

COUNTY OF HIDALGO COMMISSIONERS' COURT

BE IT REMEMBERED that on the 25th day of August, 1998 after notice duly having been given, a Special Meeting of the Commissioners' Court and the Drainage District #1 Board was begun and holden in the Commissioners' Courtroom, in the County Administration Building, in the City of Edinburg, County of Hidalgo, State of Texas, with the following being members of said Court:

**HONORABLE RENATO CUELLAR
COUNTY JUDGE**

**HONORABLE SYLVIA HANDY
COUNTY COMMISSIONER, PRECINCT 1**

**HONORABLE ABELARDO "LALO" ARCAUTE
COUNTY COMMISSIONER, PRECINCT 2**

**HONORABLE JUAN ROSEL
COUNTY COMMISSIONER, PRECINCT 3**

**HONORABLE GUADALUPE "LUPE" GARCES, JR.
COUNTY COMMISSIONER, PRECINCT 4**

and where the following proceedings were had, to-wit:

DRAINAGE DISTRICT #1

The Honorable Renato Cuellar, County Judge, called the Drainage District #1 Board meeting to order, whereupon the following proceedings were had, to-wit:

CONSENT AGENDA

ITEM 1. APPROVAL OF CHECK REGISTER AND PAYMENT OF CLAIMS AND BILLS - COUNTY AUDITOR

ITEM 2. PERMIT - CITY OF PHARR - VALLE DE LA PRIMAVERA

(See Exhibit A)

ITEM 3. LINE ITEM TRANSFER - \$20,000.00 & \$11,090.00

(See Exhibit B)

The County Judge introduced the Consent Agenda and asked if there were any questions and/or comments. There being none, a motion was made by Commissioner Rosel and seconded by Commissioner Garces to approve.

MOTION CARRIED.

REGULAR AGENDA

ITEM 1. APPROVAL OF INTERLOCAL AGREEMENT BETWEEN THE HIDALGO COUNTY DRAINAGE DISTRICT #1, CITY OF MISSION AND THE CITY OF MCALLEN FOR STORM WATER DRAINAGE OUTFALL

Godfrey Garza, Drainage District Director, came before the Court requesting approval of an interlocal agreement between the Hidalgo

County Drainage District #1, the City of Mission and the City of McAllen for storm water drainage outfall for in-kind service in the amount of \$42,000.00. A motion was made by Commissioner Rosel and seconded by Commissioner Garces to approve.

MOTION CARRIED.
(See Exhibit C)

ITEM 2. APPROVAL OF BUDGET AMENDMENT-MAIN DRAIN-ADMINISTRATION

A motion was made by Commissioner Rosel and seconded by Commissioner Garces to approve a budget amendment in the amount of \$1,000.00 for the Drainage District #1.

MOTION CARRIED.
(See Exhibit C)

ITEM 3. PURCHASING DEPARTMENT

- A. Requesting to declare surplus one (1) 1987 GMC Truck w/hoist (Asset #019390)
- B. Recommending award of bid for "Three (3) New 1999 Four (4) Wheel Drive ½ Ton Pick-Up Trucks" to lowest bidder that meets all specifications.

3/A

A motion was made by Commissioner Rosel and seconded by Commissioner Handy to authorize the declaration of one 1987 GMC Truck w/hoist (Asset #019390) as surplus.

MOTION CARRIED.
(See Exhibit D)

3/B

A motion was made by Commissioner Rosel and seconded by Commissioner Garces to award the bid for "Three (3) New 1999 Four (4) Wheel Drive ½ Ton Pick-Up Trucks" to Bert Ogden who is lowest bidder meeting all specifications in the total amount of \$62,640.00.

MOTION CARRIED.

(See Exhibit D)

There being no further business to come before the Drainage District #1 Board, a motion was made by Commissioner Rosel and seconded by Commissioner Garces that said meeting be hereby adjourned.

MOTION CARRIED.

COMMISSIONERS' COURT

The Honorable Renato Cuellar, County Judge, called the Commissioners' Court meeting to order whereupon the following proceedings were had, to-wit:

CONSENT AGENDA

ITEM 1. APPROVAL OF CHECK REGISTER AND PAYMENT OF CLAIMS AND BILLS - COUNTY AUDITOR

(See Exhibit E)

ITEM 2. LINE ITEM TRANSFERS

- A. Commissioner Pct. 1 - Road & Bridge - \$8,600.00
- B. Commissioner Pct. 1 - Park - \$4,500.00
- C. Commissioner Pct. 2 - County Wide - \$5,900.00
- D. Commissioner Pct. 2 - Parks - \$1,000.00
- E. Commissioner Pct. 2 - Road Administration - \$400.00
- F. Civil Service - \$5,000.00
- G. Adult Probation - Supervision - \$3,021.00
- H. District Attorney - Bad Checks Account - \$10,400.00

- I. Auxiliary Court - \$8,250.00
- J. Jail Impact Court - \$2,363.00
- K. Health Department - Administration - \$3,150.00
- L. Buildings & Grounds - \$7,487.62
- M. 332nd District Court - \$200.00
- N. J.P. Pct. 3 Pl. 1 - \$170.00
- O. Tax Office - \$26,074.55
- P. Veterans Memorial Project - \$348.33
- Q. 93rd District Court - \$3,000.00
- R. Library System - \$550.00
- S. Texas DPS - \$50.00

(See Exhibit F)

ITEM 3. URBAN COUNTY PROGRAM

- A. HOME "First-Time Homebuyer" Contract Agreement and Letter of Commitment to Mortgage Company - 3 families
- B. Extension of Letter of Commitment to Mortgage Company on HOME First-Time Homebuyer Contract Agreement - 1 Family
- C. HOME - Homeowner Occupied Housing Rehab Application - 1 family

(See Exhibit G)

ITEM 4. RIGHT OF WAY

- A. Pct. #1 - North Alamo Water Supply
- B. Pct. #2 - North Alamo Water Supply
- C. Pct. #3 - Southwestern Bell Telephone
- Shell Western Exp., Inc.

(See Exhibit H)

ITEM 5. PURCHASING DEPARTMENT

- A. Hidalgo County Precinct No. 2 - Approval of personal services contract (Housekeeping Services) for offices

(See Exhibit I)

The County Judge introduced the Consent Agenda and asked if there were any questions and/or comments. Commissioner Arcaute reported that legal counsel was requesting no action on item 5 and

Mari Gonzalez, from the County Judge's Office, indicated that there were some corrections on the line item transfers. A motion was then made by Commissioner Rosel and seconded by Commissioner Handy to approve the Consent Agenda with the changes.

MOTION CARRIED.

EXECUTIVE AGENDA

ITEM 1. CLOSED SESSION

Commissioners' Court may go into Closed Session pursuant to Chapter 551, Texas Government Code, Section 551.071 to discuss the following:

A. Litigation

1. Alfredo Regalado & Maria Regalado -vs- County of Hidalgo - CL-28,600-A
2. Eduvina Leal -vs- County of Hidalgo M-94-115
3. Caroline E. West -vs- County of Hidalgo M-95-268
4. Elsa de Luna -vs- OET - Case #96-118
5. OTR an Ohio General Partnership -vs- Hidalgo County, Texas C-4244-98-B
6. Authorize Attorney to seek Declaratory Judgment that Certificates of Obligation have been properly authorized and issued
7. Requesting that Court Order the Posting of a Bond by an Opposing Party or Intervenor

The County Judge informed the Court that items 2/A/6 and 2/A/7 would not be discussed in Executive Session. The then joined the County Commissioners in Executive Session and they were accompanied by Steve Crain, the County legal counsel.

NO ACTION.

ITEM 2. OPEN SESSION

A. Litigation

1. Alfredo Regalado & Maria Regalado -vs- County of Hidalgo - CL-28,600-A
2. Eduvina Leal -vs- County of Hidalgo M-94-115
3. Caroline E. West -vs- County of Hidalgo M-95-268
4. Elsa de Luna -vs- OET - Case #96-118
5. OTR an Ohio General Partnership -vs- Hidalgo County, Texas C-4244-98-B
6. Authorize Attorney to seek Declaratory Judgment that Certificates of Obligation have been properly authorized and issued
7. Requesting that Court Order the Posting of a Bond by an Opposing Party or Intervenor

2/A/1

The County Judge informed the Court that no action would be required on this item at this time.

NO ACTION.
(See Exhibit J)

2/A/2

A motion was made by Commissioner Handy and seconded by Commissioner Arcaute to proceed as directed in Executive Session.

MOTION CARRIED.
(See Exhibit J)

2/A/3

A motion was made by Commissioner Handy and seconded by Commissioner Rosel to proceed as directed in Executive Session

MOTION CARRIED.
(See Exhibit J)

2/A/4

A motion was made by Commissioner Handy and seconded by Commissioner Rosel to reimburse the Texas Association of Counties an amount of \$4,000.00.

MOTION CARRIED.
(See Exhibit J)

2/A/5

A motion was made by Commissioner Rosel and seconded by Commissioner Handy to hire Preston Henrichson to represent the County in this case and to authorize him to proceed in this case as discussed in Executive Session.

MOTION CARRIED.
(See Exhibit J)

2/A/6 (in verbatim format)

JESUS RAMIREZ Good morning Judge and Commissioners. We have prepared for you for approval by the Court today, a petition to validate the issuance and sale of the certificates of obligation which is a proceeding that's permitted under the statute in cases where there has been threatened litigation in connection with the issue of debt obligations and we would anticipate that if the Court approves that lawsuit, we could file it today and we could probably have everything resolved within 45 days. That means that we could have probably a final judgment for you in about 45 days after which time, we could actually have delivery of the bond proceeds. The reason for that is this, members of the Court. Once there is this threat of litigation, there has been publicly, the threat of litigation, that automatically tends to raise a question, the question in the market as to whether down the road someone might be able to challenge the authorization of these securities. So the only way that we can sew it up and get everything resolved is through this validation petition. What it does is the following: it allows anyone who has any kind of legal complaint in the

County to join the lawsuit and to attempt to show that the procedure that has been followed is not the proper one. If they do, if someone in fact intervenes in the lawsuit, the Court is authorized to post a bond, to require the posting of a bond in the amount equal to the additional costs that will be incurred by the County as a result of the delay in the issue of the obligations and in this case, those costs would include additional attorney's fees. It would include additional interest costs as a result of the delay. It would result in additional cost of issuance as a result of the delay and if in fact there is cost, construction costs continue going up, that would also include, that would be included in the cost and damages that would be required to be paid by the intervening parties. So it's a very serious procedure obviously that is intended by the legislature to make sure that if there is a complaint about the authority of the County to issue the bonds, that those folks be serious about it. This is the time to fish or cut bait.

COMM. ROSEL This is a....process for the posting of the bonds....

JESUS RAMIREZ Essentially, essentially yes

COMM. ROSEL It's an alternative so that they have to decide as to whether they're gonna do this.

JESUS RAMIREZ We will proceed with the action whether or not anybody intervenes....

COMM. ROSEL (INAUDIBLE)

JESUS RAMIREZ Precisely. But it is intended to bring finality and conclusion to the process.

COMM. HANDY I'd like to make a motion then the we authorize counsel to seek declaratory judgment that the certificates of obligation have been properly authorized and issued.

COMM. GARCES Second the motion Judge.

JUDGE CUELLAR Motion made and seconded. Is there a question on the motion? Is there a question on the motion. There being none all those in favor signify by saying Aye.

COMMISSIONERS Aye.

JUDGE CUELLAR All opposed. Ayes have it and so ordered.

MOTION CARRIED.
(See Exhibit J)

ADD. 1. COUNTY JUDGE'S OFFICE

- A. Order Authorizing the Issuance, Sale and Delivery of Certificates of Obligation Incorporating Certain Court Findings by the Commissioners' Court with respect to a petition under the certificates of obligation act and authorizing the filing a lawsuit for the Declaratory Judgment that the certificates have been properly authorized
- B. Order authorizing issuance, sale and delivery of Hidalgo County, Texas Limited Tax General Obligation Refunding Bonds, Series 1998; Levying a Continuing Direct Annual Ad Valorem Tax; Authorizing the advance refunding of certain outstanding Bonds; approving an official statement, execution of an escrow agreement, the subscription and purchase of certain escrowed securities, and making other provisions regarding such bonds and matters incident thereto

(The following items are in verbatim format)

- COMM. ROSEL Mr. Ramirez. For my information, I'm looking at item here A, B, it says request of that court to order the posting of bond by an opposing party or intervenor. Is that the next action that you're gonna want to take after C.
- JESUS RAMIREZ What I would like for you to do is to wait for Mr. Vela to present his information on the refunding bonds on the certificates of obligation so you can get an idea of the additional costs that are being precipitated as a result of the delay and then when we come back and ask for the bond, by the way, the bond that we will anticipate, the bond that we will anticipate requesting the district court to issue would be around 100 or \$125,000 which we think will be sufficient to cover whatever costs at this point. Whatever costs develop. That doesn't include any additional construction costs. If those arise, we can always come back and request that the bond be increased but Mr. Vela has some numbers for you as to what the current rates are, the interest rates are on these obligations and perhaps some history as to where we've been and perhaps where these rates are going. We can go ahead and approve those two orders and come back and discuss the bond.
- COMM. GARCES Do you all have that? Commissioner Handy you have that as 8D also. I can't find it.
- COMM. ROSEL What are you looking at?
- COMM. GARCES As far as the order.
- JUDGE CUELLAR It's in the addendum Commissioner.

- COMM. GARCES I got two addendums here and I can't come up with it. This is the corrected one. Not the same one. Did you all find it? Sylvia.
- COMM. HANDY Yes. Is this it?
- COMM. ROSEL Good morning Mr. Vela.
- CHRIS VELA How are you? Members of the Court, ladies and gentlemen. My name is Chris Vela with First Southwest Company, financial advisors to the County. We have been asked to analyze and to summarize the process for the issuance of these certificates as well as the refunding bonds. We have prepared as of today, first of all to again redefine the concept of the financing itself. Lets start off with the certificates of obligation. The certificates of obligation were prepared based on the needs that you all set priorities on and attached a dollar amount and the financing amount was determined that we would go out and size the issue at 6,940,000. Notice was posted for 7,500,000 under the CO act to make sure that if there were any underlying costs, rise in interest rates, that it could be absorbed and not limited to the amount the preliminarily estimated. It was a matter of cushion in the design. Now, the refunding is basically a concept where we have existing debt that were taken out because interest rates are lower. Now this refunding has been ongoing for quite sometime. It's not something that crept up last month. That's something that this Court have talked about for quite sometime. It was also determined that it was optimum from the refunding and the new money to do the two issues in tandem, to do them together. The reason for that is that under current IRS rules, the escrow that we would have

to buy to....the refunding bonds or the refunded bonds I should say, is limited in rate to the arbitrage rate on the bonds that we sell. So if you take the refunding bonds that are ten years in maturity and you take the certificates that are 20 years in maturity, obviously the arb rate on the 20 years maturity is higher than on the 10 years. Therefore, your escrow that is sized up over here for the refunding bonds, when invested is going to yield less therefore you issue more bonds, therefore you have less savings. Okay. That's the whole concept behind this thing here. Now, if you look at the two sheets that I gave you, we contacted the underwriters for this issue and we got a rate on the bonds themselves as of today and you can see that the....if you look at the refunding alone where it has a par amount of \$5,885,000 that the arb rate is 4.301 and it has a net present value saving of \$279,000. The percentage of the refunded principle to the net present value savings is 5.078. If you look at with the certificates of obligation combined, the par amount goes down to 5,815,000 again a function of the efficiency of the escrow, the arb rate goes up to 4.7 again because the certificates are longer and the net present value savings increased to \$348,000 and the percentage of refunded principle goes up to %6.3450. Those are the issues that I want you to focus on here. As you well know, there was a reason for combining these two issuance into one document. The new money and the refunding because it made sense to do them together. Okay. Now, if we do the refunding alone, obviously you are going to wind up with lower savings and again as a function of the escrow on the refunding bonds. Now it doesn't mean you are not going to have savings

but you will have less savings based on the numbers as of today.

COMM. HANDY

If we were to do it separately?

CHRIS VELA

If we would do it separately. And that's what I've been saying all along that these two issues needed to go together. Now the Court wants to proceed with the refunding alone, then obviously you know what the impact of that is. If you want to proceed with it together, obviously you know what the impact of that is. Now I'm not here to predict interest rates. That's not my business. I'm not smart enough to do that nor arrogant enough to do that either but they go down and they go up. That's the function of the market. All I'm saying is if I took a snap shot today, this is the result of that.

COMM. ARCAUTE

If I understand correctly, Mr. Ramirez' comments a while ago of this delay would be up 45 days.

CHRIS VELA

If I heard correctly, he said 45.

COMM. ARCAUTE

I asked first.

JESUS RAMIREZ

45.

COMM. ARCAUTE

Okay. 45 days. Well a lot of things can happen in the market in 45 days especially with what's.....

CHRIS VELA

That is the risk. That is the risk and that's something that you all have to consider.

COMM. ARCAUTE

So we're looking at a difference of \$69,000. That's 279 and 348.

- CHRIS VELA If interest rates go up then obviously you know your, you know it's less savings and you're into another ball game. On the other hand if they go down it's less.
- COMM. HANDY How likely is that to happen?
- CHRIS VELA Again Commissioner....
- COMM. HANDY How likely, likely....
- COMM. ROSEL (INAUDIBLE)
- COMM. ARCAUTE (INAUDIBLE)
- CHRIS VELA Let me give you this answer....
- COMM. ARCAUTE It's not gonna go down. We know that okay.
- CHRIS VELA Let me give you this answer. If you, you know, you've made us part of the record here the bond buyers index that we have provided to you. The lowest that we have seen was in February '98 when a 20 year bond, which was something like 4.96. As of last Friday, it was something like a little bit over 5%. So we're almost there to the all time low. Now the question is will it go lower than the all time low there? You know, what's gonna happen to Russia, to Venezuela to some of these other global economy impacts. I don't know.
- COMM. ARCAUTE It's not gonna come down anymore. You're not gonna answer Chris. Okay so the action that you're asking from this Commissioner's Court is do we do the refunding now or do we wait until this other stuff goes away.

- CHRIS VELA Yes sir.
- COMM. ARCAUTE Can we---69,000 in 45 days.
- JESUS RAMIREZ Commissioner Arcaute. Not only, I think one of the things that Chris didn't mention, that was the cost of issuance by doing two separate issues. One of the reasons that you would combine this is not only do you have a savings, a substantial savings but you also have less fees, less costs. Is that correct Mr. Vela.
- CHRIS VELA Yes your honor and there something that Mr. Ramirez was not aware of. I factored those costs in to the refunding only and they're factored in to the new money refunding combination. In other words, they're already in there. In other words what if the cost of issuance, I mean the net savings are minus the cost of issuance on each one respectively. One on one side and one on the other side. So with the numbers that you there are net of that.
- COMM. ARCAUTE I say we wait and do them both together.
- COMM. GARCES It would be a savings.
- COMM. ARCAUTE Okay. What are the....
- JESUS RAMIREZ With that information, I guess we could go ahead and go forward with this to, to approve the two orders, the order authorizing the issuance of the refunding bonds and the order authorizing the issuance of the certificates of obligation and with those documents, what we'll do with those documents is that the CO order will be attached as an exhibit to you petition to the Court. Both of those orders will be sent to the attorney general's

office who will also get a copy of the petition to the Court because the attorney general can also join the lawsuit in fact he is a party. He is a party to the lawsuit. So our request here would be that we approve the two orders and then that we...that you authorize us to request a bond in the amount of \$100,000 in the declaratory judgment action.

COMM. ARCAUTE Well now, that was 6 back here was it not or 7. So we're looking for three motions really here.

JESUS RAMIREZ Right. Three separate actions.

COMM. ARCAUTE 1A&B on the addendum and item 7 on the open session here. Is there a particular order that we should...

JESUS RAMIREZ No sir.

COMM. ARCAUTE Well Ill do the first one. Okay. I make a motion that we approve an order authorizing the issuance, sale and delivery of certificates of obligation incorporating certain court findings by the Commissioner's Court with respect to a petition under the certificates of obligation act and authorizing the filing of a lawsuit for the declare.....for a judgment that the certificates have been properly authorized—stated on the agenda.

COMM. HANDY Second.

JUDGE CUELLAR Motion made and seconded. Is there a question on the motion? Is there a question on the motion? There being none, all those in favor signify by saying Aye.

COMMISSIONERS Aye.

JUDGE CUELLAR All opposed. Ayes have it and so ordered.

COMM. ARCAUTE Anybody want to do the next one?

JUDGE CUELLAR Might as well.

COMM. HANDY I'd like to make a motion to order the authorizing of the issuance sale and delivery of Hidalgo County, Texas limited tax general obligation refunding bonds series 1998 levying a continuing direct annual ad valorem tax authorizing the advance refunding of certain outstanding bonds approving an official statement, execution of an escrow agreement, the subscription and purchase of certain escrowed securities and making other provisions regarding such bonds and matters incident thereto.

COMM. GARCES Second the motion. Now counsel, do we need to include the amount of the actual amount of the escrow?

JESUS RAMIREZ No.

JUDGE CUELLAR Motion made and motion seconded. Is there a question on the motion? Is there a question on the motion? There being none, all those in favor signify by saying Aye.

COMMISSIONERS Aye.

JUDGE CUELLAR All opposed. Ayes have it and so ordered.

MOTION CARRIED.

ITEM 2. OPEN SESSION**A. Litigation****7. Requesting that Court Order the Posting of a Bond by an Opposing Party or Intervenor**

COMM. HANDY The next motion, I'd like to request that the court order the posting of a bond by an opposing party or intervenor.

COMM. ARCAUTE Second.

JUDGE CUELLAR Motion made and seconded. Is there a question on the motion?

JESUS RAMIREZ The action is to request the Court Order the posting of bond---

COMM. HANDY That's what I said.

COMM. GARCES The amounts...

COMM. HANDY ...in the amount of what?

COMM. ROSEL \$100,000

COMM. HANDY in the amount of \$100,000.

JUDGE CUELLAR Motion made and seconded.

COMM. ROSEL Yes.

JUDGE CUELLAR Is there a question on the motion? Is there a question on the motion? There being none, all those in favor signify by saying Aye.

COMMISSIONERS Aye.

JUDGE CUELLAR All opposed. Ayes have it and so ordered.

MOTION CARRIED.
(See Exhibit J)

REGULAR AGENDA

ITEM 1. OPEN FORUM

Judge Cuellar announced that Mr. Scott Stripling had signed up for the Open Forum. Mr. Stripling, who was representing the CRITICS organization, commented on the action that was just taken by this Court on the issuance of the certificates of obligation. He also noted that he would be submitting a copy of the letter that he had sent to Mr. Eloy Pulido, the County Clerk, on the validation of the signature on the petition.

NO ACTION.
(See Exhibit K)

ITEM 2. RIGHT OF WAY DEPARTMENT

A. Acceptance of Road Easement - Pct. #4 - John Closner Subdivision - Lot 1 Blk. 6

Godfrey Garza came before the Court requesting acceptance of a road easement on Lot 1 Block 6 John Closner Subdivision. This was due to a Court order from the 93rd District Court that defined that this was a County easement and it would allow the County to do some improvements within this subdivision. A motion was made by Commissioner Garza and seconded by Commissioner Rosel to approve the request as presented.

MOTION CARRIED.
(See Exhibit L)

ITEM 3. DISTRICT CLERK

- A. Approval of a Cooperative Agreement for Title IV-D Program between the Office of the Attorney General of the State of Texas and Hidalgo County, Texas

A motion was made by Commissioner Handy and seconded by Commissioner Garces to approve a cooperative agreement for Title IV-D Program between the Office of the Attorney General of the State of Texas and the County of Hidalgo.

MOTION CARRIED.

(See Exhibit M)

ITEM 4. ADULT PROBATION

- A. Authorization to exempt from the competitive bidding on the following FY-99 Contracts
1. Dr. Omar Garza - Boot Camp Medical Services Contract
 2. Dr. Omar Garza - Restitution Center Medical Services Contract
 3. Dr. Gregorio Piña - Sex Offender Program
 4. Adriana Rosales - Boot Camp Pharmacist
 5. Texas Workforce Commission - Education & Employment Program

A motion was made by Commissioner Garces and seconded by Commissioner Rosel to authorize the exemption from the competitive bidding process, under professional services on the contracts listed, as presented.

MOTION CARRIED.

(See Exhibit N)

ITEM 5. TAX OFFICE

- A. Approval of 1997-1998 Annual Report
B. Approval of tax refunds for the following:

1. Jesus M. Castellano - \$6,844.00
2. Williamson-Dickie Mfg. Co. - \$2,333.73
3. Rama Valley Inc. - \$1,304.03

5/A

Yolanda Villescas, from the Office of the County Tax Assessor/Collector, came before the Court and gave a brief recap of the 1997-1998 annual report. A motion was then made by Commissioner Arcaute and seconded by Commissioner Rosel to approve.

MOTION CARRIED.
(See Exhibit O)

5/B

A motion was made by Commissioner Garces and seconded by Commissioner Arcaute to approve the tax refunds as presented.

MOTION CARRIED.
(See Exhibit O)

ITEM 6. J.P. PCT. 1 PL. 1

A. Approval of budget amendment

A motion was made by Commissioner Handy and seconded by Commissioner Rosel to approve a budget amendment in the amount of \$6,600.00 for the Justice of the Peace Precinct One Place One for utilities.

MOTION CARRIED.
(See Exhibit P)

ITEM 7. J.P. PCT. 1 PL. 2

A. Approval of budget amendment

A motion was made by Commissioner Handy and seconded by Commissioner Rosel to approve a budget amendment in the amount of \$5,300.00 for the Justice of the Peace Precinct One Place Two for utilities.

MOTION CARRIED.
(See Exhibit Q)

ITEM 8. COUNTY JUDGES' OFFICE

- A. Consider and approve appointment of Jail Design Committee
- B. Consider and approve appointments to:
 - 1. Lower Rio Grande Valley Development Council
 - 2. Metropolitan Planning Organization
- C. Approval of Agreement between the Texas Department of Criminal Justice, the Hidalgo County Sheriff's Department and the Food Bank of the Rio Grande Valley
- D. Approval of Budget Amendment - (Risk Management)

8/A

Paul Vazaldua, Administrative Assistant to the County Judge, came before the Court to request the appointment of a Jail Design Committee. This committee would work with the architect on the design of the proposed adult detention facility. After some discussion regarding the what the duties of this committee would be and the possible cost for this facility, the Commission reported that no action would be taken on this item at this time.

NO ACTION.
(See Exhibit R)

8/B/1

A motion was made by Commissioner Rosel and seconded by Commissioner Garces to appoint County Commissioner Sylvia Handy to the Lower Rio Grande Valley Development Council.

MOTION CARRIED.
(See Exhibit R)

8/B/2

A motion was made by Commissioner Garces and seconded by Commissioner Handy to appoint County Commissioner Juan Rosel to the Metropolitan Planning Organization (MPO).

MOTION CARRIED.
(See Exhibit R)

8/C

A motion was made by Commissioner Garces and seconded by Commissioner Rosel to approve an agreement between the Texas Department of Criminal Justice, the Hidalgo County Sheriff's Department and the Food Bank of the Rio Grande Valley.

MOTION CARRIED.
(See Exhibit R)

8/D

A motion was made by Commissioner Garces and seconded by Commissioner Rosel to approve a budget amendment in the amount of \$70,000.00 for the Risk Management Department to cover insurance costs.

MOTION CARRIED.
(See Exhibit R)

ITEM 9. COMMISSIONER PCT. 4

- A. Approval of preliminary plat of Borders Subdivision
- B. Discussion and Possible authorization to house the Edinburg Boys & Girls Club at a County Facility in San Carlos

9/A

Commissioner Garces was requesting preliminary plat approval of Borders Subdivision. He mentioned that the drainage requirements and the subdivision requirements were in order. The County Judge then asked Emilio Garcia, the Chief Planner, to explain

the new process for the subdivision plats. A motion was made by Commissioner Garces and seconded by Commissioner Rosel to approve.

MOTION CARRIED. (Judge Cuellar voted against the motion.)
(See Exhibit S)

9/B

Commissioner Garces informed the Court that no action would be required on this item at this time.

NO ACTION.
(See Exhibit S)

ITEM 10. COMMISSIONER PCT. 1

- A. Authorization to accept contribution from Vastar Resources, Inc. for improvements to Valley View Rd.
- B. Authorization to appropriate funds for contractual services (Landfill)
- C. Discussion and Possible action on Woodland Heights Subdivision #2

10/A

A motion was made by Commissioner Handy and seconded by Commissioner to accept a contribution in the amount of \$80,234.64 from Vastar Resources, Inc. for road improvements to Valley View Road.

MOTION CARRIED.
(See Exhibit T)

10/B

After a discussion regarding where the monies for this item would be coming from, a motion was made by Commissioner Handy and seconded by Commissioner Garces to authorize the appropriation of \$58,300.00 to the Precinct One Landfill account for contractual services.

MOTION CARRIED.
(See Exhibit T)

10/C

Raul Lozano, Administrative Assistant for Precinct One, informed the Court that they were requesting favorable consideration of Woodland Heights Subdivision #2. He mentioned that all requirement of the subdivision regulations have been met and a letter of credit has been submitted to the Planning Department for the septic tanks. After some discussion, a motion was made by Commissioner Handy and seconded by Commissioner Garces to approve.

MOTION CARRIED. (The County Judge voted against the motion.)
(See Exhibit T)

ITEM 11. CONSTABLE PCT. 5 PL. 1

A. Approval of budget amendment

This item should have dealt with Justice of the Peace for Precinct Five, therefore no action was needed.

NO ACTION.
(See Exhibit U)

ITEM 12. COMMISSIONER PCT. 3

A. Discussion and possible action for final approval of Stewart Manor Subdivision and Resubdivision of Lots 1, 2 & 3 Salida Del Sol Estates Phase II

Commissioner Rosel was also requesting the favorable consideration of the Resubdivision of Lots 1, 2 & 3 Salida Del Sol Estates. He then made a motion, which was seconded by Commissioner Garces to approve.

MOTION CARRIED. (Commissioner Arcaute voted against the motion.)

(See Exhibit V)

ITEM 13. WIC

- A. Approval of Memorandum of Agreement between Hidalgo County WIC Program and Texas Department of Health (VISTA)

A motion was made by Commissioner and seconded by Commissioner to approve a Memorandum of Agreement between Hidalgo County WIC Program and Texas Department of Health (VISTA).

MOTION CARRIED.

(See Exhibit W)

ITEM 14. URBAN COUNTY PROGRAM

- A. Approval of Change Order #1 for Hinojosa Engineering - Pct. #3 Year 9
- B. City of Donna - HOME Housing Rehabilitation Program - Construction Contract Award
- C. City of Penitas - HOME Housing Rehabilitation Change Order - 1 family

14/A

Precinct Three was requesting approval of a change order number one with Hinojosa Engineering for an increase of \$16,057.78. A motion was made by Commissioner Rosel and seconded by Commissioner Garces to approve.

MOTION CARRIED.

(See Exhibit X)

Steve Crain, the County legal counsel, informed the Court that this change order was over and above the 20% allowable. After some discussion, a motion was made by Commissioner Rosel and seconded by

Commissioner Garces to rescind the previous action to approve the change order.

MOTION CARRIED.

(See Exhibit X)

14/B

The City of Donna was requesting approval of a construction contract award under their HOME Housing Rehabilitation Program, however the bids came in over budget and they were thereby requesting that all bids be rejected. A motion was made by Commissioner Arcaute and seconded by Commissioner Handy to approve.

MOTION CARRIED.

(See Exhibit X)

14/C

The City of Penitas was requesting approval of a change order under the HOME Housing Rehabilitation Program. The change order is for an increase in the amount of \$780.00 due to unforeseen circumstances during the initial inspection. A motion was made by Commissioner Rosel and seconded by Commissioner Arcaute to approve.

MOTION CARRIED.

(See Exhibit X)

ITEM 15. PURCHASING DEPARTMENT

A. HIDALGO COUNTY

1. Discussion and Action on award bid for "Pit-Run Caliche"

B. HIDALGO COUNTY PRECINCT NO. 3

1. Requesting authority to advertise "Paving of overlay street improvements Phase II" for the following:

- a. El Norte Subdivision
- b. Las Palmas Rd.
- c. Paseo De Palmas Rd.

d. 6 Mile Line between 492 & Minnesota Rd.

D. HIDALGO COUNTY PRECINCT NO. 4

1. Recommending to reject all bids for “One (1) 1992 or Newer Tractor Trailer”

E. HIDALGO COUNTY ADULT PROBATION DEPARTMENT

1. Requesting authority to reject proposal received for “Treatment Alternatives to Incarceration Program” Assessment Services only
2. Requesting authority to re-advertise for a Request for Proposal for “Treatment Alternatives to Incarceration Program Assessment Services”

F. HIDALGO COUNTY DISTRICT ATTORNEY’S OFFICE

1. Requesting authority to purchase “Forty-six (46) Computers and Peripherals” from Dell Computer Corporation

G. HIDALGO COUNTY HEALTH DEPARTMENT

1. Requesting recession of authority to purchase “Two (2) 1999 Compact Automatic Pick-Up Trucks” through the interlocal Agreement with H-GAC
2. Requesting authority to purchase “Two (2) t999 Regular Cab Pick-Up Trucks” through the interlocal Agreement with H-GAC
3. Requesting approval of two (2) modified Professional Service Contracts/Licensed Family Nurse Practitioner Family Planning Services, as follows: (1) to include Prenatal and Adult Health Services; (2) Invoice hours worked on a bi-weekly basis; and (3) term of the contract is for a period of one (1) year with:
 - a. Patricia Headley, MSN, WHNP
 - b. Teresa I. Ramos, RNC, WHC, NP
4. Requesting approval of a modified Professional Service Contract/Licensed Family Nurse Practitioner Family Planning Services, as follows: (1) to include Prenatal and Adult Health Services; (2) Invoice hours worked on a bi-weekly basis; and (3) term of the contract is for a period of one (1) year with Leonor T. Ellis, CFNP
5. Requesting authority to purchase a Phone System (including labor & installation) from “Phone Den”,

utilizing a Qualified Information Systems Vendor (QISV), through a resolution with the State of Texas, under the General Services Commission's Cooperative Catalogue Purchasing Program

H. HIDALGO COUNTY JUVENILE PROBATION DEPARTMENT

1. Discussion and action on approval of an architectural contract for the Hidalgo County Juvenile Probation Department - Boot Camp Facility in Weslaco, TX with Croslin & Associates, Inc.
2. Discussion and action on approval of "Specimen Insurance Policy" proposed for project for Croslin and Associates, Inc.

I. HIDALGO COUNTY SHERIFF'S DEPARTMENT

1. Recommending awards of bids for "Installation & Removal of Radios & Emergency Equipment" for the Hidalgo County Sheriff's Department
2. Requesting approval of proposed contract for "Installation & Removal of Radios & Emergency Equipment"
3. Recommending awards of bids for "Air Conditioning Service and Repairs" and "Electrical Service and Repairs" for the Hidalgo County Sheriff's Department
4. Requesting approval of proposed contract for "Air Conditioning Service and Repairs" and Electrical Services and Repairs"

J. HIDALGO COUNTY W.I.C. PROGRAM

1. Requesting authority to purchase (13) Phone Systems (including labor & installation) from "Phone Den" for (13) WIC Clinics throughout Hidalgo County utilizing a Qualified Information Systems Vendor (QISV), through a resolution with the State of Texas, under the General Services Commission's Cooperative Catalogue Purchasing Program

15/A

After a discussion regarding the type and grade of the caliche involving this bid award, a motion was made by Commissioner

Rosel and seconded by Commissioner Garces to award the bid for "Pit-Run Caliche" for Precincts One and Four to Roy's Hauling Service at \$1.05/ton taking the distance from the pit to the Precincts into consideration as per the specifications.

MOTION CARRIED.

(See Exhibit Y)

15/B

A motion was made by Commissioner Rosel and seconded by Commissioner Garces to authorize the advertising for bids for the "Paving of overlay street improvements Phase II" for El Norte Subdivision; Las Palmas Rd.; Paseo De Palmas Rd. and 6 Mile Line between 492 and Minnesota Rd.

MOTION CARRIED.

(See Exhibit Y)

15/D

A motion was made by Commissioner Garces and seconded by Commissioner Handy to authorize the rejection of all bids received for the purchase of "One (1) 1992 or Newer Tractor Trailer" for Precinct Four.

MOTION CARRIED.

(See Exhibit Y)

15/E/1

A motion was made by Commissioner Handy and seconded by Commissioner Garces to authorize the rejection of all proposals received for the "Treatment Alternatives to Incarceration Program Assessment Services" only for the Adult Probation Department.

MOTION CARRIED.

(See Exhibit Y)

15/E/2

A motion was made by Commissioner Rosel and seconded by Commissioner Garces to authorize the re-advertising for bids for a Request for Proposals for "Treatment Alternatives to Incarceration Program Assessment Services" for the Adult Probation Department.

MOTION CARRIED.

(See Exhibit Y)

15/F

A motion was made by Commissioner Rosel and seconded by Commissioner Arcaute to authorize the purchase of "Forty-six (46) computers and peripherals" from Dell Computer Corporation for the District Attorney's Office.

MOTION CARRIED. (Commissioner Garces voted against the motion.)

(See Exhibit Y)

15/G/1

A motion was made by Commissioner Handy and seconded by Commissioner Garces to rescind the action taken to purchase "Two (2) 1999 Compact Automatic Pick-Up Trucks" through the interlocal agreement with H-GAC for the Health Department.

MOTION CARRIED.

(See Exhibit Y)

15/G/2

A motion was made by Commissioner Handy and seconded by Commissioner Garces to authorize the purchase of "Two (2) 1998 Regular Cab Pick-Up Trucks" through the interlocal agreement with H-GAC for the Health Department.

MOTION CARRIED.

(See Exhibit Y)

15/G/3

A motion was made by Commissioner Garces and seconded by Commissioner Handy to approve two modified professional service

contracts/licensed family nurse practitioner family planning services, as follows: (1) to include prenatal and adult health services; (2) invoice hours worked on a bi-weekly basis; and (3) term of the contract is for a period of one (1) year with Patricia Headley, MSN, WHNP and Teresa I. Ramos, RNC, WHC, NP.

MOTION CARRIED.
(See Exhibit Y)

15/G/4

A motion was made by Commissioner Handy and seconded by Commissioner Garces to approve a modified professional service contracts/licensed family nurse practitioner family planning services, as follows: (1) to include prenatal and adult health services; (2) invoice hours worked on a bi-weekly basis; and (3) term of the contract is for a period of one (1) year with Leonor T. Ellis, CFNP.

MOTION CARRIED.
(See Exhibit Y)

15/G/5

A motion was made by Commissioner Rosel and seconded by Commissioner Handy to authorize the purchase of a Phone System (including labor & installation) from "Phone Den", utilizing a Qualified Information Systems Vendor (QISV), through a resolution with the State of Texas, under the General Services Commission's Cooperative Catalogue Purchasing Program.

MOTION CARRIED.
(See Exhibit Y)

15/H

After some discussion regarding the architects fees, Martha Salazar, the County Purchasing Director, indicated that no action would be required on these items at this time.

NO ACTION.
(See Exhibit Y)

15/I/1

A motion was made by Commissioner Rosel and seconded by Commissioner Handy to award the bid for the "Installation & Removal of Radios & Emergency Equipment" for the Hidalgo County Sheriff's Department to Video Sound and Lights, out of McAllen.

MOTION CARRIED.
(See Exhibit Y)

15/I/2

A motion was made by Commissioner Rosel and seconded by Commissioner handy to approve a contract for the "Installation & Removal of Radios & Emergency Equipment" for the Hidalgo County Sheriff's Department with Video Sound and Lights.

MOTION CARRIED.
(See Exhibit Y)

15/I/3

A motion was made by Commissioner Handy and seconded by Commissioner Garces to award the bid for "Air Conditioning Service and Repairs" to Maestro Services, out of San Juan for the Sheriff's Department.

MOTION CARRIED.
(See Exhibit Y)

A motion was made by Commissioner and seconded by Commissioner to award the bid for "Electrical Services and Repairs" for the Sheriff's Department to Maestro Services.

MOTION CARRIED.
(See Exhibit Y)

15/I/4

A motion was made by Commissioner Rosel and seconded by Commissioner Garces to approve a contract for "Air Conditioning

Service and Repairs” and “Electrical Services and Repairs” for the Sheriff’s Department with Maestro Services .

MOTION CARRIED.

(See Exhibit Y)

15/J/1

A motion was made by Commissioner Garces and seconded by Commissioner Rosel to authorize the purchase thirteen Phone Systems (including labor & installation) from “Phone Den” for thirteen WIC Clinics throughout Hidalgo County utilizing a Qualified Information Systems Vendor (QISV), through a resolution with the State of Texas, under the General Services Commission’s Cooperative Catalogue Purchasing Program..

MOTION CARRIED.

(See Exhibit Y)

There being no further business to come before the Commissioners’ Court, a motion was made by Commissioner Arcaute and seconded by Commissioner Rosel that said meeting be hereby adjourned.

MOTION CARRIED.

There being no further business to come before said Court, the meetings of the Commissioners' Court and the Drainage District #1 Board are hereby adjourned.

RENATO CUELLAR _____
COUNTY JUDGE

SYLVIA HANDY _____
COUNTY COMMISSIONER, PRECINCT 1

ABELARDO ARCAUTE _____
COUNTY COMMISSIONER, PRECINCT 2

JUAN ROSEL _____

COUNTY COMMISSIONER, PRECINCT 3

GUADALUPE GARCES, JR. _____
COUNTY COMMISSIONER, PRECINCT 4

Dated this 29th day of October, 1999.

JUAN D. SALINAS, III, County Clerk
Hidalgo County, Texas

By: _____
Jennifer Castillo, Deputy

Minutes approved by the Commissioners' Court and the
Drainage District #1 Board on the 7th day of December, 1999.