Minutes of Special Meeting held September 18, 2006

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

Visitors: Patricia Garza, Ronald Garza, Shawna Lewis.

CONSIDER REQUEST FOR VARIANCE ON SUBDIVISION ORDINANCE- RONALD J. GARZA
City Secretary Josie Campa showed Council a plat of property deeded to Ronald Garza, and said Mr. Garza is asking for a variance of the city's subdivision ordinance since his property has frontage on Hwy 132. Mayor Fincher recommended to Council that this variance be granted. Alderman Elias made the motion that Council grant the variance request by Mr. Garza. Seconded by Alderman Bowen. Passed unanimously.

CONSIDER BIDS RECEIVED ON STREET PAVING PROJECT
City Secretary Josie Campa told Council that the bids on the repaving project were as follows:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neal Worthey Contracting</td>
<td>$47,995.00</td>
</tr>
<tr>
<td>Clark Construction of Texas-</td>
<td>$45,932.50</td>
</tr>
</tbody>
</table>

optional sections:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neal Worthey Contracting</td>
<td>$25,825.00</td>
</tr>
<tr>
<td>Clark Construction of Texas-</td>
<td>$26,824.00</td>
</tr>
</tbody>
</table>

She told Council she had talked to Mr. Worthey about doing the preparation work on N. Benton Street since there are funds available and Mr. Worthey told her if he was awarded the bid he would do the street preparation on N. Benton Street for $13,000.00 compared to the $20,150.00 he had quoted. After discussion, Alderman Bowen made the motion that Council award the bid to Clark Construction contingent on them being able to do the street repairs for a comparable price to Worthey's and in the time frame, and if they can't do the above mentioned, then go with Mr Worthey. Seconded by Alderman Stone. Passed unanimously.

CONSIDER PETITION FOR VOLUNTARY ANNEXATION FROM EDWARD J. BROWN (SOUTH TEXAS SUZUKI)
After discussion, Alderman Dahler made the motion that Council accept the petition for voluntary annexation from Edward J. Brown. Seconded by Alderman Cortez. Passed unanimously.

CONSIDER HIRING OF PUBLIC WORKS' EMPLOYEES
Director of Public Works James McGrath told Council that he had interviewed one applicant out of twelve and would be interviewing more at later date. He recommended Council hire Guadalupe Araujo at $7.00 per hour. Alderman Elias made the motion that Council hire Guadalupe Araujo at $7.00 per hour after he successfully completes his physical, drug screen and background check. Seconded by Alderman Cortez. Passed unanimously.
Minutes of Special Meeting held September 18, 2006 (cont.)

**CONSIDER ACQUISITION OF ADDITIONAL WATER RIGHTS**
City Attorney Tom Cate told Council that Bill Gidley had agreed to lease the city all his water rights (254.4 acre feet), which are all senior rights for $130.00 per acre foot. Mayor Fincher told Council that due to the water situation, he would recommend Council approve this. After discussion, Alderman Elias made the motion that Council enter into a lease agreement with Gidley Farms for 254.4 acre feet of water (senior rights) for $130.00 per acre foot. Seconded by Alderman Stone. Passed unanimously.

**CONSIDER OFFER OF COMPROMISE AND SETTLEMENT FROM EDWARDS AQUIFER AUTHORITY ON 2005 OVERPUMPING**
Mayor Fincher announced at 7:17 p.m. that Council would go into closed session as allowed by Chapter 551.071, Subchapter D of the Government Code. The meeting was reopened at 7:20 p.m. Mayor Fincher announced that Council had discussed the offer of compromise and settlement from the Edward Aquifer Authority with the City Attorney. Alderman Dahler made the motion that Council authorize the City Attorney to approve and settle the compromise from Edward Aquifer Authority as discussed. Seconded by Alderman Elias. Passed unanimously.

**CONSIDER SALARY FOR CITY SECRETARY**
Mayor Fincher recommended to Council that the City Secretary be given a 6 1/2 % salary increase. After discussion, Alderman Bowen made the motion that Council approve a 6 1/2 % salary increase for the City Secretary. Seconded by Alderman Stone. Passed unanimously.

Meeting adjourned at 7:30 p.m.

[Signatures]
Mayor
City Secretary