

**REGULAR MONTHLY MEETING
CITY OF KARNES CITY
MARCH 23, 2021**

**STATE OF TEXAS)
COUNTY OF KARNES)
CITY OF KARNES CITY)**

On this **23rd** day of **March 2021**, the City Council of the City of Karnes City, Texas convened in a **Regular Monthly Meeting** at 6:00 P.M. in the City Hall with the following members answering to “Roll Call”:

Mayor – Leroy T. Skloss
Mayor Pro-Tem – Jimmy D. Loya, Sr.
Councilmembers: Lillian Lyssy, Robert Ebrom Jr.
and Larry Franke

Councilmember absent: Aaron Rosales

Others present: City Manager (CM) Ken Roberts, Director of Public Works (DPW) Fernando Rios, Chief of Police Roel Salas, Haylee Jurgajtis, Roselee Bailey Gus Hernandez, Jessie Lopez, Andrew Friedman, Ron Chaney, Ladonna Morris.

**C. U.S. Pledge of Allegiance and Texas Pledge of Allegiance
Moment of Silence/Prayer**

D. Public Comments – No comments.

E. Consent Agenda:

(1) Minutes

- a. Discuss and consider approving the minutes from;
February 23, 2021

(2) Discuss and consider monthly reports from City Departments.

After discussion, a motion was made by Councilmember Lyssy and seconded by Councilmember Franke to approve the Consent Agenda. The vote was 4-0 in favor and the motion was declared unanimously passed.

F. UNFINISHED BUSINESS (CONSIDER AND ACT UPON):

(3) Park Improvements- Discuss and consider report on status of municipal park projects – Mayor Skloss informed the Council that he spoke with SARA about the walking trail.

G. NEW BUSINESS (CONSIDER AND ACT UPON):

(4) Discuss and take possible action on the request from David Williams for a setback variance for property located at 328 E. Mayfield, Karnes City, Texas – Mayor informed the Council of the typo on the agenda, the correct address is 628 E. Mayfield, Karnes City, Texas. Mr. Williams informed the Council he would like to add a

26x14 addition to his home, the addition will encroach in the city's set back guidelines. Councilmember Ebrom stated his concerns about the utility easement, if there is any utility that he will be building over. Mr. Williams stated he would call in line locates to check the utilities. After further discussion, a motion was made by Councilmember Ebrom and seconded by Councilmember Loya to approve a conditional variance at 628 E. Mayfield pending the utility line locates in the area. The vote was 4-0 in favor and the motion was declared unanimously passed.

(5) Discuss and take possible action to award a professional services contract to Langford Community Management Services for work on the 2021-2022 Community Development Fund grant program – Langford presented the information on the grant. After further discussion a motion was made by Councilmember Ebrom and seconded by Councilmember Lyssy to award the contract to Langford Community Management Services for the work on the 2021-2022 Community Development Fund grant program. The vote was 4-0 in favor and the motion was declared unanimously passed.

(6) Discuss and take possible action to approve and authorize mayor to enter into a Production Sharing Agreement with Tidal Petroleum Inc. for

Tract 1: Karnes City SE Unit formed by Designation of Pooled Unit dated March 4, 2014, of record at Volume 1164, Page 136, Official Public Records of Karnes County; and

Tract 2: Moy South Horizontal Unit formed by Designation of Pooled Unit, dated August 22, 2018 (effective August 12, 2018), and of record at Instrument No. 201800003197, Official Public Records, Karnes County; and

Tract 3: Proposed Moy North Unit, located on the H.R. Ammons Survey, A-379, Karnes County, Texas.

City Attorney Jessie Lopez informed the Council that this is a fairly typical agreement; they will be going underneath the existing Marathon Oil leases. After further discussion, a motion was made by Councilmember Loya and seconded by Councilmember Lyssy to approve the agreements as presented. The vote was 4-0 in favor and the motion was declared unanimously passed.

(7) Discuss and take possible action to approve and authorize mayor to execute a Ratification of an Oil, Gas and Mineral Lease with Tidal Petroleum, Inc., dated September 23, 2018, for a 0.46 acre tract of land being Lots 13 and 14, Block 3, East Side Addition, Town of Karnes City, Karnes County, Texas – Ladonna Morris informed the Council that this is just a ratification to the current lease, when it was originally leased it was leased at a capacity of just City of Karnes City, this is ratifying to include the "In Trust" properties also. Jessie Lopez informed the Council that it has been reviewed and approved by the City's oil and gas attorney. After further discussion, a motion was made by Councilmember Ebrom and seconded by Councilmember Franke to

approve and authorize the Mayor to execute the ratification as presented. The vote was 4-0 in favor and the motion was declared unanimously passed.

(8) Discuss and take possible action to approve and authorize mayor to execute a Ratification of an Oil, Gas and Mineral Lease with Tidal Petroleum, Inc., dated September 23, 2018, for a 1.08 acre tract of land being a part of Block 6, East Side Addition, Town of Karnes City, Karnes County, Texas – Mayor Skloss informed the Council that ratification is the same as the item above. After further discussion, a motion was made by Councilmember Ebrom and seconded by Councilmember Lyssy to approve and authorize the Mayor to execute the ratification as presented. The vote was 4-0 in favor and the motion was declared unanimously passed.

(9) Discuss and take possible action to approve and authorize mayor to execute a Division Order with Marathon Oil Company for Tract 338, being Lots 13-14, Block 48, Karnes City, Texas – Jessie Lopez informed the Council that the division order is related to the stipulation agreements that the city is already in negotiation with, this is the final step to wrap up the project. After further discussion, a motion was made by Councilmember Loya and seconded by Councilmember Franke to approve and authorize Mayor to execute the division order with marathon Oil Company. The vote was 4-0 in favor and the motion was declared unanimously passed

(10) Discuss and take possible action to approve and authorize mayor to execute a Division Order with Marathon Oil Company for Tract 312A, being Lots 16, Block 44, Karnes City, Texas - Jessie Lopez informed the Council that the division order is related to the stipulation agreements that the city is already in negotiation with, this is the final step to wrap up the project. After further discussion, a motion was made by Councilmember Ebrom and seconded by Councilmember Lyssy to approve and authorize Mayor to execute the division order with Marathon Oil Company. The vote was 4-0 in favor and the motion was declared unanimously passed

(11) Discuss and take possible action to approve and authorize mayor to execute a Division Order with Marathon Oil Company for Tract 218, being Block 8A, Karnes City, Texas - Jessie Lopez informed the Council that the division order is related to the stipulation agreements that the city is already in negotiation with, this is the final step to wrap up the project. After further discussion, a motion was made by Councilmember Franke and seconded by Councilmember Lyssy to approve and authorize Mayor to execute the division order with Marathon Oil Company. The vote was 4-0 in favor and the motion was declared unanimously passed

(12) Discuss and take possible action to approve and authorize mayor to execute a Division Order with Marathon Oil Company for Tract 98, being Lot 7, Block 2, Karnes City, Texas - Jessie Lopez informed the Council that the division order is related to the stipulation agreements that the city is already in negotiation with, this is the final step to wrap up the project. After further discussion, a motion was made by Councilmember Ebrom and seconded by Councilmember Franke to approve and

authorize Mayor to execute the division order with Marathon Oil Company. The vote was 4-0 in favor and the motion was declared unanimously passed

(13) Discuss and consider reports and meetings with M&S engineering pertaining to municipal water system issues during recent snow/ice storm – Mayor Skloss informed the Council of the meetings he and the City Manager have had with all involved with the new scada system, they have gone over what went wrong and what the City can do to prevent that from happening again. No action taken.

(14) Discuss and consider the report on the digital GIS mapping system – Mayor Skloss informed the Council that the last system mapping was done back in 1980's. He would like to see an overall city map that shows all water and sewer lines in the City. M&S engineering will look into it and give the City a quote on the price for the project. No action taken.

(15) Discuss and take possible action on the Procedures Manual for Water and Sewer Services – Mayor Skloss informed the Council of the procedure manual that he worked on as a guideline for employees to have. He also informed the Council that the attorneys have approved it also. After further discussion, a motion was made by Councilmember Franke and seconded by Councilmember Loya to approve the procedures manual for water and sewer services. The vote was 4-0 in favor and the motion was declared unanimously passed.

(16) Discuss and take possible action on An ordinance by the city council of the City Of Karnes City, Texas authorizing the issuance of "City of Karnes City, Texas General Obligation Refunding Bonds, Series 2021"; levying an annual ad valorem tax, within the limitations prescribed by law, for the payment of the bonds; prescribing the form, terms, conditions, and resolving other matters incident and related to the issuance, sale, and delivery of the bonds, including the approval and distribution of an official statement pertaining thereto; authorizing the execution of a paying agent/registrar agreement, a purchase contract, and an escrow deposit letter; complying with the letter of representations on file with the depository trust company; authorizing the execution of any necessary engagement agreement with the city's financial advisors; and providing an effective date – Andrew Friedman presented the refunding numbers for the bond. After further discussion, a motion was made by Councilmember Ebrom and seconded by Councilmember Franke to approve ordinance authorizing the issuance of the City of Karnes City General Obligation Refunding Bonds, Series 2021 as presented. The vote was 4-0 in favor and the motion was declared unanimously passed.

(17) Discuss and take possible action on Resolution 2021-003 suspending the May 3, 2021 Effective Date of proposal by CenterPoint Energy Resources Corp., D/B/A CenterPoint Energy Entex and CenterPoint Energy Texas Gas-South Texas Division to implement Interim GRIP rate adjustment for gas utility investment in 2020 and requiring delivery of this Resolution to the company and legal counsel -

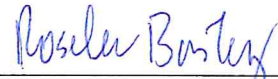
Ron Chaney with CenterPoint Energy informed the Council of the rate increase. After further discussion, a motion was made by Councilmember Loya and seconded by Councilmember Lyssy to approve resolution 2021-003 as presented. The vote was 4-0 in favor and the motion was declared unanimously passed.

(18) Discuss and take possible action on flags commemorating graduation of Karnes City High School Seniors – Councilmember Loya informed the Council that the school will pay for the banners and the only cost the City would have is the cost of our maintenance staff to install and remove them. After further discussion, a motion was made by Councilmember Franke and seconded by Councilmember Ebrom to approve for the maintenance staff to install and remove the banner. The vote was 3-0 in favor and the motion was declared unanimously passed, Council member Loya abstained from voting.

H. Adjournment: There being no further discussion, a motion was made by Councilmember Franke and seconded by Councilmember Ebrom to adjourn the meeting. The vote was 4-0 in favor and the motion was declared unanimously passed.


Leroy T. Skloss
Mayor

ATTEST:


Roselee Bailey, Municipal Judge
for Veronica Butler, City Secretary

