



**NOTICE OF A REGULAR MEETING TO BE HELD BY THE
McALLEN PUBLIC UTILITY BOARD OF TRUSTEES**

DATE: Tuesday, July 9, 2024

TIME: 4:00 P.M.

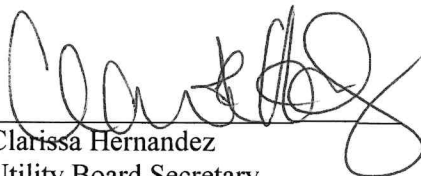
PLACE: McAllen City Hall
Commission Chambers – 3rd Floor
1300 Houston Avenue
McAllen, Texas 78501

SUBJECT MATTER:

See Subsequent Agenda.

CERTIFICATION

I, the Undersigned authority, do hereby certify that the attached agenda of meeting of the McAllen Public Utility Board of Trustees is a true and correct copy and that I posted a true and correct copy of said notice on the bulletin board in the Municipal Building, a place convenient and readily accessible to the general public at all times, and said Notice was posted on the 5th day of July, 2024 at 3:00 P.M. and will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.


Clarissa Hernandez
Utility Board Secretary



**BOARD OF TRUSTEES MEETING
TUESDAY, JULY 9, 2024 – 4:00 PM
MCALLEN CITY HALL - 3RD FLOOR
1300 HOUSTON AVE, MCALLEN, TX 78501**

AGENDA

AT ANY TIME DURING THE COURSE OF THIS MEETING, THE MCALLEN PUBLIC UTILITY BOARD 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 MCALLEN PUBLIC UTILITY BOARD 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 MCALLEN PUBLIC UTILITY BOARD 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.

CALL TO ORDER

PLEDGE

INVOCATION

1. MINUTES:

- a) Approval of Minutes for Regular Meeting held June 25, 2024.

2. 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 the Final Reimbursement Certificate for the Silverado Moon Subdivision.

3. MANAGER'S REPORT:

- a) Discussion and Possible Action Employee Health Plan Recommendations

4. FUTURE AGENDA ITEMS

5. EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 CONSULTATION WITH ATTORNEY, SECTION 551.072 LAND TRANSACTION, SECTION 551.074 PERSONNEL MATTERS; SECTION 551.087 ECONOMIC DEVELOPMENT NEGOTIATIONS

- a) Consultation with City Attorney regarding pending litigation (Section 551.071, T.G.C).

ADJOURNMENT

IF ANY ACCOMMODATION FOR A DISABILITY IS REQUIRED (OR INTERPRETERS FOR THE DEAF), NOTIFY UTILITY ADMINISTRATION (681-1630) FORTY-EIGHT (48) HOURS PRIOR TO THE MEETING DATE. WITH REGARD TO ANY ITEM, THE MCALLEN PUBLIC UTILITY BOARD OF TRUSTEES MAY TAKE VARIOUS ACTIONS; INCLUDING BUT NOT LIMITED TO RESCHEDULING AN ITEM IN ITS ENTIRETY FOR A FUTURE DATE OF TIME. THE MCALLEN PUBLIC UTILITY BOARD MAY ELECT TO GO INTO EXECUTIVE SESSION ON ANY ITEM WHETHER OR NOT SUCH ITEM IS POSTED AS AN EXECUTIVE SESSION ITEM AT ANY TIME DURING THE MEETING WHEN AUTHORIZED BY THE PROVISIONS OF THE OPEN MEETINGS ACT.

THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD ON JULY 23, 2024.

**STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF MCALLEN**

The McAllen Public Utility Board (MPUB) convened in a Regular Meeting on **Tuesday, June 25, 2024**, at 4:00 pm in the City Commission Chambers at City Hall with the following present:

	Ernest Williams	Vice-Chairman
	Charles Amos	Chairman
	Ricardo Godinez	Trustee
	Albert Cardenas	Trustee
Absent:	Javier Villalobos	Mayor/Ex-Officio
Staff:	Marco Vega, P.E.	General Manager
	Juan J. Rodriguez	Assistant General Manager
	Evaristo Garcia	Assistant City Attorney III
	Clarissa Hernandez	Utility Board Secretary
	Savannah Arredondo	Assistant to the Utility Board Sec.
	David Garza	Director of Wastewater Systems
	Rafael Balderas, E.I.T.	Assistant to the Utility Engineer
	Jim Bob Sides	Video Production Specialist
	Juan Vallejo	Assistant Director of Water Systems
	Gerardo Noriega	Director of Purchasing & Cont.
	Erika Gomez, P.E.	Assistant to the Utility Engineer
	Marco Ramirez, P.E.	Utility Engineer
	Edward Gonzalez	Director of Water Systems
	Frank Ramirez	Assistant Maintenance Manager
	Maria Chavero	Director of Treasury Management
	Jesus Cisneros	Water Plant Working Supervisor
	Janet Landeros	Grants & Contracts Coordinator
	Patrick Gray	GIS Coordinator
	Sergio Espinoza	Corollo Engineering
	Vanessa Pruneda	Corollo Engineering
	Hani Michel	Corollo Engineering
	Trey Murray	Half and Associates

CALL TO ORDER:

Chairman Amos called the meeting to order at 4:08 p.m.

1. MINUTES:

- a) Approval of the Minutes for the Regular Meeting held June 11, 2024.

Trustee Cardenas moved to approve the minutes for the regular meeting held on June 11th, 2024. Trustee Godinez seconded the motion. The motion carried unanimously by those present.

2. CONSENT AGENDA:

- a) Approval of AAA Apartments Subdivision

Trustee Cardenas moved to approve AAA Apartments Subdivision. Vice-Chairman Williams seconded the motion. The motion carried unanimously by those present.

3. BIDS AND CONTRACTS:

- a) Consideration and Approval of the Selection of Consulting Engineering Firm(s) for the Brackish Groundwater Desalination Project (05-24-S50-497)

Mr. Marco Ramirez, P.E., Utility Engineer, stated MPU had a few RFQ requests for qualifications for engineers. Two SOQ submittals were received. A table of the two submittals ranked by staff are within the packet given to the board. Staff is recommending approval of award to the highest rank, which is Carollo Engineers.

Trustee Godinez moved for discussion. Trustee Cardenas seconded for discussion. After much discussion Trustee Godinez amended his motion to approved item 3a. Trustee Cardenas seconded the motion. The motion carried unanimously by those present.

- b) Consideration & Approval of the First Amendment to the Interlocal Cooperation Agreement between the City of Mission and McAllen Public Utility related to Phase 2 of Taylor Roadway Utility Improvements.

Mr. Marco Ramirez, P.E., Utility Engineer, stated that this is an Interlocal with the City of Mission. As stated, it is a Phase II continuation of an existing project between Business 83 and 2 Mile Road. The main scope of the project is to relocate water infrastructure.

Trustee Godinez asked if we are splitting this cost with the City of Mission? Mr. Marco Ramirez, P.E., stated the engineer who is designing this project provided an estimate for our portion of the work. MPU will provide the funds to the City of Mission for our part of the work.

Trustee Cardenas moved to approve item 3b. Trustee Godinez seconded the motion. The motion carried unanimously by those present.

- c) Consideration and Approval of Interlocal Cooperation Agreement between Hidalgo County Irrigation District No. One and the McAllen Public Utility for the Force Main Crossing at the Main Canal at FM 676 (5-Mile Road)

Mr. Marco Ramirez, P.E., Utility Engineer stated this is an Interlocal agreement with Hidalgo County Irrigation District No. 1. TXDOT will be doing a road expansion on 5 Mile Road from Ware Road to Shary Road. We will be relocating some of our infrastructure, including the gravity sewer system. As part of that scope, we will also be abandoning a lift station located on 5 Mile Road and Bentsen Road. This will be a temporary relocation for the lift station which will allow the bridge and canal bypass to be completed.

Trustee Godinez moved to approve item 3c. Trustee Cardenas seconded the motion. The motion carried unanimously

4. UTILITY LAYOUTS:

- a) Consideration and Approval of MPU Board Participation for Water Public Improvements – La Lomita Paradise

Mr. Patrick Gray, GIS Coordinator, stated with the approval of La Lomita Paradise Subdivision, the developer is requesting MPUB Participation for the Off-Site Water Public Improvements. The improvements for this area include the installation of an 8" waterline that will complete the loop along 6 ½ Mile Rd. and will abandon an existing 4" waterline from 32nd Lane to La Lomita Rd. The improvements also include the installation of one new fire hydrant in a location where there are no existing hydrants for fire protection. All improvements will be installed off-site to the west of the proposed subdivision. There is a table for the board to review. In reference to the State Statute of Procurements, it is understood the maximum allowed participation by McAllen Public Utility cannot exceed 30% of the total improvement cost.

Staff is recommending MPUB participation for the full 30% of the Water Public Improvements that total to \$9,703.50.

Vice-Chairman Williams moved to approve item 4a. Trustee Godinez seconded the motion. The motion carried unanimously by those present.

b) Consideration and Possible Approval of the revised participation to the North Park on 107 Subdivision

Mr. Rafael Balderas, E.I.T., Assistant Utility Engineer stated this subdivision was approved by the MPU Board back in February 2022 and approved for participation on January 2024. The property is located on the south side of State Highway 107 and approximately 800 feet west of 23rd st. It is located within the city of McAllen limits and is being proposed as R-3A residential. The tract consists of 18.239 acres and will be 49 lots for multi-family use. The original proposed improvements were to extend an 8-inch waterline to-and-through the property with a looped system. Also, extension of an on-site 8-inch wastewater line to-and-through, and extension of a 15-inch wastewater line which was given two options off-site. There was difficulty establishing utility easements with the neighbor to the south. That eliminated one of the options of the 15-inch wastewater line. With that, a revision of the master plan was done to allow a 12-inch and 8-inch line off-site for the connection point. With that an 18-inch wastewater line was then requested to be installed in preparation to follow the new master plan. The original approval participation amount was based on 30% of the water and wastewater improvements and all of the cost for the 18-inch wastewater line, as it will not be used for the development. The developer had received a bid for the 18-inch wastewater line for \$159,500. Since then, the contractor has begun to install the 18-inch line but has run into some difficulty with excavating hard rock, which was also seen with the Sprague Road project. A Geotech report was done for the subdivision which indicated the possibility of hard soil. The developer is requesting for the participation amount to change to \$264,500 due to the struggle of broken machinery and time delay. In your packet you also have the cost of machinery. An MPU reimbursement certificate will be established in a future meeting for this improvement. Staff recommends approval of the proposed revised participation amount.

Trustee Godinez moved to approve item 4b. Trustee Cardenas seconded the motion. The motion carried unanimously by those present.

5. TABLED ITEMS:

a) Consideration and Approval of Buy Board Quote (# 672-22) for the installation of a Groundwater Test Well at our North WTP.

Trustee Cardenas moved to remove item 5a from table. Trustee Godinez seconded the motion. The motion carried unanimously

Trustee Godinez asked if this item is in conjunction with what we just approved. Mr. Marco Vega, P.E., General Manager stated it is just a test well to know what type of water quality we expect to encounter. Vice-Chairman Williams asked if this will be a part of this year's or next year's budget. Mr. Vega stated it will be a part of this year's budget. Mr. Vega also stated that there will be two test wells; one on the west side of the north water plant and one on the east side where our ground water storage tanks are. This will give a very good representation of ground water quality we have on our property.

After much discussion Trustee Godinez moved to approve item 5a. Trustee Cardenas seconded the motion. The motion carried unanimously.

6. FUTURE AGENDA ITEMS

Vice-Chairman Williams requested the dates for budget workshops when they are finalized. Mr. Marco Vega, P.E., General Manager stated the workshops will be held on August 6th and 7th at the South Wastewater Plant.

7. EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 CONSULTATION WITH ATTORNEY, SECTION 551.072 LAND TRANSACTION, SECTION 551.074 PERSONNEL MATTERS; SECTION 551.087 ECONOMIC DEVELOPMENT NEGOTIATIONS

Mr. Evaristo Garcia, Assistant City Attorney III, stated no update for Executive Session.

- a) Consideration of Economic Development Matters (Section 551.087, T.G.C).
- b) Consultation with City Attorney regarding pending litigation (Section 551.071, T.G.C).

ADJOURNMENT

There being no other business to come before the Board, the meeting was unanimously adjourned at 5:26 p.m.

Charles Amos, Chairman

Attest:

Clarissa Hernandez
Utility Board Secretary

Memo

TO: Marco A. Vega, P.E., General Manager
J.J. Rodriguez, Asst. General Manager

THRU: Marco Ramirez, P.E., Utility Engineer
Carlos Gonzalez, P.E., Utility Engineer

FROM: Rafael A. Balderas, E.I.T., Asst. to the Utility Engineer

DATE: July 2, 2024

SUBJECT: Request for the Final Reimbursement Certificate for the Silverado Moon Subdivision

On July 11, 2023 the proposed Silverado Moon Subdivision was approved by the MPU Board. A preliminary reimbursement certificate was approved on February 27, 2024. The applicant is now requesting approval for a Final Reimbursement Certificate as all improvements have been installed. The subdivision is a 25.07-acre tract that is located on the north side of 5 Mile (Auburn) and on the east side of Taylor Road.

The installed sanitary sewer improvements consist of an 8-inch, 10-inch, and 12-inch sewer line that has tied into an existing 21" sewer line that runs along 5 Mile. The installed combined sized sewer line has been extended 1930 LF.

The applicant has proposed to establish a reimbursement service area totaling 53.64 acres, which includes the area north and northwest of this subdivision.

	Acres Served	Cost	Cost per acre
Sewer Improvements	53.64	\$158,635.05	\$2,957.40

With the review of the proposed request, staff recommends approval as proposed by the developer.

I'll be available for further discussion/questions at the MPUB meeting.

Project Name: SILVERADO MOON SUBDIVISION	Date: 2/21/2024	Page 1 of 1
25.62 ACRES (121 RESIDENTIAL LOTS)		

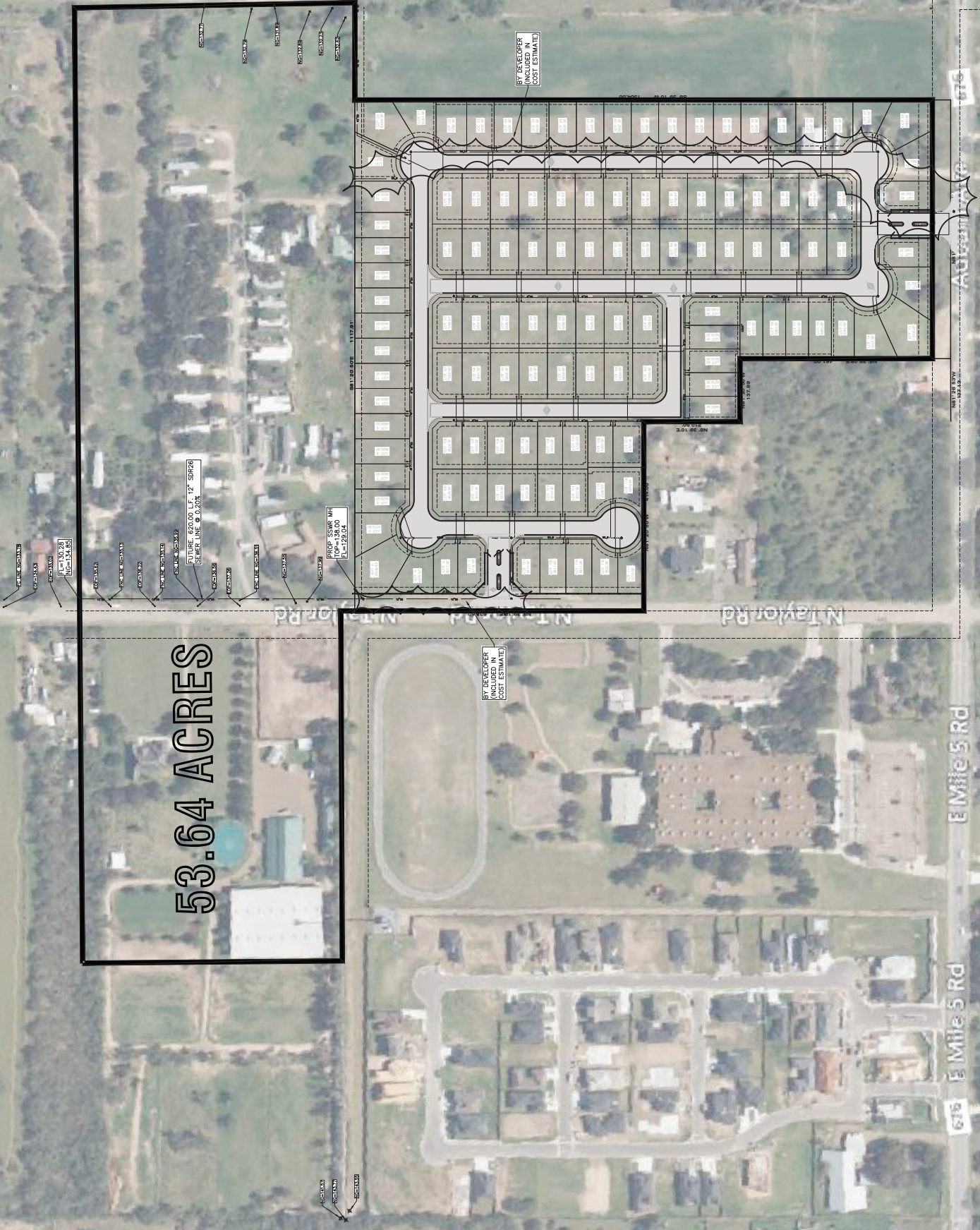
Sanitary Sewer - Tie into exist City of McAllen sewer line on Taylor Rd and Mile 5 Road

ITEM #	DESCRIPTION	QUANTITY	UNIT COST	AMOUNT
1	12" SDR-26 SEWER LINE	430 LF	\$45.00	\$19,350.00
2	10" SDR-26 SEWER LINE	1377 LF	\$40.00	\$55,080.00
3	8" SDR-26 SEWER LINE	123 LF	\$35.00	\$4,305.00
4	SANITARY SEWER MANHOLE	8 EA	\$6,500.00	\$52,000.00
5	TIE INTO EXISTING SANITARY SEWER	2 EA	\$4,200.00	\$8,400.00
6	8" CLEANOUT W/ METAL COVER & CONCRETE COLLAR	1 EA	\$1,250.00	\$1,250.00
SUB -TOTAL:				\$140,385.00

ESTIMATE DEVELOPMENT COST BREAKDOWN:		
1	CONSTRUCTION BY DEVELOPER	\$140,385.00
2	CITY OF MCALLEN ADMINISTRATIVE INSPECTION FEE (2% OF CONSTRUCTION COST)	\$2,807.70
3	CITY OF MCALLEN CONSTRUCTION MATERIALS TESTING FEES (3% OF CONSTRUCTION COST)	\$4,211.55
4	RDE - ENGINEERING FEE (8% OF ESTIMATED COST OF SITE-CIVIL IMPROVEMENTS)	\$11,230.80
GRAND -TOTAL:		\$158,635.05

PER ACRE(53.64 ACRES)	\$2,957.40
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53.64 ACRES



PROJ. 5518 VP
TOP = 118.00
ELEV. 118.00

FUTURE 620.00 LF, 12" SDPR2
SEWER LINE @ 0.02%

BY DEVELOPER
(INCLUDED IN
COST ESTIMATE)

BY DEVELOPER
(INCLUDED IN
COST ESTIMATE)

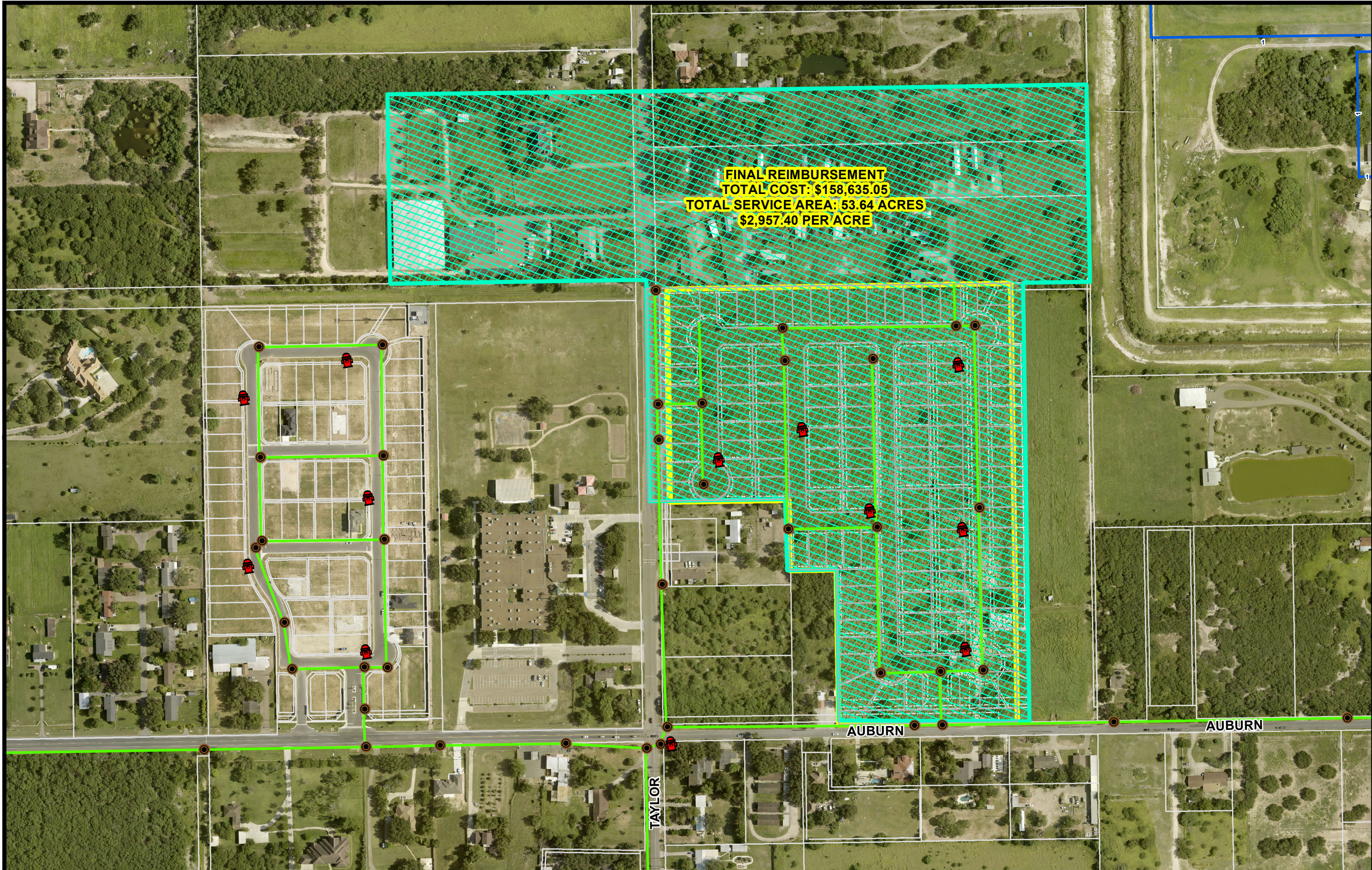
Autumn
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E Mlie 5 Rd

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N Taylor Rd







SILVERADO MOON FINAL REIMBURSEMENT



FINAL REIMBURSEMENT
TOTAL COST: \$158,635.05
TOTAL SERVICE AREA: 53.64 ACRES
\$2,957.40 PER ACRE

1 inch = 282 feet

Legend

-  Existing Fire Hydrants
-  Existing Manhole
-  Existing Wastewater Line
-  Service Area
-  Existing Waterline
-  Proposed Area



AGENDA ITEM 3.a.

PUBLIC UTILITY BOARD

DATE SUBMITTED 06/11/2024

MEETING DATE 7/9/2024

1. Agenda Item: Discussion and Possible Action Employee Health Plan Recommendations

2. Party Making Request: Jolee Perez, Benefits Coordinator

3. Nature of Request:

4. Budgeted:

Bid Amount: _____
Under Budget: _____

Budgeted Amount: _____
Over Budget: _____
Amount Remaining: _____

5. Reimbursement:

6. Routing:
Jolee Perez Created/Initiated - 6/11/2024
Jeff Johnston Approved - 6/12/2024
Maria Chavero Approved - 7/2/2024
Isaac Tawil New -

7. Staff's Recommendation: Recommend approval of changes as outlined.

8. City Attorney: Approve. IJT

9. MPU General Manager: Approved - MAV

10. Director of Finance for Utilities: Approved - MSC



MEMORANDUM

TO: Mark Vega, General Manager
CC: Jeff Johnston, Assistant City Manager
FROM: Jolee Perez; Director of Employee Benefits
DATE: June 11, 2024
RE: Health Plan Recommendations

As disclosed in the June 10, 2024, joint workshop, the positive trends of the employee health plan indicate that the 2024-25 budget was drafted with expenses covered by revenues. However, we expect the 23-24 fiscal year to close with no surplus, and there is no margin for surplus in the 24-25 budget.

To create a margin that can offset unexpected health claims or begin building a surplus, we recommend the following changes to the health plan effective October 1, 2024:

1. Increase the City contribution towards employee premiums by \$10.00 per participant (Savings: \$220,080).
2. Increase the Emergency Room (ER) copay from \$250 to \$500 per event (Savings: \$50,000).
3. Increase the Urgent Care (UC) copay from \$50 to \$100 per event (Savings: \$10,000).

The total expected savings from these changes is \$280,080.

Following this memo are slides on each recommendation.

For fiscal 2024-25, we anticipate enhancing member education to promote appropriate utilization and early/preventative care to continue reducing health claim expenses.

OPTIONS TO BUILD SURPLUS OR PROTECT FROM SURPRISE CLAIMS

A. Premium Adjustments

METHODOLOGY	MONTHLY RATES BY TIER	Base Plan	Base Plan	Base Plan	Base Plan	ANNUAL REVENUE	INCREASE TO REVENUE
		EE Only	EE + SP	EE + CH	EE + Fam		
CURRENT PREMIUMS	EE Subsidy Percentage	93%	93%	93%	93%	\$17,067,048	
	Dep Subsidy Percentage	N/A	44%	47%	45%		
	EE / EE Participation Contribution	\$ 40	\$ 40	\$ 40	\$ 40		
	EE / Dep Participation Contribution	N/A	\$ 278	\$ 220	\$ 304		
	City / EE Participation Contribution	\$ 565	\$ 565	\$ 565	\$ 565		
	City / Dep Participation Contribution	N/A	\$ 216	\$ 198	\$ 244		
	TOTAL PREMIUM	\$ 605	\$ 1,099	\$ 1,023	\$ 1,153		
CITY ADJUSTMENT ONLY \$10 INCREASE	EE Subsidy Percentage	93%	93%	93%	93%	\$17,287,128	\$220,080
	Dep Subsidy Percentage	N/A	44%	47%	45%		
	EE / EE Participation Contribution	\$ 40	\$ 40	\$ 40	\$ 40		
	EE / Dep Participation Contribution	N/A	\$ 278	\$ 220	\$ 304		
	City / EE Participation Contribution	\$ 575	\$ 575	\$ 575	\$ 575		
	City / Dep Participation Contribution	N/A	\$ 216	\$ 198	\$ 244		
	TOTAL PREMIUM	\$ 615	\$ 1,109	\$ 1,033	\$ 1,163		

OPTIONS TO BUILD SURPLUS OR PROTECT FROM SURPRISE CLAIMS

B. Increase ER Copayment from \$250 to \$500

SAVINGS PROJECTION \$50,000

In 2022-23, there were 418 ER Claims.

As of April 2024, there have been 232 ER Claims.

Of 144 health plans across 53 peer entities (Texas/municipal or school district);

- **Twenty-eight have ER copays of \$500**
- **Fifty-one have ER copays of deductible & coinsurance which will result in member liability above \$500**
- **Fifteen have ER copays between \$300 and \$375**

Total plans with member liability higher than \$250 is 94 of 144 plans.

Majority of these plans do not have a primary care clinic nor a direct primary care clinic to help members avoid ER for unnecessary events.

When emergency room is used for appropriate events, and patient is then admitted, copay is waived.

OPTIONS TO BUILD SURPLUS OR PROTECT FROM SURPRISE CLAIMS

C. Increase Urgent Care Copayment from \$50 to \$100

SAVINGS PROJECTION \$10,000

In 2022-23, there were 155 Urgent Care Claims.

As of April 2024, there have been 89 Urgent Care Claims.

Of 144 health plans across 53 peer entities (Texas/municipal or school district);

- **Sixty-six have UC copays between \$75 and \$100, majority at \$75 copay**
- **Twenty-eight have UC copays of deductible & coinsurance which will result in member liability above \$100**

Total plans with member liability higher than \$50 is 94 of 144 plans.

Majority of these plans do not have a primary care clinic or a direct primary care to handle urgent care events.



AGENDA ITEM

5.a.

PUBLIC UTILITY BOARD

DATE SUBMITTED

07/02/2024

MEETING DATE

7/9/2024

1. Agenda Item: Consultation with City Attorney regarding pending litigation (Section 551.071, T.G.C).

2. Party Making Request:

3. Nature of Request:

4. Budgeted:

Bid Amount: _____
Under Budget: _____

Budgeted Amount: _____
Over Budget: _____
Amount Remaining: _____

5. Reimbursement:

6. Routing:

Savannah Arredondo

Created/Initiated - 7/2/2024

7. Staff's Recommendation:

8. City Attorney: None. IJT

9. MPU General Manager: N/A - MAV

10. Director of Finance for Utilities: N/A - MSC