight the rate increase, then we would be doing this all at one time together with all the cities; therefore, decreasing the cost to the user verses fighting it individually when the cost could go up.

At this time the Mayor handed out to the council minutes from the June 8, 2010 meeting when the city was selling the gas system. He quoted from these minutes "Richard Hatcher is stating that West Texas would likely go up on their rates again next year."

City Attorney Tom Cate informed the council that there is set of attorneys, Attorneys Herrera and Boyle, who are talking to cities. They called the city asking that we deny the rate tonight. They think that this would be in the best interest of the city. He advised, as Mr. Mueller stated, that this would then go before the Texas Railroad Commission. He advised that the Commission will make a settlement between the two parties.

City Attorney Cate advised that we got a couple of proposals. One is from Herrera & Boyle wanting to represent the city. He advised that another law firm, Lloyd Gosselink, has asked to represent the city; they are a big utility law firm. He advised that this law firm is suggesting that we postpone this for the 90 days. In the literature they sent to him it states that at the hearing that the Railroad Commission has on October 25th is where they think that the Railroad Commission will suspend everything and impose 150 days suspension.

City Attorney Cate informed the council that we need to get the best representation. This will give us some breathing time to see what we want to do because it will end up before the Railroad Commission. He advised that the City will need to take action by November 5, 2011.

Tom will draft up an ordinance to submit to West Texas Gas.

Motion by Alderwoman Wilkins, seconded by Alderman Lopez to deny (a.)Rate Increase submitted by West Texas.

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| Ayes | -- | All |
| Nays | -- | None |

Motion carried.

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(b.) Adopt an Ordinance denying the Rate Increase. No action taken on this.

The eighth order of business to review the Quarterly Investment Report.

Council reviewed report.

The ninth order of business was Information Items.

- Mayor Herring informed the council that we have been invited to the Grand Opening of the New HEB in Lytle. Need to RSVP to Gary or Dora.
- Mayor Herring thanked everyone who helped with the concession stand at the football game.
- Mayor Herring informed the council that any council member wishing to ride in the parade needs to fill out a Parade Form.
- Mayor Herring announced that Phil Sagebiel will be here on October 31, 2011 for a week to get everything ready for the Auditors who will be here in November.
- Mayor Herring informed council that we have a new city employee – Simon Davila.
- Mayor Herring advised that it was Bosses Day Sunday.

There being no further business to come before the governing body, motion by Alderman Lance, seconded by Alderwoman Champion to adjourn the meeting.

Mayor

City Secretary

