Minutes of Regular Meeting held July 10, 2006

Regular meeting with the following present: Mayor Horace Fincher; Aldermen Mark Bowen, Jerry Stone, Erik Dahler; City Secretary Josie Campa; City Attorney Tom Cate; Police Chief Richard Priest; Director of Public Works James McGrath.


APPROVE MINUTES AND APPROVE PAYMENT OF BILLS
City Secretary Josie Campa added the Americana Ambulance bill for $3,000.00 to the bills. Alderman Elias made the motion that Council approve the minutes of the regular meeting held June 12th and payment of the bills, as presented. Seconded by Alderman Stone. Passed unanimously.

HEAR FROM CITIZENS
Mayor Fincher told Council that the fireworks display had a good attendance even though it started to rain.

Alderman Bowen recognized Police Officer Matt Dear for the assistance he gave people when they broke down along the street.

UPDATE ON BEXAR COUNTY ESD #5 AND VOLUNTEER FIRE DEPARTMENT-COMMISSIONER JOE KIERSTEAD, PRESIDENT, ESD #5
Joe Kierstead, President of Bexar County ESD #5 gave Council an update on ESD #5 and the Lytle Volunteer Fire Department. He told Council the fire department is presently being audited as per the contract with the ESD. He told Council of things the ESD has done for Lytle’s department, and will be doing. He said they will be receiving a 2007 Ford Emergency Response vehicle valued at $60,000.00 very soon. Mr. Kierstead complimented the department and told Council that the leadership in the department has come along way. Mr. Kierstead told Council he would give the city a copy of the written audit report when he receives it. Mr. Kierstead told Council that all the fire departments in ESD are at Lytle’s disposal.

CONSIDER PERMITTING MEDINA COUNTY ESD #5 TO INCLUDE LYTLE’S ETJ-ROY SHEETS
Roy Sheets, President of the Natalia Fire Department told City Council that signatures had been collected, on a petition to get the ESD issue on the November ballot. He asked Council for permission to include Lytle’s ETJ area in Medina County as part of ESD #5. After discussion, Alderman Elias made the motion that Council grant this request and allow the city’s Medina County ETJ to be part of this ESD. Seconded by Alderman Cortez. Passed unanimously.
CONSIDER PETITION FOR VOLUNTARY ANNEXATION FOR THREE (3) ACRES ADJACENT TO CITY LIMITS ON IH 35 NORTH ACCESS ROAD—RICHARD PRIEST

Richey Priest presented a petition for voluntary annexation from the Dewey Priest Testamentary Trust. Mr. Priest told Council that this request is for three acres north of the Suzuki place and that there are plans to build a Motel 6 on this property. Alderman Stone made the motion that Council grant this petition for voluntary annexation. Seconded by Alderman Bowen. Passed unanimously.

CONSIDER STREETS FOR REPAVING PROJECT

Mayor Fincher asked each Council member to list the streets in their districts that they feel need to be repaved. The list is as follows: Alderman Bowen-District 1-Pine Street; Alderman Cortez-District 2-Diaz Street and part of Juarez Street; Alderman Dahler-District 3-Laredo Street by school from FM 2790 to Somerset Street; Alderman Stone-District 4-Mesquite Street from Bank Street to dead end; Alderman Elias-District 5-Oak Street behind Chevron Station and Martin Street. Alderman Elias told Council the two streets in his district need more patching than repaving. Mayor Fincher appointed a committee of three including Aldermen Bowen and Cortez along with himself to look at these streets before the next regular meeting. No action was taken on this item.

CONSIDER ACQUIRING MORE WATER RIGHTS FROM GIDLEY FARMS

Mayor Fincher told Council that Mr. Gidley still has 350 acre feet of water and asked if they are interested in getting more water from him for 2007. He said Mr. Gidley is asking $2,450.00 an acre foot. Council discussed this matter and agreed to have “leasing of excess water rights” on the August agenda. Mr. Kierstead told Council the going rate for water right now is $2,200 an acre foot. After more discussion, the Mayor told Council he would get back to Council on this matter next month.

CONSIDER EXTENSION OF CITY’S CERTIFICATE OF CONVENIENCE (CCN)—TOM CATE

City Attorney Tom Cate asked Council to consider extending the City’s water CCN to include an area near the city’s present lines. He explained this area is not included in anybody’s CCN at this time and asked if they want to include it in with the extension they approved last month. He said if it was lumped in with the other it would mean less public hearings. Council discussed this request and Alderman Dahler said if this area which is out of the city’s CCN, the city will be obligated to provide water to said area, which goes against Council’s present policy to not extend services outside the city limits. After more discussion, Alderman Dahler made the motion that this item be tabled. Seconded by Alderman Stone. Passed unanimously.

CONSIDER PROPOSED AMENDMENTS TO 2005-2006 BUDGET

City Secretary Josie Campa proposed the following amendments to the 2005-2006 budget:

**GENERAL FUND**

<table>
<thead>
<tr>
<th>Revenues</th>
<th>+ $80,000.00</th>
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<td>Fines</td>
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<th>Expenditures</th>
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<td>General Operating Dept.</td>
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<td>Salaries-</td>
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<td>Overtime Pay-</td>
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<td>Election Expense-</td>
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<td>Public Safety Dept.</td>
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<tr>
<td>Attorney &amp; Legal Fees-</td>
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<td>Telephone-</td>
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<td>Civil Defense-</td>
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<tr>
<td>Municipal Court fees-</td>
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<tr>
<td>Public Works Dept.</td>
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<tr>
<td>Capital Improvement-drainage-</td>
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**WATER FUND**

<table>
<thead>
<tr>
<th>Revenues</th>
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<td>Tapping Fees-</td>
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<tr>
<th>Expenditures</th>
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<tr>
<td>Salaries &amp; Wages-</td>
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<tr>
<td>Overtime Pay-</td>
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<tr>
<td>Consulting Engineer-</td>
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<tr>
<td>Repairs&amp;Maint-System&amp;Eqpt.-</td>
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<td>Insurance-</td>
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<td>Misc. Expense-</td>
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Minutes of Regular Meeting held July 10, 2006 (cont.)

CONSIDER PROPOSED AMENDMENTS TO 2005-2006 BUDGET (CONT.)

GAS FUND

Revenues
Other Income- $4,800.00

Expenditures
Salaries- $10,000.00
Overtime Pay- + $2,000.00
Consulting Engineer- - $1,000.00
Consultant- + $2,500.00
Capital Improvements- + $2,500.00
Insurance- - $1,000.00
Gas Purchased for System- + $9,000.00

SEWER FUND

Expenditures
Salaries- - $6,000.00
Engineer- - $2,000.00
Repairs&Maint.-System&Eqpt.- + $2,000.00
Misc. Expense- + $6,000.00

Alderman Elias made the motion that Council approve these amendments to the 2005 2006 budget. Seconded by Alderman Stone. Passed unanimously.

PUBLIC WORKS’ DIRECTOR’S REPORT

Director of Public Works James McGrath reported to Council on the following:
1-173 work orders completed since last meeting;
2-small water leaks fixed;
3-gas leak and cathodic protection surveys have been completed;
4-found one grade II leak on Martin Street;
5-new cathodic protection system is giving about 95% coverage right now;
6-Railroad Commission was here last week inspecting city’s gas system and city will probably receive a few citations for violations;
7-three guys worked the fireworks display on July 4th;
8-new pumps at booster station are now rotating; and
9-waiting for electrician to wire new siren.

POLICE CHIEF’S REPORT

Police Chief Richard Priest reviewed his written report with Council.
The Chief told Council that Reserve Officer David Gardner will be working as a part-time officer to help cover Cpl. Ramirez’ absence.

CITY SECRETARY’S REPORT

City Secretary Josie Campa reviewed her written report with Council.
The City Secretary asked Council members if they were interested in attending on AACOG workshop for elected officials.

MAYOR’S REPORT

Mayor Fincher reported the following:
1-will be attending a Trans-Texas Corridor public hearing on August 3rd in Floresville and wanted to know if any Council member want to go with him;
2-Edward Aquifer Authority will be holding a public hearing on July 18th;
3-scheduling a Council workshop for water, utilities and salaries. Council agreed on July 24th for this workshop; and
4-he has not heard any more news on Project Green and he feels the longer it takes the less likely Lytle is to get this.

Meeting adjourned at 7:59 p.m.

[Signatures]

Mayor
City Secretary