

**PALM VALLEY CITY COUNCIL  
MINUTES  
REGULAR MEETING  
January 19, 2021**

The City Council of the City of Palm Valley met in a Regular Meeting on the 19th day of January 2021 at 6:00 p.m. at 1313 N. Stuart Place Road, Palm Valley, Texas. Council members attended in person. (ZOOM videoconferencing was available for the public).

Council members present:

Mayor George Rivera

Councilman Jerry Wade

Councilman Michael Galvan

VIA ZOOM

Councilwoman Lisa Taylor

Councilman Eric Hoff

Absent: Councilwoman Cynthia Thompson

Jason Mann, City Attorney (Via Zoom)

City Secretary: Sylvia R. Trevino (in person)

Staff present (all in person):

Chief A. R. Garcia

Rosendo Flores, Director of Public Works

Elsa Guajardo, Support Services Aide

1. **CALL TO ORDER** - The meeting was called to order by Mayor Rivera.
2. **PLEDGE OF ALLEGIANCE** - The Pledge of Allegiance followed led by Mayor Rivera.
3. **LEGISLATIVE PRAYER** - The Legislative Prayer was led by Mayor Rivera.
4. **PUBLIC COMMENTS** – None
5. **PUBLIC HEARING HELD TO HEAR COMMENTS FOR OR AGAINST THE POSSIBLE CREATION OF A DRAINAGE UTILITY SYSTEM FOR THE CITY OF PALM VALLEY, TEXAS.**

Councilman Galvan made a motion to declare open the public hearing.

Councilman Wade seconded the motion and the motion carried unanimously by those present.

Mayor Rivera declared the public hearing open.

At this time, City Secretary Trevino read into the record the following:

**“Let it be known that the Gibbs household located on Palm Valley Drive East is opposed to this excessive increase in costs to our water bills. At a time when many of us are struggling just to pay our bills, due to loss of jobs or decreased work activities, this does not seem to be a fair initiative to the residents of Palm Valley. Many of us have just finished fixing our homes from the flood of 2019 and are paying back potentially debilitating loans. A more palatable cost would be \$5 per month AND include a solution to the terrible water pressure**

**our homes receive. For such a nice neighborhood, having trickling showers is rather obscene.”**

City Secretary Trevino noted that the following was sent by Mr. Garcia via email:

**“During this pandemic and economically stressful time the City of Palm Valley is expecting people (especially people living on fixed incomes) to pay an additional \$24.00 per month on their utility bills?????”**

City Secretary stated that Mr. Garcia added that he would be sending in a written objection. However, at the time of the meeting no further comments had been received.

Mayor Rivera explained that the purpose of this hearing is to create a system to charge a fee to improve drainage in the City of Palm Valley. \$5.00 is not enough. The amount of money needed is \$3.5 million to borrow to improve the drainage issues that exist. 80% of the residents of Palm Valley suffered major water damage to their homes and this is what this fee is for.

Jeannette Edgley from Los Amigos asked that is this to improve the drainage, what about the Club members who enjoy the recreational activities that are not residents of Palm Valley.

Mayor Rivera replied that the benefit will be to the residents of Palm Valley. These drainage projects are not to improve the Golf Course but to improve the drainage to run out faster from our City.

Matt Gorges, 5124 Papaya Circle, commented that this is the most economical decision for the City to improve the drainage and he fully endorsed the project. He added that it has been 50 years since the ponds have been cleared out of silt and the pipes are clogged up. He stated that this is a project that is long overdue.

David Flinn, City Engineer, briefly explained the projects as:

1. dredging of a 40-acre detention pond northwest of Palm Valley. Project to be completed by Cameron County Drainage District #5.
2. Lake 4-7 bypass line.
3. Golf Course drain ditch improvements
4. Papaya Circle drainage improvements
5. Lake dredging by City personnel

These improvements will lower the flood waters during a 100-year storm by approximately 2 feet.

As final comments, Mayor Rivera stated that the City cannot suffer flooding again and for the City to do nothing would not be right. The City is not here to enhance the Golf Course, but the goal is to get the water out of the City faster.

There being no further comments, Mayor Rivera declared the public hearing closed.

6. **ORDINANCE ADOPTED DECLARING ADOPTION OF THE MUNICIPAL DRAINAGE UTILITY SYSTEMS ACT; MAKING AND ADOPTING FINDINGS; DECLARING THE DRAINAGE OF THE CITY OF PALM VALLEY, TEXAS TO BE A PUBLIC UTILITY; INCORPORATING EXISTING DRAINAGE FACILITIES, MATERIALS, AND SUPPLIES.**

Councilman Galvan made a motion to adopt the ordinance as submitted.

Councilman Wade seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.



7. **PUBLIC HEARING TO HEAR COMMENTS FOR AGAINST THE ADOPTION OF DRAINAGE UTILITY CHARGES WITHIN THE CITY OF PALM VALLEY, TEXAS.**

Councilman Galvan made a motion to open the public hearing.  
Councilman Hoff seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

Mayor Rivera declared the public hearing open.

Bobby Villarreal, financial advisor, explained that this drainage project will cost approximately \$3.4 million payable over a 20-year period. The most cost-effective method is to borrow the funds from the Texas Water Development Board. The TWDB currently has very advantageous interest rates. The anticipated annual debt payment is about \$219,000 which will be covered by the additional fees on the water bill.

Mr. Villarreal noted that there are about 770 accounts that will be assessed accordingly the \$24, \$60, and \$75 monthly fees.

Mr. Villarreal added that the amounts are slightly over to provide coverage for the possibility of delinquencies and not to fall behind in the payment.

Councilwoman Taylor wanted to make it clear that the Club will be paying \$150.00 per month.

Mayor Rivera commented that he, as a resident, does not like this new fee but this is something that should have been done a long time ago. Future residents of Palm Valley will be paying for this debt. He, for one, does not want to go through another flood.

There being no further comments, Mayor Rivera declared the public hearing closed.

8. **ORDINANCE ADOPTED LEVYING DRAINAGE UTILITY CHARGES; PROVIDING FOR SEGREGATION OF INCOME; PROVIDING FOR DISCONTINUANCE OF UTILITY SERVICES; PROVIDING FOR DUE DATE OF CHARGES AND DELINQUENCY CHARGES; AND ESTABLISHING BILLING PROCEDURES.**

Councilwoman Taylor made a motion to adopt the ordinance as submitted.

Councilman Hoff seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

**ITEMS 9, 10, AND 11 WERE DISCUSSED TOGETHER**

Mayor Rivera explained that Requests for Qualifications for engineer, bond counsel and financial advisors were advertised several times in the local newspaper. He appointed a committee consisting of Howard Tozzo and John Topp to review those proposals that were received.

Howard Tozzo explained that all proposals that were received were reviewed thoroughly for their qualifications based on the evaluation criteria.

Four (4) proposals were received for engineering services and they all had very similar experiences. The Committee recommended Ferris Flinn and Medina. They had done many projects in Palm Valley and know the City of Palm Valley's lakes and ponds on the Golf Course. He noted that this is not a lifetime contract.

For bond counsel, three (3) firms submitted their qualifications. One firm was disqualified because they had issues with the Texas Water Development Board. One firm from San Antonio has the TWDB as their client, therefore, a conflict of interest would exist.

Mr. Tozzo stated that the Committee is recommending Norton Rose Fulbright as the bond counsel. They have issued 65 bonds through the TWDB in the last three years. They are on the cutting edge of doing this kind of work.

As for the financial advisors, Mr. Tozzo stated there were two applicants and one of them mostly work with the issuance of school bonds. The Committee recommended appointing Estrada Hinojosa. They have experience in 44 states, and they know how state and local governments work.

**9. BOND COUNSEL APPOINTED**

Councilman Hoff made a motion to appoint Norton Rose Fulbright as bond counsel.

Councilman Galvan seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

**10. ENGINEER APPOINTED**

Councilman Hoff made a motion to appoint Ferris Flinn and Medina as the engineers for the drainage projects.

Councilwoman Taylor seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

**11. FINANCIAL ADVISORS APPOINTED**

Councilman Hoff made a motion to appoint Estrada Hinojosa as the financial advisors.

Councilman Galvan seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

Mayor Rivera thanked Howard Tozzo and John Topp for serving on this committee.

**12. MINUTES FOR APPROVAL – SPECIAL MEETING OF DECEMBER 8, 2020 AND THE REGULAR MEETING OF DECEMBER 15, 2020**

Councilwoman Taylor noted that her last name was misspelled on Page 2 of the minutes of December 15.

Councilman Wade made a motion to approve the minutes with the noted correction.

Councilman Galvan seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

**13. CONSENT AGENDA**

**A. LETTER OF ENGAGEMENT FROM CARR RIGGS INGRAM FOR THE CITY'S ANNUAL AUDIT FOR FISCAL YEAR ENDING SEPTEMBER 2020 ACCEPTED.**



- B. ORDINANCE ADOPTED ORDERING A CITY GENERAL ELECTION AND OTHER RELATED PROVISIONS FOR MAY 1, 2021 TO ELECT ONE (1) MAYOR AND TWO (2) COUNCILMEMBERS.**
- C. ORDINANCE ADOPTED AMENDING THE 2020-21 BUDGET TO ADD A LINE ITEM TO ALLOCATE FUNDING IN THE AMOUNT OF \$14,245.00 FOR FENCE INSTALLATION TO PROTECT CITY VEHICLES AND EQUIPMENT**
- D. Police Monthly Report – November 2020**
- E. Municipal Court Report – November 2020**
- F. Monthly Investment Report – November 2020**
- G. Monthly Financial Report (budget) – November 2020**
- H. Monthly Check Listing – November 2020**
- I. Council/staff liaison reports**

Mayor Rivera going back to Mrs. Gibbs comments on the water issues, commented that the City now has a bond counsel, an engineer, and a financial advisor. They will now start on a package of how to repair the water lines to address the water issues. There is a time limit in which to do this. He informed the Council that there will be a special called meeting for February 10 to authorize holding a bond election in May. This will be directed to the residents to vote on whether to issue bonds totaling about \$22 million. The residents of Palm Valley have voiced many complaints on water quality and sewer issues. There is no problem with the actual water, it is the pipes and infrastructure beneath the streets that require repair. This is a decision that will be made by the citizens. Unfortunately, open meetings are still being held via ZOOM since City Hall is still closed to the public.

Councilman Wade made a motion to approve the Consent Agenda.

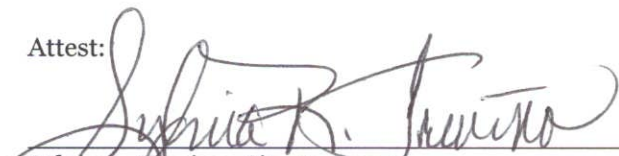
Councilwoman Taylor seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present

There being no further business, the meeting adjourned at 6:59 p.m. upon a motion by Councilman Hoff and a second by Councilman Wade.

  
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George Rivera, Mayor

Attest:

  
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Sylvia R. Trevino, City Secretary