



**MINUTES**

**PRESENT:**

Dr. Armando O'caña, Mayor  
Jessica Ortega, Mayor Pro Tem  
Ruben D. Plata, Councilman  
Norie Gonzalez Garza, Councilwoman  
Alberto Vela, Councilman  
Gus Martinez, City Attorney  
Randy Perez, City Manager  
Anna Carrillo, City Secretary

**ALSO PRESENT:**

Raul Cruz  
Ricardo Salinas  
Dave Hendricks  
Jeff Meshberg  
Tomas Tijerina  
Jim Adams  
Greg Mitzell  
Trey Martinez  
Jai Adams  
Victor Ramos  
David Flores  
Juan Eliseo Gonzalez  
David Temming  
Yvette Lopez  
Mike Silva  
Tim Podanoffsky  
Miguel del Gado  
Norma Sanchez

**ABSENT:**

**STAFF PRESENT:**

David Flores, Asst. City Manager  
Aida Lerma, Asst. City Manager  
Juan Pablo Terrazas, Asst. City Manager  
Angie Vela, Finance Director  
Robert Hinojosa, Risk Management Director  
Roxanne Casarez, Public Information Director  
Charlie Longoria, Media Relations  
Alex Fajardo, Media Relations  
Rene Alvarez, Asst. Fire Chief  
Joanne Longoria, CDBG Director  
Rick Venecia, Boys & Girls Club Director  
Brad Bentsen, Parks & Recreation Director  
Adela Ortega, Food Pantry Manager  
Roel Mendiola, Sanitation Director  
Joel Chapa, Police Officer

**CALL TO ORDER**

With a quorum being present, Mayor Dr. Armando O'caña called the meeting to order at 4:39 p.m.

**AGENDA ITEMS**

1. Discussion and deliberation on the current PSI contract and other matters incident thereto - Perez

City Attorney Gus Martinez advised the council the request made by Jim Adams from PSI to present the item in open session. Mr. Martinez also advised that citizens participation was not a part of the agenda.

Mayor O'cana recognized Attorney Rick Salinas to make comments. Mr. Salinas stated he had a former PSI employee present to give the council information.

(City Attorney may ask City Council to go into executive session on this item under the "Consultation with Attorney" exception before considering this matter in open session)

Mayor O'cana requested to convene in executive session to consult with the city attorney.

At 4:41 p.m., Councilman Ruben Plata moved to convene in executive session before considering item in open session pursuant to V.T.C.A. Gov. Code Sec. 551.001. Motion was seconded by Councilman Alberto Vela and approved unanimously 5-0.

At 4:55 p.m., Councilwoman Norie Garza moved to reconvene in open session. Motion was seconded by Councilman Vela and approved unanimously 5-0.

Jim Adams, General Manager from PSI was present to give a presentation he stated that he was ready to refute the four major claims the lawsuit was making.

The scope of the project was the installation of advanced metering infrastructure (28,821) residential and commercial water meters. Online portal for customers to view and track water consumption data in real-time. LED lighting replacement throughout the City's 32 facilities. He stated that the project benefits were to enhance customer service and transparency through real-time access to water usage for residential and commercial users. Enhance revenues by recouping water loss. Improve efficiency with automatic meter reading. Enhance customer service and transparency via real-time access to water usage data. Lower electric utility bills and maintenance costs. Savings received were to pay for the improvements with no impact on taxes.

Mr. Adams stated the first claim on the lawsuit was regarding bidding procedures he advised the council the service was a professional service and PSI was procured by the TIPS Co-op. The second claim was regarding a third-party engineer to look at the work. The city did engage a third-party engineer. NV5 conducted an extensive review and endorsed the project. The third claim was that the city did not comply with paragraph 302.006 having to do with meter guarantees. Mr. Adams stated that the meter guarantee portion would not be complete until the project was completed. A third party would be required to check the meters within the first five years of completion and verify that the meters were accurate as represented. The fourth claim is that this was a debt obligation he stated that no sinking fund was required for this project.

Mayor O'cana recognized Rick Salinas to speak for two minutes. Mr. Salinas requested the same amount of time be extended to his expert witness who was previously employed by PSI and had expert knowledge of the contract. Mr. Salinas stated he had been advised he would have been allowed to have his expert witness speak to the council.

Jeff Meshberg former PSI employee stated that there were lawsuits and federal investigations being pursued at this time. He stated he had a lot of knowledge regarding performance contracts.

At 5:29 p.m., Councilwoman Garza moved to convene in executive session pursuant to V.T.C.A. Gov. Code Sec. 551.001. Motion was seconded by Councilman Vela and approved unanimously 5-0.

At 6:55 p.m., Councilman Plata moved to reconvene in open session. Motion was seconded by Councilman Vela and approved unanimously 5-0.

**ADJOURNMENT**

At 6:56 p.m., Mayor Pro Tem Ortega moved for adjournment. Motion was seconded by Councilman Plata and approved unanimously 5-0.

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Dr. Armando O'caña, Mayor

ATTEST:

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Anna Carrillo, City Secretary