

MINUTES  
BALMORHEA CITY COUNCIL  
REGULAR MEETING  
FEBRUARY 12, 2024

MEMBERS PRESENT: MAYOR JOHN L. DAVIS, IKE WARD (6:18), BERNADETTE PORTILLO, ROSA DOMINGUEZ, JOSUE MENDOZA, JOY LEWIS

MEMBERS ABSENT: NONE

STAFF PRESENT: SANDRA NAVARRETE, GREG PERRIN (6:16), RUSSELL MORRIS

VISTORS: STACIE ROBERTS, MATHEW FLORES, CURTIS WILSON, DOAK PAINTER, JULIE LEWIS, HARRY BARRON, ROBERT SNYDER (6:23).

1. The meeting was called to order by Mayor John L. Davis at 6:02 pm.
2. Mayor John L. Davis led the Pledge of Allegiance.
3. Doak Painter stated that the City of Balmorhea had another good audit for the fiscal year 2022-2023. Mr. Painter added he had audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each fund and the aggregate remaining fund information of the City of Balmorhea, Texas. (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. Mr. Painter wanted to remind the council that this year's report was set up a little bit different this year then what they are used to seeing. The City's total net position increased by \$67,725 as a result of this year's operations and as a result the net position of our governmental activities increased by \$ 158,167 and the net position of our business-like activities decreased by \$90,442. During the year, the City had expenses that were \$158,167 less than \$367,050 of revenues generated by the general operations of the City's governmental type funds and \$90,442 more expenses than generated by water and sewer sales and other proprietary-type fund of \$520,043. Depreciation expense for the current year was \$116,735 of which \$18,703 was governmental activities and \$98,032 was associated with business-like activities. Depreciation expense was \$114,856 for the prior year. The governmental-type General Fund ended the year with a total fund \$564,490 which was an increase of \$150,386 from the prior year. The proprietary-type funds ended the year with an unrestricted net position amount -\$27,711 which represented a decrease of \$90, 442 from the prior year. The budget for the City's General Fund revealed \$205,550 more revenues were received during the year than were originally budgeted while \$36,038 less expenses were incurred than were budgeted for the year. The net effect of the budget variance was a positive budget variance of \$241.588. The results of the audit procedures disclosed no findings to report for the year ended September 30, 2023 (Audit Report Attached).

4. Bernadette Portillo made a motion, seconded by Josue Mendoza to approve minutes for January 8, 2024. Motion Carried 4-0.

5. Rosa Dominguez made a motion, seconded by Ike Ward to approve bills and adjustments as presented. Motion Carried 4-0.

#### 6. Reports

A. Joy Lewis asked, "Why do residents continue to be taxed a fire department fee on their water bill which is an illegal thing to do. Why is the ESD not refunding part of the taxes to the Balmorhea Fire Department?" The taxes should be shared to our department when they go out to assist. Mrs. Lewis stated she would have liked that that the Commissioner Paul Hinojos be present to answer this question. ESD 1&2 January 2024 was presented and read by Robert Snyder. Mrs. Lewis asked Mr. Snyder since the ESD should be into full operation why should the City of Balmorhea continue to tax the residents on their water bill every month. Our fire department are still going out to the calls to assist. The city has illegally taxed its residents for many years and continues to do so. Is our fire department still considered a volunteer service or are they part of your service Mr. Snyder responded that they are still a volunteer service for the city. If the ESD covers the City of Balmorhea "When do we stop taxing our citizens?" Mrs. Lewis added, if our department is assisting the ESD they need to be compensated. Mr. Snyder responded he would check with the chief and have get back with the council. Mr. Snyder stated that the answer to Mrs. Lewis question is that voting tax payers of Reeves County voted the ESD in. The City of Balmorhea has decided to keep the volunteer fire department in place rather than waiting on us. Mrs. Lewis added the department needs some compensation. We the tax payer pay high taxes for our fire department ESD services. We have inflation now and who knows when the \$2.00 tax on the water bill will go to \$5.00.

B. City Clerk reminded the council that the next council meeting will be back to 7:00 pm due to day light saving time beginning. Mayor John. L. Davis added, that Synagro had been into the office to sign off on documents to receive payment. This procedure was a preventive requirement to avoid any more check fraud. The city had previously had a fraudulent check go through the bank for the amount of \$27,000. TransPecos Banks continues to investigate to try and recuperate the funds. Texas Municipal League was contacted and was advised that the City of Balmorhea does have fraud coverage and was instructed to file a claim. The amount that TML will cover for these kind of claims is \$10,000. Mayor Davis stated that every bank has stipulations in the fine print that cover \$250,000 of your money. Stacie Roberts requested that Mayor Davis clarify what that check was for because it has not been an agenda item. Mayor Davis responded, that this item has not been on any agenda but the council has received updates on the process of investigation of the case. A check was issued

to a contractor that was doing some work on the wastewater ponds and it was intercepted and names were changed and cashed. Mrs. Roberts asked if the check had ever been traced. Mayor Davis responded, that the bank and law enforcement is investigating the incident.

C. License Contractor Greg Perrin reported that he has been having problems with Toyah water line. Mr. Perrin added that he and water operator Russell Morris have been working on flushing the TP line that services the City of Toyah. The last tank that is 12 miles from Toyah is overflowing when the line is completely full and Toyah is not taking any water. Mr. Perrin stated that he was in discussions with Reeves County to see what they can do to help. Mayor Davis stated that the best thing to do at this time is to keep an eye on the situation and continue to flush line. We need to provide them with as much clean water as we can. Mr. Perrin suggested that we flush the line every time we read meters. Mr. Perrin's concern is all the water loss on that ranch. Mayor responded, that the city has had discussions about bypassing the line to save the water. Mayor Davis asked Mr. Perrin "What do you suggest to fix this problem?" Mr. Perrin responded, maybe if we put different pressure release valves in between the last tanks. Mayor Davis added that the city needs to get with someone that knows what is going on and make a plan. Russell Morris stated that City of Toyah makes water once a week. City of Toyah has a 240,000 gallon tank but the majority of their water that they produce that they actually clean goes to flushing and back washing. They have to keep their tank at a certain level for fire code. That system is unbelievably inefficient for the amount of water that they actual use. There are maybe 30 to 40 residents in the entire town and there is no way they would use all that water but they have to keep it flowing to prevent mud.

D. Rosa Dominguez reported that the BEDC has a new President who is Harry Barron. Mr. Barron addressed the council about an invoice that was given to the BEDC. Mr. Barron was requesting a better description of the material purchased. Mayor Davis responded, that the tin used for the roof of the McKnight building was part of the material purchased. Mayor Davis added that this item would also be addressed on item 11. Mr. Barron was needing an explanation as to who decided on the disbursement of the taxes. Joy Lewis responded, the allocations are set directly from the Texas Comptroller's Office.

1. Rosa Dominguez stated that the BEDC had approved resignations. The members that resigned are Demarco Madrid, Farrah Reyes, Sylvia Iniguez, Mikaela Smith and Timmerie Smith. The BEDC decided to resign members due to not showing up to meetings since November 2023. Mayor Davis stated that since the BEDC reorganized they have been bringing in events to help this community. Mrs. Dominguez added that on April 9<sup>th</sup> Texas Tech will be coming in for a health fair beginning at 10:00 am and ending at 12:30 pm at the Balmorhea Public Library. Dental, vision and mammogram screening is being looked at to bring to this community. Joy Lewis made a motion, seconded by Bernadette Portillo to approve resignations as presented. Motion Carried 4-0.

7. Reeves County Engineer Curtis Wilson stated that basically the scheduling of the road repair to

the streets would begin in the spring. Joy Lewis asked if there was any indication of when the bridge would be finished on San Angelo Street so that the water can continue to run in the canal. Mr. Wilson responded that Reeves County chose to widen the entrance of the street. The water was shut down in the middle of January and we figured it was plenty of time to complete construction but we did run into some complications with mud and leakage of the channel. It took material to try to dry it up for 2 to 3 weeks. Reeves County Water Improvement indicated that they were going to start water on Thursday. After some conversation with Reeves County Water District Mr. Wilson asked that if they would possibly wait until the following Monday. In this case a special concrete will be used that will dry the project in one day. When Reeves County does a project like this we don't get to choose when we get the concrete delivered. Bernadette Portillo stated that being that this is a high traffic area it would be wise to get this job done correctly and that is why you need the extra time. Julie Lewis stated she had talked to Jacob with Reeves County Water District and he had stated he would try to divert the water around town. Mr. Wilson stated that as far as the repair to the streets in Balmorhea they are being programmed and he can't guarantee that Reeves County will get them all. Mayor Davis responded that the city has 2 streets that really need attention. Those Streets are Dallas St. & Galveston St. starting on the backside of the old Balmorhea football field.

8. Bernadette Portillo made a motion, seconded by Josue Mendoza to approve Order of Election for (1) Mayor (2) Alderman positions for General Election on May 4, 2024. Motion Carried 4-0.
9. City Clerk presented the Council with the Notice of Election and read notice aloud.
10. Ike Ward made a motion, seconded by Josue Mendoza to approve Election Judge & Clerks and stipends for Election staff as presented. Motion Carried 4-0.
11. Mayor Davis stated that the McKnight building was donated back in 2021 to the City of Balmorhea. The City of Balmorhea staff started working on demolition of the ceiling of the building for approximately 6 months. This was due to some mold damage the building had established throughout the years. Thereafter Corny Reimer came in and started working on electrical and the roof. Mayor Davis added that the material for the building was purchased by Mr. Reimer which included the tin that was in question by the BEDC. Due to water and sewer issues Mr. Reimer was pulled of the project and had not had the chance to complete. The only thing that the City did different was that material had not been billed for a project that was not completed. The City was looking to fix this building to possibly turn it into a senior center for gatherings or bingo being that we always focus on the children but not the elderly. Discussion of this project started back in 2021 when the council had stated that this project would be something that could be of interest to the Balmorhea Economic Development Corporation. But due to not having an active BEDC board at that time the City of Balmorhea decided to dissolve the corporation. The discussion was brought back up in August 2023 at the meeting when the new members sworn in about considering this project. Mayor Davis added that the good thing is that there is a business that is ready to lease the building once completed. There had also been some interest by Dr. James Tarin at one point in this building. Rosa Dominguez asked if


this building would be in the hands of BEDC. Mayor Davis responded, yes for paper trail purposes. Harry Barron questioned the council as to how the City of Balmorhea is going to try and regain some of the revenue from the new business coming in, will it be rent base or interest base? Joy Lewis asked if the City of Balmorhea would run this similar to how the RV Park is run where the city would collect the revenue or will it be the BEDC. Mayor Davis stated that the BEDC needs to take the upper hand on it but the City of Balmorhea will still responsible for the Utilities and insurance. City Clerk stated that the item was placed on the agenda by Laura Lannom requesting that the council approve submitting this invoice to the BEDC for approval of payment before issuing out a check. Mayor Davis stated that this is an old project and it will have to be dealt with and you cannot hold anyone's money because someone can't make their mind up. If not we will pay it anyway and then deal with it. Mayor Davis added that Ms. Lannom does not have a choice. Mrs. Dominguez requested that the City of Balmorhea issue a formal letter to the BEDC to consider the project and once the project is approved or considered by BEDC at their meeting they will submit documentation of their decision to the council signed by the BEDC members.

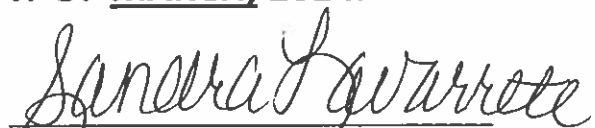
1. Josue Mendoza made a motion, seconded by Ike Ward to present Balmorhea Economic Development Corporation with the construction project of the donated city building that will create an establishment for any interested future business. Motion Carried 4-0.

12. Mayor Davis explained that this project of repairing the roof of the City Hall/Tourist Information Center has been discussed and a budget item was approved for \$10,000. Joy Lewis stated she remembered talking about it but not voting on it as to what funds would be designated to pay for the repair. Mrs. Lewis added that this building is considered City Hall a Municipal Building. Mrs. Lewis passed out a document from the State of Texas that states how the funds need to be spent. Mrs. Lewis stated that the account has a lot of money and it has been considered as a slush fund but there is things that are being charged off to the hotel/motel that really don't qualify like the windows. Mayor Davis responded, that this building has been designated as a tourist information center and he will not argue about it. During our budget workshop we designated \$10,000 for roof repair of this building. The material was purchased and we came over the \$10,000 budget amount. At this time the city will have to pay the remaining amount out of the water/sewer account. Bernadette Portillo made a motion, seconded by Ike Ward to approve payment of \$10,000 from hotel/motel account and \$3,000 from water/sewer account for roof repairs invoice #2591. Motion Carried 3-0. Joy Lewis Abstained.

13. Bernadette Portillo made a motion, seconded by Joy Lewis to adjourn meeting at 7:53 pm.

**PASSED AND APPROVED THIS 11 DAY OF MARCH, 2024.**

  
JOHN L. DAVIS, MAYOR

  
SANDRA NAVARRETE, CITY CLERK