



BOARD OF ALDERMEN

REGULAR MEETING

September 13, 2011

6:00 P.M.



3301 CARMEN AVE, 78575

Phone **956-350-4093**

Fax **956-350-4156**

NOTICE OF A PUBLIC MEETING
TOWN OF RANCHO VIEJO
BOARD OF ALDERMEN
REGULAR MEETING

SEPTEMBER 13, 2011
6:00 P.M.

NOTICE is hereby given of a REGULAR MEETING of the BOARD OF ALDERMEN of the TOWN OF RANCHO VIEJO, TEXAS, to be held on SEPTEMBER 13, 2011 at 6:00 P.M., in the TOWN MUNICIPAL OFFICE, 3301 CARMEN AVENUE, RANCHO VIEJO, TEXAS to consider the following items:

1. Call to Order
2. Roll Call
3. Invocation and Pledge
4. Public Comment
5. Approval of Minutes - Regular Meeting August 9, 2011
Special Meeting August 25, 2011 5:15 PM
Special Meeting August 25, 2011 6:00 PM
Special Meeting September 1, 2011
6. Consideration/Adoption of Budget Ordinance for Fiscal Year October 1, 2011 to September 30, 2012
7. Consideration/Ratification of the Property Tax (Revenue) Increase Reflected in the Budget for Fiscal Year October 1, 2011 to September 30, 2012
8. Consideration/Adoption of Ordinance to Establish Ad Valorem Tax Rate to Provide for Budget Expenses for Fiscal Year 2011-2012

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9. Consideration/Approval of Resolution of the Town of Rancho Viejo Board of Aldermen Establishing Fund Balance Policies as Required by GASB 54
10. Consideration/Action on Resolution for Nomination of Representative for Cameron Appraisal District Board of Directors - Position Nine
11. Consideration/Action on Appointment of Member to the South Texas Emergency Care Foundation, Inc. Board of Directors
12. Consideration/Action of Budget Amendment for 2010/2011
13. Consideration/Action on Employment of Regular Police Officer and Setting of Salary
14. Consideration/Action on an Ordinance of the Board of Aldermen of the Town of Rancho Viejo, Texas, ("City") Approving a Negotiated Resolution Between the Cities Served by Texas Gas Service ("Cities") and Texas Gas Service ("TGS" or "The Company") Regarding the Company's April 28, 2011 Cost of Service Adjustment ("COSA") Filing; Declaring Existing Rates to be Unreasonable; Adopting Tariffs that Reflect Rate Adjustments Consistent with the Negotiated Settlement and Finding the Rates to be Set by the Attached Tariffs to be Just and Reasonable; Providing for the Recovery of the Cities' and TGS' Reasonable and Necessary Rate Case Expenses; Adopting a Savings Clause; Determining that this Ordinance was Passed in Accordance with the Requirements of the Texas Open Meetings Act; Declaring an Effective Date; Repealing Any Prior Ordinances Inconsistent with this Ordinance and Requiring Delivery of this Ordinance to the Company and Cities' Legal Counsel

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6:00 P.M.

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15. Public Comment

16. Adjourn



Cheryl J. Kretz
Town Administrator

#1 Call to Order by Mayor Medrano

#2 Roll Call

by Isabel Perales

Alderwoman Hager

Alderwoman Hinojosa

Alderman Lackner

Alderman Rafac

Alderwoman Truan

Legal Counsel, Daniel Rentfro, Jr.

Town Administrator, Cheryl J.
Kretz.

#3 Invocation and Pledge:

The pledge of allegiance to the United States Flag:

“I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.”

And the pledge of allegiance to the Texas State Flag is,

“Honor the Texas Flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.”

#4 Public Comment

#5: Approval of Minutes-

Regular Meeting August 9, 2011

Special Meeting August 25, 2011 5:15 PM

Special Meeting August 25, 2011 6:00 PM

Special Meeting September 1, 2011

MINUTES OF A REGULAR MEETING
TOWN OF RANCHO VIEJO
AUGUST 9, 2011

A Regular Meeting of the Board of Aldermen of the Town of Rancho Viejo, Texas was held on August 9, 2011, at the Town Municipal Office, 3301 Carmen Avenue, Rancho Viejo, Texas, the same being open to the public. The meeting was called to order by Mayor Roberto Medrano at 6:02 P.M. Roll call was made by Isabel Perales, Assistant Town Secretary. Members present at the meeting were:

Mrs. Jean Hager
Mrs. Maria Hinojosa
Mr. Robert Lackner
Mr. Joe Rafac
Mrs. Bitty Truan

A quorum was present at the meeting.

Mr. Daniel Rentfro, Jr., legal counsel, was present. Town Administrator Cheryl J. Kretz was also present at the meeting.

Those present in the audience were:

R. K. Whittington	Nathan Winters
Bill Aston	Clifford Rowell
Louise Rigney	Chief M. Cruz, Jr.
Arnulfo Montano	Lydia Montano
Mack Sterling	Richard P. Lewis
Lourdes G. Medrano	W. H. Dorsett
Dr. E. J. Chaney	Margie Chaney

INVOCATION AND PLEDGE:

Alderwoman Hinojosa led the group in the invocation and pledge of allegiance to the American and Texas flags.

PUBLIC COMMENT:

There were no public comments.

CONSIDERATION/APPROVAL OF GROUND AMBULANCE SERVICE CONTRACT FOR FIVE YEARS:

Mr. Randy K. Whittington made a presentation about the proposed five year ambulance contract and answered questions from the board members.

Motion was made by Alderman Rafac, seconded by Alderwoman Hinojosa, and unanimously carried, to approve the Emergency Medical Services Contract with South Texas Emergency Care Foundation, Inc. for a term of five years at no cost.

APPROVAL OF MINUTES:

Motion was made by Alderwoman Hager, seconded by Alderwoman Truan, that the Minutes of the Regular Meeting held on July 12, 2011 be approved as written. Motion passed with the following vote:

AYES: Alderwoman Hager, Alderman Rafac and Alderwoman Truan

NAYS: None

ABSTAINING: Alderwoman Hinojosa and Alderman Lackner

CONSIDERATION/ACTION ON AN ORDINANCE OF THE TOWN OF RANCHO VIEJO, TEXAS AMENDING ARTICLE I OF CHAPTER 18 OF THE CODE OF ORDINANCES; PROVIDING AN EFFECTIVE DATE (FAILURE TO APPEAR):

After questions about this proposed ordinance were answered by Mr. Rentfro, motion was made by Alderman Rafac, seconded by Alderwoman Hager, and unanimously carried, to pass, approve and adopt Ordinance No. 194 - AN ORDINANCE OF THE TOWN OF RANCHO VIEJO, TEXAS AMENDING ARTICLE I OF CHAPTER 18 OF THE CODE OF ORDINANCES; PROVIDING AN EFFECTIVE DATE.

CONSIDERATION/ACTION ON AN ORDINANCE OF THE TOWN OF RANCHO VIEJO, TEXAS, AMENDING CHAPTER 10 OF THE CODE OF ORDINANCES; PROVIDING FOR A PENALTY, PROVIDING FOR AN EFFECTIVE DATE AND PUBLICATION IN CAPTION FORM (DISPOSING OF DOG DEFECATION):

After discussion of enforcement of this ordinance, motion was made by Alderwoman Hager, seconded by Alderman Rafac, to pass, adopt and approve Ordinance No. 195 - AN ORDINANCE OF THE TOWN OF RANCHO VIEJO, TEXAS, AMENDING CHAPTER 10 OF THE CODE OF ORDINANCES; PROVIDING FOR A PENALTY, PROVIDING FOR AN EFFECTIVE DATE AND PUBLICATION IN CAPTION FORM. Motion passed with the following vote:

AYES: Alderwoman Hager, Alderwoman Hinojosa and Alderman Rafac

NAYS: Alderman Lackner

ABSTAINING: Alderwoman Truan

REPORT FROM BEAUTIFICATION COMMITTEE AND
CONSIDERATION/ACTION ON AN ORDINANCE OF THE TOWN OF RANCHO
VIEJO, TEXAS REPEALING PARAGRAPH (E) (2) OF SECTION 14-203,
PROVIDING FOR AN EFFECTIVE DATE AND PUBLICATION IN CAPTION
FORM (PALM TREE PRUNING):

Alderwoman Hager stated that the Beautification Committee had not met but she got input from most of the members and they recommended repealing the ordinance on the palm tree pruning. Motion was made by Alderman Lackner, seconded by Alderwoman Hinojosa, and unanimously carried, to pass, adopt and approve ORDINANCE NO. 196 - AN ORDINANCE OF THE TOWN OF RANCHO VIEJO, TEXAS REPEALING PARAGRAPH (E) (2) OF SECTION 14-203, PROVIDING FOR AN EFFECTIVE DATE AND PUBLICATION IN CAPTION FORM.

CONSIDERATION/ACTION ON AN ORDINANCE OF THE TOWN OF RANCHO
VIEJO, TEXAS, ESTABLISHING REGULATIONS FOR ALL RESACAS
WITHIN THE TERRITORIAL LIMITS OF THE TOWN OF RANCHO VIEJO,
PROVIDING FOR A PENALTY, PROVIDING FOR AN EFFECTIVE DATE
AND PUBLICATION IN CAPTION FORM:

After an explanation by Alderman Rafac, Chairman of the Strategic Planning Committee, motion was made by Alderwoman Hager, seconded by Alderwoman Hinojosa, and unanimously carried, to pass, adopt and approve Ordinance No. 197 - AN ORDINANCE OF THE TOWN OF RANCHO VIEJO, TEXAS, ESTABLISHING REGULATIONS FOR ALL RESACAS WITHIN THE TERRITORIAL LIMITS OF THE TOWN OF RANCHO VIEJO, PROVIDING FOR A PENALTY, PROVIDING FOR AN EFFECTIVE DATE AND PUBLICATION IN CAPTION FORM.

CONSIDERATION/ACTION ON AN ORDINANCE OF THE TOWN OF RANCHO
VIEJO, TEXAS, ESTABLISHING REGULATIONS FOR ALL PERSONS
EXERCISING IN THE RIGHT OF WAY OF ANY STREET WITHIN THE
TERRITORIAL LIMITS OF THE TOWN OF RANCHO VIEJO, TEXAS,
PROVIDING FOR A PENALTY, PROVIDING FOR AN EFFECTIVE DATE
AND PUBLICATION IN CAPTION FORM (REFLECTIVE GEAR):

After a discussion of this proposed ordinance, motion was made by Alderman Rafac, seconded by Alderwoman Hager, to pass, adopt and approve ORDINANCE NO. 197 - AN ORDINANCE OF THE TOWN OF RANCHO VIEJO, TEXAS, ESTABLISHING REGULATIONS FOR ALL PERSONS

EXERCISING IN THE RIGHT OF WAY OF ANY STREET WITHIN THE TERRITORIAL LIMITS OF THE TOWN OF RANCHO VIEJO, TEXAS, PROVIDING FOR A PENALTY, PROVIDING FOR AN EFFECTIVE DATE AND PUBLICATION IN CAPTION FORM.

The motion passed with the following vote:

AYES: Alderwoman Hager, Alderwoman Hinojosa, Alderman Rafac and Alderwoman Truan

NAYS: Alderman Lackner

CONSIDERATION/REVIEW OF DEPOSITORY APPLICATIONS AND APPROVAL OF DEPOSITORY CONTRACT FOR TWO YEARS WITH THE POSSIBILITY OF THREE ONE YEAR EXTENSIONS AT THE TOWN'S OPTION:

After discussion of this item, Mayor Medrano recommended approval of a depository contract with IBC Bank. Motion was made by Alderwoman Hinojosa, seconded by Alderwoman Truan, to approve the Depository Contract with IBC Bank for 2 years with the possibility of three one year extensions at the Town's option.

This motion was passed with the following vote:

AYES: Alderwoman Hager, Alderwoman Hinojosa, Alderman Rafac and Alderwoman Truan

NAYS: Alderman Lackner

PRESENT/DISCUSS PROPOSED BUDGET FOR FISCAL YEAR OCTOBER 1, 2011 TO SEPTEMBER 30, 2012:

Mayor Medrano highlighted various aspects of the preliminary budget for fiscal year October 1, 2011 to September 30, 2012.

PROVIDE FOR PUBLIC NOTICE OF DATE, TIME AND LOCATION OF PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR OCTOBER 1, 2011 TO SEPTEMBER 30, 2012:

Motion was made by Alderman Rafac, seconded by Alderwoman Hager, and unanimously carried, to schedule a Public Hearing on the Proposed Budget for the Fiscal Year October 1, 2011 to September 30, 2012 on August 25, 2011 at 6:00 P.M., at the Town Municipal Office, 3301 Carmen Avenue, Rancho Viejo, Texas.

DISCUSS PROPOSED AD VALOREM TAX RATE AND CONSIDERATION/
ACTION ON PROPOSAL FOR TAX RATE INCREASE:

Motion was made by Alderman Rafac, seconded by Alderwoman Hinojosa, and unanimously carried, that it is the intent of the Board of Aldermen to increase the total tax rate with a proposed Ad Valorem tax rate for 2011 not to exceed \$0.391934 per \$100 of assessed valuation.

PROVIDE FOR PUBLIC NOTICE OF DATE, TIME AND LOCATION OF
PUBLIC HEARINGS FOR TAX RATE INCREASE:

Motion was made by Alderwoman Hinojosa, seconded by Alderman Rafac, and unanimously carried, to schedule the first Public Hearing on the ad valorem tax rate increase for August 25, 2011 at 6:00 P.M. and the second public hearing be scheduled for September 1, 2011 at 6:00 P.M. at the Town Municipal Office, 3301 Carmen Avenue, Rancho Viejo, Texas.

PUBLIC COMMENT:

There were no public comments.

ADJOURNMENT:

Motion was made by Alderman Rafac, seconded by Alderwoman Hager, and unanimously carried, to adjourn the meeting at 7:36 P.M.

BY: _____
Cheryl J. Kretz, Town Secretary

APPROVED: _____
Roberto Medrano, Mayor

DATE: _____

MINUTES OF A SPECIAL MEETING
TOWN OF RANCHO VIEJO
AUGUST 25, 2011

A Special Meeting of the Board of Aldermen of the Town of Rancho Viejo, Texas was held on August 25, 2011, at the Town Municipal Office, 3301 Carmen Avenue, Rancho Viejo, Texas, the same being open to the public. The meeting was called to order by Mayor Roberto Medrano at 5:30 P.M. Roll call was made by Isabel Perales, Assistant Town Secretary. Members present at the meeting were:

Mrs. Maria Hinojosa
Mr. Robert Lackner
Mrs. Bitty Truan

Aldermen absent:

Mrs. Jean Hager
Mr. Joe Rafac

A quorum was present at the meeting.

Mr. Daniel Rentfro, Jr., legal counsel, was present. Town Administrator Cheryl J. Kretz was also present at the meeting.

Those present in the audience were:

Chief M. Cruz

WORKSHOP ON PROPOSED BUDGET FOR FISCAL YEAR OCTOBER 1, 2011
TO SEPTEMBER 30, 2012:

Mayor Medrano reviewed various items in the revenue portion of the proposed budget and highlighted major changes in the expense section. He noted that the proposed tax rate in this budget was \$.391934.

ADJOURNMENT:

Motion was made by Alderwoman Hinojosa, seconded by Alderman Lackner, and unanimously carried, that the workshop meeting be adjourned at 6:05 P.M.

August 25, 2011

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BY: _____
Cheryl J. Kretz, Town Secretary

APPROVED: _____
Roberto Medrano, Mayor

DATE: _____

MINUTES OF A SPECIAL MEETING
TOWN OF RANCHO VIEJO
AUGUST 25, 2011

A Special Meeting of the Board of Aldermen of the Town of Rancho Viejo, Texas was held on August 25, 2011, at the Town Municipal Office, 3301 Carmen Avenue, Rancho Viejo, Texas, the same being open to the public. The meeting was called to order by Mayor Roberto Medrano at 6:05 P.M. Roll call was made by Isabel Perales, Assistant Town Secretary. Members present at the meeting were:

Mrs. Maria Hinojosa
Mr. Robert Lackner
Mrs. Bitty Truan

Aldermen absent:

Mrs. Jean Hager
Mr. Joe Rafac

A quorum was present at the meeting.

Mr. Daniel Rentfro, Jr., legal counsel, was present. Town Administrator Cheryl J. Kretz was also present at the meeting.

Those present in the audience were:

Chief M. Cruz	Arnulfo Montano
Lydia Montano	W. H. Dorsett
Javier Vera	

INVOCATION AND PLEDGE:

Mayor Medrano led the group in the invocation and pledge of allegiance to the American and Texas flag.

EXECUTIVE SESSION: PURSUANT TO THE FOLLOWING SECTION OF
THE TEXAS GOVERNMENT CODE: SECTION 551.074 TO DISCUSS
PERSONNEL MATTERS:

Motion was made by Alderman Lackner, seconded by Alderwoman Hinojosa, and unanimously carried, to go into Executive Session at 6:06 P.M. pursuant to the Texas Government Code, Section 551.074 to discuss personnel matters.

Motion was made by Alderman Lackner, seconded by Alderwoman Hinojosa, and unanimously carried, to reconvene to open session at 6:29 P.M.

PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR OCTOBER 1, 2011 TO SEPTEMBER 30, 2012 (THE FINAL APPROVAL OF THE BUDGET IS SET FOR SEPTEMBER 13, 2011):

Mayor Medrano opened the public hearing on the proposed budget for the Fiscal Year October 1, 2011 to September 30, 2012. Comments were received from the public.

After everyone was given an opportunity to speak on the matter, motion was made by Alderman Lackner, seconded by Alderwoman Hinojosa, and unanimously carried, that the public hearing be closed.

PUBLIC HEARING ON PROPOSED AD VALOREM TAX RATE INCREASE:

Mayor Medrano opened the public hearing on the proposed ad valorem tax rate. Comments were received from the public.

After everyone was given an opportunity to speak on the matter, motion was made by Alderman Lackner, seconded by Alderwoman Hinojosa, and unanimously carried, that the public hearing be closed.

ESTABLISH DATE, TIME, AND PLACE OF MEETING TO VOTE ON THE AD VALOREM TAX RATE:

Motion was made by Alderwoman Hinojosa, seconded by Alderwoman Truan, and unanimously carried, to schedule the vote on the ad valorem tax rate for September 13, 2011 at 6:00 P.M. at the Town Municipal Office, 3301 Carmen Avenue, Rancho Viejo, Texas.

ADJOURNMENT:

Motion was made by Alderwoman Hinojosa, seconded by Alderman Lackner, and unanimously carried, to adjourn the meeting at 6:56 P.M.

August 25, 2011

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BY: _____
Cheryl J. Kretz, Town Secretary

APPROVED: _____
Roberto Medrano, Mayor

DATE: _____

MINUTES OF A SPECIAL MEETING
TOWN OF RANCHO VIEJO
SEPTEMBER 1, 2011

A Special Meeting of the Board of Aldermen of the Town of Rancho Viejo, Texas was held on September 1, 2011, at the Town Municipal Office, 3301 Carmen Avenue, Rancho Viejo, Texas, the same being open to the public. The meeting was called to order by Mayor Roberto Medrano at 6:02 P.M. Roll call was made by Isabel Perales, Assistant Town Secretary. Members present at the meeting were:

Mrs. Jean Hager
Mrs. Maria Hinojosa
Mr. Robert Lackner

Aldermen absent:

Mr. Joe Rafac
Mrs. Bitty Truan

A quorum was present at the meeting.

Mr. Daniel Rentfro, Jr., legal counsel, was present. Town Administrator Cheryl J. Kretz was also present at the meeting.

Those present in the audience were:

Louise Rigney	Richard Lewis
Mack Sterling	William H. Dorsett
Chief M. Cruz	

INVOCATION AND PLEDGE:

Alderman Hinojosa led the group in the invocation and pledge of allegiance to the American and Texas flag.

PUBLIC HEARING ON PROPOSED AD VALOREM TAX REVENUE INCREASE:

Mayor Medrano opened the second public hearing on the proposed ad valorem tax increase. He stated that the proposed tax rate was \$.391934 and reviewed various items in the proposed budget highlighting the new line items.

September 1, 2011

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Comments were received from the public. Members of the board also commented on the proposed budget items and tax rate.

After everyone was given an opportunity to speak on the matter, motion was made by Alderman Lackner, seconded by Alderwoman Hinojosa, and unanimously carried, that the public hearing be closed.

ADJOURNMENT:

Motion was made by Alderwoman Hinojosa, seconded by Alderman Lackner, and unanimously carried, to adjourn the meeting at 6:44 P.M.

BY: _____
Cheryl J. Kretz, Town Secretary

APPROVED: _____
Roberto Medrano, Mayor

DATE: _____

Consideration/Adoption of Budget Ordinance for Fiscal Year October 1, 2011 to September 30, 2012

ORDINANCE NO.

AN ORDINANCE OF THE BOARD OF ALDERMEN APPROVING
AND ADOPTING THE BUDGET FOR THE TOWN OF RANCHO
VIEJO, TEXAS, AS PREPARED BY THE MAYOR FOR THE
FISCAL YEAR 2011-2012

WHEREAS, the law requires the Mayor to submit a proposed financial budget for the ensuing fiscal year, and;

WHEREAS, the Mayor has timely filed a proposed financial budget for the fiscal year ending September 30, 2012, with the Town Secretary on July 29, 2011, which is 30 days in advance of adopting the tax rate for the tax year 2011.

WHEREAS, notice of a Public Hearing on the proposed financial budget for the fiscal year ending September 30, 2012, was published in the Brownsville Herald on August 12, 2011.

WHEREAS, on August 25, 2011 the Board of Alderman held the Public Hearing on the proposed financial budget for the fiscal year ending September 30, 2012, at 6:00 P.M., at the Town Municipal Office, 3301 Carmen Avenue, Rancho Viejo, Texas.

WHEREAS, such proposed and estimated Budget, after due hearing and consideration, should be adopted:

NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF RANCHO VIEJO, TEXAS:

That the Budget as prepared and submitted by the Mayor for various departments of the Town of Rancho Viejo for the fiscal year beginning October 1, 2011 and ending September 30, 2012, be and the same is hereby in all respects approved and adopted, and a true and correct copy of said budget being attached to this ordinance.

This ordinance shall become effective upon passage.

PASSED, ADOPTED, AND APPROVED this the 13th day of September, 2011.

Roberto Medrano, Mayor

ATTEST:

Cheryl J. Kretz, Town Secretary

This budget will raise more total property taxes than last year's budget by \$68,067 or 8.734152%, and of that amount \$13,650 is tax revenue to be raised from new property added to the roll this year.

PROPOSED
TOWN OF RANCHO VIEJO
BUDGET
2011- 2012

	ACTUAL 12-MONTHS 9/30/2010	APPROVED(2) BUDGET 2010/2011	ACTUAL 9-MONTHS END 6/30/11	PROPOSED BUDGET 2011/2012	
REVENUES:					
1	1810.2003 Ad Val. Tax 2003	0.00	100.00	104.27	100.00
2	1810.2004 Ad Val. Tax 2004	0.00	100.00	344.11	100.00
3	1810.2005 Ad Val. Tax 2005	308.37	300.00	962.94	300.00
4	1810.2006 Ad Val. Tax 2006	928.29	500.00	1,970.74	800.00
5	1810.2007 Ad Val. Tax 2007	3,453.20	2,000.00	3,161.40	1,500.00
6	1810.2008 Ad Val. Tax 2008	14,599.61	4,000.00	8,121.38	3,000.00
7	1810.2009 Ad Val. Tax 2009	731,155.09	13,500.00	16,168.72	8,000.00
8	1810.2010 Ad Val. Tax 2010		749,583.00 (1)	739,166.60	16,000.00
9	1810.2011 Ad Val. Tax 2011				813,492.00 (3)
10	1820.0000 Adm. Cost Recovered	5,615.34	3,300.00	9,236.82	7,000.00
11	1830.0000 Alcohol Beverage Tax	2,510.34	2,500.00	1,563.33	2,000.00
12	1840.0000 Building Permits	34,682.81	25,000.00	19,889.97	25,000.00
13	1850.0000 Citations & Fines	132,628.17	120,000.00	76,443.23	110,000.00
14	1851.0000 MC Tech Fund	3,607.40	5,000.00	1,849.05	3,500.00
15	1870.0000 Franchise - Electrical	65,369.48	56,000.00	44,387.88	64,000.00
16	1880.0000 Franchise - Telephone	8,604.12	8,000.00	5,735.35	8,000.00
17	1890.0000 Franchise - Cable TV	34,558.21	34,000.00	27,647.79	35,000.00
18	1900.0000 Franchise - Gas	797.97	800.00	317.67	800.00
19	1905.0000 Franchise - Solid Waste	1,000.00	1,000.00	1,000.00	1,000.00
20	1910.0000 Interest from Investments	1,930.28	2,000.00	1,830.27	1,200.00
21	1920.0000 P&I on Taxes	11,306.69	13,000.00	16,693.30	18,000.00
22	1930.0000 Sales Tax	45,480.15	46,500.00	37,825.23	46,500.00
23	1963.0000 Police Fund Income	270.00	250.00	150.00	150.00
24	1964.0000 Paving Assessments	1,030.73	1,000.00	0.00	1,000.00
25	2090.0000 Discount on Taxes	(15,874.62)	(16,000.00)	(16,137.29)	(16,000.00)
26	2090.5000 State Costs & Fees	(45,884.29)	(46,000.00)	(31,955.67)	(39,000.00)
27	1921.0000 Lien Revenue	4,860.70	3,500.00	2,846.34	3,500.00
28	1922.0000 Section 11	15,898.83	28,269.00	0.00	7,000.00
29	1923.0000 SECO Grant	0.00	23,030.00	0.00	23,030.00
30	9000.0011 Loan	0.00	0.00	60,000.00	0.00
31					
32	Total Revenues	\$1,058,836.87	\$1,081,232.00	1,029,323.43	\$1,144,972.00
33					
34	(1) BASED ON TAX RATE OF	\$.338195 for M&O Tax Rate			
35		\$.028542 Debt Service Tax Rate			
36	for a TOTAL TAX RATE of	\$.366737 per \$100.00 Taxable Value and 96% Collections			
37	RANCHO VIEJO'S TAXABLE VALUE FOR 2010/11 WAS	\$212,909,054			
38					
39	(2) AS APPROVED AT 9/14/10 MEETING				
40					
41	(3) BASED ON TAX RATE OF	\$.364917 for M&O Tax Rate			
42		\$.027017 Debt Service Tax Rate			
43	for a TOTAL TAX RATE of	\$.391934 per \$100.00 Taxable Value and 96% Collections			
44	RANCHO VIEJO'S TAXABLE VALUE FOR 2010/2011 IS	\$216,206,749			
45					
46					

47	EXPENSES:	ACTUAL	APPROVED(2)	ACTUAL	PROPOSED	
48		12-MONTHS	BUDGET	9-MONTHS	BUDGET	
49		END 9/30/10	2010/2011	END 6/30/11	2011/2012	
50	Administration:					
51	2100.0000 Travel	858.99	1,500.00	0.00	1,500.00	
52	2110.0000 Seminar & Education	155.00	625.00	155.00	625.00	
53	2150.0000 Payroll - Admin.	110,637.64	112,885.00	84,486.96	113,005.00	
54	2160.0000 Retirement - Admin.	11,450.02	14,011.00	9,909.62	11,200.00	
55	2161.0000 S.S./Medicare	21,221.88	6,243.00	4,942.46	7,420.00	
56	2170.0000 Insurance Medical	7,579.20	8,425.00	6,318.36	8,703.00	9,787.00
57	2180.0000 Insurance Life	135.11	240.00	101.34	240.00	
58	2190.0000 Ins. Workman's Comp	200.00	200.00	200.00	200.00	
59	2200.0000 Contract Labor	10,415.25	10,000.00	7,102.75	10,000.00	
60						
61	Total Administration	\$162,653.09	\$154,129.00	\$113,216.49	\$152,893.00	
62						
63	General:					
64	3140.0000 Telephone	3,287.07	4,000.00	2,930.05	4,000.00	
65	3150.0000 Electricity Office	10,639.09	10,000.00	6,518.89	9,000.00	
66	3160.0000 Insurance Liability	19,355.68	17,550.00	18,931.05	20,385.00	
67	3170.0000 Legal Notices	4,809.78	5,000.00	1,839.21	5,000.00	
68	3190.0000 Printing	110.00	300.00	0.00	300.00	
69	3200.0000 Office Supplies	2,886.38	5,000.00	2,100.92	5,000.00	
70	3210.0000 Office Equipment	1,376.22	2,000.00	0.00	2,000.00	
71	3220.0000 Postage	1,831.64	2,000.00	1,889.33	2,500.00	
72	3230.0000 Dues & Publications	841.00	1,000.00	747.00	1,000.00	
73	3240.0000 Appraisal & Tax Coll.	15,914.54	16,553.00	13,714.65	16,000.00	
74	3250.0000 Water	738.09	700.00	620.25	900.00	
75	3260.0000 Election Costs	0.00	4,100.00	3,953.49	4,100.00	
76	3270.0000 Building Maintenance	8,333.98	9,000.00	6,001.16	9,000.00	
77	3280.0000 Cameron Co. Court Costs	1,175.00	1,200.00	1,021.00	1,200.00	
78	3300.0000 Public Relations	1,078.87	2,500.00	1,559.54	2,500.00	
79	3320.0000 Office Equip. Maint.	10,736.47	11,000.00	8,171.75	11,000.00	
80	3321.0000 Ordinance Codification	2,591.63	0.00	0.00	0.00	
81	4220.0000 Municipal Court Supplies	162.85	200.00	0.00	200.00	
82						
83	Total General	\$85,868.29	\$92,103.00	\$69,998.29	\$94,085.00	

84		ACTUAL	APPROVED(2)	ACTUAL	PROPOSED	
85		12-MONTHS	BUDGET	9-MONTHS	BUDGET	
86		END 9/30/10	2010/2011	END 6/30/11	2011/2012	
87	Police General:					
88	4140.0000 Clothing - Police	7,705.42	3,500.00	1,216.25	3,500.00	
89	4150.0000 Payroll - Police	308,125.25	317,714.00	227,018.57	320,720.00	
90	4160.0000 Police Ret & Empl. Tax	31,731.37	39,256.00	26,824.74	31,850.00	
91	4161.0000 Medicare & S.S.	8,671.97	8,118.00	7,277.30	10,700.00	
92	4170.0000 Ins. Medical	26,527.20	29,486.00	20,359.16	30,461.00	34,254.00
93	4171.0000 Ins. Medical Dependant	4,397.75	7,323.00	3,051.00	7,543.00	8,561.00
94	4180.0000 Ins. Life	486.36	550.00	301.51	550.00	
95	4190.0000 Ins. Workman's Comp	7,400.32	7,400.00	7,151.05	7,915.00	
96	4200.0000 Cleaning of Uniforms	3,411.97	3,780.00	1,932.20	3,780.00	
97	4210.0000 Office Supplies	3,904.21	15,500.00	12,356.10	3,500.00	
98	4210.5000 Printing	600.00	0.00	0.00	0.00	
99	4230.0000 Travel - Police	245.77	600.00	543.53	600.00	
100	4240.0000 Seminar & Education - PD	2,501.06	3,000.00	499.15	3,000.00	
101	4250.0000 Auto Repairs	14,065.18	6,500.00	3,735.66	6,500.00	
102	4260.0000 Auto Fuel	21,699.34	23,400.00	22,000.18	30,600.00	
103	4300.0000 Radio Equip. Maint.	1,325.92	1,600.00	80.00	1,600.00	
104	4310.0000 Police Contract Labor	19,602.00	18,500.00	24,178.00	20,000.00	
105	4330.0000 Dispatch	3,478.44	3,810.00	2,760.87	3,980.00	
106	4331.0000 Police Investigation	3,337.46	3,496.00	2,824.91	3,720.00	
107	4333.0000 Drug Testing	0.00	450.00	0.00	450.00	
108						
109	Total Police General	\$469,216.99	\$493,983.00	\$364,110.18	\$490,969.00	
110						
111	Police Capital:					
112	25131.0000 Automobile	0.00	0.00	19,848.40	22,000.00	0
113	25131.0001 Automobile Reserve	0.00	0.00	0.00	0.00	11,000.00
114	25131.0500 Automobile Equipment	2,232.39	6,770.00	5,827.52	4,000.00	0
115	25131.3000 Auto Equip. Reserve	0.00	0.00	0.00	0.00	1,935.00
116	4290.0000 Communication Equip.	20,774.80	18,586.00	0.00	0.00	
117	4291.0000 Fire Prevention/1st Aid	298.92	300.00	176.27	300.00	
118	4291.6220 Hurricane Preparedness	1,868.37	1,500.00	0.00	2,300.00	
119						
120	Total Police Capital	\$25,174.48	\$27,156.00	\$25,852.19	\$28,600.00	
121						
122	General Service:					
123	5600.0000 Ambulance	10,277.00	10,277.00	7,707.75	0.00	
124	5650.0000 Fire Dept.	7,738.56	13,800.00	6,813.30	13,000.00	
125	5660.0000 Fire Protection Contract	27,500.00	27,500.00	20,625.00	27,500.00	
126	5900.0000 Refuse Disposal	202.59	230.00	0.00	0.00	
127						
128	Total General Service	\$45,718.15	\$51,807.00	\$35,146.05	\$40,500.00	

	ACTUAL	APPROVED(2)	ACTUAL	PROPOSED	
	12-MONTHS	BUDGET	9-MONTHS	BUDGET	
	END 9/30/10	2010/2011	END 6/30/11	2011/2012	
129					
130					
131					
132	Professional:				
133	5100.0000	Legal Fees	24,750.00	24,750.00	20,904.10 24,750.00
134	5200.0000	Audit Fees	6,405.00	6,600.00	6,600.00 6,800.00
135	5400.0000	Bldg. Inspection	6,214.27	7,000.00	7,136.87 10,000.00
136	5500.0000	Municipal Judge	9,676.30	10,580.00	8,183.55 10,604.00
137					
138		Total Professional	\$47,045.57	\$48,930.00	\$42,824.52 \$52,154.00
139					
140	Public Works:				
141	6000.0000	St. Rehab.	669.20	10,000.00	812.00 25,830.00 30,000.00
142	6100.0000	St. Rehab. Reserve	0.00	0.00	0.00 30,000.00 33,000.00
143	6200.0000	St. Rehab. Engineer	0.00	3,000.00	0.00 0.00
144	6300.0000	Signs & Safety Markers	2,841.38	2,750.00	1,732.67 2,750.00
145	6400.0000	Lighting Installation	1,670.88	0.00	0.00 600.00
146	6500.0000	Lighting Expenses	51,377.45	51,000.00	33,258.23 50,000.00
147	6600.0000	Lot Mowing	4,647.50	4,000.00	2,555.00 4,000.00
148	6640.0000	Common Area Maint.	38,374.73	38,000.00	27,097.49 38,300.00
149	6700.0000	Comm Area Water&Elec.	7,602.65	7,000.00	7,604.67 9,000.00
150	6710.0000	Mosquito Spraying	3,013.75	4,040.00	1,523.00 7,400.00
151	6705.0000	Security Devices	0.00	0.00	40,424.92 0.00
152	6705.0001	Security Device Maint.	0.00	0.00	1,044.93 4,000.00
153	6700.0001	Park Purchase	13,600.12	3,240.00	3,237.64 0.00
154	6700.0002	Park Concept	2,510.50	0.00	0.00 0.00
155	6660.0000	Beautification Project	37,634.94	0.00	0.00 5,000.00
156	6660.0001	SECO Project	0.00	24,046.00	0.00 24,046.00
157	6660.0002	Community Alert System	0.00	0.00	0.00 1,800.00
158	6660.0003	Animal Control	0.00	0.00	0.00 1,758.00
159	6660.0004	Security Device Reserve	0.00	0.00	0.00 750.00
160					
161		Total Public Works	\$163,943.10	\$147,076.00	\$119,290.55 \$205,234.00
162					
163	Security Device/Vehicle Loan:				
164		Interest Payable			538.29 \$2,354.25
165		Scheduled Principal			\$14,727.79
166		Total Loan			\$17,082.04
167					
168		Total Operating Expense	\$999,619.67	\$1,015,184.00	\$770,976.56 \$1,081,517.04
169					
170	Town Hall Debt Service Account:				
171					
172		Interest Payable	\$33,783.34	\$29,555.14	28,759.34 \$23,413.04
173		Scheduled Principal	\$30,604.16	\$30,000.00	30,795.80 \$35,000.00
174					
175		Total TH Debt Service	\$64,387.50	\$59,555.14	59,555.14 \$58,413.04
176					
177					
178		Total All Expenses	\$1,064,007.17	\$1,074,739.14	\$830,531.70 \$1,139,930.08
179		Total Revenues	\$1,058,836.87	\$1,081,232.00	\$1,029,323.43 \$1,144,972.00
180					
181		To General Fund	-\$5,170.30	\$6,492.86	\$198,791.73 \$5,041.92
182					
183					
184					

185 **GENERAL INFORMATION**

186
187 **ESTIMATED YEAR END BANK BALANCE**
188 **AT 9/30/11**

189
190

191	General Fund Bank Balance as of 6/30/11	\$465,796.53
192	June Tax Money Deposited in July	\$1,117.00
193	Plus Estimated Revenue from 7/01/11 to 9/30/11	\$112,008.57
194	Less Estimated Operating Expenses from 7/01/11 to 9/30/11	\$304,261.44
195		
196	Estimated Bank Balance at 9/30/11	\$274,660.66

197 *Within the Year End Bank Balance; funds are earmarked for the following purposes:

199
200 Three months Operating Reserve \$234,805.00

201
202
203
204
205 Earmarked Funds Equal Estimated Bank Balance at 9/30/11: \$274,660.66

206
207 At Fiscal Year End 9/30/10 Bank Balance was: 300,492.41

208
209 **ADDITIONAL TOWN BANK BALANCES AS OF 6/30/11:**

210
211 Town Hall Debt Service Account Balance \$0.08
212 Police Asset Forfeiture Account Balance \$3,394.59
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Consideration/Ratification of the
Property Tax (Revenue) Increase
Reflected in the Budget for Fiscal
Year October 1, 2011 to
September 30, 2012

This budget will raise more total property taxes than last year's budget by \$68,067 or 8.734152%, and of that amount \$13,650 is tax revenue to be raised from new property added to the roll this year.

Consideration/Adoption of Ordinance
to Establish Ad Valorem Tax Rate to
Provide for Budget Expenses for
Fiscal Year 2011-2012

I move that the property tax rate be increased by the adoption of a tax rate of .391934, which is effectively a 6.967719 percent increase in the tax rate.

ORDINANCE NO.

AN ORDINANCE ESTABLISHING THE AD VALOREM AND PERSONAL PROPERTY TAX RATE FOR THE TAX YEAR 2011, SETTING THE ASSESSED VALUATION AT ONE HUNDRED (100%) PERCENT OF THE FAIR MARKET VALUE, PROVIDING FOR A HOMESTEAD EXEMPTION OF \$5,000, PROVIDING FOR DISCOUNTS IN THE EVENT OF EARLY PAYMENT, AND PROVIDING FOR PENALTY AND INTEREST IN ACCORDANCE WITH STATE LAW AND PROVIDING FOR SEVERABILITY

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF RANCHO VIEJO, TEXAS:

Section 1. There is hereby established a tax rate for the tax year 2011:

\$.364917 Maintenance & Operation Tax Rate
\$.027017 Debt Tax Rate
\$.391934 Total Tax Rate

for each \$100.00 of assessed valuation of all ad valorem and personal property taxable under the laws of this State by the Town of Rancho Viejo.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.9997 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$27.03.

Section 2. There is hereby established an assessed valuation of one hundred (100%) percent of the fair market value of all real and personal property according to the certified tax rolls of the Town of Rancho Viejo.

Section 3. There is hereby granted a homestead exemption to qualified homeowners at the level of \$5,000 on the ad valorem tax for the tax year 2011.

Section 4. There is hereby granted a discount for early payment of the 2011 taxes which discount shall be equal to and the same as that granted by CAMERON COUNTY, the agency under contract to collect the taxes of this Town, said discount all being pursuant to State law.

Section 5. Any payment not timely made shall bear such penalty and interest as is provided by State law.

Section 6. If any section, paragraph, subdivision, clause, phrase, or provision of the Ordinance shall be adjudged invalid or held unconstitutional, the same shall not affect the validity of this Ordinance as whole or any part or provision thereof, other than the part so decided to be invalid or unconstitutional.

Section 7. This ordinance shall become effective upon passage.

PASSED, ADOPTED, AND APPROVED this the 13th day of September, 2011.

Roberto Medrano
Mayor

ATTEST:

Cheryl J. Kretz
Town Secretary

Consideration/Approval of Resolution
of the Town of Rancho Viejo Board of
Aldermen Establishing Fund Balance
Policies as Required by GASB 54

RESOLUTION NO.

RESOLUTION OF THE TOWN OF RANCHO VIEJO BOARD OF ALDERMEN
ESTABLISHING FUND BALANCE POLICIES AS REQUIRED BY GASB 54

WHEREAS, the Governmental Accounting Standards Board ("GASB") has adopted Statement 54 ("GASB 54"), a new standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010, and

WHEREAS, the Town of Rancho Viejo elects to implement GASB 54 requirements, and to apply such requirements to its financial statements beginning with the next (October 1, 2011) fiscal year; and

NOW, THEREFORE, BE IT RESOLVED THAT the Town of Rancho Viejo hereby adopts the following policy:

FUND BALANCE POLICY

Fund balance measures the net financial resources available to finance expenditures of future periods.

The Town shall report governmental fund balances per GASB 54 definitions in the balance sheet as follows:

Nonspendable fund balances will include amounts that cannot be spent because they are either in nonspendable form or they are legally required to be maintained intact. Examples of nonspendable fund balances will be inventory and prepaid items.

Restricted fund balances will exist when constraints are placed on the use of those resources that are either externally imposed or imposed by law. In general most reserve funds will fall into this category.

Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Aldermen of the Town of Rancho Viejo.

Assigned fund balances will be amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted, nor committed. The intent can be made by either the Board of Aldermen of the Town of Rancho Viejo or

official to which the Town has delegated the authority to. Appropriated fund balance and the majority of encumbrances will be reclassified into the assigned category.

Unassigned fund balances will represent those funds that have not been assigned, committed, restricted or considered nonspendable. The general fund will be the only fund that will report unassigned fund balance, unless a deficit fund balance resulting from overspending in other funds exist. Fund balance in other funds will either be assigned, committed, restricted or nonspendable unless the fund reports a deficit.

The Town's Unassigned General Fund Balance will be maintained to provide the Town with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Aldermen of the Town of Rancho Viejo.

Fund Balance of the Town may be committed for a specific source by formal action of the Board of Aldermen of the Town of Rancho Viejo. Amendments or modifications of the committed fund balance must also be approved by formal action of the Board of Aldermen of the Town of Rancho Viejo.

When it is appropriate for fund balance to be assigned, the Board delegates authority to the Town Administrator.

And be it resolved that the financial goal of the Town of Rancho Viejo is to have a sufficient balance in the operating fund with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

Passed, adopted and approved by the Board of Aldermen of the Town of Rancho Viejo, Texas on this 13th day of September, 2011.

Roberto Medrano
Mayor

ATTEST:

Cheryl J. Kretz
Town Secretary

Preparing for GASB 54

September 30, 2011 is just around the corner and it will be time to report the most significant change to your financial statement presentation since GASB Statement No. 34. So who is GASB? GASB the Governmental Accounting Standards Board is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. Compliance with GASB's standards are enforced through the laws of some states and when auditors render opinions on the fairness of financial statement presentation in conformity with Generally Accepted Accounting Principles (GAAP).

What is GASB 54? The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, and by clarifying the existing governmental fund type definitions. Under the current standard, fund balance is reported as reserved and unreserved (designated and undesignated). Under the new classification fund balance will be reported as nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable fund balances will include amounts that cannot be spent because they are either in non spendable form or they are legally required to be maintained intact. Examples of nonspendable fund balances will be inventory and prepaid items.

Restricted fund balances will exist when constraints are placed on the use of those resources that are either externally imposed or imposed by law. In general most reserve funds will fall into this category.

Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (City Commission or other Governing Board).

Assigned fund balances will be amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted, nor committed. The intent can be made by either the governing body itself or a body or official to which the governing body has delegated the authority to (purchasing agent and business official). Appropriated fund balance and the majority of encumbrances will be reclassified into the assigned category.

Unassigned fund balances will represent those funds that have not been assigned, committed, restricted or considered nonspendable. The general fund will be the only fund that will report unassigned fund balance, unless a deficit fund balance resulting from overspending in other funds exist. Fund balance in other funds will either be assigned, committed, restricted or non spendable unless the fund reports a deficit.

As a result of GASB Statement No. 54, the Texas Education Agency has provided examples of resolutions and board policy to address GASB 54 requirements on the TEA website . Although the TEA examples will not apply in all instances, Cities and Counties may gain much needed guidance by reviewing the TEA website.

<http://www.tea.state.tx.us/index4.aspx?id=4079>

Cities and Counties need to be sure they are ready for the implementation disclosure requirements prior to September 30, 2011. They must have in place a policy which will 1) define the process to commit funds, 2) identify who is responsible to assign funds, and 3) a spending policy.

This high level summary is intended to provide some basic information to commissioners with regard to the implementation of this new standard. With September 30th just around the corner policies and procedures should be developed and in place in order to ensure a smooth implementation of this statement.

Consideration/Action on Resolution
for Nomination of Representative
for Cameron Appraisal District
Board of Directors-Position Nine

RESOLUTION NO.

WHEREAS, the Town of Rancho Viejo, Texas along with thirteen (13) other cities in Cameron County is represented by one (1) board member sitting as position nine (9) on the Cameron Appraisal District Board of Directors; and

WHEREAS, each of the fourteen (14) cities represented by this director shall have the opportunity to nominate and vote for the representative of its choice for the period commencing January 2012; and

WHEREAS, the candidate receiving the greatest number of votes will hold director position nine (9);

NOW THEREFORE, BE IT RESOLVED this the 13th day of September 2011, that the Board of Aldermen of the Town of Rancho Viejo do nominate _____ to hold position nine (9) of the Cameron Appraisal District Board of Directors.

PASSED, ADOPTED AND APPROVED by the Board of Aldermen of the Town of Rancho Viejo on this the 13th of September, 2011.

Town of Rancho Viejo

Roberto Medrano, Mayor

ATTEST:

Cheryl J. Kretz, Town Secretary

CAMERON APPRAISAL DISTRICT

Frutoso M. Gomez, Jr., Chief Appraiser
P.O. Box 1010, 2021 Amistad Dr.
San Benito, TX 78586-1010
www.cameroncad.org
(956) 399-9322
(956) 541-3365
(956) 428-8020
Fax (956) 399-6969



MEMBERS OF THE BOARD
Jose Noe Diaz, Sr., Chairman
Janice A. Cassidy, Vice-Chairperson
Jesse Villarreal, Secretary
Carlos H. Cascos
Enrique Escobedo, Jr.
Roberto Garcia
Tony Gutierrez
Vicente Mendez
Robert Pinkerton, Jr.
Tony Yzaguirre, Jr.

August 9, 2011

Mr. Roberto Medrano
Mayor, Town of Rancho Viejo
3301 Carmen Avenue
Rancho Viejo, TX 78575

Dear Mr. Medrano:

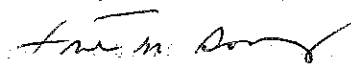
Please place on your September or October agenda an action item that will name your nominee for Cameron Appraisal District Director and submit the nominee's name to our office before **October 15, 2011**. Your current representative is **Ms. Janice Cassidy**. Pursuant to Texas Property Tax Code Sec.6.03(g), each taxing unit entitled to vote may nominate by resolution adopted by its governing body one candidate. The Chief Appraiser will then deliver a ballot to your governing body by October 30th so that the ballot can be placed on your meeting agenda. Ballots must then be returned to our office by **December 15, 2011**.

Pursuant to Chapter 6 of the Texas Property Tax Code, the requirements for eligibility to serve on an appraisal district board of directors are as follows:

1. The individual must have resided in the district for at least two years immediately preceding taking office.
2. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.
3. An individual is ineligible to serve if the individual is related within the second degree by consanguinity or affinity to an individual who is engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district.
4. An individual is ineligible to serve if related to an employee of the appraisal district within the second degree by affinity or within the third degree by consanguinity unless the employee resigns.
5. An individual is ineligible to serve if the individual or a business entity in which the individual has a substantial interest is a party to a contract with the appraisal district or a taxing unit that participates in the appraisal district.
6. An individual is ineligible to serve if the individual owns property on which delinquent taxes have been owed to a taxing unit for more than 60 days after the date the individual knew or should have known of the delinquency unless the delinquent taxes and penalties are being paid under an installment payment agreement or the taxes are deferred or abated under Tax Code Section 33.06 or 33.065.

Please feel free to call if any further information is needed.

Sincerely,


Frutoso M. Gomez, Jr.
Chief Appraiser

FMGJr/lcs
Cc: Cheryl Kretz, City Secretary

Consideration/Action on Appointment
of Member to the South Texas
Emergency Care Foundation, Inc.
Board of Directors

Mayor Medrano will nominate a
member to the South Texas
Emergency Care Foundation, Inc.
Board of Directors.

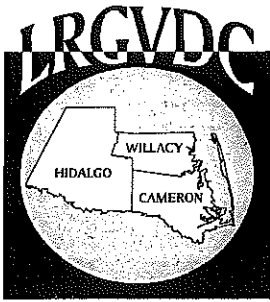
Consideration/Action of Budget Amendment for 2010-2011

The budget amendment will be sent
out on Monday.

Consideration/Action on Employment of Regular Police Officer and Setting of Salary

Chief Cruz will make a
recommendation on a regular police
officer.

Consideration/Action on an Ordinance of the Board of Aldermen of the Town of Rancho Viejo, Texas (“City”) Approving a Negotiated Resolution Between the Cities Served by Texas Gas Service (“Cities”) and Texas Gas Service (“TGS” or “The Company”) Regarding the Company’s April 28, 2011 Cost of Service Adjustment (“COSA”) Filing; Declaring Existing Rates to be Unreasonable; Adopting Tariffs that Reflect Rate Adjustments Consistent with the Negotiated Settlement and Finding the Rates to be Set by the Attached Tariffs to be Just and Reasonable; Providing for the Recovery of the Cities’ and TGS’ Reasonable and Necessary Rate Case Expenses; Adopting a Savings Clause; Determining that this Ordinance was Passed in Accordance with the Requirements of the Texas Open Meetings Act; Declaring an Effective Date; Repealing Any Prior Ordinances Inconsistent with this Ordinance and Requiring Delivery of this Ordinance to the Company and Cities’ Legal Counsel



Lower Rio Grande Valley Development Council

Mayor Pro-Tem Eddy Gonzalez, EdcouchPresident
 Hon. Norma G. Garcia, Member-at-Large.....1st Vice-President
 Mayor Steve Brewer, La Feria.....2nd Vice-President
 Mayor Tony Martinez, BrownsvilleSecretary
 Mayor Pro-Tem Alvin Samano, Member-at-LargeTreasurer
 Mayor Chris Boswell, HarlingenImmediate Past President

BOARD MEMBERS

Sofia Benavides
Commissioner, Cameron County

Hector "Tito" Palacios
Commissioner, Hidalgo County

John F. Gonzales
Judge, Willacy County

Roel Landa
Commissioner, Alamo

David S. Simmons
Mayor, Donna

Gus Garcia
Council Member, Edinburg

Jim Darling
Commissioner, McAllen

Henry Hinojosa
Mayor, Mercedes

Norie Gonzalez Garza
Council Member, Mission

Leo "Poio" Palacios, Jr.
Mayor, Pharr

Orlando Correa
Mayor, Raymondville

Celeste Sanchez
Commissioner, San Benito

Armando Garza
Mayor Pro-tem, San Juan

Robert J. Garza
Commissioner, Weslaco

Dr. Cesar Maldonado
TSTC, Harlingen

Roberto Loreda
Donna I.S.D.

Gale Armstrong
El Jardin Water Supply

J. Shane Cameron
Willacy Navigation District

Don Medina
Member-at-Large

Arturo Ramirez
Grassroots Organizations

MEMORANDUM

TO: Mayor Roberto Medrano, Town of Rancho Viejo

CC: Cheryl Kretz, Town Secretary

FROM: Kenneth N. Jones, Jr., Executive Director

SUBJ: Request for Adoption RE: TGS Rate Suspension Resolution

DATE: September 2, 2011

I have attached a memorandum from Mr. Ramon Vela, Weslaco City Attorney, noting that all communities need to adopt the attached Model Ordinance implementing the new rates for Texas Gas Service at your next available city commission meeting. Attached is a staff report supporting the ordinance. Mr. Vela notes that even though the new rates became effective August 1st the ordinance still needs to be adopted by the cities.

On behalf of the LRGVDC, thank you for participating in the Valley Cities Gas Coalition. This regional effort was successful in TGS agreeing to reduce its original request by \$72,000 in addition to the \$293,572 reduction associated with the application of rate caps.

Thank you for consideration of this request, and should you have any questions please do not hesitate to contact me or Mr. Vela.

EXECUTIVE DIRECTOR
Kenneth N. Jones, Jr.

City of Weslaco

"The City on the Grow"




Miguel D. Wise, Mayor
John F. Cuellar, Mayor Pro-Tem, District 2
Robert J. Garza, Commissioner, District 1
Olga M. Noriega, Commissioner, District 3
Gerardo "Jerry" Tafolla, Commissioner, District 4
Lupe V. Rivera, Commissioner, District 5
Joe A. Martinez, Commissioner, District 6

Leonardo Olivares, City Manager

OFFICE OF THE CITY ATTORNEY

TO: Mr. Ken Jones

FROM: Ramon Vela, City Attorney 

SUBJ: COSA FILING – NEW RATES FOR TEXAS GAS SERVICE

DATE: August 25, 2011

Memorandum

Enclosed please find the proposed Ordinance that the participating Cities need to adopt to implement the new rates for Texas Gas Service. Attached also please find the Model Staff Report and the tariff that go with the Ordinance. Even though the new rates became effective August 1, 2011 the Ordinance still needs to be adopted by the Cities.

RV/mv



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**Staff Report Supporting Ordinance Approving Settlement Agreement
Between Texas Gas Service and Cities Served by TGS—Texas Gas Service
Company’s Second Annual Cost of Service (“COSA”) Filing**

The City, along with approximately 17 other cities served by Texas Gas Service Company (“TGS” or “Company”) is a member of the coalition of cities known as Cities Served by Texas Gas Service (“Cities”).

On April 28, 2011, Texas Gas Service Company (“TGS” or “Company”) filed with the City its application for a Cost of Service Adjustment (“COSA”) increase. The Company requested an additional \$2.5 million in rates in its service area. The City hired counsel and a rate consultant to review the Company’s request.

The COSA process was developed as a collaborative process between Cities and the Company during the Company’s 2009 full rate case. The COSA process replaces the Gas Reliability Infrastructure Program (“GRIP”)—a statutorily created program that precludes a reasonableness review by Cities (and Cities’ recovery of costs associated with such a reasonableness review). The COSA process entitles Cities to participation in and reimbursement of costs associated with the Company’s COSA filings. The COSA process was also designed to be a more comprehensive rate review and annual adjustment that substitutes for the piecemeal GRIP filings authorized by the Legislature. GRIP allows for rate increases associated with capital spending regardless of increases in revenue and declines in operation and maintenance expenses.

The Cities’ independent rate consultant reviewed the Company’s latest filing and recommended several adjustments to the Company’s requested increase. However, despite these adjustments, the consultant found that a rate increase is justified for the Company based on its current levels of expense and revenues.

Counsel for Cities and Cities’ rate consultant met with representatives from the Company. On July 13, 2011, Cities and the Company were able to come to an agreed resolution to all issues presented in TGS’ filing. This Settlement Agreement results in the award of an additional \$2.1 million in rates to the Company. Counsel for Cities and Cities’ rate consultant both recommended that the Cities approve the Ordinance and tariffs because they achieve a better result for the Cities than could be achieved through litigation of the Company’s filing.

PURPOSE

The purpose of the Ordinance is to adopt an Ordinance and to set rates with the City pursuant to settlement with TGS.

EXPLANATION OF “BE IT ORDAINED” PARAGRAPHS

Section 1. The City is finding the existing rates for natural gas service provided by TGS to be unreasonable and that the new rates, set pursuant to the Settlement Agreement, are reasonable. This section adopts the new rates.

- Section 2. This section clarifies that the Company is responsible for reimbursing all of the City's reasonable rate case expenses for participation in this proceeding and that the City is not responsible for any out-of-pocket expenses.
- Section 3. This section repeals any previous ordinances or resolutions that conflict with the terms of this Ordinance.
- Section 4. This section merely recites that the Ordinance was passed at a meeting that was open to the public and that consideration of the Ordinance was properly noticed.
- Section 5. This section provides that if any portion of the Ordinance is invalidated by a court, the remainder of the Ordinance will continue to be valid.
- Section 6. This section provides that the new rates will take effect as of August 1, 2011, pursuant to the original COSA tariff.
- Section 7. This section provides that the City shall send a copy of the enacted Ordinance to both the Company and to counsel for the City.

RECOMMENDATION

The City recommends adoption of the Ordinance and tariffs establishing new rates.

Mr. Gay's Direct Line: (512) 322-5875
Email: ggay@lglawfirm.com

MEMORANDUM

TO: Ramon Vela, The City of Weslaco

FROM: Geoffrey Gay
Eileen McPhee

DATE: July 25, 2011

RE: Ordinance Adopting Settlement of Second Annual Texas Gas Service Cost of Service ("COSA") Filing

Texas Gas Service ("TGS" or "Company") filed its 2011 Cost of Service Adjustment ("COSA") within its Rio Grande Valley Service Area on April 28, 2011. In the filing, the Company asserted that it was entitled to a \$2.5 million increase above the level of current rates. This corresponds to a 12.5% increase in base revenues.

You may recall that in 2009, Texas Gas Service filed a request to increase its rates. After lengthy discussions, we were able to reach a settlement resolving all issues and establishing the new COSA process that called for a three year experiment with an expedited annual review of all aspects of the Company's business. Under the law, gas utilities are able to file annual gas reliability infrastructure adjustment ("GRIP") rate cases which are piecemeal in nature, allowing rates to increase with increasing investment even if said investment costs are offset by declining expenses and increasing revenues. Cities are not allowed to challenge, participate in, or recover costs associated with GRIP cases at the Railroad Commission. The COSA replaces the piecemeal GRIP ratemaking process with a more comprehensive process. In the COSA process, Cities participate fully, recover their costs and avoid litigation.

Last year the Company was granted the full amount of its request. While Cities' independent consultant had recommended several adjustments to TGS' filing last year, these adjustments would have resulted in such an insignificant impact that it would not have been worth the effort and expense of negotiation with the Company and the passage of rate ordinances by each city.

In early May 2011, the Cities engaged the services of an independent consultant, Mr. Karl J. Nalepa, to review the Company's 2011 filing. Through discovery and review of the application, Mr. Nalepa recommended several adjustments to the Company's filing which would have reduced the Company's request by approximately \$300,000. Despite these adjustments, Mr. Nalepa ultimately recommended that based on TGS's current expenses and revenues, the Company should receive a rate increase.

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After discussions on July 13, 2011, we were able to reach a settlement resolving all issues in the Company's filing. The Company's request triggered the application of the 5% cap agreed to in the COSA tariff. Due to this cap, the Company will not be able to collect \$293,572 of their requested increase. We persuaded the Company to reduce their request by an additional \$72,000. Under the Settlement Agreement, the Company will be entitled to a \$2.1 million increase. Significantly, we were also able to avoid paying litigation costs if the case went before the Railroad Commission. We feel that the settlement arrives at a better result for each city than would be achieved through full litigation of the Company's filing. In order to approve the settlement, we recommend that you pass the enclosed ordinance, adopting new rates. For your convenience, we have also enclosed a model staff report explaining the provisions of the ordinance.

If you have any concerns or questions, please do not hesitate to contact Geoffrey at (512) 322-5875 or Eileen at (512) 322-5817. We appreciate your continued support.

3234/00/1324702

2011

TEXAS GAS SERVICE
MODEL ORDINANCE

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF _____, TEXAS, (“CITY”) APPROVING A NEGOTIATED RESOLUTION BETWEEN THE CITIES SERVED BY TEXAS GAS SERVICE (“CITIES”) AND TEXAS GAS SERVICE (“TGS” OR “THE COMPANY”) REGARDING THE COMPANY’S APRIL 28, 2011 COST OF SERVICE ADJUSTMENT (“COSA”) FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT AND FINDING THE RATES TO BE SET BY THE ATTACHED TARIFFS TO BE JUST AND REASONABLE; PROVIDING FOR THE RECOVERY OF THE CITIES’ AND TGS’ REASONABLE AND NECESSARY RATE CASE EXPENSES; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; REPEALING ANY PRIOR ORDINANCES INCONSISTENT WITH THIS ORDINANCE AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND CITIES’ LEGAL COUNSEL.

WHEREAS, the City of _____, Texas (“City”) is a gas utility customer of Texas Gas Service (“TGS” or “the Company”), and a regulatory authority with an interest in the rates and charges of TGS; and

WHEREAS, the City is a member of the Cities Served by Texas Gas Service (“Cities”), a coalition of similarly situated cities served by TGS that have joined together to facilitate the review and response to natural gas issues affecting rates charged in TGS’ service area; and

WHEREAS, pursuant to the terms of the agreement settling TGS’ 2009 Statement of Intent to increase rates, Cities and TGS worked collaboratively to develop the COSA tariff that allows for an expedited comprehensive rate review process controlled in a three-year experiment; and

WHEREAS, the City took action in 2009 to approve a Settlement Agreement with TGS resolving the Company’s 2009 rate case and authorizing the COSA tariff; and

WHEREAS, the 2009 Settlement Agreement contemplates reimbursement of Cities' reasonable expenses associated with COSA applications; and

WHEREAS, on or about April 28, 2011, TGS filed with the City a COSA tariff seeking to increase natural gas rates to all customers residing in the City; and

WHEREAS, Cities coordinated their review of TGS' COSA filing and designated attorneys and consultants to resolve issues in the Company's COSA filing; and

WHEREAS, the Company has filed evidence that existing rates are unreasonable and should be changed; and

WHEREAS, independent analysis by Cities' rate expert concluded that TGS is able to justify a slight increase over current rates; and

WHEREAS, TGS agreed to reduce its request by \$72,000 in addition to the \$293,572 reduction associated with the application of rate caps; and

WHEREAS, the Cities' attorneys and consultant recommend that Cities' members approve the attached rate tariffs ("Attachment A" to this Ordinance); and

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated resolution reached by Cities and are just, reasonable, and in the public interest; and

WHEREAS, the negotiated resolution of the Company's COSA filing and the resulting rates are, as a whole, in the public interest; and

WHEREAS, the effective date of new COSA rates is to be August 1, 2011 pursuant to the COSA tariff previously adopted by the Cities.

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

Section 1. That the City Council finds that the existing rates for natural gas service provided by TGS are unreasonable and the new tariffs, which are attached hereto and incorporated herein as Attachment A, are just and reasonable and are hereby adopted.

Section 2. That TGS shall reimburse the reasonable ratemaking expenses of the Cities in processing the Company's rate application.

Section 3. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 4. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 5. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 6. That this Ordinance shall become effective from and after its passage.

Section 7. That a copy of this Ordinance shall be sent to TGS, care of Dean LaFever, Director, at 5602 East Grimes Road, Harlingen, Texas 78550-1783, and to Geoffrey Gay, General Counsel to Cities, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this _____ day of _____, 2011.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

TRANSPORTATION SERVICE RATE

APPLICABILITY

Service under this rate schedule is available to any customer of Texas Gas Service Company ("Company") and to Qualified Suppliers or Producers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions) for the transportation of customer-owned natural gas through the Company's Rio Grande Valley distribution system for use by customers within the Company's Rio Grande Valley's Service Area or delivered to connecting pipelines. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.

Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage capability average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder except as provided in the Gas Transportation Service Agreement.

TERRITORY

All areas served by the Company in its Rio Grande Valley Service Area.

RATE

This rate shall be the sum of Part A, Part B, and Part C as described below.

Part A: A customer charge of \$127.82 per meter per month.

Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge:

All Ccf @ \$0.13177 per Ccf

Part C: "Additional Charges to Cost of Service Rate" pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).

CONDITIONS

See the "Special Provisions" and "Conditions" pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions)

Supersedes Same Sheet Dated
July 29, 2010 (Incorporated only)

Meters Read On and After
July 29, 2011 (Incorporated only)

TRANSPORTATION SERVICE RATE

APPLICABILITY

Service under this rate schedule is available to any customer of Texas Gas Service Company ("Company") and to Qualified Suppliers or Producers supplying natural gas to be transported, pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions) for the transportation of customer-owned natural gas through the Company's Rio Grande Valley distribution system for use by customers within the Company's Rio Grande Valley's Service Area or delivered to connecting pipelines. This rate schedule requires a one-year commitment for transportation service. The customer must arrange with its gas supplier to have the customer's gas delivered to one of the Company's existing receipt points for transportation by the Company to the customer's facilities at the customer's delivery point. The receipt points shall be specified by the Company at its reasonable discretion, taking into consideration available capacity, operational constraints, and integrity of the distribution system.

TERRITORY

All areas served by the Company in its Rio Grande Valley Service Area.

RATE

This rate shall be the sum of Part A, Part B, and Part C as described below.

Part A: A customer charge of \$327.82 per meter per month.

Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at the following Ccf charge:

All Ccf @ \$0.04545 per Ccf

Part C: "Additional Charges to Cost of Service Rate" pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions).

Minimum Monthly Bill of \$1,500 (from the sum of Part A and Part B)

CONDITIONS

See the "Special Provisions" and "Conditions" pursuant to Rate Schedule T-GEN (General Charges, Provisions and Conditions)

RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a residential customer in a single dwelling, or in a dwelling unit of a multiple dwelling or residential apartment, or nursing homes, for domestic purposes.

TERRITORY

All customers in the incorporated areas served by the Company in its Rio Grande Valley Service Area.

COST OF SERVICE RATE

During each monthly billing period:

A Customer Charge per meter per month of \$11.25 plus -
All Ccf @ \$ 0.30529 per Ccf

OTHER ADJUSTMENTS

In addition to the Cost of Service set forth above, each customer's bill shall include the following adjustments:

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Taxes: Plus applicable taxes and fees (including franchises fees) related to above, see Rate Schedule 1B.

CONDITIONS

Subject in all respects to applicable laws, rules, and regulations from time to time in effect.

Supersedes Same Sheet Dated
July 29, 2010

Meters Read On and After
July 29, 2011

COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to commercial consumers and to consumers not otherwise specifically provided for under any other rate schedule.

TERRITORY

All customers in the incorporated areas served by the Company in its Rio Grande Valley Service Area.

COST OF SERVICE RATE

During each monthly billing period:

A Customer Charge per meter per month of \$31.25 plus (For Commercial Service)

A Customer Charge per meter per month of \$18.75 plus (For Church Service)

All Ccf @ \$ 0.22434 per Ccf

OTHER ADJUSTMENTS

In addition to the Cost of Service set forth above, each customer's bill shall include the following adjustments:

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Taxes: Plus applicable taxes and fees (including franchises fees) related to above, see Rate Schedule 1B.

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Delivery of Gas hereunder may be interrupted or curtailed at the discretion of the Company, in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residences, hospitals, schools, churches, and other human needs customers as prioritized in the Company's approved Curtailment Program.

Supersedes Same Sheet Dated
July 29, 2010

Meters Read On and After
July 29, 2011

INDUSTRIAL SERVICE RATE

APPLICABILITY

Service under this rate schedule is available to any customer whose primary business activity at the location served is included in one of the following classifications of the Standard Industrial Classification Manual of the U.S. Government.

- | | |
|-------------------|--|
| Division B | - Mining - all Major Groups |
| Division D | - Manufacturing - all Major Groups |
| Divisions E and J | - Utility and Government - facilities generating power for resale only |

TERRITORY

All customers in the incorporated areas served by the Company in its Rio Grande Valley Service Area.

COST OF SERVICE RATE

During each monthly billing period:

A Customer Charge per meter per month of \$66.85 plus -
All Ccf @ \$ 0.25369 per Ccf

OTHER ADJUSTMENTS

In addition to the Cost of Service set forth above, each customer's bill shall include the following adjustments:

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1.

Taxes: Plus applicable taxes and fees (including franchises fees) related to above, see Rate Schedule 1B.

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Delivery of gas hereunder may be interrupted or curtailed at the discretion of the Company, in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residences, hospitals, schools, churches, and other human needs customers as prioritized in the Company's approved Curtailment Program.

Supersedes Same Sheet Dated
July 29, 2010

Meters Read On and After
July 29, 2011

PUBLIC AUTHORITY SERVICE RATE

APPLICABILITY

Applicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts.

TERRITORY

All customers in the incorporated areas served by the Company in its Rio Grande Valley Service Area.

COST OF SERVICE RATE

During each monthly billing period:

A Customer Charge per meter per month of \$35.71 plus -
All Ccf @ \$ 0.26134 per Ccf

OTHER ADJUSTMENTS

In addition to the Cost of Service set forth above, each customer's bill shall include the following adjustments:

Cost of Gas Component: The basic rates for cost of service set forth above shall be increased by the amount of the Cost of Gas Component for the billing month computed in accordance with the provisions of Rate Schedule 1.

Weather Normalization Adjustment: The billing shall reflect adjustments in accordance with the provisions of the Weather Normalization Adjustment Clause, Rate Schedule WNA.

Taxes: Plus applicable taxes and fees (including franchises fees) related to above, see Rate Schedule 1B.

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Delivery of gas hereunder may be interrupted or curtailed at the discretion of the Company, in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for residences, hospitals, schools, churches, and other human needs customers as prioritized in the Company's approved Curtailment Program.

Public Comment

Adjourn