



Mayor Oscar D. Montoya  
Mayor Pro-Tem Joe Martinez  
Commissioner Armando Garcia

Commissioner Jacob Howell  
Commissioner Ruben Saldana  
City Manager Alberto Perez

MERCEDES CITY COMMISSION  
REGULAR MEETING  
DECEMBER 6, 2022 – 6:30 P.M.  
MERCEDES CITY HALL – COMMISSION CHAMBERS  
400 S. OHIO AVE., MERCEDES, TX 78570

“At any time during the course of this meeting, the City Commission may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the City Commission under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at any time during the course of this meeting, the City Commission may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code.”

1. **Call Meeting to Order**
2. **Establish Quorum**
3. **Invocation**
4. **Pledge of Allegiance**
5. **Open Forum-**

Maximum length of time of forum is forty-five minutes with individual presentations limited to a maximum of five minutes. The City Commission can take no formal action on any city related matter discussed during the open forum. Persons who wish to participate in this portion of the meeting shall sign up as they arrive, indicating the topic about which they wish to speak. No one will be able to sign up **AFTER 6:20 PM**. The information required for signing up must be completed by that time. No public comments will be allowed during any agenda item unless recognized by the Mayor or if the item requires a public hearing. State your name and address before beginning your presentation.

There can be no comments about specific employees. By Charter, the City Manager is exclusively given authority over personnel matters, including complaints against city personnel. All complaints against city personnel will be addressed pursuant to Mercedes Personnel Policies.

Comments must not be repeated and the Commission is not required to answer any question from the public. Any person who decides to directly question any member of the City Commission will be asked to discontinue their comments. The City Secretary's office representative will be responsible for notifying each presenter that their five-minute time limit has expired.

6. **Consent Agenda:** *(All matters listed under Consent Agenda are considered to be routine by the Governing Body and will be enacted by one motion. There will be no separate discussion of these items; however, if discussion is desired, that item(s) will be removed from the Consent Agenda and will be considered separately.)*
  - a. Approval of Minutes for Meeting(s) held November 15, November 17, & November 22, 2022.
7. **City Manager Comments:**
  - a. Drone Update by Fire Department
8. **Ordinances/Resolutions:** *Present, Discuss, Consider, and Possibly Take Action Regarding:*
  - a. First Reading of Ordinance 2022-27 to Rezone Capisallo Lot 11 Block 66 From Class “B” Two Family to Class “C” Apartment District Applicant: Fernando Castro
  - b. First Reading of Ordinance 2022-28 to Rezone Hollywood Acres Lot 13 From Class “B” Two Family to Class “C” Apartment District Applicant” Stretford End Group, LLC.
  - c. First Reading of Ordinance 2022-29 to adopt the new and revised Code of Ordinances for the City of Mercedes.
9. **Bids/Contracts:** *Present, Discuss, Consider, and Possibly Take Action Regarding:*
  - a. Approval of Memorandum of Understanding Between City of Mercedes, Texas and Hidalgo County Drainage District No. 1 Regarding Funding for 2018 CDBG-DR Infrastructure Competitions
  - b. Approval of Memorandum of Understanding Between City of Mercedes, Texas and Hidalgo County Drainage District No 1. Regarding Funding for 2019 CDBG-DR Infrastructure Competitions
  - c. Approval to direct City Manager and Legal to work with City’s Energy Consultant, Marco A. Arredondo, Inc. on negotiating with Retail Electric Providers the most favorable electric price for Energy Contract renewal.
  - d. Contract for Legal Services.
10. **Executive Session:** *Chapter 551, Texas Government Code, Section 551.071 (Consultation with Attorney), Section 551.072 (Deliberation regarding Real Property), Section 551.074 (Personnel Matters) and Section 551.087 (Economic Development)*
  - a. Discussion regarding Fire Department Holiday Pay – Section 551.074 Personnel Matters
11. **Open Session:** *Discuss, Consider, and Possibly Take Action Regarding*

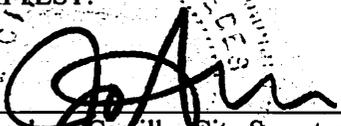
a. Item 10A from Executive Session

**12. Adjournment**

Notice is hereby given that the City Commissioners of the City of Mercedes, Texas will meet in a **Regular Meeting** on Tuesday, December 6, 2022 at 6:30 P.M. Said meeting will be conducted in the Commission Chambers of the City Hall located at 400 S. Ohio, Mercedes, Texas for the purpose of considering and taking formal action regarding the items listed above. This notice is given in accordance with Vernon’s Texas Codes Annotated, Texas Government Code, Section 551.001 et. Seq.

WITNESS MY HAND AND SEAL OF THE CITY THIS THE 2<sup>nd</sup> DAY OF DECEMBER, 2022.

ATTEST:



Joselyn Castillo, City Secretary  
Time of Posting: 8:15 P.M.

**ACCESSIBILITY STATEMENT**

**The City of Mercedes recognizes its obligations under the Americans with Disabilities Act of 1990 to provide equal access to individuals with disabilities. Please contact the City Manager’s Office at (956) 565-3114 at least 48 hours in advance of the meeting with requests for reasonable accommodations, including requests for a sign language interpreter.**

**MERCEDES CITY COMMISSION  
REGULAR MEETING  
NOVEMBER 1, 2022 – 6:30 P.M.  
MERCEDES CITY HALL – COMMISSION CHAMBERS**

<b>MEMBERS PRESENT:</b>	Oscar D. Montoya Sr.	Mayor
	Joe Martinez	Mayor Pro-Tem
	Ruben Saldana	Commissioner
	Jacob Howell	Commissioner
	Armando Garcia	Commissioner
<b>STAFF PRESENT:</b>	Alberto Perez	City Manager
	Martie Garcia Vela	City Attorney
	Joselynn Castillo	City Secretary
	Javier Ramirez	Asst. City Manager
	Nereida Perez	Finance Director
	Kristine Longoria	Human Resources
	Ervin Vilchis	I.T Liaison
	Marisol Vidales	Library Director
	Pedro Estrada	Police Chief
	Roberto Castillo	Public Works Director
	Javier Campos	Fire Chief

**OTHERS PRESENT:** Roy Rocha, Alvaro De Leon, Joseph Trevino

**1. CALL MEETING TO ORDER**

Mayor Montoya welcomed everyone and called the meeting to order at 6:30 P.M.

**2. ESTABLISH QUORUM**

Four Members of the Commission were present. Mayor Montoya stated Mayor Pro-Tem Martinez was stuck in traffic and arrived during executive session.

**3. INVOCATION**

Mayor Montoya said the invocation.

**4. PLEDGE OF ALLEGIANCE**

Commissioner Howell led in the Pledge of Allegiance.

**5. OPEN FORUM**

- Mr. Ramon Mejia expressed his concern with the city hiring a master plan engineer for water and wastewater system. He stated that the Commission hired three clowns that have no knowledge of what they are doing. He asked Why hire them and waste tax payers money. The mayor's job is to make sure the city manager is doing his job. He congratulated Mr. Joaquin Hernandez for bringing the city of Reynosa as a Sister City.

**6. CONSENT AGENDA**

- a. **Approval of Minutes for Meeting(s) held November 1, 2022.**
- b. **Second and final reading of Ordinance 2022-26 regarding the updated Animal Control Services.**

- c. **Approval of Fire Department items for surplus and donation of fire gear to Edcouch Elsa I.S.D Fire Program.**
- d. **Approval of Resolution 2022-14 and Agreement for the Temporary Closure of State Right-of-Way.**

Commissioner Howell motioned to approve item A, C and D and postpone Item B on the animal control ordinance. Commissioner Garcia would like to include in the November 1 minutes that Commissioner Garcia removed himself from the executive session discussion on Health insurance. Commissioner Saldana seconded. Upon a called vote, the motion passed unanimously.

**7. CITY MANAGER COMMENTS:**

- a. **Introduction of Chief Building Official.**

Mr. Ramirez introduced Mr. Alvaro de Leon as the new Building Official. Mr. De Leon provided a brief work history and thanked the Commission for the opportunity. He stated he has been speaking to residents and is excited to be part of the growth in Mercedes. The Mayor and Commission welcomed Mr. De Leon to the City of Mercedes and thanked him for his service. Commissioner Saldana stated he was impressed by Mr. De Leon's comments about speaking to citizens and treating everyone with respect and added that he comes with great experience and credentials. Commissioner Howell congratulated Mr. De Leon for coming to Mercedes and stated that this position was needed due to all the new development.

**8. ORDINANCES/RESOLUTIONS:** *Present, Discuss, Consider, and Possibly Take Action*

*Regarding:*

- a. **Approval of Resolution 2022-15 accepting Reynosa, Tamaulipas, Mexico as a Sister City.**

Commissioner Saldana moved to postpone this item. Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously.

**9. BIDS AND CONTRACTS:** *Present, Discuss, Consider, and Possibly Take Action Regarding:*

Mr. Perez requested to go into executive session at this time. Commissioner Saldana moved to go into executive session. Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously. The meeting went into executive session at 6:43 P.M. Go to Executive Session.

- a. **Authorizing City Manager in proceeding to renew City Attorney contract with a two-year extension.**

Commissioner Saldana motioned to authorize the City Manager to proceed with the contract for the City Attorney with a two-year extension. Commissioner Garcia seconded. Commissioner Howell thanked Ms. Garcia Vela and included that Ms. Vela's contract has a cap. Commissioner Saldana thanked Ms. Garcia Vela and stated they are pleased with her professionalism and knowledge in the law. Commissioner Garcia thanked Ms. Garcia-Vela. Mayor Pro-Tem Martinez thanked legal for being part of the team and continue to work with them. Upon a called vote, the motion passed unanimously. Ms. Garcia Vela thanked the community and stated it's a pleasure to work with the city and staff.

- b. **Authorizing City Manager and Legal to contract Spyglass to perform an audit on Communication Vendors currently doing business with the City of Mercedes (phone and internet) at no cost to the city.**

Commissioner Howell made a motion to approve the audit at no cost. Mr. Perez stated Mr. Chris Box from Spyglass is available for questions via zoom.

Commissioner Saldana seconded. Commissioner Howell asked what the services provide. Mr. Box stated this is an assessment to make sure the communication vendors are charging the city fairly and billing properly. They do a review to figure out if they have over billed the city in the past and get the city reimbursed. They go through every line item on the bill to make sure the bill has items that the city needs and not charging for unnecessary items and make sure pricing is fair. Mr. Box stated this service would include telephone, internet and cell phones. Commissioner Saldana asked if something happened that cause us to get this and an example of something we don't use and are paying for. Mr. Box stated that this would just be an exercise to make sure the vendors are billing properly. Mr. Perez stated that they can check if the city is paying for some features that are not being used or taxes that are being charged. Mr. Box stated that they get paid a historical way and then a forward looking way. He stated that whatever the total amount the city recovers, Spyglass receives 50%. If they are not successful then they don't get paid. The forward looking is optional depending on what the city chooses to get fixed. Mr. Box stated that as soon as they receive the bills, it would take 4 weeks to get the results. No cost to the tax payers due to the monies already allocated for the bills. Upon a called vote, the motion passed unanimously.

**c. Authorizing the City Manager to execute a contract with Freese and Nichols to provide professional services for the development of a water and wastewater master plan.**

Mr. Ramirez stated the Commission approved entering into negotiations with Freese and Nichols for the water and wastewater plant for the City of Mercedes. He stated it is a comprehensive scope that will serve the city well into the future and recommend approval. Commissioner Garcia made a motion to approve. Commissioner Saldana seconded. Mr. Ramirez stated the fee is \$268,000 for the master plan to produce a hydraulic model and provides a simulator of the water lines and wastewater lines. Mr. Ramirez stated funding was budgeted for this project. Mr. Ramirez stated that a TCEQ violation can range from \$5,000 to \$10,000 per day per violation. Mr. David Salinas was present from USW. Mr. Salinas stated that one violation can cost up to \$25,000 a day. Commissioner Howell stated that previously there was a cost estimation of \$1.7 to \$2.3 Mil in potential violations that the City had but have been and are being addressed. Mr. Ramirez added that this service will help to avoid violation fees. Commissioner Saldana's expectation is to have this money well invested. He added grants can be difficult to receive without a master plan. Commissioner Saldana stated that federal grants will not just give you the funding, they want to know what the funds will be used for and this plan will be the proof. Mr. Perez stated the city is growing and cannot afford to not have a plan. These plans will take care of the infrastructure issues and make sure that new development have the proper lines and proper pressure for subdivision or commercial development. Commissioner Howell stated that in order to continue getting the grants and bring the city's infrastructure up to par. Mr. Matthew Schorsch stated he would be the project manager and will be working on this project to mitigate risk. Mr. Schorsch stated that impact fees is a way for developers to pay for development. You want the growth to pay for itself. Mr. Perez stated that there was sludge coming from a

company in the city and there are no impact fees for them to pay. Commissioner Howell stated they want to be solution driven. Upon a called vote, the motion passed unanimously.

**10. MONTHLY DEPARTMENT REPORTS:**

**a. Police Dept., Planning, Public Works, Finance, Library, Fire, Rec Center, City Sec/HR**

No action required. Commissioner Saldana asked for trend numbers for residential and commercial for a comparison of this year to last year. Commissioner Saldana stated that he likes the new format for the public works report. Mr. Castillo stated that requests are from the public and work orders are internal. He stated that he has a plan for streets for curb scraping, alley maintenance, potholes and tree trimming. At a question, Mr. Castillo stated he personally went out on a particular request regarding the road. Mr. Castillo provided the resident with the process. Mr. Ramirez stated there are a list of streets that are priority and added that the next street is Dawson Rd. and then 10<sup>th</sup> Street. Mr. Ramirez spoke about partnering with the School District for sidewalks on Florida St. from 5<sup>th</sup> St. to 10<sup>th</sup> St and will be presenting that at the next school board meeting. Commissioner Howell stated he is not a big fan of quadrants for the street repairs and sidewalk repairs and prefers to go by most needs to least needs but complete the projects and would like a start and end date for the projects. Mr. Castillo stated they have a schedule but it does not include dates due to requests that come in from the residents which will take them away from the schedule. At a question, Ms. Perez stated the City is currently within budget. Commissioner Saldana stated that having a priority list can help citizens understand that the city will be getting to them after the streets before them are complete. Mayor Pro-Tem Martinez thanked the Mr. Castillo for the work they are doing. Go to Item 13.

**11. EXECUTIVE SESSION:**

**a. Consultation with Attorney regarding Economic Development – Section 551.071 & 551.087**

**b. Consultation with Attorney regarding contract – Section 551.071**

Mayor Montoya called the meeting back to order at 7:32 P.M.

**12. OPEN SESSION:** *Discuss, Consider, and Possibly Take Action Regarding*

**a. Item 11A from Executive Session**

Commissioner Saldana motioned to moved forward with plans as discussed related to economic development. Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously.

**b. Item 11B from Exective Sussion**

Commissioner Howell motioned to authorize City Manager to continue research as discussed in executive session. Mayor Pro-Tem Martinez seconded. Upon a called vote the motion passed unanimously.

At this time, Mayor Montoya excused himself from the meeting and Mayor Pro-Tem Martinez proceeded with Item 9A. Go to item 9A.

**13. ADJOURNMENT**

Commissioner Saldana motioned to adjourn. Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously. Mayor Pro-Tem Martinez adjourned the meeting at 8:18 P.M.

**MERCEDES CITY COMMISSION  
SPECIAL MEETING  
NOVEMBER 17, 2022 – 6:00 P.M.  
DEVELOPMENT CORPORATION OF MERCEDES**

<b>MEMBERS PRESENT:</b>	Oscar D. Montoya Sr. Joe Martinez Jacob Howell Armando Martinez	Mayor Mayor Pro-Tem Commissioner Commissioner
<b>MEMBERS ABSENT:</b>	Ruben Saldana	Commissioner
<b>STAFF PRESENT:</b>	Alberto Perez Joselynn Castillo Javier Ramirez Kristine Longoria Ervin Vilchis Pedro Estrada Francisco Sanchez Roberto Castillo Javier Campos Marisol Vidales	City Manager City Secretary Asst. City Manager Human Resources IT Assistant Chief of Police Asst. Chief of Police Public Works Director Fire Chief Library Director

**OTHERS PRESENT:** Reynosa Mayor, Carlos Víctor Peña Ortiz and Reynosa city officials

**1. CALL MEETING TO ORDER**

Mayor Montoya welcomed everyone and called the meeting to order at 6:00 P.M.

**2. ESTABLISH QUORUM**

Four members of the Commission were present which constitutes a quorum

**3. INVOCATION**

Mayor Montoya said the invocation

**4. PLEDGE OF ALLEGIANCE**

Mayor Pro-Tem Martinez led in the Pledge of Allegiance

Reynosa Mayor, Carlos Víctor Peña Ortiz thanked the City of Mercedes for their warm welcome. He invited everyone to visit the City of Reynosa and spoke about the investment possibilities that can generate economic development on both sides of the border and looks forward to collaborating with Mercedes.

**5. OPEN FORUM**

No one signed up for open forum

**6. Present, Discuss, Consider, and Possibly Take Action regarding Resolution No. 2022-15 accepting Reynosa, Tamaulipas as a Sister City.**

Mayor Pro-Tem Martinez motioned to approve. Commissioner Howell seconded. Discussion: Mayor Montoya stated the importance of establishing a relationship with Reynosa. Mayor Montoya stated the need for having additional commercial, industrial and manufacturing resources. He congratulated Reynosa on their city improvements,

developments. He then explained what a sister-city entails in current days. Before it was need based for aid and equipment, whereas now it is an opportunity to help each other with commerce. Mayor Montoya encourages the people of Mexico to shop at the Rio Grande Valley Premium Outlets. Reynosa Mayor, Carlos Victor Pena Ortiz thanked everyone and expressed his mission for the same quality of life. He stated in order to reduce poverty, growth is needed, salary increased, investors and to create national trade for development. He concluded that with all the new investments coming to the valley, he is happy to be part of the collaboration.

Commissioner Howell thanks and expresses his excitement for the economic development. Commissioner Howell acknowledges 95% of visitors at the Rio Grande Valley Premium Outlets are visitors from Mexico, he expresses his gratitude and thanks those who continue to support. Commissioner Howell expresses his want for continued partnerships. He concluded with thanking the officials of Reynosa for the opportunity the sister city agreement will bring. Mayor Montoya welcome the Reynosa officials. Upon a called vote, the motion passed unanimously.

## **7. Adjournment**

Mayor Pro-Tem Martinez motioned to adjourn. Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously. The meeting adjourned at 6:17 p.m.

**MERCEDES CITY COMMISSION  
SPECIAL MEETING  
NOVEMBER 22, 2022 – 12:00 P.M.  
MERCEDES CITY HALL – COMMISSION CHAMBERS**

<b>MEMBERS PRESENT:</b>	Joe Martinez Jacob Howell Armando Martinez Ruben Saldana	Mayor Pro-Tem Commissioner Commissioner Commissioner
<b>MEMBERS ABSENT:</b>	Oscar D. Montoya Sr.	Mayor
<b>STAFF PRESENT:</b>	Alberto Perez Joselynn Castillo Ervin Vilchis Marisol Vidales Juan Vega Jr. Brianna Casares Javier Gracia Melissa Ramirez	City Manager City Secretary IT Assistant Library Director Streets Supervisor Public Relations Parks Supervisor Econ. Development Director

**1.) CALL MEETING TO ORDER**

Mayor Pro-Tem Martinez called the meeting to order at 12:04 P.M.

**2.) ESTABLISH QUORUM**

Four Members of the Commission were present which constitutes a quorum. Mayor Montoya was absent.

**3.) INVOCATION**

Commissioner Garcia said the invocation.

**4.) PLEDGE OF ALLEGIANCE**

Commissioner Howell led in Pledge of Allegiance.

**5.) OPEN FORUM**

No one signed up for open forum.

**6.) DISCUSSION AND POSSIBLE ACTION TO APPOINT MEMBERS TO THE MERCEDES URBAN RENEWAL AGENCY COMMITTEE.**

Mr. Perez stated there was an ordinance to establish the urban renewal agency which acted like an EDC. There was property that had liens and the committee is needed to release the lien. Commissioner Saldana moved to appoint the mayor and the four commissioners as members to the Mercedes Urban Renewal Agency Committee. Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously.

**7.) ADJOURNMENT.**

Commissioner Howell motioned to adjourn. Commissioner Saldana seconded. Upon a called vote, the motion passed unanimously. The meeting adjourned at 12:09 p.m.

**MERCEDES URBAN RENEWAL AGENCY COMMITTEE  
SPECIAL MEETING  
NOVEMBER 22, 2022 – 12:15 P.M.  
MERCEDES CITY HALL – COMMISSION CHAMBERS**

**MEMBERS PRESENT:** Joe Martinez Mayor Pro-Tem/Vice Chair  
Jacob Howell Commissioner/Member  
Armando Martinez Commissioner/Member  
Ruben Saldana Commissioner/Member

**MEMBERS ABSENT:** Oscar D. Montoya Sr. Mayor/Chairperson

**STAFF PRESENT:** Alberto Perez City Manager  
Joselynn Castillo City Secretary  
Ervin Vilchis IT Assistant  
Marisol Vidales Library Director  
Juan Vega Jr. Streets Supervisor  
Brianna Casares Public Relations  
Javier Gracia Parks Supervisor  
Melissa Ramirez Econ. Development Dir.

**1.) CALL MEETING TO ORDER**

Mayor Pro-Tem Martinez called the meeting to order at 12:17 P.M.

**2.) ESTABLISH QUORUM**

Four Members of the Commission were present which constitutes a quorum. Mayor Montoya was absent.

**3.) INVOCATION**

Commissioner Howell said the invocation.

**4.) PLEDGE OF ALLEGIANCE**

Commissioner Saldana led in the Pledge of Allegiance.

**5.) OPEN FORUM**

No one signed up for open forum.

**6.) DISCUSSION AND POSSIBLE ACTION TO RECERTIFY REAL PROPERTY AS COMMERCIAL PROPERTY**

Commissioner Howell made a motion to approve. Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously.

**7.) DISCUSSION AND POSSIBLE ACTION TO RELEASE LIEN ON REAL PROPERTY.**

Commissioner Howell made a motion to remove the lien on the property. Commissioner Saldana seconded. Upon a called vote, the motion passed unanimously.

**8.) Adjournment.**

Commissioner Saldana motioned to adjourn. Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously. The meeting adjourned at 12:20 P.M.

## AGENDA ITEM NO. 7A

Choose an item.

**DATE:** December 6, 2022

**FROM:** Javier Campos Jr. – Fire Chief

**ITEM:** **City Manager Comments – City Drone Update – Fire Department**

**BACKGROUND INFORMATION:**

Maverick 1 – DJI Mavic Enterprise Advance

The Mercedes Fire Department continues to seek technology improvements to assist its tactics and preparation within the community. Over the past year, the department has requested assistance from other agencies on drone operations within our community during large incidents including search and rescue, fire tactics, law enforcement assistance, situation awareness and pre-incident planning. With that being said, the need for the resource was identified, approved by management/city council and purchase was made this year.

The Mercedes Fire Department has purchased and has placed its drone in service within the department. Maverick 1 is the assigned call sign for the unit and will be available to all local departments for usage when needed. Department policies and drone operator training by the FAA has been completed within the department.

Drone technology is advancing rapidly and fire departments throughout the region are increasingly leveraging their benefits during firefighting operations. Drones provide rapid deploy ability, reach, and adaptability to fire departments with improved situational awareness and enhanced disaster response. Drones give firefighters unparalleled access compared to traditional earthbound firefighting operations and tactics. Drones allow firefighters to relay high-definition video intelligence of the fireground back to the incident commander for tactics to be deployed on scene. This facilitates improved coordination with other disaster response agencies and first responders on scene. The footage and data gathered during emergency response incidents can also be used as evidence, for after-action analysis, and incorporated into future trainings.

**BOARD REVIEW/CITIZEN FEEDBACK:** Approved

**ALTERNATIVES/OPTIONS:** NA

**FISCAL IMPACT:** \$ 7,510.00

Proposed Expenditure/(Revenue):	Account Number(s):
	01-524-4010 – Capital Outlay

**Finance Review by:**

**LEGAL REVIEW:**

**ATTACHMENTS:**

**Staff Recommendation**





**Ordinances/Resolution**

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**DATE:** December 5, 2022  
**FROM:** Javier A. Ramirez, Assistant City Manager  
**ITEM:** Rezone Capisallo Lot 11 Block 66  
From Class “B” Two Family to Class “C” Apartment District  
Applicant: Fernando Castro

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**BACKGROUND INFORMATION:**

**LOCATION:** The site is on located on the South/East corner of Orange St. and Chapman St East of H.E.B. Park/Civic Center (see vicinity map). The surrounding zones are a mixture of the following:  
**North-** Residential **South-**Apartment/Residential **East-**Residential **West-**Park

The current owner is proposing to build an apartment complex on this property. To do so it would need to be rezoned to Apartment use. This property does meet the minimum lot size for the proposed “C” Apartment District. This property has been vacant for quite some time and since the area is developing an apartment complex would be beneficial to the city and nearby residents.

**ATTACHMENTS:**

- Location Site Map
- Zoning Map

**Staff Recommendation:** Approval.





**ORDINANCE NO. 2022-27**

**AN ORDINANCE CHANGING THE CLASSIFICATION FOR ZONING PURPOSES OF THE FOLLOWING TRACT OF LAND: CAPISALLO LOT 11 BLOCK 66, FROM CLASS “B” TWO FAMILY RESIDENCE TO CLASS “C” APARTMENT DISTRICT; PROVIDING FOR A SAVINGS AND REPEAL CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, on the 21<sup>st</sup> day of September, 2022 a public hearing was held for the purpose of hearing any objections as to why: **CAPISALLO LOT 11 BLOCK 66**, Mercedes, Hidalgo County, Texas, should be rezoned and classified as follows: from a Class “B” Two Family Residence to a Class “C” Apartment District.

**WHEREAS**, the City Commission at its Special Meeting of December 5<sup>th</sup>, 2022, having considered the rezoning of the above-described property as listed in the foregoing section and having heard the pros and cons as to such rezoning request, is of the opinion that the aforementioned rezoning is in the best interest of the City of Mercedes, Texas.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MERCEDES, TEXAS:**

**Section 1** Capisallo Lot 11 Block 66, Mercedes, Hidalgo County, Texas, should be rezoned and classified as follows: from a Class “B” Two Family Residence to a Class “C” Apartment District.

**Section 2:** That the aforementioned rezoning of the above property be incorporated into the official map of the City of Mercedes, Texas by the City Planner of said City.

**Section 3:** That if any provision, section, subsection, phrase, paragraph, sentence, clause or portion of this Ordinance shall for any reason be declared invalid, such invalidity shall not affect the remaining provisions of this Ordinance or their application of persons or sets of circumstances and to this end, all provisions of this Ordinance or parts of Ordinances in conflict herewith are hereby repealed.

**Section 4:** This Ordinance shall become and be effective in accordance with the City Charter of the City of Mercedes, Texas and the laws of the State of Texas.

**PASSED, APPROVED AND ADOPTED ON FIRST READING THIS THE 6<sup>th</sup> DAY OF DECEMBER 2022.**

**PASSED, APPROVED AND ADOPTED ON SECOND READING THIS THE 20<sup>th</sup> DAY OF DECEMBER, 2022.**

**CITY OF MERCEDES**

\_\_\_\_\_  
**Oscar D. Montoya, Sr., Mayor**

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Joselynn Castillo**  
City Secretary

\_\_\_\_\_  
**Martie Garcia Vela**  
City Attorney

**Ordinances/Resolution**

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**DATE:** December 5, 2022  
**FROM:** Javier A. Ramirez, Assistant City Manager  
**ITEM:** Rezone Hollywood Acres Lot 13  
From Class “B” Two Family to Class “C” Apartment District  
Applicant: Stretford End Group, LLC

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**BACKGROUND INFORMATION:**

**LOCATION:** The site is on located on the South/West corner of Avenue C and Nevada Ave (See vicinity map). The surrounding zones are a mixture of the following:  
**North-** “C” Apartment/Apartments **South-** “B 2” Family/Residential **East-** “B 2” Family/Residential **West-** “B 2” Family/Residential

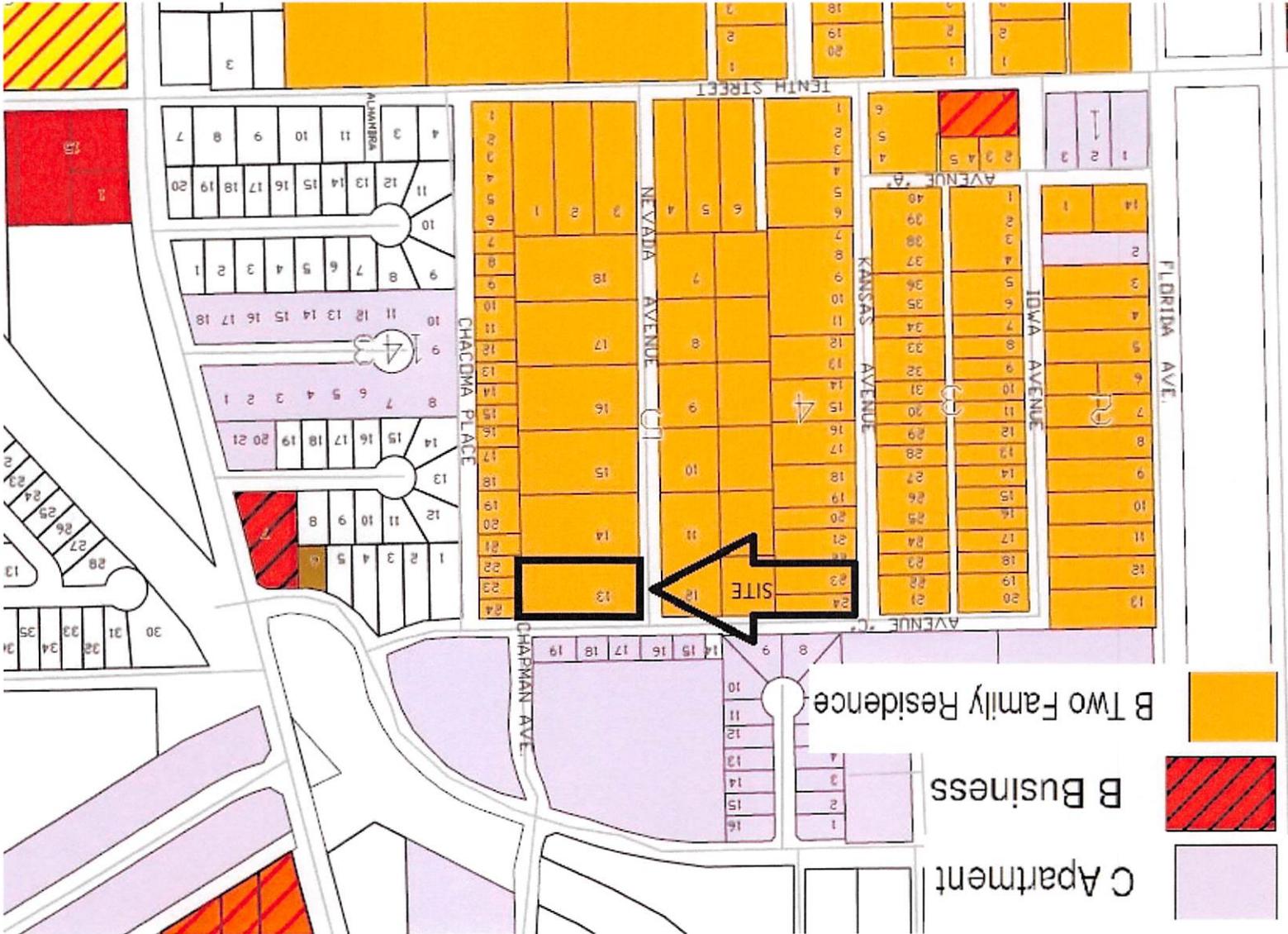
The current owner is proposing to build an apartment complex on this property. There are currently existing apartments directly to the north of this property. This property does meet the minimum lot size for the proposed “C” Apartment District. This property has been vacant for quite some time and since the area is developing an apartment complex would be beneficial to the city and nearby residents.

**ATTACHMENTS:**

- Location Site Map
- Zoning Map

**Staff Recommendation:** Approval.





**ORDINANCE NO. 2022-28**

**AN ORDINANCE CHANGING THE CLASSIFICATION FOR ZONING PURPOSES OF THE FOLLOWING TRACT OF LAND: HOLLYWOOD ACRES LOT 13, FROM CLASS “B” TWO FAMILY RESIDENCE TO CLASS “C” APARTMENT DISTRICT; PROVIDING FOR A SAVINGS AND REPEAL CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, on the 21<sup>st</sup> day of September, 2022 a public hearing was held for the purpose of hearing any objections as to why: **LOT 13 HOLLYWOOD ACRES**, Mercedes, Hidalgo County, Texas, should be rezoned and classified as follows: from a Class “B” Two Family Residence to a Class “C” Apartment District.

**WHEREAS**, the City Commission at its Special Meeting of December 5<sup>th</sup>, 2022, having considered the rezoning of the above-described property as listed in the foregoing section and having heard the pros and cons as to such rezoning request, is of the opinion that the aforementioned rezoning is in the best interest of the City of Mercedes, Texas.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MERCEDES, TEXAS:**

**Section 1** Hollywood Acres Lot 13, Mercedes, Hidalgo County, Texas, should be rezoned and classified as follows: from a Class “B” Two Family Residence to a Class “C” Apartment District.

**Section 2:** That the aforementioned rezoning of the above property be incorporated into the official map of the City of Mercedes, Texas by the City Planner of said City.

**Section 3:** That if any provision, section, subsection, phrase, paragraph, sentence, clause or portion of this Ordinance shall for any reason be declared invalid, such invalidity shall not affect the remaining provisions of this Ordinance or their application of persons or sets of circumstances and to this end, all provisions of this Ordinance or parts of Ordinances in conflict herewith are hereby repealed.

**Section 4:** This Ordinance shall become and be effective in accordance with the City Charter of the City of Mercedes, Texas and the laws of the State of Texas.

**PASSED, APPROVED AND ADOPTED ON FIRST READING THIS THE 5<sup>th</sup> DAY OF DECEMBER 2022.**

**PASSED, APPROVED AND ADOPTED ON SECOND READING THIS THE 20<sup>th</sup> DAY OF DECEMBER, 2022.**

**CITY OF MERCEDES**

\_\_\_\_\_  
**Oscar D. Montoya, Sr., Mayor**

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Joselynn Castillo**  
City Secretary

\_\_\_\_\_  
**Martie Garcia Vela**  
City Attorney

**AGENDA ITEM NO. 8C****CONSENT ITEM :**

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**DATE:** December 6, 2022**FROM:** Joselynn Castillo, City Secretary**ITEM:** **Ordinances/Resolutions****First Reading of Ordinance 2022-29 to adopt the new and revised Code of Ordinances for the City of Mercedes.**

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**BACKGROUND INFORMATION:**

This project was first approved by Commission in early to mid-year of 2018. Staff presented the latest book of ordinances was from 1979. Franklin Legal group was awarded the project but due to changes in City management the project has not met full circle. After many emails back and forth, the project continued and is ready for adopting. This Codification will provide new books of the Ordinances and a link to post on the website for public viewing.

**BOARD REVIEW/CITIZEN FEEDBACK:** N/A**ALTERNATIVES/OPTIONS:** N/A**FISCAL IMPACT:** N/A**LEGAL REVIEW:** N/A**ATTACHMENTS:** N/A**DRAFT MOTION:** Motion to approve the first reading of the ordinance to adopt the new and revised Code of Ordinances for the City of Mercedes.

**CODE OF ORDINANCES OF THE  
CITY OF MERCEDES  
ADDENDUM TO THE MEMORANDUM OF  
UNDERSTANDING**

As prepared by



**2435 20<sup>th</sup> Street  
Lubbock, Texas 79411  
806.797.8281  
[www.franklinlegal.net](http://www.franklinlegal.net)**

# ADDENDUM TO THE MEMORANDUM OF UNDERSTANDING

The following comments are in addition to or contradict items in the completed and approved memorandum of understanding.

NOTE: Any and all findings, comments and/or recommendations made by Franklin Legal Publishing should be fully reviewed by an attorney appropriately designated to represent the city. Liability shall extend only to correction of errors in the code and supplements and not to acts or occurrences resulting from any such errors.

Please note references in the code to “city council” were changed to “city commission,” except for in the historic landmark ordinance which was published as an exhibit.

## CHAPTER 1 GENERAL PROVISIONS

1. Sec. 1.05.002, Emergency management plan adopted. The emergency management plan is adopted by a general reference and is not set out in the code. Section 2-2 of the existing code, which adopts the Basic Emergency Operations Plan, has been omitted as superseded.
2. Article 1.07, Division 2, Investment Policy. The city has advised the investment policy is reviewed and revised by resolution. Therefore, this division was omitted, and the investment policy referenced as being on file in the offices of the city.

## CHAPTER 3 BUILDING REGULATIONS

3. Sec. 3.02.001, Codes adopted.
  - This section provides for the adoption of the 2015 editions of the various International Codes (i.e., Building, Plumbing, Mechanical, etc.). While the city has advised that a new ordinance adopts the more recent versions of these codes, as of the date of preparation of the code for adoption, such ordinance was not received.

- It is recommended the city review and amend by ordinance subsection (c) which sets forth the process by which updates to the codes are adopted. (Reference section 2.15 of the charter which establishes how technical regulations must be adopted.)
- The International Electrical Code was omitted from this section as the ICC does not publish an electrical code. The National Electrical Code is the currently adopted electrical code for the city.

## CHAPTER 4 BUSINESS REGULATIONS

4. Sec. 4.05.006, Blanket vendor's permit; vendor regulations. The city has advised that the provisions of Ordinance 2005-01 which provided for a blanket permit are no longer applicable. Therefore, the language regarding the individual vendor permit from Ordinance 91-21 was re-inserted in this section. The specific fee amount for the individual vendor permit was replaced with a general reference to a fee in the amount established by the city.

## CHAPTER 7 MUNICIPAL COURT

5. Sec. 7.02.003, Technology fund and Sec. 7.02.004, Building security fund. These fees were omitted as recent changes to state law clarified that cities are no longer required to adopt these provisions by ordinance.

## CHAPTER 8 OFFENSES AND NUISANCES

6. Sec. 8.07.034, Vehicles abandoned at storage facility. The obsolete garagekeeper's report fee was omitted and replaced with a reference to state law which sets this fee amount.

## CHAPTER 13 UTILITIES

7. Sec. 13.11.003, Pollution prevention and erosion control at construction sites. This section referenced Ordinance 2011-11, which is not an ordinance adopted by the City of Merced. This reference was omitted.
8. Article 13.10, Water Conservation and Drought Contingency Plan. The water conservation and drought contingency plan are not included in the Code of Ordinances but are saved from repeal and placed on file in the office of the city secretary.

## CHAPTER 14 ZONING

9. The incorporation of zoning amendments performed as part of the pre-adoption supplement process was reviewed and approved by city staff. In addition to the incorporation of those ordinances, the preamble to the ordinance was omitted and the penalty was updated to refer to the general penalty provision in section 1.01.009 of the Code of Ordinances.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF MERCEDES, TEXAS, ADOPTING AND ENACTING A NEW CODE OF ORDINANCES; PROVIDING FOR THE REPEAL OF CERTAIN ORDINANCES NOT INCLUDED THEREIN; PROVIDING A PENALTY FOR THE VIOLATION THEREOF NOT EXCEEDING \$500 GENERALLY OR NOT EXCEEDING \$2,000 FOR VIOLATIONS RELATING TO FIRE SAFETY, ZONING OR PUBLIC HEALTH AND SANITATION OR NOT EXCEEDING \$4,000 FOR VIOLATIONS RELATING TO DUMPING OF REFUSE; PROVIDING FOR THE AMENDMENT OF SUCH CODE; AND PROVIDING WHEN SUCH CODE AND THIS ORDINANCE SHALL BECOME EFFECTIVE.**

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MERCEDES, TEXAS:

Section 1. That the Code of Ordinances of the City of Mercedes, Texas, consisting of Chapters 1 through 14, each inclusive, and Appendices, is hereby adopted and enacted which shall supersede all other general and permanent ordinances of the City passed on or before February 15, 2022.

Section 2. All ordinances of a general and permanent nature enacted on or before February 15, 2022, and not included in the Code or recognized and continued in force by reference therein, are repealed.

Section 3. The codification consists of all ordinances as codified therein and as may be revised pursuant to the ordinance codification process and as evidenced by the memorandum of understanding provided as a part of said process.

Section 4. The repeal provided for in Section 2 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this ordinance.

Section 5. Unless a differing penalty is expressly provided for within the Code, every person convicted of a general violation of any provision of the Code or any rule, ordinance, or police regulation of the City shall be punished by a fine not to exceed \$2,000.00 for violations of all such rules, ordinances and police regulations that govern fire safety, zoning, or public health and sanitation, not to exceed \$4,000.00 for violations of all such rules, ordinances and police regulations that govern the dumping of refuse, and not exceeding \$500.00 for all other violations. Each act of violation and each day upon which any such violation shall occur shall constitute a separate offense. The penalty provided by this section, unless another penalty is expressly provided, shall apply to the amendment of any Code section, whether or not such penalty is reenacted in the amendatory ordinance. In addition to the penalty prescribed above, the City may pursue other remedies such as abatement of nuisances, injunctive relief and revocation of licenses or permits.

Section 6. Additions or amendments to the Code when passed in such form as to indicate the intention of the City Commission to make same a part of the Code shall be deemed to be incorporated into the Code, so that reference to the Code includes the additions and amendments.

Section 7. Ordinances adopted after February 15, 2022, that amend or refer to ordinances that have been codified in the Code shall be construed as if they amend or refer to like provisions of the Code.

Section 8. This ordinance and the Code adopted hereby shall become effective upon final passage of this ordinance.

**PASSED, ADOPTED AND APPROVED** by an affirmative vote of the City Commission of the City of Mercedes, Texas, this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Secretary

Memorandum of Understanding

Between City of Mercedes and Hidalgo County Drainage District No. 1

Regarding Funding For 2018 and 2019 CDBG-DR Competitions

**WHEREAS**, chronic flooding has affected the economy and health and safety of the citizens of the City of Mercedes, of Hidalgo County, and of the State of Texas; and

**WHEREAS**, over the last five years, the Rio Grande Valley has suffered significant catastrophic flood events that have resulted in six Major Disaster Declarations (FEMA-4223-DR, FEMA-4245-DR, FEMA-4272-DR, FEMA-4377-DR, FEMA-4454-DR, FEMA-353-EM); and

**WHEREAS**, City of Mercedes is applying for grant funding from the Texas General Land Office's CDBG-DR 2019 and 2019 Infrastructure Competitions to implement two projects that will mitigate flooding in the City of Mercedes and provide community resilience and to benefit housing; and

**WHEREAS**, solving flooding requires regional coordination, as floodwater does not follow political boundaries; and

**WHEREAS**, over the last several years, City of Mercedes and Hidalgo County Drainage District No. 1 have implemented robust outreach coordination efforts with the public as well as with the General Land Office ("GLO") to identify regional needs and solutions for mitigation of flooding; and

**WHEREAS**, the South Mercedes Lateral Improvements Project - Phase 3 are an identified priority to mitigate flooding in the City of Mercedes and in Hidalgo County; and

**WHEREAS**, the City of Mercedes's proposed projects will effectively and safely store and redirect stormwater away from low-to-moderate income ("LMI") housing and towards drainage reservoirs, providing both local and regional flood control; and

**WHEREAS**, if the GLO funding is awarded, it will be issued to the City of Mercedes, who will serve as the fiduciary and lead local agency, and Hidalgo County Drainage District No. 1 will assist City of Mercedes with several expenses, including but not limited to design, environmental, grant management, and cost overruns; and

**WHEREAS**, the South Mercedes Lateral Improvements Project - Phase 3 will have an immediate and measurable effect in permanently mitigating flooding and safeguarding the health and safety of citizens in the City of Mercedes, the Rio Grande Valley, and the State of Texas;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Mercedes and the Board of Hidalgo County Drainage District No. 1 agree to enter into this MOU in order to assist the City of Mercedes to undertake the design, planning, grant management, and construction of the South Mercedes Lateral Improvements Project - Phase 3 with grant funding from the GLO's 2018 and 2019 CDBG-DR Infrastructure Competitions in full compliance with all GLO and Housing and Urban Development ("HUD") rules and regulation.

### **1. Objective of the Document**

*(GLO Instructions: Clearly state the objective of the document. State the overall intent of the document including a brief statement of the intent of each party.)*

1.1 The objective of this document is to state the roles and responsibilities of City of Mercedes and the Hidalgo County Drainage District No. 1 regarding funding for the GLO's 2018 and 2019 CDBG-DR Infrastructure Competitions. The overall objective is to work in partnership to maximize value and to construct a project that will serve to mitigate flooding for generations to come.

### **2. Parties Involved**

*(GLO Instructions: Clearly identify each party involved.)*

2.1 City of Mercedes ("City") and Hidalgo County Drainage District No. 1 ("Drainage District" or "HCDD1") will work in partnership with the General Land Office ("GLO"). All formal notices regarding this MOU shall be submitted as follows:

**If to City:** City of Mercedes  
Attn: Oscar D. Montoya, Sr., Mayor  
P.O. Box 837  
Mercedes, TX 78570

**If to HCDD1:** Hidalgo County Drainage District No. 1  
Attn: Raul E. Sesein, P.E., C.F.M.  
902 N Doolittle Rd.  
Edinburg, Texas 78542

**If to GLO:** TBD

2.2 Pursuant to the Action Plan regarding GLO's 2018 and 2019 CDBG-DR Infrastructure Competitions, City of Mercedes will serve as the lead and fiduciary regarding 2018 and 2019 CDBG-DR Infrastructure Competitions funding. Drainage District will assist City of Mercedes pursuant to the terms in this MOU.

2.3 Day-to-day activities will be handled by the City of Mercedes City Manager Alberto Perez on behalf of City. Day-to-day activities will be handled by Mr. Raul E. Sesin, P.E., C.F.M. on behalf of Drainage District. Activities outside day-to-day activities will require approval by the City Council of the City of Mercedes and Hidalgo County Drainage District No. 1's Board. All decisions outside of day-to-day activities will be coordinated with GLO's designated representative.

### **3. Time Period**

*(GLO Instructions: Specify the time period of the agreement with start and end dates.)*

3.3 The terms of this MOU shall start upon approval by the City Council of the City of Mercedes and the Board of Hidalgo County Drainage District No. 1. The MOU shall be in effect for a period of five (5) years or until the Project is completed pursuant to Section 6 of this MOU. Should additional time be needed to complete the obligation of this MOU, the City Council of the City of Mercedes and the Board of Hidalgo County Drainage District No. 1 can extend this MOU for terms of five (5) additional years, as needed to complete the projects.

### **4. Roles and Responsibilities**

*(GLO Instructions: roles and responsibilities will be subject to the specific circumstances of the application/project. -Clearly identify the specific duties and responsibilities of each party. Include each entity's sole responsibilities, as well as responsibilities shared by all parties, as appropriate. -Clearly specify which party is financially responsible for which items, when payments are due (as appropriate), and any other detail that will help to avoid confusion or disputes.)*

4.1 Pursuant to the Action Plan regarding GLO's 2018 and 2019 CDBG-DR Infrastructure Competitions, City of Mercedes will serve as the lead and fiduciary regarding 2018 and 2019 CDBG-DR Infrastructure Competitions. City of Mercedes submitted the grant applications to the GLO.

4.2 City of Mercedes will provide staff and resources to manage the grant and oversee all aspects of the projects. City of Mercedes will fund these tasks with its resources. At the beginning of each fiscal year, City of Mercedes will be sure to allocate specific funding from its budget for the management of funds for GLO's 2018 and 2019 CDBG-DR Infrastructure Competitions.

4.3 Drainage District will provide City of Mercedes for Grant Management Services and Construction Cost Overruns for the South Mercedes Lateral Improvements Project - Phase 3 .

4.4 Drainage District will provide Design, Environmental, Construction Management, and Technical Assistance for the South Mercedes Lateral Improvements Project - Phase 3 . Drainage District, through its in-house engineering department, will perform the design for the South Mercedes Lateral Improvements Project - Phase 3 . Drainage District will provide Design, Environmental, Construction Management, and Technical Assistance for the South Mercedes

Lateral Improvements Project - Phase 3 at no cost to City of Mercedes and GLO for the South Mercedes Lateral Improvements Project - Phase 3 .

4.5 During the construction of the projects, Hidalgo Mercedes will be the owner of the project.

4.6 Upon completion of the South Mercedes Lateral Improvements Project - Phase 3 , in compliance with Section 6 of this MOU, the Drainage District will perform maintenance work in perpetuity for the constructed improvements.

4.6 Drainage District estimates that the annual maintenance cost for South Mercedes Lateral Improvements Project - Phase 3 will be \$10,000.00. Drainage District agrees to allocate funding from its annual maintenance and operation budget in perpetuity for the management of the South Mercedes Lateral Improvements Project - Phase 3 .

4.7 Should there be any cost overruns needed to complete South Mercedes Lateral Improvements Project - Phase 3 , the Drainage District will fund the difference needed to complete these projects.

## **5. Dispute Resolution**

*(GLO Instructions: Confidentiality clauses, as appropriate. -Indemnity clauses, as appropriate. - Dispute resolution and settlement clauses should be included in case a breach, invalidation, or termination of the document occurs. Ensure prompt resolution and identify the manner in which the dispute shall be settled. -Clearly identify termination options.)*

5.1 GLO shall form a part of all negotiations and be given time to participate and advise City of Mercedes and Drainage District regarding the best way to proceed.

5.2 Given that all parties are governmental entities that are subject to the Texas Public Information Act, there shall not be any confidentiality clauses in this MOU.

5.3 City of Mercedes and Drainage District release each other and the GLO of any liability caused by the implementation of this MOU and the Main Floodwater Channel Expansion Projects - Phases 1 and 2.

5.4 Should a dispute arise between City of Mercedes and Drainage District, the parties, along with a representative from GLO, hereby agree to cooperate in good faith to resolve the dispute. Should this be unsuccessful, City of Mercedes, the Drainage District, and a representative from GLO shall attend mandatory mediation. Should that be unsuccessful, either City of Mercedes or the Drainage District can agree to abandon their responsibilities under this MOU with a 30-Day Written Notice. In case City of Mercedes or the Drainage District exercise this option: (1) City of Mercedes will become the sole owner of the project; (2) City of Mercedes agrees to undertake all responsibilities of the Drainage District needed to complete the projects and to maintain and

operate the projects in perpetuity; and (3) Drainage District agrees to allow City of Mercedes to own the projects as well as to give the city the ability to perform maintenance and operation activities on the projects.

5.5 Under no circumstance shall City of Mercedes be liable to the Drainage District or vice-versa.

5.6 This MOU does not grant any waivers of immunity.

## 6. Closeout of Project

*(GLO Instructions: Clearly identify final closing activities and completion of the agreement, as appropriate.)*

6.1 Upon Completion of Projects, and submittal of all closeout paperwork to GLO and HUD, should any be needed, the City of Mercedes will take ownership of the projects.

6.2 Should any legal instruments be needed to transfer ownership of the project to the City or Mercedes, Drainage District hereby agrees to prepare and execute such documents.

6.3 City of Mercedes and the Drainage District will work cooperatively with GLO to perform all closeout projects.

6.4 City of Mercedes and the Drainage District agree to keep GLO updated of any developments regarding the project and to provide periodic reports regarding the activities accomplished through the implementation of South Mercedes Lateral Improvements Project - Phase 3 .

## 7. Miscellaneous Provisions

7.1 **Conflict with Applicable Law.** Nothing in this MOU shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this MOU and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provision of this MOU shall be modified only to the extent necessary to bring this MOU within any such legal requirements and only during the times such conflict exists.

7.2 **No Waiver.** No waiver by any party hereto of any breach of any provision of this MOU shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

7.3 **Entire Agreement.** This MOU contains the entire agreement between the parties hereto, reflecting the subject matter hereto and each party acknowledges that neither has made (either

directly or through any agent or representative) any representation or agreement in connection with this MOU not specifically set forth herein. This MOU may be modified or amended only by agreement in writing executed by Drainage District and City of Mercedes, only after approval of the GLO, and not otherwise.

7.4 **Texas Law to Apply.** This MOU shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas. The parties hereby consent to personal jurisdiction in Hidalgo County, Texas.

7.5 **Additional Documents.** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this MOU.

7.6 **Successors.** This MOU shall be binding upon and inure to the benefit of the parties hereto and their respective administrators, legal representatives, successors and assigns where permitted by this MOU.

7.7 **Assignment.** This MOU shall not be assignable.

7.8 **Headings.** The headings and captions contained in this MOU are solely for convenience reference and shall not be deemed to affect the meaning or interpretation of any provision of paragraph hereof.

7.9 **Gender and Number.** All pronouns used in this MOU shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and so often as may be appropriate.

7.10 **Authority to Execute.** The execution and performance of this MOU by Drainage District and City of Mercedes have been duly authorized by all necessary laws, resolutions or governing body action of the parties and this MOU constitutes the valid and enforceable obligations of Drainage District and City of Mercedes in accordance with its terms only after approval of the GLO.

7.11 **Non-Discrimination.** This MOU and all related activities shall be conducted in a manner that does not discriminate against any person on a basis prohibited by applicable law or City of Mercedes and Drainage District policy, including without limitation race, color, national origin, religion, sex, age, veteran status, or disability.

7.12 **Appendix II To CFR 200-Contract Provisions.** Pursuant to 2 CFR 200.326, a non-Federal entity's contracts must contain the applicable provisions described in Appendix II to 2 CFR 200-Contract Provisions for non-Federal Entity Contracts under Federal Awards. Therefore, if

applicable, the provisions of Appendix II to 2 CFR 200 are attached and incorporated by reference into this contract should it be subject to Federal award.

7.13 **Governmental Purpose.** Each party hereto is entering into this MOU for the purpose of providing for governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.

7.14 **Commitment of Current Revenues Only.** In the event that, during any term hereof, the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this MOU, then any party may terminate this MOU upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this MOU. The parties intend this provision to be a continuing right to terminate this MOU at the expiration of each budget period of each party hereto pursuant to the provisions of Tex. Loc. Govt. Code Ann. §271.903.

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Oscar D. Montoya, Sr., Mayor  
City of Mercedes, Texas

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Richard Cortez, Chairman of Board  
Hidalgo County Drainage District No. 1

## GLO Instructions re: MOU

*Applications that involve multiple entities or jurisdictions must clearly identify all parties and the roles and responsibilities of each party, to include financial involvement and/or liability. Applicants may provide a conditional or draft Memorandum of Understanding, Interlocal Agreement, or other binding vehicle identifying those roles and responsibilities. Applications involving multiple entities or jurisdictions that proceed to award will require a fully executed document signed by all parties. Execution of the document may occur after the application is deemed fully eligible. The contents of any given Memorandum of Understanding, Interlocal Agreement, or other binding vehicle designed to clarify roles and responsibilities will be subject to the specific circumstances of the application/project. Each document should be prepared and written in a manner that best covers the liabilities of all parties involved. The document is ultimately the responsibility of the agreeing parties. The GLO encourages each local entity to consult local legal counsel regarding contractual matters. Some best practices to consider when preparing and writing such a document are: -Clearly state the objective of the document. State the overall intent of the document including a brief statement of the intent of each party. -Clearly identify each party involved. -Specify the time period of the agreement with start and end dates. -Clearly identify the specific duties and responsibilities of each party. Include each entity's sole responsibilities, as well as responsibilities shared by all parties, as appropriate. -Clearly specify which party is financially responsible for which items, when payments are due (as appropriate), and any other detail that will help to avoid confusion or disputes. -Confidentiality clauses, as appropriate. -Indemnity clauses, as appropriate. -Dispute resolution and settlement clauses should be included in case a breach, invalidation, or termination of the document occurs. Ensure prompt resolution and identify the manner in which the dispute shall be settled. -Clearly identify termination options. -Clearly identify final closing activities and completion of the agreement, as appropriate. These are a basic outline of topics and/or issues that should be considered. Other topics and/or issues may also need to be included to fully address the particular project*

Memorandum of Understanding

Between City of Mercedes and Hidalgo County Drainage District No. 1

Regarding Funding For 2019 CDBG-DR Infrastructure Competition

**WHEREAS**, chronic flooding has affected the economy and health and safety of the citizens of the City of Mercedes, of Hidalgo County, and of the State of Texas; and

**WHEREAS**, over the last seven years, the Rio Grande Valley has suffered significant catastrophic flood events that have resulted in six Major Disaster Declarations (FEMA-4223-DR, FEMA-4245-DR, FEMA-4272-DR, FEMA-4377-DR, FEMA-4454-DR, FEMA-353-EM); and

**WHEREAS**, City of Mercedes is applying for grant funding from the Texas General Land Office's CDBG-DR 2019 and 2019 Infrastructure Competitions to implement two projects that will mitigate flooding in the City of Mercedes and provide community resilience and to benefit housing; and

**WHEREAS**, solving flooding requires regional coordination, as floodwater does not follow political boundaries; and

**WHEREAS**, over the last several years, City of Mercedes and Hidalgo County Drainage District No. 1 have implemented robust outreach coordination efforts with the public as well as with the General Land Office ("GLO") to identify regional needs and solutions for mitigation of flooding; and

**WHEREAS**, the City of Mercedes Dome Drainage Improvement Project are an identified priority to mitigate flooding in the City of Mercedes and in Hidalgo County; and

**WHEREAS**, the City of Mercedes's proposed projects will effectively and safely store and redirect stormwater away from low-to-moderate income ("LMI") housing and towards drainage reservoirs, providing both local and regional flood control; and

**WHEREAS**, if the GLO funding is awarded, it will be issued to the City of Mercedes, who will serve as the fiduciary and lead local agency, and Hidalgo County Drainage District No. 1 will assist City of Mercedes with grant management cost expenses; and

**WHEREAS**, the City of Mercedes Dome Drainage Improvement Project will have an immediate and measurable effect in permanently mitigating flooding and safeguarding the health and safety of citizens in the City of Mercedes, the Rio Grande Valley, and the State of Texas;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Mercedes and the Board of Hidalgo County Drainage District No. 1 agree to enter into this MOU in order to assist the City of Mercedes to undertake the grant management and environmental of the City of Mercedes Dome Drainage Improvement Project with grant funding from the GLO's 2019 CDBG-DR Infrastructure Competitions in full compliance with all GLO and Housing and Urban Development ("HUD") rules and regulation.

### **1. Objective of the Document**

*(GLO Instructions: Clearly state the objective of the document. State the overall intent of the document including a brief statement of the intent of each party.)*

1.1 The objective of this document is to state the roles and responsibilities of City of Mercedes and the Hidalgo County Drainage District No. 1 regarding funding for the GLO's 2019 CDBG-DR Infrastructure Competition. The overall objective is to work in partnership to maximize value and to construct a project that will serve to mitigate flooding for generations to come.

### **2. Parties Involved**

*(GLO Instructions: Clearly identify each party involved.)*

2.1 City of Mercedes ("City") and Hidalgo County Drainage District No. 1 ("Drainage District" or "HCDD1") will work in partnership with the General Land Office ("GLO"). All formal notices regarding this MOU shall be submitted as follows:

**If to City:** City of Mercedes  
Attn: Oscar D. Montoya, Sr., Mayor  
P.O. Box 837  
Mercedes, TX 78570

**If to HCDD1:** Hidalgo County Drainage District No. 1  
Attn: Raul E. Segin, P.E., C.F.M.  
902 N Doolittle Rd.  
Edinburg, Texas 78542

**If to GLO:** TBD

2.2 Pursuant to the Action Plan regarding GLO's 2019 CDBG-DR Infrastructure Competition, City of Mercedes will serve as the lead and fiduciary regarding 2019 CDBG-DR Infrastructure Competition funding. Drainage District will assist City of Mercedes pursuant to the terms in this MOU.

2.3 Day-to-day activities will be handled by the City of Mercedes City Administrator Alberto Perez on behalf of City. Day-to-day activities will be handled by Mr. Raul E. Segin, P.E., C.F.M. on

behalf of Drainage District. Activities outside day-to-day activities will require approval by the City Council of the City of Mercedes and Hidalgo County Drainage District No. 1's Board. All decisions outside of day-to-day activities will be coordinated with GLO's designated representative.

### **3. Time Period**

*(GLO Instructions: Specify the time period of the agreement with start and end dates.)*

3.3 The terms of this MOU shall start upon approval by the City Council of the City of Mercedes and the Board of Hidalgo County Drainage District No. 1. The MOU shall be in effect for a period of five (5) years or until the Project is completed pursuant to Section 6 of this MOU. Should additional time be needed to complete the obligation of this MOU, the City Council of the City of Mercedes and the Board of Hidalgo County Drainage District No. 1 can extend this MOU for terms of five (5) additional years, as needed to complete the projects.

### **4. Roles and Responsibilities**

*(GLO Instructions: roles and responsibilities will be subject to the specific circumstances of the application/project. -Clearly identify the specific duties and responsibilities of each party. Include each entity's sole responsibilities, as well as responsibilities shared by all parties, as appropriate. -Clearly specify which party is financially responsible for which items, when payments are due (as appropriate), and any other detail that will help to avoid confusion or disputes.)*

4.1 Pursuant to the Action Plan regarding GLO's 2019 CDBG-DR Infrastructure Competition, City of Mercedes will serve as the lead and fiduciary regarding 2019 CDBG-DR Infrastructure Competition. City of Mercedes submitted the grant applications to the GLO.

4.2 City of Mercedes will provide staff and resources to manage the grant and oversee all aspects of the projects. City of Mercedes will fund these tasks with its resources. At the beginning of each fiscal year, City of Mercedes will be sure to allocate specific funding from its budget for the management of funds for GLO's 2019 CDBG-DR Infrastructure Competition.

4.3 Drainage District will provide City of Mercedes for Grant Management Services and Environmental for the City of Mercedes Dome Drainage Improvement Project.

4.4 Drainage District will provide funding for Grant Management and Environmental to the City of Mercedes for its Dome Drainage Improvement Project at no cost to City of Mercedes.

4.5 During the construction of the projects, Hidalgo Mercedes will be the owner of the project.

4.6 Upon completion of the City of Mercedes Dome Drainage Improvement Project, in compliance with Section 6 of this MOU, the Drainage District has the ability to perform maintenance work in perpetuity for the constructed improvements.

4.6 Drainage District estimates that the annual maintenance cost for City of Mercedes Dome Drainage Improvement Project will be \$10,000.00. Should City of Mercedes request it, Drainage District agrees to allocate funding from its annual maintenance and operation budget in perpetuity for the maintenance and operation of the City of Mercedes Dome Drainage Improvement Project.

4.7 Should there be any cost overruns needed to complete City of Mercedes Dome Drainage Improvement Project, the Drainage District will fund the difference needed to complete these projects.

## 5. Dispute Resolution

*(GLO Instructions: Confidentiality clauses, as appropriate. -Indemnity clauses, as appropriate. - Dispute resolution and settlement clauses should be included in case a breach, invalidation, or termination of the document occurs. Ensure prompt resolution and identify the manner in which the dispute shall be settled. -Clearly identify termination options.)*

5.1 GLO shall form a part of all negotiations and be given time to participate and advise City of Mercedes and Drainage District regarding the best way to proceed.

5.2 Given that all parties are governmental entities that are subject to the Texas Public Information Act, there shall not be any confidentiality clauses in this MOU.

5.3 City of Mercedes and Drainage District release each other and the GLO of any liability caused by the implementation of this MOU and the Main Floodwater Channel Expansion Projects - Phases 1 and 2.

5.4 Should a dispute arise between City of Mercedes and Drainage District, the parties, along with a representative from GLO, hereby agree to cooperate in good faith to resolve the dispute. Should this be unsuccessful, City of Mercedes, the Drainage District, and a representative from GLO shall attend mandatory mediation. Should that be unsuccessful, either City of Mercedes or the Drainage District can agree to abandon their responsibilities under this MOU with a 30-Day Written Notice. In case City of Mercedes or the Drainage District exercise this option: (1) City of Mercedes will become the sole owner of the project; (2) City of Mercedes agrees to undertake all responsibilities of the Drainage District needed to complete the projects and to maintain and operate the projects in perpetuity; and (3) Drainage District agrees to allow City of Mercedes to own the projects as well as to give the city the ability to perform maintenance and operation activities on the projects.

5.5 Under no circumstance shall City of Mercedes be liable to the Drainage District or vice-versa.

5.6 This MOU does not grant any waivers of immunity.

## 6. Closeout of Project

*(GLO Instructions: Clearly identify final closing activities and completion of the agreement, as appropriate.)*

6.1 Upon Completion of Projects, and submittal of all closeout paperwork to GLO and HUD, should any be needed, the City of Mercedes will take ownership of the projects.

6.2 Should any legal instruments be needed to transfer ownership of the project to the City or Mercedes, Drainage District hereby agrees to prepare and execute such documents.

6.3 City of Mercedes and the Drainage District will work cooperatively with GLO to perform all closeout projects.

6.4 City of Mercedes and the Drainage District agree to keep GLO updated of any developments regarding the project and to provide periodic reports regarding the activities accomplished through the implementation of City of Mercedes Dome Drainage Improvement Project.

## 7. Miscellaneous Provisions

7.1 **Conflict with Applicable Law.** Nothing in this MOU shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this MOU and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provision of this MOU shall be modified only to the extent necessary to bring this MOU within any such legal requirements and only during the times such conflict exists.

7.2 **No Waiver.** No waiver by any party hereto of any breach of any provision of this MOU shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

7.3 **Entire Agreement.** This MOU contains the entire agreement between the parties hereto, reflecting the subject matter hereto and each party acknowledges that neither has made (either directly or through any agent or representative) any representation or agreement in connection with this MOU not specifically set forth herein. This MOU may be modified or amended only by agreement in writing executed by Drainage District and City of Mercedes, only after approval of the GLO, and not otherwise.

7.4 **Texas Law to Apply.** This MOU shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas. The parties hereby consent to personal jurisdiction in Hidalgo County, Texas.

7.5 **Additional Documents.** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this MOU.

7.6 **Successors.** This MOU shall be binding upon and inure to the benefit of the parties hereto and their respective administrators, legal representatives, successors and assigns where permitted by this MOU.

7.7 **Assignment.** This MOU shall not be assignable.

7.8 **Headings.** The headings and captions contained in this MOU are solely for convenience reference and shall not be deemed to affect the meaning or interpretation of any provision of paragraph hereof.

7.9 **Gender and Number.** All pronouns used in this MOU shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and so often as may be appropriate.

7.10 **Authority to Execute.** The execution and performance of this MOU by Drainage District and City of Mercedes have been duly authorized by all necessary laws, resolutions or governing body action of the parties and this MOU constitutes the valid and enforceable obligations of Drainage District and City of Mercedes in accordance with its terms only after approval of the GLO.

7.11 **Non-Discrimination.** This MOU and all related activities shall be conducted in a manner that does not discriminate against any person on a basis prohibited by applicable law or City of Mercedes and Drainage District policy, including without limitation race, color, national origin, religion, sex, age, veteran status, or disability.

7.12 **Appendix II To CFR 200-Contract Provisions.** Pursuant to 2 CFR 200.326, a non-Federal entity's contracts must contain the applicable provisions described in Appendix II to 2 CFR 200-Contract Provisions for non-Federal Entity Contracts under Federal Awards. Therefore, if applicable, the provisions of Appendix II to 2 CFR 200 are attached and incorporated by reference into this contract should it be subject to Federal award.

7.13 **Governmental Purpose.** Each party hereto is entering into this MOU for the purpose of providing for governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.

7.14 **Commitment of Current Revenues Only.** In the event that, during any term hereof, the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this MOU, then any party may terminate this MOU upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this MOU. The parties intend this provision to be a continuing right to terminate this MOU at the expiration of each budget period of each party hereto pursuant to the provisions of Tex. Loc. Govt. Code Ann. §271.903.

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Oscar D. Montoya, Sr., Mayor  
City of Mercedes, Texas

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Richard Cortez, Chairman of Board  
Hidalgo County Drainage District No. 1

## GLO Instructions re: MOU

*Applications that involve multiple entities or jurisdictions must clearly identify all parties and the roles and responsibilities of each party, to include financial involvement and/or liability. Applicants may provide a conditional or draft Memorandum of Understanding, Interlocal Agreement, or other binding vehicle identifying those roles and responsibilities. Applications involving multiple entities or jurisdictions that proceed to award will require a fully executed document signed by all parties. Execution of the document may occur after the application is deemed fully eligible. The contents of any given Memorandum of Understanding, Interlocal Agreement, or other binding vehicle designed to clarify roles and responsibilities will be subject to the specific circumstances of the application/project. Each document should be prepared and written in a manner that best covers the liabilities of all parties involved. The document is ultimately the responsibility of the agreeing parties. The GLO encourages each local entity to consult local legal counsel regarding contractual matters. Some best practices to consider when preparing and writing such a document are: -Clearly state the objective of the document. State the overall intent of the document including a brief statement of the intent of each party. -Clearly identify each party involved. -Specify the time period of the agreement with start and end dates. -Clearly identify the specific duties and responsibilities of each party. Include each entity's sole responsibilities, as well as responsibilities shared by all parties, as appropriate. -Clearly specify which party is financially responsible for which items, when payments are due (as appropriate), and any other detail that will help to avoid confusion or disputes. -Confidentiality clauses, as appropriate. -Indemnity clauses, as appropriate. -Dispute resolution and settlement clauses should be included in case a breach, invalidation, or termination of the document occurs. Ensure prompt resolution and identify the manner in which the dispute shall be settled. -Clearly identify termination options. -Clearly identify final closing activities and completion of the agreement, as appropriate. These are a basic outline of topics and/or issues that should be considered. Other topics and/or issues may also need to be included to fully address the particular project*

**CONSENT ITEM :**

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**DATE:** December 6, 2022

**FROM:** Alberto Perez

**ITEM:** **Bids/Contracts**

**Discussion and possible action to approve directing City Manager and Legal to work with City's Energy Consultant, Marco A. Arredondo, Inc. on negotiating with Retail Electric Providers the most favorable electric price for Energy Contract renewal.**

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**BACKGROUND INFORMATION:**

The City of Mercedes current energy contract with Gexa will expire on the meter read dates in January of 2023. The City's energy consultant, Marco A. Arredondo, Inc. requested bids from Retail Electric Providers on November 16, 2022 and has been monitoring prices to obtain the most favorable electric price for the contract renewal. The City's current quotes in the RFP are 100% fixed and include all the components in the energy price. The City's new contract will not be affected by a winter freeze with extremely high bills like so many other cities and customers in Texas.

**BOARD REVIEW/CITIZEN FEEDBACK:** N/A

**ALTERNATIVES/OPTIONS:** N/A

**FISCAL IMPACT:** N/A

**LEGAL REVIEW:** Martie Garica-Vela

**ATTACHMENTS:** N/A

**DRAFT MOTION:** With energy prices changing daily, we recommend that the City Manager be authorized to enter into an energy contract with the lowest energy price provider recommended by Marco A. Arredondo, Inc. for a term up to 10 years from one of the 3 highest ranked REP's in accordance with the RFP criteria.



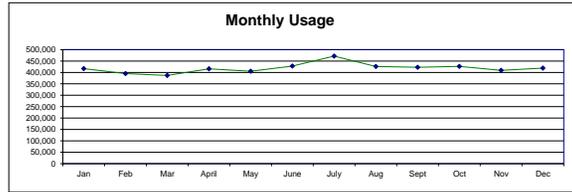
Customer Name:	City of Mercedes
Proposal Date:	11/16/2022
Start Date:	January-23
Customer Profile	
Location	TX
Zones	AEP
Meter Count	116
Estimated Annual KWH	\$0.022,851
Estimated TDSP	\$0.05805
Existing Provider	Geva Energy

Product	REP	Bandwidth	Current Rate	12 Months	18 Months	24 Months	30 Months	36 Months	42 Months	48 Months	60 Months	65 Months	72 Months	84 Months	96 Months	108 Months	114 Months	120 Months
Fixed-All In	REP 7	100%		\$0.0661700	\$0.0629000	\$0.0616700	\$0.0601600	\$0.0595900		\$0.0586100								
Fixed-All In	REP 1	100%		\$0.0688700		\$0.0651000		\$0.0636900		\$0.0622800	\$0.0615800							
Fixed-All In	REP 2	100%		\$0.0728000	\$0.0696000	\$0.0682000	\$0.0669000	\$0.0663000	\$0.0657000	\$0.0655000	\$0.0650000							
Fixed-All In	REP 3	100%		\$0.0664600		\$0.0669900		\$0.0588700		\$0.0578000	\$0.0570900	\$0.0568100						
Fixed-All In	REP 4	100%		\$0.0667000		\$0.0620400		\$0.0599500		\$0.0589700	\$0.0583800		\$0.0591400	\$0.0591300	\$0.0594500	\$0.0599700		
Fixed-All In	REP 5	100%		\$0.0675900		\$0.0633400		\$0.0613500		\$0.0602600	\$0.0596000		\$0.0594400	\$0.0599300	\$0.0604600	\$0.0610500	\$0.0612400	
Fixed-All In	REP 6	100%		\$0.0684273		\$0.0632547		\$0.0609395		\$0.0598492	\$0.0589936		\$0.0595632	\$0.0592392	\$0.0591470	\$0.0592262		\$0.0593746
Meter Charge			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Estimated Delivery Charges per kWh (TDSP)			\$0.05805	\$0.05805	\$0.05805	\$0.05805	\$0.05805	\$0.05805	\$0.05805	\$0.05805	\$0.05805	\$0.05805	\$0.05805	\$0.05805	\$0.05805	\$0.05805	\$0.05805	\$0.05805
<b>Energy Charge ( Lowest Provider for this Term )</b>			<b>\$0.0400000</b>	<b>\$0.0661700</b>	<b>\$0.0629000</b>	<b>\$0.0609900</b>	<b>\$0.0601600</b>	<b>\$0.0588700</b>	<b>\$0.0657000</b>	<b>\$0.0578000</b>	<b>\$0.0570900</b>	<b>\$0.0568100</b>	<b>\$0.0591400</b>	<b>\$0.0591300</b>	<b>\$0.0591470</b>	<b>\$0.0592262</b>	<b>\$0.0612400</b>	<b>\$0.0593746</b>
Sales Tax	0.000%		\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000
Gross Receipts Tax	1.997%		\$0.00196	\$0.00248	\$0.00242	\$0.00238	\$0.00236	\$0.00233	\$0.00247	\$0.00231	\$0.00230	\$0.00229	\$0.00234	\$0.00234	\$0.00234	\$0.00234	\$0.00238	\$0.00234
PLCA Fee	0.167%		\$0.00016	\$0.00021	\$0.00020	\$0.00020	\$0.00020	\$0.00019	\$0.00021	\$0.00019	\$0.00019	\$0.00019	\$0.00020	\$0.00020	\$0.00020	\$0.00020	\$0.00020	\$0.00020
Estimated Total Price per kWh			\$0.10017	\$0.12691	\$0.12357	\$0.12161	\$0.12077	\$0.11945	\$0.12643	\$0.11836	\$0.11763	\$0.11734	\$0.11972	\$0.11971	\$0.11973	\$0.11981	\$0.12187	\$0.11996
Estimated Annual Cost			\$ 503,140.59	\$ 637,432.74	\$ 620,652.64	\$ 610,851.41	\$ 606,592.24	\$ 599,972.57	\$ 635,020.92	\$ 594,481.83	\$ 590,838.45	\$ 589,401.62	\$ 601,358.08	\$ 601,306.77	\$ 601,394.00	\$ 601,800.42	\$ 612,134.30	\$ 602,561.94
Annual Savings			\$ -	\$ (134,292.15)	\$ (117,512.05)	\$ (107,710.82)	\$ (103,451.65)	\$ (96,831.98)	\$ (131,880.33)	\$ (91,341.24)	\$ (87,697.85)	\$ (86,261.03)	\$ (98,217.49)	\$ (98,166.18)	\$ (98,253.41)	\$ (98,659.83)	\$ (108,993.71)	\$ (99,421.35)
Percentage			0%	-27%	-23%	-21%	-21%	-19%	-26%	-18%	-17%	-17%	-20%	-20%	-20%	-20%	-22%	-20%
<b>Contract Term Savings/Increase</b>				<b>\$ (134,292.15)</b>	<b>\$ (176,268.07)</b>	<b>\$ (215,421.65)</b>	<b>\$ (258,629.13)</b>	<b>\$ (290,495.94)</b>	<b>\$ (461,581.16)</b>	<b>\$ (365,364.97)</b>	<b>\$ (438,489.27)</b>	<b>\$ (467,247.23)</b>	<b>\$ (589,304.95)</b>	<b>\$ (687,163.24)</b>	<b>\$ (786,027.30)</b>	<b>\$ (887,938.47)</b>	<b>\$ (1,035,440.21)</b>	<b>\$ (994,213.49)</b>
Credit																		
Consumption Bands																		
Add & Delete																		

TDSP charges are estimates only and based on current tariff rates. All pass-through charges will be passed through with no additional mark-up. Prices are indicative and pending on wholesale gas movement at the time of transaction or may not need to be refreshed.

Months	kWh
Jan	415,662
Feb	395,088
Mar	386,848
April	415,692
May	405,357
June	427,950
July	471,583
Aug	426,289
Sept	422,798
Oct	426,535
Nov	409,098
Dec	418,951

5,022,851



## City of Mercedes REP Weighted Selection

Retail Electric Provider	Price	Customer Service & Support	Financial Stability	Consolidated Billing Reports	Electronic Billing & Online Access	Total Points
	50	15	15	10	10	
	<b>REP 1</b>					
Fixed - Load Zone	46.4	10	15	10	5	<b>86.35</b>
<b>REP 2</b>						
Fixed - Load Zone	43.9	10	15	10	10	<b>88.92</b>
<b>REP 3</b>						
Fixed - Load Zone	50.0	10	15	10	10	<b>95.00</b>
<b>REP 4</b>						
Fixed - Load Zone	48.9	10	20	10	10	<b>98.90</b>
<b>REP 5</b>						
Fixed - Load Zone	47.9	10	20	10	10	<b>97.89</b>
<b>REP 6</b>						
Fixed - Load Zone	48.4	10	20	10	10	<b>98.39</b>

	Price 1 Year \$/kwh	Price 2 Year \$/kwh	Price 3 Year \$/kwh	Price 4 Year \$/kwh	Price 5 Year \$/kwh
<b>REP 1</b>					
Fixed - Load Zone					0.06158
<b>REP 2</b>					
Fixed - Load Zone					0.065
<b>REP 3</b>					
Fixed - Load Zone					0.05709
<b>REP 4</b>					
Fixed - Load Zone					0.05838
<b>REP 5</b>					
Fixed - Load Zone					0.0596
<b>REP 6</b>					
Fixed - Load Zone					0.05899

**LEGAL SERVICES CONTRACT**

THIS IS AN AGREEMENT between The Law Office of Martie Garcia Vela, P.C. (hereinafter referred to as "Attorney"), whose principal office address is 4101 Washington Avenue Houston, Texas 77007 and City of Mercedes, an incorporated entity organized and existing under the laws of the State of Texas, with its principal place of business at 400 South Ohio Street Mercedes, Texas 78570 (hereinafter referred to as "Client"), Client retains and employs Attorney to represent Client, as follows:

WITNESSETH:

Client hereby agrees and contracts with Attorney for the legal services to be provided for and on behalf of Client in the representation of Client. Representation is to include advising, counseling, negotiating, investigating, handling, prosecuting, and/or defending in this matter or matters arising out of Client's municipal government entities daily operations. Client hereby gives attorney power of attorney to execute documents in connection to legal services on behalf of client.

ARTICLE 1

1.01 Written Agreement. Attorney and Client agree that it is feasible and desirable to reach a clear agreement as to the basis of the fee charges to be made in order to prevent later misunderstandings. Therefore, Attorney and Client agree that it is beneficial to reduce to writing the understanding of Attorney and Client regarding the fee. Attorney gives notice to client that through the term of engagement she will maintain reasonable errors and omissions coverage for her services in connection with this employment.

1.02 Factors in Setting Fee. In determination of the total fee to be charged Client, Attorney will consider the following factors and guidelines approved by the Supreme Court of Texas and in the Code of Professional Responsibility on what is a reasonable fee:

- a. The time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal services properly;
- b. The likelihood, if apparent to Client, that the acceptance of the particular employment will preclude any other employment by Attorney;
- c. The fee customarily charged in the locality for similar legal services;
- d. The amount involved and the results obtained;
- e. The time limitations imposed by Client or by the circumstances;
- f. The nature and length of the professional relationship with Client;



5. Expert and Investigator fee	actual amount expended
6. Deposition and Court Cost	actual amount expended
7. Poster printer enlargement	actual amount expended
8. Messenger and courier	actual amount expended
9. Photos / exhibits	actual amount expended
10. Reports	actual amount expended

- f. It is further understood and agreed that fees for any and all legal services rendered by Attorney on the behalf of Client subsequent shall be governed by the preceding paragraphs.
- g. Attorney will provide Client, every 1<sup>st</sup> of the month or otherwise appropriate intervals, a statement setting forth, in summary, time and expenses incurred. Supporting documents including invoices and time records will be provided with the billing statement. All fees and costs are due, and payable upon receipt of a statement for services rendered and expenses incurred. Accounts in excess of 30 days shall accrue interest at the maximum rate allowed by law. Client hereby consents that should such account become delinquent, Client hereby authorizes Attorney to disclose such information to third parties as is deemed reasonable and necessary for the enforcement of the claim for any fee or expense authorized hereunder.
- h. Attorney has the authority to hire special and/or local counsel and such employment and fee shall be approved by the City Manager.
- i. All records received from the City of Mercedes shall remain the City of Mercedes and shall be transferred to the City within 30 days of termination or separation of services by the Attorney.

ARTICLE 2

ENTIRE AGREEMENT OF THE PARTIES

2.01 This contract embodies the entire agreement of the parties hereto with respect to the matters herein contained, and it is agreed that this contract may not be modified or revoked unless by written agreement signed by both parties and a copy is attached hereto and made a part hereof. FURTHER, CLIENT ACKNOWLEDGES THAT IN ADDITION TO CLIENT HAVING READ THIS AGREEMENT IN ITS ENTIRETY, THE UNDERSIGNED ATTORNEY HAS ANSWERED ANY QUESTIONS CONCERNING THE AGREEMENT RAISED BY CLIENT AND CLIENT UNDERSTANDS THE AGREEMENT AND CONSIDERS IT TO BE FAIR AND REASONABLE. THE PARTIES AGREE TO MEDIATE ANY LEGAL DISPUTES THAT ARISE FROM THIS AGREEMENT IN HIDALGO COUNTY, TEXAS PRIOR TO FILING SUIT TO ANY CLAIM. TEXAS LAW TO APPLY.

NOTICE TO CLIENT

The State Bar of Texas investigates and prosecutes professional misconduct committed by Texas

Attorneys. Although not every complaint against or dispute with a lawyer involves professional misconduct, the State Bar Office General Counsel will provide you with information about how to file a complaint. For more information, please call 1-800-932-1900.

I, Oscar Montoya in my capacity as the Mayor for the city of Mercedes certify and acknowledge that I have read this agreement and understand all of its provisions. I further affirm that I have voluntarily entered into this agreement fully aware of its terms and conditions on behalf of the City of Mercedes and with approval of the City Commission.

THIS CONTRACT IS SIGNED in Hidalgo County, on \_\_\_\_\_

CLIENT

\_\_\_\_\_  
City of Mercedes, Representative

ATTORNEY

\_\_\_\_\_  
Martie G. Vela

This instrument was acknowledged before me on \_\_\_\_\_

By:\_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of TEXAS

Commission Expires: \_\_\_\_\_