



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

DATE: Tuesday, September 26, 2023

TIME: 4:00 P.M.

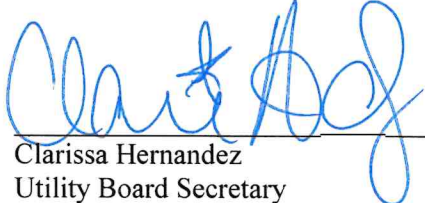
PLACE: McAllen City Hall
Commission Chambers – 3rd Floor
1300 Houston Avenue
McAllen, Texas 78501

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 22nd day of September, 2023 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, SEPTEMBER 26, 2023 – 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 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 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 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

EMPLOYEE OF THE MONTH FOR SEPTEMBER: YESENIA TIJERINA - WATER ADMINISTRATION

PROCLAMATION - NATIONAL CUSTOMER SERVICE WEEK

1. MINUTES:

- a) Approval of the Minutes for the Regular Meeting held September 12, 2023.

2. CONSENT AGENDA:

- a) Consider adopting of the Resolution of the Public Utility Board of Trustees of the City of McAllen, Texas Accepting the Resignation of Melba D. Carvajal and Designating Valeria Rios as an Investment Officer along with Sergio Villasana, Marco A. Vega, P.E., and Roel Rodriguez, P.E. for the McAllen Public Utility of the City of McAllen, Texas.
- b) Consider adopting of the Resolution of the Board of Trustees of the City of McAllen Public Utility, Hidalgo County, Texas, Amending Texpool Authorized Representatives and Providing an Effective Date.
- c) Consideration and Approval of the La Floresta Phase 3 Subdivision

3. BIDS AND CONTRACTS:

- a) Consideration and Authorization to Declare MPU Vehicles & Property as Surplus.
- b) Authorization to Purchase One (1) New $\frac{3}{4}$ Ton Crew Cab Pickup Truck through Cooperative Pricing

- c) Consideration and Approval of Material Purchase for Mile 6 Sewerline Project

4. ORDERS:

- a) Roll call vote on Adoption of an Ordinance/Order - Approving and Adopting the City of McAllen Annual Budget for Fiscal Year 2023-2024, including the McAllen Public Utility Budget.

5. RESOLUTION:

- a) Resolution approving the City's Investment Policy and Strategy as presented.

6. FUTURE AGENDA ITEMS

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

- a) Evaluation of General Manager (T.G.C. 551.074)
- b) 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 OCTOBER 10, 2023.



- | | AGENDA ITEM | <u>1.a.</u> |
|----------------------|----------------|-------------|
| PUBLIC UTILITY BOARD | DATE SUBMITTED | 09/18/2023 |
| | MEETING DATE | 9/26/2023 |
1. Agenda Item: Approval of the Minutes for the Regular Meeting held September 12, 2023.
 2. Party Making Request:
 3. Nature of Request:
 4. Budgeted:

Bid Amount:	_____	Budgeted Amount:	_____
Under Budget:	_____	Over Budget:	_____
		Amount Remaining:	_____
 5. Reimbursement:
 6. Routing:

Savannah Arredondo	Created/Initiated - 9/18/2023
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 7. Staff's Recommendation:
 8. City Attorney: Approve. IJT
 9. MPU General Manager: Approve - MAV
 10. Director of Finance for Utilities: Approved - MDC

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

The McAllen Public Utility Board (MPUB) convened in a Regular Meeting on **Tuesday, September 12, 2023**, at 4:00 pm at in the City Commission Chambers at City Hall with the following present:

	Charles Amos	Chairman
	Ernest Williams	Vice-Chairman
	Javier Villalobos	Ex-Officio Member/Mayor
	Albert Cardenas	Trustee
	Ricardo Godinez	Trustee
Staff:	Marco A. Vega, P.E.	General Manager
	Isaac Tawil	City Attorney
	J.J. Rodriguez	Assistant General Manager
	Clarissa Hernandez	Utility Board Secretary
	Melba Carvajal	Director of Finance for Utilities
	Pablo Rodriguez	Assistant Director for Customer Relations
	Carlos Gonzalez, P.E.	Utility Engineer
	Edward Gonzalez	Director of Water Systems
	David Garza	Director of Wastewater Systems
	Erika Gomez, EIT	Assistant Utility Engineer
	Katia Sanchez	Water Education & Comm Coord
	Marco Ramirez, P.E.	Utility Engineer
	Gerardo Noriega	Purchasing Director
	Juan Vallejo	Assistant Director of Water Systems
	Rafael Balderas, EIT	Assistant Utility Engineer
	Janet Landeros	Grants & Contracts Coordinator
	Terri Uvalle	Assistant Director of Utility Billing
	Patrick Gray	GIS Coordinator
	Christina Molano	Water Lab Manager
	Brittney Salinas	Assistant Water Lab Manager
	Daniel Reyna Jr.	Water Plant Manager
Visitor:	Peter Mealing	

CALL TO ORDER:

Chairman Amos called the meeting to order at 4:12 p.m.

1. MINUTES:

- a) Approval of the Minutes for the Regular Meeting held August 29, 2023.

Mayor Villalobos moved to approve the minutes for the regular meeting held on August 29th, 2023. Trustee Cardenas seconded the motion. The motion carried unanimously.

2. CONSENT AGENDA

- a) Discussion and Approval for the Melissa Palma Estates Subdivision.

Trustee Godinez moved to approve the Melissa Palma Estates Subdivision. Mayor Villalobos seconded the motion. The motion carried unanimously.

3. BIDS AND CONTRACTS:

- a) Consideration and Approval for Final Reconciliation Change Order #2 for the Manhole Rehabilitation Project 2023.

Mr. Marco Vega, P.E., General Manager, stated the project is complete and there is a credit of \$11,000 reducing the total amount of the project to \$542,885.25.

Mayor Villalobos moved to approve the final reconciliation change order #2 for the manhole rehabilitation project. Trustee Godinez seconded the motion. The motion carried unanimously.

- b) Consideration and Approval of Professional Services Cost Sharing Agreement between Cubic Industries and McAllen Public Utilities.

Mr. Marco Vega, P.E., General Manager, stated that as discussed in a previous workshop, we are simply asking for an industry that may come into the City of McAllen to compensate McAllen Public Utility for expenses with our master plans related directly to their industry. There is \$14,786.25 that is coming from the water and wastewater master plan expense and then \$170,342.00 that is coming from the reuse master plan. Staff recommends approval.

Trustee Godinez asked to discuss this item during executive session.

Chairman Amos recessed the meeting at 4:20 p.m. to go into Executive Session. Chairman Amos reconvened the meeting at 4:41 p.m.

Trustee Cardenas moved to approve the professional services cost sharing agreement. Trustee Godinez seconded the motion. The motion carried unanimously by those present.

4. UTILITY LAYOUTS:

- a) Discussion and Possible Approval of Septic Tank Variance for 7308 N. Taylor.

Mr. Marco Vega, P.E., General Manager stated that the subdivision does have the minimum acreage for a septic tank variance request for a single lot and single-family home, staff recommends approval.

Mayor Villalobos moved to approve the septic tank variance for 7308 N. Taylor. Trustee Godinez seconded the motion. The motion carried unanimously.

b) Discussion and Possible Approval for the Grace Haven Subdivision Septic Tank Variance.

Mr. Marco Vega, P.E., General Manager stated that the Grace Haven Subdivision does have the minimum state requirement of over half an acre and that there is already a home on the property. Staff does recommend approval.

Mayor Villalobos moved to approve the Grace Haven Subdivision septic tank variance. Trustee Cardenas seconded the motion. The motion carried unanimously.

5. MANAGER'S REPORT:

a) Review of the Quarterly Investment Report for the Quarter Ending June 30, 2023.

Mr. Marco Vega, P.E., General Manager stated that this presentation was presented by Melba Carvajal, Director of Finance to the Audit and Investment Committee. It has been approved and all investments are within regulations.

Trustee Cardenas moved to approve the quarterly investment report for the quarter ending June 30, 2023. Vice-Chairman Williams seconded the motion. The motion carried unanimously.

b) Discussion and Approval of Extension Request for Extension Final Reimbursement Certificates

Mr. Marco Vega, P.E., General Manager stated that there are four subdivisions requesting an extension for final reimbursement certificates; they are given an option to extend by five years. The developers have requested to extend, and staff recommends approval.

Vice-Chairman Williams moved to approve the extension request for existing final reimbursement certificates. Mayor Villalobos seconded the motion. The motion carried unanimously.

6. FUTURE AGENDA ITEMS

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

Chairman Amos recessed the meeting at 4:20 p.m. to go into Executive Session. Chairman Amos reconvened the meeting at 4:41 p.m.

- a) Consultation with City Attorney Relating to personnel matters. (Section 551.071, T.G.C.)

Trustee Cardenas moved to approve for General Manager to make an offer as discussed during executive session. Trustee Godinez seconded the motion. The motion carried unanimously.

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

No action was taken

ADJOURNMENT

There being no other business to come before the Board, the meeting was unanimously adjourned at 4:43 p.m.

Charles Amos, Chairman

Attest:

Clarissa Hernandez
Utility Board Secretary



AGENDA ITEM

2.a.

PUBLIC UTILITY BOARD

DATE SUBMITTED

09/20/2023

MEETING DATE

9/26/2023

1. Agenda Item: A Resolution of the Public Utility Board of Trustees of the City of McAllen, Texas Accepting the Resignation of Melba D. Carvajal and Designating Valeria Rios as an Investment Officer along with Sergio Villasana, Marco A. Vega, P.E., and Roel Rodriguez, P.E. for the McAllen Public Utility of the City of McAllen, Texas.

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 - 9/20/2023

7. Staff's Recommendation:

8. City Attorney: Approve. IJT

9. MPU General Manager: Approved - MAV

10. Director of Finance for Utilities: Approved - MDC



Memo

To: Marco A. Vega, P.E., General Manager

From: Juan J. Rodriguez, Assistant General Manager

A handwritten signature in blue ink, appearing to be "JR", is placed to the right of the "From:" line.

Date: September 19, 2023

Subject: Resolution of the Public Utility Board of Trustees of the City of McAllen, Texas
Accepting the Resignation of Melba D. Carvajal and Designating Valeria Rios as
an Investment Officer along with Sergio Villasana, Marco A. Vega, P.E., and Roel
Rodriguez, P.E. for the McAllen Public Utility of the City of McAllen, Texas

As you know, Melba Carvajal, Director of Finance for Utilities - Treasury Management, submitted her notice of retirement on August 28, 2023. Her retirement becomes effective September 29, 2023.

The attached resolution is required in order to acknowledge she will not longer oversee investments on behalf of the City of McAllen and McAllen Public Utility. Adoption of the resolution also serves to appoint Valeria Rios, Treasury Accountant, as an Investment Officer while we proceed to fill the position previously held by Ms. Carvajal.

Attached for your reference is a copy of the resolution document. Please let me know if you have any questions or need additional information.

RESOLUTION NO. 2023 - ____

A RESOLUTION OF THE PUBLIC UTILITY BOARD OF TRUSTEES OF THE CITY OF MCALLEN, TEXAS ACCEPTING THE RESIGNATION OF MELBA D. CARVAJAL AND DESIGNATING VALERIA RIOS AS AN INVESTMENT OFFICER ALONG WITH SERGIO VILLASANA, MARCO A. VEGA, P.E., AND ROEL RODRIGUEZ, P.E. FOR THE MCALLEN PUBLIC UTILITY OF THE CITY OF MCALLEN, TEXAS

WHEREAS, on December 15, 2020, the Board of Trustees of the Public Utility of the City of McAllen, Texas (hereinafter called the "BOARD") designated Melba D. Carvajal, Sergio Villasana, Marco A. Vega, P.E., and Roel Rodriguez, P.E. as Investment Officers of the Public Utility of the City of McAllen, Texas (herein after called the "UTILITY"), and

WHEREAS, Melba D. Carvajal desires to resign as an Investment Officer of the UTILITY, and

WHEREAS, the BOARD desires to accept the resignation of Melba D. Carvajal as an Investment Officer of the UTILITY and appoint a successor to the position,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD, THAT:

The resignation of Melba D. Carvajal as an Investment Officer of the UTILITY is hereby accepted by the BOARD effective September 29, 2023, and

RESOLVED FURTHER, THAT:

VALERIA RIOS is designated, along with Sergio Villasana, Marco A. Vega, P.E., and Roel Rodriguez, P.E. as Investment Officers for the UTILITY with authority as a signor on depository bank accounts, investments, investment accounts and TexPool accounts, pursuant to the UTILITY Investment Policy.

CONSIDERED, PASSED, APPROVED and SIGNED this 26th day of September 2023 at a called meeting of the Board of Trustees, of the McAllen Public Utility of the City of McAllen, Texas at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

**CITY OF McALLEN PUBLIC UTILITY
BOARD OF TRUSTEES**

Charles Amos, Chairman

Attest:

Clarissa Hernandez, Board Secretary

Approved as to form:

Isaac J. Tawil. City Attorney



AGENDA ITEM

2.b.

PUBLIC UTILITY BOARD

DATE SUBMITTED

09/20/2023

MEETING DATE

9/26/2023

1. Agenda Item: A Resolution of the Board of Trustees of the City of McAllen Public Utility, Hidalgo County, Texas, Amending Texpool Authorized Representatives and Providing an Effective Date.

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 - 9/20/2023

7. Staff's Recommendation:

8. City Attorney: Approve. IJT

9. MPU General Manager: Approved - MAV

10. Director of Finance for Utilities: Approved - MDC



Memo

To: Marco A. Vega, P.E., General Manager

From: Juan J. Rodriguez, Assistant General Manager

A handwritten signature in blue ink, appearing to be "J. Rodriguez", is written over the name in the "From:" line.

Date: September 19, 2023

Subject: Resolution of the Board of Trustees of the City of McAllen Public Utility, Hidalgo County, Texas, Amending Texpool Authorized Representatives and Providing an Effective Date.

As you know, Melba Carvajal, Director of Finance for Utilities - Treasury Management, submitted her notice of retirement on August 28, 2023. Her retirement becomes effective September 29, 2023.

The attached resolution is required in order to update the City of McAllen and McAllen Public Utility authorized representatives with TexPool. Texas Local Government Investment Pool ("TexPool/Texpool Prime"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the public Funds Investment Act.

Adoption of the resolution also serves to appoint Valeria Rios, Treasury Accountant, as an Authorized Representatives that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the participation Agreement. Her role will be in effect while we proceed to fill the position previously held by Ms. Carvajal.

Attached for your reference is a copy of the resolution document. Please let me know if you have any questions or need additional information.

RESOLUTION NO. 2023-_____

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE CITY OF
McALLEN PUBLIC UTILITY, HIDALGO COUNTY, TEXAS,
AMENDING TEXPOOL AUTHORIZED REPRESENTATIVES AND
PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City of McAllen Public Utility (“Participant”) is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal liquidity, and yield consistent with the Public Funds Investment Act, and

WHEREAS, the Texas Local Government Investment Pool (“TexPool/Texpool Prime”), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the public Funds Investment Act.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE
CITY OF McALLEN PUBLIC UTILITY THAT:**

1. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool/TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
2. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant’s TexPool/TexPool Prime account or (2) is no longer employed by the Participant; and
3. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List of Authorized Representatives of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

Valeria Rios
Treasury Accountant
Phone: 956-681-1636
Fax: 956-681-1079
Email: vrrios@mcallen.net

Sergio Villasana
Finance Director
Phone: 956-681-1081
Fax: 956-681-1084
Email: svillasana@mcallen.net

Roel "Roy" Rodriguez, P.E.
City Manager
Phone: 956-681-1006
Fax: 956-681-1010
Email: roel_rodriguez@mcallen.net

Marco A. Vega, P.E.
General Manager - MPU
Phone: 956-681-1634
Fax: 956-681-1639
Email: mvega@mcallen.net

Authorized Representatives that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the participation Agreement:

VALERIA RIOS.

Additional Authorized Representative designated to perform only inquiry of selected information: (This limited representative cannot perform transactions.)

RAQUEL GARZA, PROCUREMENT ACCOUNTANT

4. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool participant Services receives a copy of such amendment or revocation.
5. This resolution shall be effective immediately upon final approval.
6. That a duplicate original of this resolution shall be sent to TexPool Participant Services, 1001 Texas Avenue, Suite 1400, Houston, Texas 77002

CONSIDERED, PASSED, APPROVED, AND SIGNED this 26th day of September 2023, at a regular meeting of the Board of Trustees, of the City of McAllen Public Utility, at which a quorum was present and which was held pursuant to Chapter 551, Texas Government Code.

McALLEN PUBLIC UTILITY BOARD OF
TRUSTEES

Charles Amos, Chairman

Attest:

Approved as to form:

Clarissa Hernandez, Board Secretary

Isaac J. Tawil, City Attorney



AGENDA ITEM

2.c.

PUBLIC UTILITY BOARD

DATE SUBMITTED

09/19/2023

MEETING DATE

9/26/2023

1. Agenda Item: Consideration and Approval of the La Floresta Phase 3 Subdivision
2. Party Making Request:
Marco Ramirez, Utility Engineer P.E.
3. Nature of Request: Consideration and Approval of the La Floresta Phase 3 Subdivision
4. Budgeted:

Bid Amount:		Budgeted Amount:	
Under Budget:		Over Budget:	
		Amount Remaining:	
5. Reimbursement:
6. Routing:
Patrick Gray Created/Initiated - 9/19/2023
7. Staff's Recommendation: Staff recommends the consideration and approval of the La Floresta Phase 3 Subdivision
8. City Attorney: Approve. IJT
9. MPU General Manager: Approved - MAV
10. Director of Finance for Utilities: Approved - MDC

Memo

TO: Marco A. Vega, P.E., General Manager

J.J. Rodriguez, Asst. General Manager

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

Marco Ramirez, P.E., Utility Engineer

FROM: Patrick R. Gray, E.I.T., GIS Coordinator

DATE: September 26, 2023

SUBJECT: **La Floresta Phase 3 Subdivision; Consideration & Approval of Subdivision**

This property is located on the northeast corner of Hobbs Rd. and Bicentennial Blvd. It is located within the McAllen City Limits and is being proposed as R-1 Residential. The tract consists of 6.1 acres and is proposing 24 single family home lots.

The subdivision application was originally filed with the City on April 21, 2023 and has received preliminary P&Z approval on May 16, 2023. The information required from the developer's engineer for this agenda was received on September 19, 2023.

Utility plan/availability is described as follows:

1. **Water Service:** The applicant is proposing to connect to an existing 8" waterline located near the southwest corner of the subdivision. The proposed water line will be an internal loop through the proposed utility easements and will have two stub-outs at the north and south ends of the property for future connections.
2. **Sewer Service:** The applicant is proposing to install an 8" sanitary sewer line that will tie into the existing sanitary sewer network falling into the Bicentennial Interceptor.
3. This property falls within the Northgate Water reimbursement service area.

Staff recommends MPUB approval of the subdivision application as proposed subject to the following:

- 1.) Dedication of a utility easement, possibly along the perimeter of the property.
- 2.) Installation of the proposed public utility infrastructure to be constructed as proposed.
- 3.) Payment of a Waterline Line Reimbursement to MPU in the amount of \$7,504.33 for the Northgate Waterline Project.

Staff will be available for further discussion/questions at the MPUB meeting.

Thank you

JAVIER HINOJOSA ENGINEERING/Consulting Engineers

416 E. Dove Avenue • McAllen, Texas 78504

Tel: (956) 668-1588

javier@javierhinojosaeng.com

TBPELS FIRM NO. F-1295

La Floresta Subdivision Ph. III Water and Sanitary Sewer Description

Water

This subdivision will be connecting to the City of McAllen Water system by removing an existing flush valve on an 8" water line located near the southwest corner of the subdivision. The developer will install approximately 2025 linear feet of 8" water line within and looping itself inside the subdivision. Two 8" stub-outs with a 2" flush valve will also be installed for future tie-ins by others. Each lot will be served by a 3/4" water service connection and fire hydrants will be constructed in accordance with fire code.

Sanitary Sewer

This subdivision will be re-directing existing sewer lines within the subdivision parallel to its existing east property line. After this is completed, the developer will install approximately 645 linear feet of 8" sewer line that will tie to the re-routed sewer line. Each lot within this subdivision will be served by a 4" sanitary sewer connection with a clean-out at the end of each service.


Javier Hinojosa, P.E.



7/17/23

REIMBURSEMENT WAIVER

STATE OF TEXAS X

COUNTY OF HIDALGO X

THIS CERTIFICATE, issued by the McAllen Public Utility (MPUB), as authorized by such Board of Trustees, hereinafter called the MPUB to Gauchos Investments, LLC hereinafter called the DEVELOPER.

1. The DEVELOPER is the developer of the following described property:

La Floresta Subdivision Phase III and proposes to construct Utility Improvements as shown on a plan
(Subdivision Name)

designed by Javier Hinojosa Engineering dated September, 2023, hereinafter called the
(Engineering Firm)

IMPROVEMENTS, as approved by the McAllen Public Utility Board on _____
(Approval date)

2. By the execution of this certificate, the Developer hereby waives and disclaims the right to obtain reimbursement from Intervening Developers in accordance with the MPUB's Reimbursement Policy.

ISSUED in triplicate originals this 19 day of September, 2023.

CITY OF McALLEN BY THE
McALLEN PUBLIC UTILITY

BY: _____

Mark Vega, P.E.
General Manager, McAllen Public Utility
Post Office Box 220
McAllen, Texas 78505-0220
(956) 681-1630

ATTEST:

Board Secretary

DEVELOPER -

BY: _____

Gauchos Investments, LLC
By: Javier Hinojosa, P.E., Authorized Agent
5508 N. Cynthia Street
McAllen, Texas 78504

**SUBDIVISION REIMBURSEMENT WORKSHEET
LA FLORESTA PH. III SUBDIVISION**

WATER LINE REIMB. CALCULATIONS

WATER: MPU: NORTHGATE WATER BOND
COST: \$1,118.38 x 6.1 AC \$6,822.12
10% ADMIN FEE <10 YEARS 682.21

WATER LINE REIMBURSEMENT \$7,504.33

TOTAL REIMBURSEMENT DUE \$7,504.33

Prepared By: PZ Date: 9/12/23 Reviewed By: RB

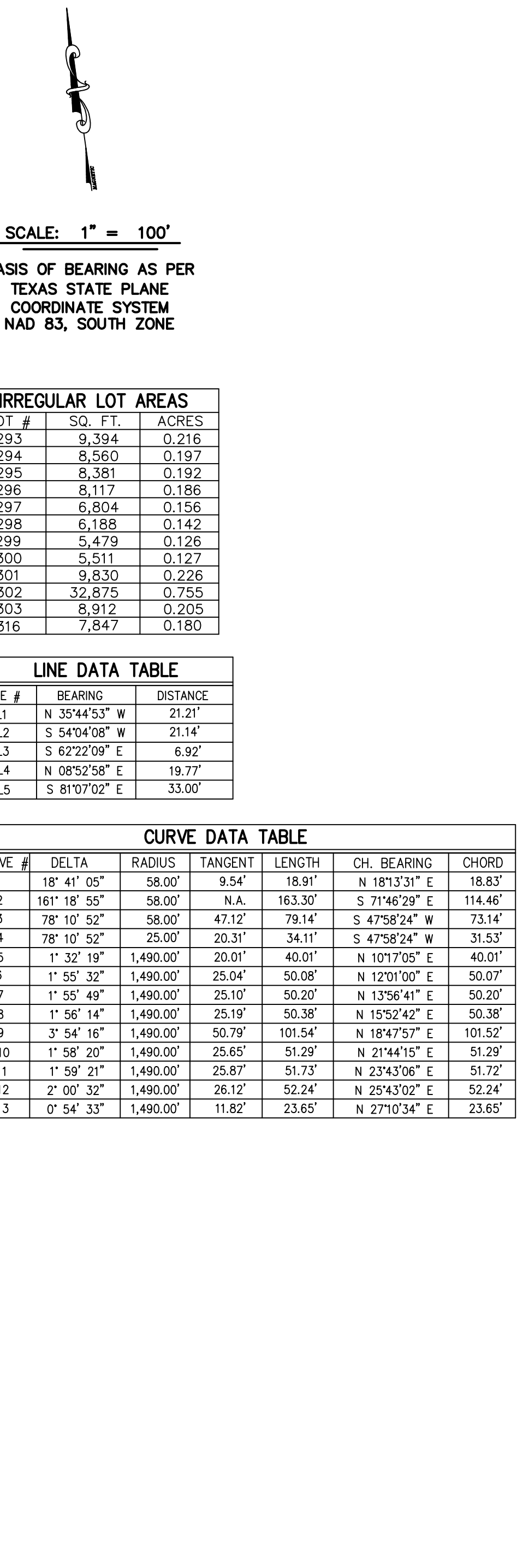
Escrows will be adjusted upon execution of Final Reimbursement Certificate

I hereby agree to pay amounts indicated above and any additional costs determined in the Final Reimbursement Certificate as approved by McAllen Public Utility Board.

Signature: _____

Print: _____

Javier HINDYOS, P.E.
Authorized Agent



PRINCIPAL CONTACTS:			
NAME	ADDRESS	CITY & ZIP	PHONE #
OWNER: CRISTINA PECHERO	5508 N. CYNTHIA ST.	MCALLEN, TX 78504	(956) 358-6925
ENGINEER: JAVIER HINOJOSA	416 E. DOVE AVENUE	MCALLEN, TX 78504	(956) 668-1588
SURVEYOR: CARLOS VAQUEZ	517 BEAUMONT AVE.	MCALLEN, TX 78501	(956) 618-1551

3. THIS FLOOD DESIGNATION FOR THIS PROPERTY IS ZONE "X" WITH ARE "AREAS DETERMINED TO BE OUTSIDE 500-YEAR FLOOD-PLAIN". AS PER F.E.M.A.'s FLOOD INSURANCE RATE MAP PANEL No.: 480334 325 D, REVISED JUNE 6, 2000.
2. MINIMUM PERMISSIBLE FINISHED FLOOR ELEVATION SHALL BE 18" ABOVE TOP OF CURB AT MID POINT OF THE LOT.
3. MINIMUM BUILDING SETBACK LINES SHALL BE AS FOLLOWS:
FRONT: 25 FEET OR GREATER FOR EASEMENTS
REAR: 10 FEET OR GREATER FOR EASEMENTS
INTERIOR SIDE 6 FEET OR GREATER FOR EASEMENTS
CORNER SIDE 10 FEET OR GREATER FOR EASEMENTS
GARAGE 18 FEET EXCEPT WHERE GREATER SETBACK IS REQUIRED, GREATER SETBACK APPLIES
4. NO STRUCTURES PERMITTED OVER ANY EASEMENTS.
5. A TOTAL OF 0.794 ACRE FEET (34,573 CUBIC FEET) OF STORM WATER DETENTION IS REQUIRED FOR THIS SUBDIVISION. THIS DETENTION WILL BE PROVIDED WITHIN DETENTION AREA LOT "A".
6. BENCHMARK: TOP OF SEWER MANHOLE LOCATED WITHIN BICENTENNIAL BLVD. APPROXIMATELY 60 FEET WEST OF THE LIFT STATION LOCATED ADJACENT TO THE NORTH PROPERTY LINE OF THIS SUBDIVISION. ELEVATION = 1031.3. REFERENCE (MC 49 ELEVATION = 110.82 NORTHING; 16625729-24430 EASTING; 1071492.40907) TYPE OF MARK: 30" ALUMINUM PIPE WITH A 3 1/4" BRASS MONUMENT CAP ON TOP LOCATED AT THE SOUTHWEST CORNER OF THE INTERSECTION OF 23RD STREET AND MILE 5 (AUBURN AVE.) (GRID ZONE - TEXAS SOUTH (4205), HORIZ. DATUM: NAD 83, DATUM: NAVD 88.
7. A 4 FOOT WIDE MINIMUM SIDEWALK SHALL BE REQUIRED ON BOTH SIDES OF ALL INTERIOR STREETS AND A 5 FOOT WIDE SIDEWALK SHALL BE REQUIRED ALONG THE EAST SIDE OF BICENTENNIAL BLVD.
8. NO CURB CUT, ACCESS, OR LOT FRONTAGE PERMITTED ALONG N. BICENTENNIAL BLVD.
9. SET 1/2" Ø IRON ROD WITH A PLASTIC CAP STAMPED "CVQLS" ON ALL LOT CORNERS UNLESS OTHERWISE NOTED.
10. 6 FOOT OPAQUE BUFFER REQUIRED FROM ADJACENT/BETWEEN MULTI-FAMILY RESIDENTIAL AND COMMERCIAL, AND INDUSTRIAL ZONES/USES.
11. 8 FOOT MASONRY WALL REQUIRED BETWEEN SINGLE FAMILY RESIDENTIAL AND COMMERCIAL, INDUSTRIAL, OR MULTI-FAMILY RESIDENTIAL ZONES/USES.
12. ALL IRRIGATION EASEMENTS ARE EXCLUSIVE TO HIDALGO COUNTY IRRIGATION DISTRICT #1 AND THE DISTRICT ALLOWS NO OTHER UTILITIES OR USE WITHOUT EXPRESS APPROVAL.
13. NO UTILITY COMPANY OR OTHER PERSON IS ALLOWED TO CROSS ABOVE OR BELOW GROUND ANY DISTRICT EASEMENT OR RIGHT OF WAY WITH LINES, POLES, OPEN DITCHES OR OTHER USE WITHOUT FIRST OBTAINING A CROSSING PERMIT FROM THE DISTRICT.
14. NO PERMANENT STRUCTURE, (EXAMPLE, FENCES OR DRIVEWAY OF ANY CONSTRUCTION) WILL BE ALLOWED TO BE CONSTRUCTED OR EXIST ON ANY DISTRICT EASEMENT OR RIGHT OF WAY WITHOUT WRITTEN APPROVAL BY THE DISTRICT. ANY UNAUTHORIZED STRUCTURE IN THE EASEMENT AREA IS SUBJECT TO REMOVAL.
15. NO UTILITY COMPANY OR OTHER PERSON IS ALLOWED TO CONNECT ANY DISTRICT FACILITY WITHOUT FIRST OBTAINING A PERMIT FROM THE IRRIGATION DISTRICT. ANY CONNECTION NOT AUTHORIZED BY THE DISTRICT IS SUBJECT TO REMOVAL.
16. A 25 FOOT X 25 FOOT SIGHT OBSTRUCTION EASEMENT REQUIRED AT ALL STREET INTERSECTIONS.

COMMON LOT A, IDENTIFIED AS DETENTION AREA LOT SHALL BE MAINTAINED BY THE DEVELOPER, WHO MAY TRANSFER SUCH MAINTENANCE OBLIGATION TO THE SUBDIVISION HOMEOWNER'S ASSOCIATION, LA FLORESTA SUBDIVISION PHASE III HOMEOWNER ASSOCIATION, UPON CONVEYANCE OF TITLE TO THE SAME, THEIR SUCCESSORS AND ASSIGNS, AND NOT BY THE CITY OF McALLEN, NO BUILDINGS OR OTHER STRUCTURES SHALL BE DETERMINED IN COMMON LOT A, WHICH SHALL BE USED EXCLUSIVELY AS DETENTION AREA LOT A. AFTER COMMON LOT A TRANSFER OF TITLE TO THE LA FLORESTA SUBDIVISION PHASE III HOMEOWNER'S ASSOCIATION, THE SUBDIVISION LOT OWNER RATA SHARES OF THE COST OF MAINTENANCE SHALL BE DECIDED BY THE LA FLORESTA SUBDIVISION PHASE III HOMEOWNER'S ASSOCIATION. FAILING IN SUCH MAINTENANCE OBLIGATIONS, THE CITY OF McALLEN MAY, BUT SHALL NOT BE REQUIRED TO MAINTAIN THE SAME AT THE LOT OWNER'S COST, WHICH COST MAY BECOME A LIEN AGAINST THEIR PROPERTIES. PRIOR TO THE IMPOSITION OF ANY LIEN, THE CITY SHALL FIRST COMPLY WITH NOTICE REQUIREMENTS SIMILAR TO THOSE UNDER EXISTING ORDINANCE SECTION 134-138, AS THE SAME MAY BE AMENDED. THE SPECIFIC AND EXCLUSIVE USE OF COMMON LOT A. THE OWNER'S MAINTENANCE OBLIGATION, AND THE CONSEQUENCES OF FAILURE TO MAINTAIN SHALL BE LIMITED TO THE DEED OR INSTRUMENT OF CONVEYANCE AS A DEED RESTRICTION, RECORDED IN INSTRUMENT NO. OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS.

18. AS PER DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR LA FLORESTA SUBDIVISION PHASE III, RECORDED AS DOCUMENT NUMBER _____, HIDALGO COUNTY, DEED RECORDS, DEVELOPER/HOMEOWNER'S ASSOCIATION/OWNER, THEIR SUCCESSORS AND/OR ASSIGNEES, AND NOT THE CITY OF McALLEN, SHALL BE RESPONSIBLE FOR THE MAINTENANCE AND OTHER REQUIREMENTS AS PER SECTION 110-72 OF THE CODE OF ORDINANCES OF THE CITY OF McALLEN, INCLUDING BUT NOT LIMITED TO COMMON AREAS. ANY AMENDMENT TO DECLARATIONS THAT CONFLICT WITH THE REQUIREMENTS OF SECTION 110-72 SHALL BE NULL AND VOID.

A TRACT OF LAND CONTAINING 6.10 ACRES OF LAND, MORE OR LESS, SITUATED IN HIDALGO COUNTY, TEXAS, BEING PART OR PORTION OF LOT 16, SECTION 279, TEXAS-MEXICAN RAILWAY COMPANY SURVEY, HIDALGO COUNTY, TEXAS, MAP REFERENCE: VOLUME 24, PAGES 168-171, MAP RECORDS, HIDALGO COUNTY, TEXAS, SAID 6.10 ACRES OF LAND BEING A PART OR PORTION OUT OF A TRACT OF LAND DEEDED TO PECHERO FAMILY PARTNERSHIP, RECORDED IN DOCUMENT NUMBER 785588, DEED RECORDS, HIDALGO COUNTY, TEXAS, SAID 6.10 ACRES ALSO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING, ON AN IRON PIPE FOUND ON THE SOUTHEAST CORNER OF SAID LOT 16, SECTION 279, FOR THE SOUTHEAST CORNER OF THIS TRACT;

THENCE N 08 44' 42" W, ALONG THE SOUTH LINE OF SAID LOT 16, A DISTANCE OF 343.73 FEET, TO A ½" IRON ROD WITH A PLASTIC CAP STAMPED "CVO LS" SET ON THE EAST RIGHT-OF-WAY LINE OF BICENTENNIAL BOULEVARD, FOR THE SOUTHWEST CORNER OF THIS TRACT;

THENCE N 09 05' 52" E, ALONG THE EAST RIGHT-OF-WAY LINE OF SAID BICENTENNIAL BOULEVARD, A DISTANCE OF 6414.1 FEET, TO A ½" IRON ROD WITH A PLASTIC CAP STAMPED "CVO LS" SET ON A POINT OF CURVATURE, FOR A CORNER OF THIS TRACT;

THENCE CONTINUING IN A NORTHEASTERLY DIRECTION ALONG SAID EAST RIGHT-OF-WAY LINE OF SAID BICENTENNIAL BOULEVARD AND SAID CURVE TO THE RIGHT WITH A RADIUS OF 1490.00 FEET, AN INTERIOR ANGLE OF 18 31' 59", A TANGENT OF 243.10 FEET, AN ARC LENGTH OF 481.96 FEET AND A CHORD THAT BEARS N 18 21' 52" E A DISTANCE OF 479.86 FEET, TO A ½" IRON ROD WITH A PLASTIC CAP STAMPED "CVO LS" SET, FOR A POINT OF TANGENCY A CORNER OF THIS TRACT;

THENCE N 27 37' 51" E, CONTINUING ALONG THE EAST RIGHT-OF-WAY LINE OF SAID BICENTENNIAL BOULEVARD, A DISTANCE OF 570.38 FEET TO A ½" IRON ROD WITH A PLASTIC CAP STAMPED "CVO LS" SET ON THE SOUTHWEST CORNER OF A LIFT STATION SITE DEDICATED TO THE CITY OF MCALLEN, MAP REFERENCE: DOCUMENT NUMBER 192586, MAP RECORDS, HIDALGO COUNTY, TEXAS, FOR THE NORTHWEST CORNER OF THIS TRACT;

THENCE S 80 55' 20" E, ALONG THE SOUTH LINE OF SAID CITY OF MCALLEN TRACT, A DISTANCE OF 81.11 FEET TO A ½" IRON ROD WITH A PLASTIC CAP STAMPED "CVO LS" SET ON THE EAST LINE OF SAID LOT 16 AND THE WEST LINE OF TIMBERHILL VILLA SUBDIVISION, MAP REFERENCE: VOLUME 24, PAGE 80, MAP RECORDS, HIDALGO COUNTY, TEXAS, FOR THE NORTHEAST CORNER OF THIS TRACT;

THENCE S 08 52' 58" W, ALONG THE EAST LINE OF SAID LOT 16 AND THE WEST LINE OF SAID TIMBERHILL VILLA SUBDIVISION, AT A DISTANCE OF 409.54 FEET TO PASS A ½" IRON ROD FOUND ON THE COMMON WEST CORNER OF SAID TIMBERHILL VILLA SUBDIVISION AND VILLAGIO PHASE II-A, MAP REFERENCE: DOCUMENT NUMBER 245603, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND CONTINUING A TOTAL DISTANCE OF 1079.52 FEET, TO THE POINT OF BEGINNING, CONTAINING 6.10 ACRES OF LAND, MORE OR LESS.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

THIS PLAT APPROVED BY HIDALGO COUNTY IRRIGATION DISTRICT NO. 1, THIS THE _____ DAY OF _____, 2022 A.D. NO IMPROVEMENTS OF ANY KIND SHALL BE PLACED ON HIDALGO COUNTY IRRIGATION DISTRICT NO. 1 RIGHTS-OF-WAY OR EASEMENTS WITHOUT THE EXPRESS WRITTEN PERMISSION OF THE HIDALGO COUNTY IRRIGATION DISTRICT NO. 1.

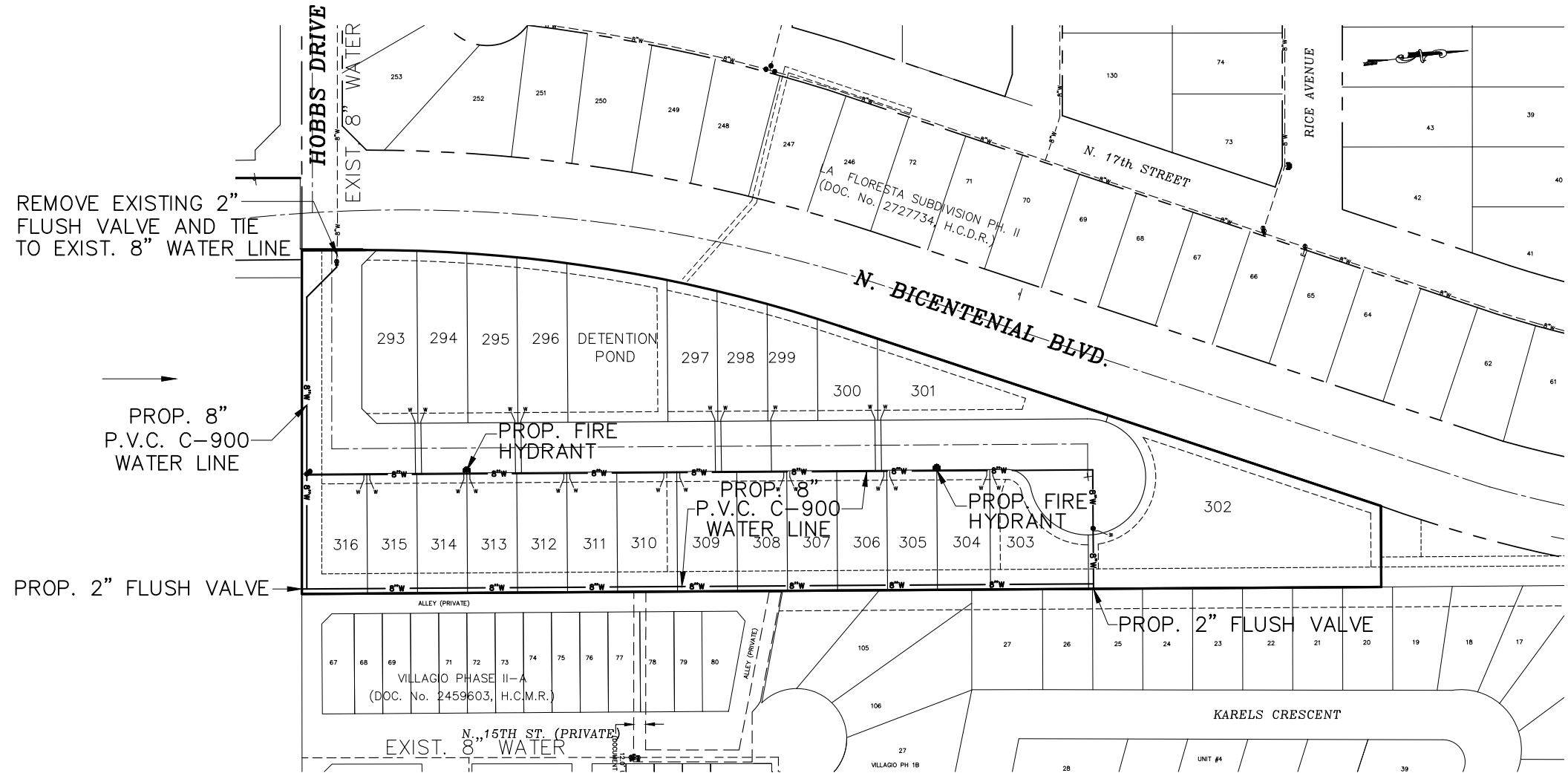
SECRETARY	PRESIDENT
-----------	-----------

CARLOS VASQUEZ, R.P.L.S.	DATE
REGISTERED PROFESSIONAL LAND SURVEYOR No. 4608	
CVQ LAND SURVEYORS LLC.	
517 BEAUMONT	
McALLEN, TEXAS 78501	
(956) 618-1551	DATE SURVEYED: 03-12-2021
TBPcLS FIRM No. 10119600	

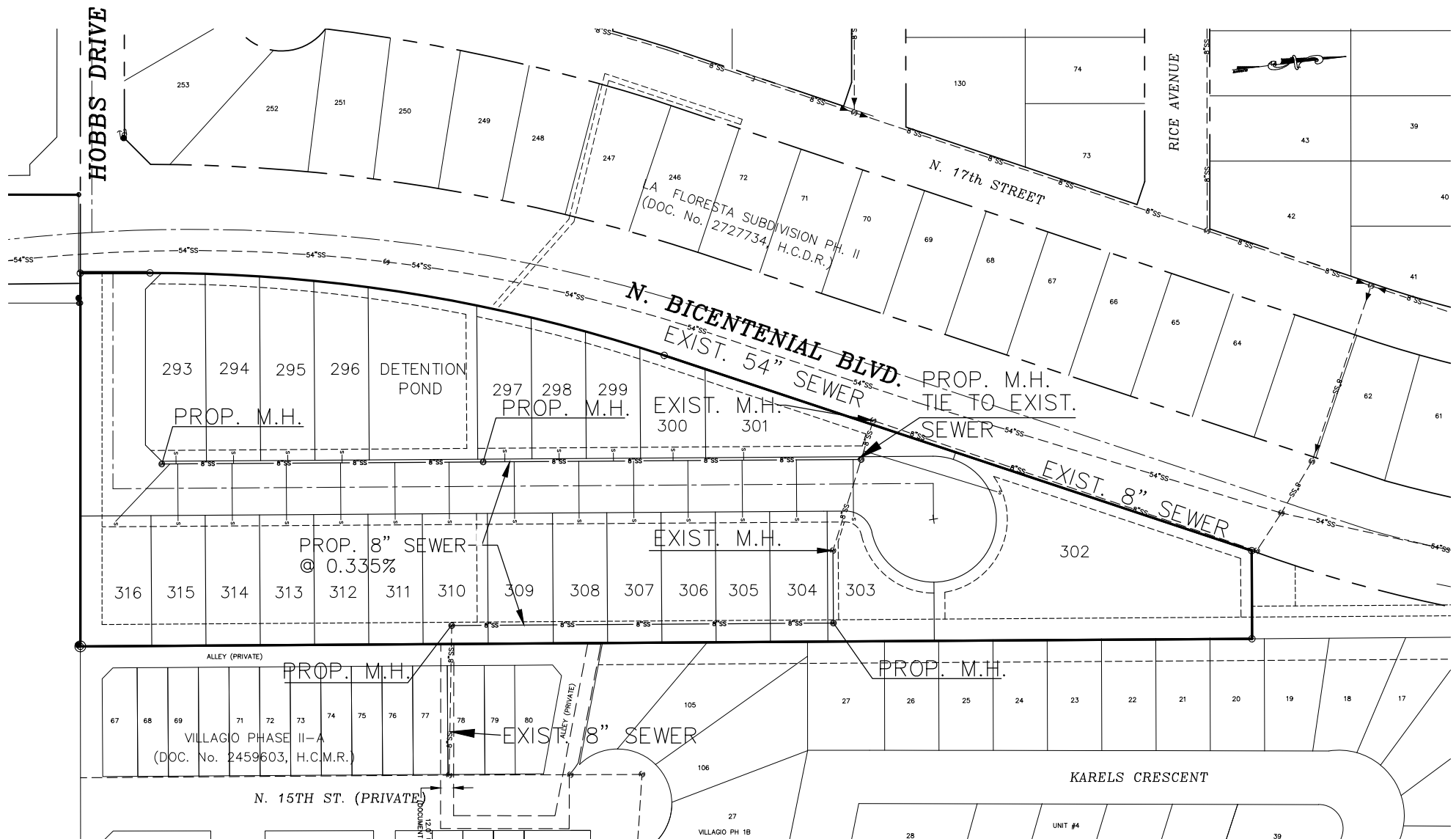


DRAWN BY: A. GUANA

416 E. DOVE AVENUE McALLEN, TEXAS 78504
PHONE (956) 668-1588
javier@javierhinojosaeng.com
TBPELS FIRM No. F-1295



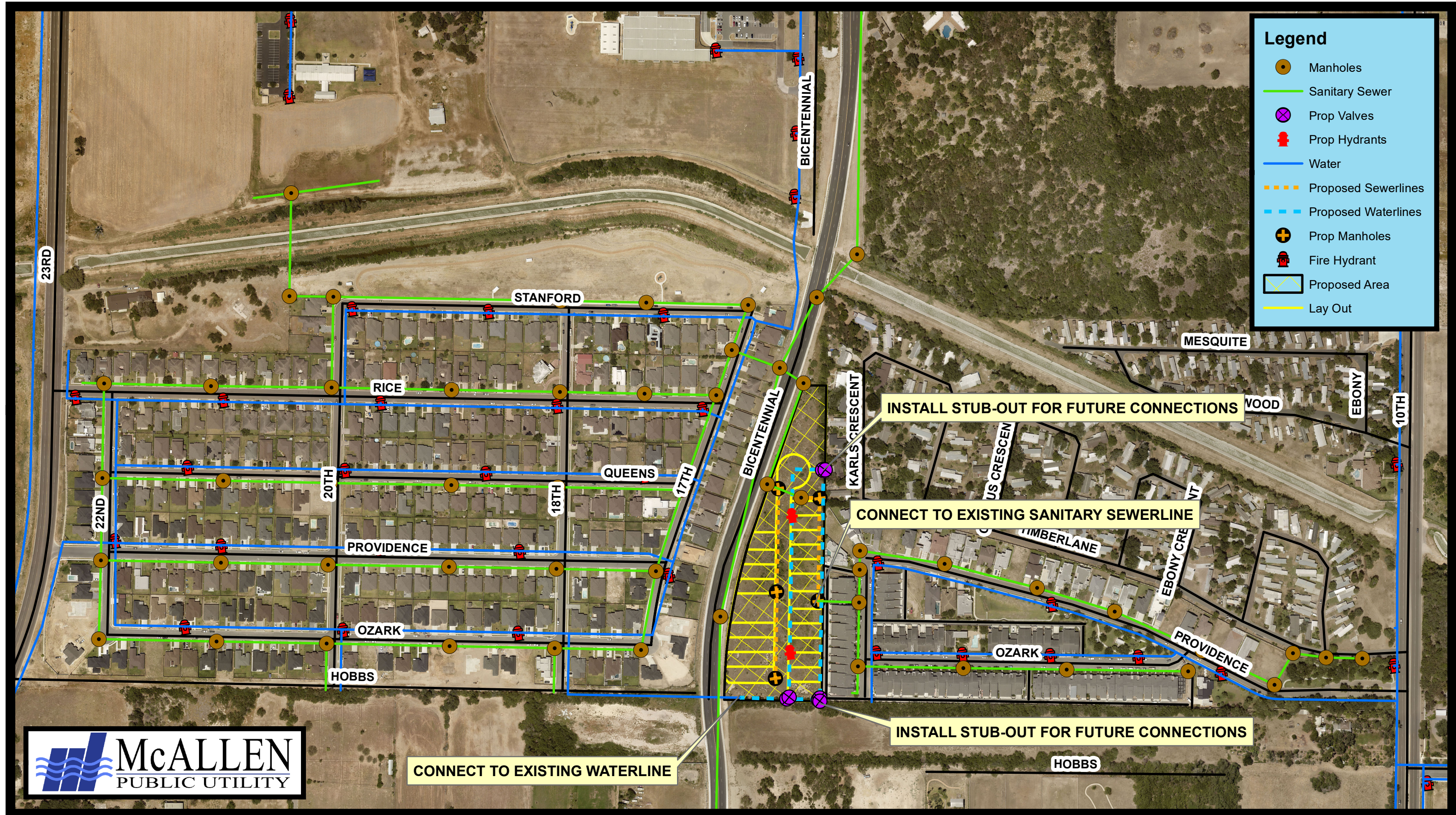
PROPOSED WATER LAYOUT LA FLORESTA SUBDIVISION PH. III



PROPOSED SEWER LAYOUT LA FLORESTA SUBDIVISION PH. III



La Floresta Ph. III Subdivision





AGENDA ITEM

3.a.

PUBLIC UTILITY BOARD

DATE SUBMITTED

09/19/2023

MEETING DATE

9/26/2023

1. Agenda Item: Consideration and Authorization to Declare MPU Vehicles & Property as Surplus.
2. Party Making Request:
Elvira Alonzo, Public Works Director
3. Nature of Request: Public Works staff has a need to declare—as surplus—unusable, inoperable, outdated or otherwise worn out MPU vehicle and property gathered from various departments. These vehicles and property are in different stages of disrepair or obsolete and most have been replaced by new vehicles or equipment.
4. Budgeted:

Bid Amount:	_____	Budgeted Amount:	_____
Under Budget:	_____	Over Budget:	_____
		Amount Remaining:	_____
5. Reimbursement:
6. Routing:

Javier Zamora	Created/Initiated - 9/19/2023
Elvira Alonzo	Approved - 9/19/2023
Mark Vega	New -
7. Staff's Recommendation: Public Works recommends approval to declare the described vehicle and property as surplus and begin the disposal of said assets through auctioneering services and/or recycling salvage yards.
8. City Attorney: Approve. IJT
9. MPU General Manager: Approved - MAV
10. Director of Finance for Utilities: Approved - MDC

**CITY OF MCALLEN
EQUIPMENT SURPLUS
SEPTEMBER 2023**

DEPARTMENT	PHOTO #	DESCRIPTION	MODEL/SERIAL #	QTY	CONDITION
WASTEWATER LAB	WWL1	NORLAKE INCUBATOR MODEL:LRI201WWW/0	11021025	1	OBSOLETE
WASTEWATER LAB	WWL2	WHIRPOOL WATER HEATER MODEL:E50R6-45 100	1.5201E+12	1	OBSOLETE
WASTEWATER LAB	WWL3	KENMORE REFRIGERATOR MODEL:25368802013	BA10514288	1	OBSOLETE
WASTEWATER LAB	WWL4	PANASONIC TV MODEL: CT2066E	LB11580492	1	OBSOLETE
WASTEWATER LAB	WWL5	KEYTECH 85A FURNACE	AGB10058	1	OBSOLETE
WASTEWATER LAB	WWL6	RIGID WET/VAC WD06700	11348R0318	1	OBSOLETE
WASTEWATER LAB	WWL7	THERMOLYNE FURNACE TYPE 1400	ASSET#9494	1	OBSOLETE
WASTEWATER LAB	WWL8	CRASFTSMAN WEED EATER 31 cc 18"	N/A	1	OBSOLETE
WASTEWATER LAB	WWL9	FISHER SCIENTIFIC STERILELITE 24 ASSET#19421	130806010-29	1	OBSOLETE
WASTEWATER LAB	WWL10	THERMO SCIENTIFIC STERILMAX 75925 ASSET#18790	1.27709E+12	1	OBSOLETE
WASTEWATER LAB	WWL11	THERMO SCIENTIFIC THERMOLYNE FURNACE F6016	1.14699E+15	1	OBSOLETE
WASTEWATER LAB	WWL12	VWR OVEN 1370 FM	8044306	1	OBSOLETE
UTILITY BILLING	UB01	9"-11" WHEEL TIRES	N/A	3	OBSOLETE
UTILITY BILLING	UB02	DELL WIRED BLACK KEYBOARD WITH WIRED MOUSE	N/A	1	OBSOLETE
UTILITY BILLING	UB03	WIRELESS LOGITECH BLACK KEYBOARD	N/A	3	OBSOLETE
UTILITY BILLING	UB04	BLACK DELL MONITOR	N/A	1	OBSOLETE
METER READER	MR01	GRAY CHAIR WITH ARM REST	N/A	1	OBSOLETE
METER READER	MR02	BLACK MESH CHAIRS WITH ROLLERS AND ARM RESTS	N/A	4	OBSOLETE
METER READER	MR03	WIRED BLACK MOUSE	N/A	2	OBSOLETE
METER READER	MR04	DELL BLACK WIRED KEYBOARDS	N/A	5	OBSOLETE
METER READER	MR05	BROWN BOOK SHELF	N/A	1	OBSOLETE
SOUTHWEST WATER PLANT	SWTP1	BATTERY BACKUP	3B1531X05880	1	OBSOLETE
SOUTHWEST WATER PLANT	SWTP2	POWER MANAGEMENT RELAY	A2720143	1	OBSOLETE
SOUTHWEST WATER PLANT	SWTP3	POWER MANAGEMENT RELAY	A2720139	1	OBSOLETE
SOUTHWEST WATER PLANT	SWTP4	POWER MANAGEMENT RELAY	A2720142	1	OBSOLETE
SOUTHWEST WATER PLANT	SWTP5	BATTERY BACKUP	BB0418034659	1	OBSOLETE
SOUTHWEST WATER PLANT	SWTP6	COMPRESSED AIR TANK	N/A	1	OBSOLETE
SOUTHWEST WATER PLANT	SWTP7	HAZMAT SUIT	N/A	1	OBSOLETE
SOUTHWEST WATER PLANT	SWTP8	PC MONITOR	CN-0G8TVH-QDC00-040-GKWI-A09	1	OBSOLETE
SOUTHWEST WATER PLANT	SWTP9	PC MONITOR	CN-0KHONG-QDC00-856-5T8B-A05	1	OBSOLETE
SOUTHWEST WATER PLANT	SWTP10	PC MONITOR	CN-0Y9833-71618-6AP-A073	1	OBSOLETE
TRANSMISSION & DISTIBRUTION	TD01	24" INSIGNIA MONITOR	21CLE24MS75AH008352	1	OBSOLETE
TRANSMISSION & DISTIBRUTION	TD02	LTS NETWORK VIDEO RECORDER	LTN8704-P4/ 8401506B2X01176	1	OBSOLETE
TRANSMISSION & DISTIBRUTION	TD03	DOUBLE SIDED RATCHET 1 1/16 and 1 1/4	N/A	5	OBSOLETE
TRANSMISSION & DISTIBRUTION	TD04	PIPE WRENCH 10 IN.	N/A	2	OBSOLETE
TRANSMISSION & DISTIBRUTION	TD05	FIRE HYDRANT WRENCH	N/A	3	OBSOLETE
TRANSMISSION & DISTIBRUTION	TD06	METAL DETECTOR	Model GA-72Cd	1	OBSOLETE
TRANSMISSION & DISTIBRUTION	TD07	METAL DETECTOR	Model GA-72Cd	1	OBSOLETE
TRANSMISSION & DISTIBRUTION	TD08	RAKE	N/A	1	OBSOLETE
TRANSMISSION & DISTIBRUTION	TD09	SHOVELS	N/A	2	OBSOLETE
TRANSMISSION & DISTIBRUTION	TD10	CRESCENT WRENCH	N/A	1	OBSOLETE
TRANSMISSION & DISTIBRUTION	TD11	MEASURING TAPE	N/A	3	OBSOLETE
TRANSMISSION & DISTIBRUTION	TD12	MUELLER DRILL TAPING MACHINE	N/A	1	OBSOLETE
			TOTAL ITEMS	65	



WWL1



WWL2



WWL3



WWL8



WWL4



WWL6



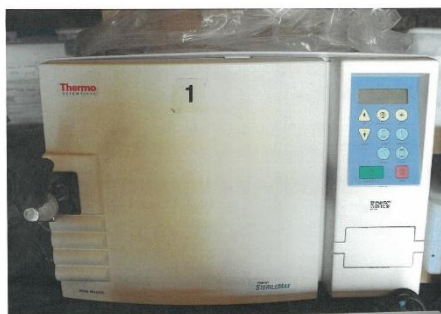
WWL5



WWL7



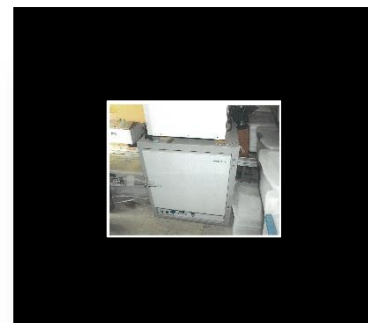
WWL9



WWL10



WWL11



WWL12



UB01



UB02



UB03



UB04



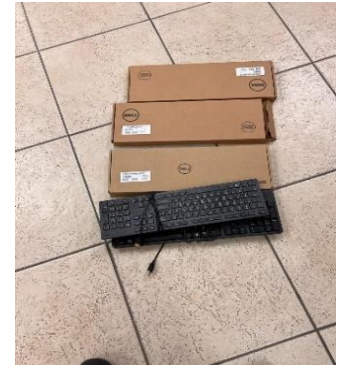
MR01



MR02



MR03



MR04



MR05



SWTP1



SWTP2



SWTP3



SWTP4



SWTP5



SWTP6



SWTP7



SWTP8



SWTP9



SWTP10



TD01



TD02



TD03



TD04



TD05



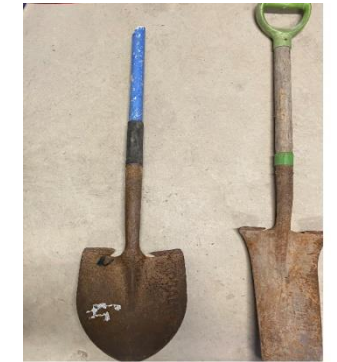
TD06



TD07



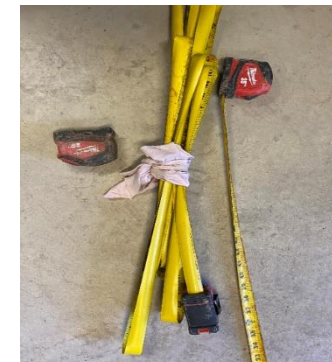
TD08



TD09



TD10



TD11



TD12



Memorandum

TO: Mark Vega, P.E., General Manager
FROM: Elvira I. Alonzo, CPM, Public Works Director
DATE: September 12, 2023
SUBJECT: MPU Vehicle & Property Surplus Declaration

Goal: Public Works staff has a need to declare—as surplus—unusable, inoperable, outdated or otherwise worn out MPU vehicles and property gathered from various departments. These vehicles and property are in different stages of disrepair and most have been replaced by new vehicles or equipment.

Explanation: The City of McAllen conducts auctions as needed to dispose of vehicles and equipment that are not economical to repair, have been replaced, or are unsafe to operate. All proceeds are returned to the corresponding fund where the purchase originated (i.e. Water, Waste Water Fund). Attached is a comprehensive list of the MPU vehicles and property including the respective photos of these items proposed for surplus declaration.

Options:

1. The Public Utility Board can defer the sale of the vehicles and property at the risk of significantly lower returns.
2. The Public Utility Board may elect to retain the vehicles and property.

Recommendation: Public Works recommends approval to declare the described vehicles and property as surplus and begin the disposal of said assets through auctioneering services and/or recycling salvage yards.

Please advise if you require additional information. Attached is a list and description of all items being presented for review and consideration.



SURPLUS ROLLING STOCK

SEPTEMBER 2023

Department	Unit#	Year/Make/Model	VIN#	Mileage	Condition
WATER PLANT	PU0990	2010 CHEVROLET 1500 2WD	1GCSCPEA9AZ233723	114,269	END OF SERVICEABLE LIFE / REPAIRS NEEDED EXCEED VALUE
WATER LAB	PU2003	2009 FORD F-150 RC 4WD	1FTRF14V39KC22275	133,848	END OF SERVICEABLE LIFE / REPAIRS NEEDED EXCEED VALUE
WATER TRANS & DIST	PU4002	2011 FORD F-550 DUMP TRUCK	1FDUF5GY5BEA47826	70,136	END OF SERVICEABLE LIFE / REPAIRS NEEDED EXCEED VALUE
WASTE WATER COLLECTION	PU2511	2013 FORD F-250 RC LB 2WD	1FTBF2A63DEB53017	128,778	END OF SERVICABLE LIFE / INCREASING MAINTENANCE COSTS



PU0990



PU2003



PU4002



PU2511



AGENDA ITEM

3.b.

PUBLIC UTILITY BOARD

DATE SUBMITTED

09/19/2023

MEETING DATE

9/26/2023

1. Agenda Item: Authorization to Purchase One (1) New $\frac{3}{4}$ Ton Crew Cab Pickup Truck through Cooperative Pricing

**2. Party Making Request:
Elvira Alonzo, Public Works Director**

3. Nature of Request: Authorization to purchase One (1) New Current Model $\frac{3}{4}$ Ton Crew Cab Truck through cooperative pricing in the total amount of \$47,621.50.

4. Budgeted: Yes

Bid Amount: \$47,621.50

Budgeted Amount: \$49,000.00

Under Budget: \$1,378.50

Over Budget: \$0.00

Amount Remaining: \$0.00

5. Reimbursement:

6. Routing:

Javier Zamora

Created/Initiated - 9/19/2023

Elvira Alonzo

Approved - 9/19/2023

Mark Vega

New -

7. Staff's Recommendation: The Public Works Fleet Operations staff recommends approval of a purchase with Randall Reed's Planet Ford of Garland, TX for Item 6 in the amount of \$47,621.50 through Tarrant County Bid award pricing for one (1) new current model $\frac{3}{4}$ Ton Crew Cab Pickup Truck. The purchase of this truck is \$1,378.50 under budget.

8. City Attorney: Approve. IJT

9. MPU General Manager: Approved - MAV

10. Director of Finance for Utilities: Approved - MDC



Memorandum

To: Mark Vega, P.E., General Manager

From: Elvira I. Alonzo CPM, Director of Public Works

Date: September 15, 2023

Re: Authorization to Purchase One (1) New 2023 ¾ Ton Crew Cab Truck through Cooperative Pricing

GOAL: The Public Works Fleet Operations Department requests your authorization to Purchase one (1) New Current Model ¾ Ton Crew Cab Truck from Randall Reed's Planet Ford 635, from Garland, TX, utilizing the Tarrant County Cooperative bid.

BRIEF EXPLANATION: In August 2023, Fleet Operations staff solicited quotes for various New Current Model Vehicles and received Purchasing Cooperative quotes from one single vendor. Attached for your review, is the bid tabulation depicting the proposed vendor to be contracted with, upon Utility Board approval.

HISTORY: Historically, the City solicits bids for vehicles that have reached and/or surpassed their life expectancy and have been recommended for replacement. (Please note that all vehicles due for replacement have gone through the justification and budget approval process).

OPTIONS:

1. The Utility Board authorizes to Award a Purchase Contract as recommended.
2. The Utility Board may elect to direct staff to reject any or all bids received and to solicit bids through the conventional bid solicitation process.

RECOMMENDED VENDOR	ITEM NUMBER	TOTAL CONTRACT AMOUNT
Randall Reed's Planet Ford 635 from Garland, TX	6	\$47,621.50
	GRAND TOTAL:	\$47,621.50

RECOMMENDATION DETAILS: The Public Works Fleet Operations staff recommends approval of a purchase with Randall Reed's Planet Ford 635 of Garland, TX for Item 6 in the amount of \$47,621.50 through Tarrant County Bid Award pricing for one (1) new current model ¾ Ton Crew Cab Truck. The purchase of this truck is \$1,378.50 under budget.



 Yellow Shading depicts Recommended Vendor

PURCHASE OF NEW CURRENT MODEL CITY VEHICLE

VENDORS:				GRAPEVINE DCJ, LLC GRAPEVINE, TX		SILSBEE FORD, INC SILSBEE, TX		RANDALL REED'S PLANET FORD 635 GARLAND, TX			CAMERON COUNTRY CDJR CAMERON, TX	
								Tarrant County Bid Award 2022-187				
ITEM NO.	DESCRIPTION	QTY	UOM	UNIT PRICE	EXT PRICE	UNIT PRICE	EXT PRICE	UNIT PRICE	EXT PRICE	COMMENT	UNIT PRICE	EXT PRICE
1	SPECIFICATIONS FOR THE PURCHASE OF TWO (2) NEW CURRENT MODEL ½ TON, REGULAR CAB P/U TRUCKS (SHORT BED, 2WD, GAS) (RECYCLING-2)	2	EA	NO QUOTE		NO QUOTE		\$35,448.50	\$35,448.50	2023 FORD F-150 ONLY ONE AVAILABLE		NO QUOTE
2	SPECIFICATIONS FOR THE PURCHASE OF THREE (3) NEW CURRENT MODEL ¾ TON EXTENDED CAB & CHASSIS W/ANIMAL CONTROL BODY (LONG WHEEL BASE, 4WD, GAS) (ANIMAL CONTROL-3)	2	EA	NO QUOTE		NO QUOTE		\$94,600.00	\$283,800.00	2023 FORD F-250 EXT CAB 4WD WITH ANIMAL CONTROL BODY 13-15 MONTH DELIVERY		NO QUOTE
2A	SPECIFICATIONS FOR THE PURCHASE OF THREE (3) NEW CURRENT MODEL ¾ TON EXTENDED CAB & CHASSIS (LONG WHEEL BASE, 4WD, GAS) (ANIMAL CONTROL-3)	3	EA	NO QUOTE		NO QUOTE		\$50,158.50	\$150,475.50	2023 FORD F-250 EXTENDED CAB 4WD		NO QUOTE
3	SPECIFICATIONS FOR THE PURCHASE OF ONE (1) NEW CURRENT MODEL ¾ TON, EXTENDED CAB P/U TRUCK (SHORT BED, 4WD, DIESEL) (GRAFFITI-1)	1	EA	NO QUOTE		NO QUOTE		NO QUOTE				NO QUOTE
4	SPECIFICATIONS FOR THE PURCHASE OF THREE (3) NEW CURRENT MODEL ¾ TON, CREW CAB P/U TRUCKS (LONG BED, 2WD, GAS) (SIDEWALK-1, PARKS-1, RESIDENTIAL-1)	3	EA	NO QUOTE		NO QUOTE		\$48,173.50	\$144,520.50	2023 FORD F-250 CREW CAB, LONG BED 2WD		NO QUOTE
5	SPECIFICATIONS FOR THE PURCHASE OF ONE (1) NEW CURRENT MODEL ¾ TON REGULAR CAB & CHASSIS (GAS, 2WD) (PARKS-1)	1	EA	NO QUOTE		NO QUOTE		\$44,438.50	\$44,438.50	2023 FORD F-250 REGULAR CAB WITH SERVICE BODY		NO QUOTE
6	SPECIFICATIONS FOR THE PURCHASE OF ONE (1) NEW CURRENT MODEL ¾ TON CREW CAB & CHASSIS (SRW, GAS, 2WD) (WASTEWATER COLLECTIONS-1)	1	EA	NO QUOTE		NO QUOTE		 \$47,621.50	\$47,621.50	2023 FORD F-250 CREW CAB 2WD		NO QUOTE
7	SPECIFICATIONS FOR THE PURCHASE OF ONE (1) NEW CURRENT MODEL 1 TON, EXTENDED LENGTH, 15-PASSENGER VAN (RECREATION-1)	1	EA	NO QUOTE		NO QUOTE		NO QUOTE				NO QUOTE
COOP ADMINISTRATIVE FEE PER PURCHASE ORDER				\$0.00		\$0.00		\$0.00			\$0.00	
GRAND TOTAL:				\$0.00		\$0.00		\$706,304.50			\$0.00	

Standardized Recommendation Form

City Commission _____
Utility Board X
Other Board _____

Agenda Item X
Date Submitted 09/15/23
Meeting Date 09/26/23

1. **Agenda Item:** Authorization to Purchase One (1) New Current Model ¾ Ton Crew Cab Truck through Cooperative Pricing

2. **Party Making Request:** Public Works

3. **Nature of Request:** (Brief Overview): Attachments X Yes No

Authorization to purchase One (1) New Current Model ¾ Ton Crew Cab Truck through cooperative pricing in the total amount of \$47,621.50.

4. **Budgeted:** X Yes No N/A

Account Number: 480-4106-446.66-14 **Project No:** N/A

Fund	Bid Amount	Budgeted Amount	Under Budget	Over Budget
Wastewater Capital Improvement	\$47,621.50	\$49,000.00	\$1,378.50	
GRAND TOTAL	\$47,621.50	\$49,000.00	\$1,378.50	

5. **Staff Recommendation:** The Public Works Fleet Operations staff recommends approval of a purchase with Randall Reed's Planet Ford of Garland, TX for Item 6 in the amount of \$47,621.50 through Tarrant County Bid award pricing for one (1) new current model ¾ Ton Crew Cab Pickup Truck. The purchase of this truck is \$1,378.50 under budget.

Line Item	Account / Project#	Bid Amount	Budgeted Amount	Under Budget	Over Budget
6	480-4106-446.66-14	\$47,621.50	\$49,000.00	\$1,378.50	



AGENDA ITEM

3.c.

PUBLIC UTILITY BOARD

DATE SUBMITTED

09/20/2023

MEETING DATE

9/26/2023

1. Agenda Item: Consideration and Approval of Material Purchase for Mile 6 Sewerline Project
2. Party Making Request:
Carlos Gonzalez, Development and Special Projects Engineer
3. Nature of Request: Consideration and Approval of Material Purchase for Mile 6 Sewerline Project
4. Budgeted: Yes

Bid Amount:	<u>\$257,276.74</u>	Budgeted Amount:	<u>\$320,000</u>
Under Budget:	<u>\$62,723.26</u>	Over Budget:	<u>\$0.00</u>
		Amount Remaining:	<u>\$62,723.26</u>
5. Reimbursement:
6. Routing:

Carlos Gonzalez	Created/Initiated - 9/20/2023
Gerardo Noriega	Final Approval - 9/20/2023
7. Staff's Recommendation: Approval of Material Purchase for Mile 6 Sewerline Project as summarized in accompanying Staff Recommendation Memo
8. City Attorney: Approve. IJT
9. MPU General Manager: Approved - MAV
10. Director of Finance for Utilities: Approved - MDC

Memo

To: Mark Vega, P.E., General Manager

From: Carlos Gonzalez, P.E.

Date: September 18, 2023

Re: Consideration and Approval of Mile 6 Roadway Sewerline Material Purchase

On September 14, 2023, a bid opening for the Mile 6 Sewerline Material Purchase was conducted at City Hall. The bid solicitation was primarily requesting quotes for Sewerline PVC Pipe and Sewer Manholes. Note that the Bid Solicitation provided prospective bidders the option of “no bidding” individual line items. Three (3) bids were received as follows; Southern Trenchless, Core & Main and Aguaworks. Aguaworks was deemed unresponsive for missing a few bid documents as described in bid tabulation summary and therefore not listed below. Southern Trenchless elected to only bid on the manholes.

<i>Contractor Name</i>	<i>Manholes Only</i>	<i>Remainder (Excludes Manholes)</i>
Southern Trenchless	\$59,305	No-bid
Core & Main	\$67,371.63	\$197,971.74

A complete Bid Tabulation Summary is attached to this memorandum.

Staff recommends award of purchase to Southern Trenchless for the amount of \$59,305 for the manholes only and award of remainder of material quote to Core & Main for the amount of \$197,971.74. Staff will be available for any questions, comments or concerns.



BID OPENING: SEPTEMBER 14, 2023 AT 3:00 PM

LOCATION: CITY HALL CONFERENCE ROOM NO. 2 A

PROJECT NO. 06-23-P63-240 SIX MILE ROAD SANITARY SEWER LINE SUPPLIES

									NON-RESPONSIVE		
BIDDERS:				SOUTHERN TRENCHLESS SOLUTIONS WESLACO, TX		CORE & MAIN LP ST. LOUIS, MO			AGUAWORKS PIPE & SUPPLY LLC BROWNSVILLE, TX		
NO.	DESCRIPTION	UOM	QTY	UNIT PRICE	EXT PRICE	UNIT PRICE	EXT PRICE	COMMENTS	UNIT PRICE	EXT PRICE	COMMENTS
1	12" PVC (SDR-26) WASTEWATER LINE	LF	5,860.00	NO BID	NO BID	\$28.78	\$168,650.80	Stock - 3-5 Days A.R.O.	\$31.80	\$186,348.00	this 12"s (SDR26) sewer pipe is sold and shipped in 14 foot lengths your quantity (5860) does not equal full joints
2	8" PVC (SDR-26) WASTEWATER LINE	LF	480	NO BID	NO BID	\$14.25	\$6,840.00	Stock - 3-5 Days A.R.O.	\$14.21	\$6,820.80	this 8" (SDR26) sewer pipe is sold and shipped in 14 foot lengths your quantity (480) does not equal full joints
3	4 FT DIA FIBERGLASS WASTEWATER MANHOLE WITH 8 FT. DEPTH	EA	3	\$2,440.00	\$7,320.00	\$2,822.11	\$8,466.33	Stock - 70 Days A.R.O.	\$3,452.00	\$10,356.00	the lead time on manholes is stock to 18 weeks ARO
4	4 FT DIA FIBERGLASS WASTEWATER MANHOLE WITH 10 FT. DEPTH	EA	2	\$2,875.00	\$5,750.00	\$3,304.22	\$6,608.44	Stock - 70 Days A.R.O.	\$3,652.50	\$7,305.00	the lead time on manholes is stock to 18 weeks ARO
5	4 FT DIA FIBERGLASS WASTEWATER MANHOLE WITH 12 FT. DEPTH	EA	2	\$3,340.00	\$6,680.00	\$3,818.95	\$7,637.90	Stock - 70 Days A.R.O.	\$4,292.50	\$8,585.00	the lead time on manholes is stock to 18 weeks ARO
6	4 FT DIA FIBERGLASS WASTEWATER MANHOLE WITH 14 FT. DEPTH	EA	3	\$3,785.00	\$11,355.00	\$4,311.58	\$12,934.74	Stock - 70 Days A.R.O.	\$4,848.75	\$14,546.25	the lead time on manholes is stock to 18 weeks ARO
7	4 FT DIA FIBERGLASS WASTEWATER MANHOLE WITH 16 FT. DEPTH	EA	1	\$4,230.00	\$4,230.00	\$4,800.00	\$4,800.00	Stock - 70 Days A.R.O.	\$5,312.50	\$5,312.50	the lead time on manholes is stock to 18 weeks ARO
8	4 FT DIA FIBERGLASS WASTEWATER MANHOLE WITH 18 FT. DEPTH	EA	4	\$4,680.00	\$18,720.00	\$5,287.37	\$21,149.48	Stock - 70 Days A.R.O.	\$6,132.50	\$24,530.00	the lead time on manholes is stock to 18 weeks ARO
9	4 FT DIA FIBERGLASS WASTEWATER MANHOLE WITH 20 FT. DEPTH	EA	1	\$5,250.00	\$5,250.00	\$5,774.74	\$5,774.74	Stock - 70 Days A.R.O.	\$6,586.25	\$6,586.25	the lead time on manholes is stock to 18 weeks ARO
10	24-IN STEEL CASING FOR A TXDOT ROADWAY BORE APPLICATION	LF	140	NO BID	NO BID	\$127.42	\$17,838.80	3-7 Days A.R.O.	\$100.03	\$14,004.20	steel casing is shipped in random footages of 19' to 22'
11	HDPE SPACERS FOR 24-IN STEEL CASING AND 12" PVC CARRIER PIPE	EA	14	NO BID	NO BID	\$37.50	\$525.00	Stock - 7 Days ARO	\$85.81	\$1,201.34	
12	HDPE END CAPS FOR 24" STEEL CASING AND 12" PVC CARRIER PIPE	EA	2	NO BID	NO BID	\$86.25	\$172.50	Stock - 7 Days ARO	\$169.50	\$339.00	
13	1/4 IN HDPE GRADE RINGS	EA	18	NO BID	NO BID	\$27.50	\$495.00	Stock - 7 Days ARO	\$67.50	\$1,215.00	
14	2 IN HDPE GRADE RINGS	EA	34	NO BID		\$50.73	\$1,724.82	Stock	\$61.63	\$2,095.42	
15	3 IN HDPE GRADE RINGS	EA	34	NO BID	NO BID	\$50.73	\$1,724.82	Stock	\$61.63	\$2,095.42	
GRAND TOTAL:				\$59,305.00		\$265,343.37			\$291,340.18		



AGENDA ITEM

4.a.

PUBLIC UTILITY BOARD

DATE SUBMITTED

09/20/2023

MEETING DATE

9/26/2023

1. Agenda Item: Roll call vote on Adoption of an Ordinance/Order - Approving and Adopting the City of McAllen Annual Budget for Fiscal Year 2023-2024, including the McAllen Public Utility Budget.
2. Party Making Request:
Mark Vega, General Manager
3. Nature of Request: Roll call vote on Adoption of an Ordinance/Order - Approving and Adopting the City of McAllen Annual Budget for Fiscal Year 2023-2024, including the McAllen Public Utility Budget.
4. Budgeted:

Bid Amount:	_____	Budgeted Amount:	_____
Under Budget:	_____	Over Budget:	_____
		Amount Remaining:	_____
5. Reimbursement:
6. Routing:
Melba Carvajal Created/Initiated - 9/20/2023
7. Staff's Recommendation: Approval and adoption of the budget for fy 2023-2024 as presented
8. City Attorney: Approve. IJT
9. MPU General Manager: Approved - MAV
10. Director of Finance for Utilities: Approved - MDC

ORDINANCE NO. 2023-_____
ORDER NO. 2023-_____

AN ORDINANCE ADOPTING THE BUDGET OF THE CITY OF McALLEN INCLUDING McALLEN PUBLIC UTILITY FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023, AND ENDING SEPTEMBER 30, 2024, IN ACCORDANCE WITH THE ORDINANCES OF THE CITY OF McALLEN; PROVIDING FOR PUBLICATION; PROVIDING FOR A REPEALER; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER HEREOF.

WHEREAS, the City Manager has filed the proposed budget with the City Secretary on July 27, 2023; and

WHEREAS, notice of the public hearing on the proposed budget was given and a public hearing was held on September 11, 2023 at which time all interested citizens were given an opportunity to participate in the hearing.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS AND THE MCALLEN PUBLIC UTILITY BOARD OF TRUSTEES OF THE CITY OF McALLEN, TEXAS, THAT:

(a) SECTION I: The Budget Estimate of revenues for the City of McAllen and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning October 1, 2023, and ending September 30, 2024, as submitted by the City Manager of the City of McAllen to the City Secretary on July 27, 2023 and as amended hereunder, be, and the same is in all things, adopted and approved as the budget estimate of all of the current revenues and expenses for the fiscal year beginning the 1st day of October, 2023 and ending the 30th day of September, 2024.

SECTION II: The amount of ad valorem taxes and revenue from other sources, as estimated by the City Manager, is hereby appropriated out of the following funds: General, Capital Projects, Sanitation, Airport, Toll Bridge, Anzalduas Bridge, Golf Course, Civic Center, Civic Center Expansion, Internal Services, Employee Health Benefits, Development Corporation, General Insurance and Workers' Compensation, Water and Sewer, and Debt Service, for the

payment of operating expenses and capital outlay of the City Government, including the operation of the aforementioned funds of the city, respectively. A copy of the Budget Summary indicating such revenues and appropriating their expenditure is attached hereto and made a part hereof for all purposes as Exhibit "A".

The adoption of this Ordinance specifically amends the proposed Budget as filed with the City Secretary, as required by the law, and the Board of Commissioners hereby finds such amendments to be in the interest of the taxpayers of McAllen, Texas.

SECTION III: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION IV: This Ordinance shall be and remain in full force and effect from and after its passage by the Board of Commissioners and execution by the Mayor.

SECTION V: The City Secretary is hereby authorized and directed to cause the caption of this ordinance to be published in a newspaper having general circulation in McAllen, Hidalgo County, Texas in accordance with the Code of Ordinances of the City of McAllen, Section 2-56 Publication of Ordinances, but it shall not be published in the Code of Ordinances of the City of McAllen as it is not amendatory thereof; however, it shall be cited in the appropriate appendix of the Code of Ordinances. A true copy of the approved budget shall be filed with the City Secretary and in the office of the Hidalgo County Clerk.

SECTION VI: If any part or parts of this Ordinance are found to be invalid or unconstitutional by a court having competent jurisdiction, then such invalidity or unconstitutionality shall not affect the remaining parts hereof and such remaining parts shall remain in full force and effect, and to that extent this Ordinance is considered severable.

CONSIDERED, PASSED and APPROVED this 25th day of September 2023 at a regular meeting of the Board of Commissioners of the City of McAllen at which a quorum was present and which was held in accordance with Chapter 551 of the Texas Government Code and Chapter 102 of the Texas Local Government Code.

SIGNED this _____ day of September 2023.

CITY OF MCALLEN, TEXAS

By: _____
Javier Villalobos, Mayor

ATTEST:

By: _____
Perla Lara, TRMC/CMC, CPM
City Secretary

APPROVED AS TO FORM:

By: _____
Isaac J. Tawil, City Attorney

CONSIDERED, PASSED and APPROVED this 26th day of September 2023, at a regular meeting of the McAllen Public Utility Board of Trustees of the City of McAllen at which a quorum was present and which was held in accordance with Chapter 551 of the Texas Government Code and Chapter 102 of the Texas Local Government Code.

SIGNED this _____ day of September 2023.

McALLEN PUBLIC UTILITY
BOARD OF TRUSTEES

By: _____
Charles Amos, Chairman

ATTEST:

By: _____
Clarissa Hernandez, Board Secretary

APPROVED AS TO FORM:

By: _____
Isaac J. Tawil, City Attorney

		City of McAllen, Texas Proposed FY 2023-2024 Combined Budget Summary - All Funds							Budget Adoption 9/25/2023			
		Beginning Fund Balance	Projected Revenues	Transfers In	Transfers Out	Operations	Capital Outlay	Debt Service	Total Appropriations	Revenue Over/Under Expenditures	Other Items Working Capital	Ending Fund Balance
General Fund												
General Fund		\$ 70,390,480	\$ 152,866,363	\$ 7,741,338	\$ (9,740,844)	\$ 140,226,343	\$ 3,277,037	\$ 263,174	\$ 143,766,554	\$ 7,100,303	\$ -	\$ 77,490,783
Total General Fund		70,390,480	152,866,363	7,741,338	(9,740,844)	140,226,343	3,277,037	263,174	143,766,554	7,100,303	-	77,490,783
Special Revenue Funds												
Hotel Occupancy Tax		387	4,815,220	-	(3,525,222)	1,289,998	-	-	1,289,998	-	-	387
Hotel Venue Tax		1,118,108	1,374,717	-	(1,374,718)	-	-	-	-	(1)	-	1,118,108
Development Corp. of McAllen, Inc.		19,592,276	23,649,904	-	(3,208,349)	20,132,515	12,381,252	-	32,513,767	(12,072,212)	(1,677,370)	5,842,694
McAllen Marketing		375,764	-	418,000	-	418,000	-	-	418,000	-	-	375,764
City Special Events		17,276	130,000	-	-	130,000	-	-	130,000	-	-	17,276
Christmas Parade		759,005	1,060,000	100,000	(12,000)	1,000,000	115,000	-	1,115,000	33,000	-	792,005
EB - 5		53,402	1,602	-	-	-	-	-	-	1,602	-	55,004
Parklands Zones #1,2,3		1,846,076	-	-	-	-	557,951	-	557,951	(557,951)	-	1,288,125
Public, Educational, and Governmental (PEG)		1,352,910	263,403	-	-	-	228,488	-	228,488	34,915	-	1,387,825
Friends of Quinta		798,540	571,500	-	(1,229,288)	140,752	-	-	140,752	(798,540)	-	-
Community Development Block Grant		-	2,528,541	-	-	1,837,248	691,293	-	2,528,541	-	-	-
Police Department Seized		1,395,093	-	-	-	-	-	-	-	-	-	1,395,093
COPS Grant		-	625,000	263,922	-	888,922	-	-	888,922	-	-	-
Downtown Services Parking		95,075	1,218,402	-	-	1,260,316	48,286	4,875	1,313,477	(95,075)	-	-
Drainage Fee		4,930,022	1,278,500	-	-	-	5,989,812	-	5,989,812	(4,711,312)	-	218,710
Tax Increment Reinvestment Zone (TIRZ) #1 & 2A		5,267,066	-	1,772,972	-	18,333	5,324,313	-	5,342,646	(3,569,674)	-	1,697,393
Total Special Revenue Funds		37,601,000	37,516,789	2,554,894	(9,349,577)	27,116,084	25,336,395	4,875	52,457,354	(21,735,248)	(1,677,370)	14,188,384
Debt Service Funds												
Sales Tax Revenue Bond Debt Service		1,092	1,706,547	300,000	-	-	-	2,006,547	2,006,547	-	-	1,092
Local Government Finance Corporation Debt Service		308,885	-	909,175	-	-	-	909,175	909,175	-	-	308,885
TIRZ #1 Debt Service		499,149	1,517,299	-	-	-	-	1,517,299	1,517,299	-	-	499,149
General Obligation-Tax Note/C.O.		4,501,490	4,837,273	802,166	-	-	-	5,639,439	5,639,439	-	-	4,501,490
Water Debt Service		1,037,910	-	3,703,797	-	-	-	3,703,797	3,703,797	-	-	1,037,910
Wastewater Debt Service		2,909,774	-	5,871,470	-	-	-	5,871,470	5,871,470	-	-	2,909,774
Airport PFC Debt Service		265,020	-	647,375	-	-	-	647,375	647,375	-	-	265,020
Anzalduas Intl Crossing Debt Service A & B		709,838	-	2,574,931	-	-	-	2,574,931	2,574,931	-	-	709,838
Anzalduas Cargo Construction Debt Service A & B		-	-	2,332,500	-	-	-	2,332,500	2,332,500	-	-	-
Total Debt Service Funds		10,233,158	8,061,119	17,141,414	-	-	-	25,202,533	25,202,533	-	-	10,233,158
Capital Projects Funds												
Capital Improvement Projects		6,898,724	935,276	4,968,700	-	-	12,802,700	-	12,802,700	(6,898,724)	-	-
Infrastructure & Improvements		21,870,921	-	-	-	1,075,000	20,795,369	-	21,870,369	(21,870,369)	-	552
Quinta Mazatlán - Center for Urban Ecology Facility		13,165,624	39,722,720	3,949,538	-	-	54,887,589	-	54,887,589	(11,215,331)	-	1,950,293
Traffic / Drainage Bond		8,355,561	1,258,425	-	-	-	6,287,195	-	6,287,195	(5,028,770)	-	3,326,791
Parks Facility / Fire Station #2 Construction		469,771	-	-	-	-	450,000	-	450,000	(450,000)	-	19,771
Street Improvement Construction		2,371,536	582,821	-	-	-	2,259,112	-	2,259,112	(1,676,291)	-	695,245
Sports Facility Construction		1,705	-	-	-	-	-	-	-	-	-	1,705
City Hall Expansion / Reservoir Developpment		21,175,377	-	-	-	-	21,175,377	-	21,175,377	(21,175,377)	-	-
Information Technology		64,029	66,000	-	-	-	120,000	-	120,000	(54,000)	-	10,029
Water Depreciation		3,492,200	107,295	1,850,076	-	2,220,999	1,430,000	-	3,650,999	(1,693,628)	-	1,798,572
Water Capital Improvement		4,266,283	127,988	1,721,500	-	1,221,500	1,900,000	-	3,121,500	(1,272,012)	-	2,994,271
Water Revenue Bonds		-	16,825,000	-	-	-	16,825,000	-	16,825,000	-	-	-
Wastewater Depreciation		18,634,840	559,727	3,823,361	-	1,421,000	9,810,000	-	11,231,000	(6,847,912)	-	11,786,928
Wastewater Capital Improvement		4,629,836	1,466,200	1,475,145	-	875,145	3,951,203	-	4,826,348	(1,885,003)	-	2,744,833
Wastewater Revenue Bond - CWSRF		(12,554)	254,896	-	-	-	241,361	-	241,361	13,535	-	981
Sanitation Depreciation		10,174,715	2,576,875	-	-	-	6,956,566	64,264	7,020,830	(4,443,955)	-	5,730,760
Champion Lakes Golf Course Depreciation		711,148	21,329	250,000	-	-	176,000	-	176,000	95,329	-	806,477
Convention Center Depreciation		2,606,038	78,181	250,000	-	-	2,235,000	-	2,235,000	(1,906,819)	-	699,219
Performing Arts Depreciation		1,444,534	43,336	250,000	-	-	-	-	-	293,336	-	1,737,870
Airport Passenger Facility Charge		7,425,452	2,089,470	-	(3,077,638)	40,000	4,014,702	-	4,054,702	(5,042,870)	-	2,382,582
McAllen International Airport Capital Improvement		-	35,985,561	10,628,897	-	1,420,000	45,194,458	-	46,614,458	-	-	-
Bridge Capital Improvement		4,196,733	-	1,431,059	-	-	2,159,890	-	2,159,890	(728,831)	-	3,467,902
Anzalduas Bridge Capital Improvement		2,213,276	-	619,177	-	-	648,210	-	648,210	(29,033)	-	2,184,243
Anzalduas Cargo Construction		40,320,107	46,737,600	-	(2,332,500)	-	64,470,126	-	64,470,126	(20,065,026)	-	20,255,081
Total Capital Project Funds		174,475,856	149,438,700	31,217,453	(5,410,138)	8,273,644	278,789,858	64,264	287,127,766	(111,881,751)	-	62,594,105
Enterprise Funds												
Water		9,013,481	27,276,918	-	(7,275,373)	20,660,636	-	-	20,660,636	(659,091)	(272,619)	8,081,771
Wastewater		4,288,142	23,835,327	-	(11,169,976)	12,061,580	-	-	12,061,580	603,771	-	4,891,913
Sanitation		15,515,898	24,778,862	-	(25,000)	22,769,919	4,585,012	-	27,354,931	(2,601,069)	-	12,914,829
Champion Lakes Golf Course		2,211,343	2,023,529	-	(250,000)	1,752,501	2,217	184	1,754,902	18,628	-	2,229,970
McAllen Convention Center		8,900,272	6,221,771	2,579,997	(274,500)	7,662,835	2,743,313	8,224	10,414,372	(1,887,103)	-	7,013,169
McAllen Performing Arts Center		3,313,009	1,362,690	1,217,777	(274,500)	2,530,200	399,133	-	2,929,333	(623,366)	-	2,689,643
McAllen International Airport		18,150,892	9,165,848	-	(10,414,559)	7,166,839	448,638	3,980	7,619,457	(8,868,169)	-	9,282,723
Metro McAllen Transit		1,223,224	3,725,159	1,531,683	(25,000)	5,291,033	7,610	-	5,298,643	(66,802)	-	1,156,423
Bus Terminal		2,534,405	15,806,977	218,491	-	1,251,538	16,803,164	3,033	18,057,735	(2,032,267)	-	502,139
McAllen International Toll Bridge		1,297,263	14,269,245	-	(7,135,731)	7,125,649	5,688	2,177	7,133,514	-	-	1,297,263
McAllen Intl Toll Bridge - Restricted Acct		4,881,884	-	5,695,672	(5,350,413)	-	-	-	-	-	-	5,227,143
Anzalduas International Crossing		1,265,188	5,174,943	-	(3,203,108)	1,471,238	2,059	-	1,473,297	498,538	-	1,763,726
Total Enterprise Funds		72,595,001	133,641,269	11,243,620	(45,398,160)	89,743,968	24,996,834	17,598	114,758,400	(15,616,930)	(272,619)	57,050,712
Internal Service Funds												
Inter-Departmental Service		100,722	5,290,000	-	-	5,065,543	140,540	731	5,206,814	83,186	-	183,909
General Depreciation		19,088,876	4,043,376	-	-	-	8,841,018	-	8,841,018	(4,797,642)	-	14,291,234
Health Insurance		-	18,693,081	-	-	18,317,595	2,965	-	18,320,560	372,520	-	372,520
Retiree Health Insurance		426,898	1,596,456	-	-	980,554	-	-	980,554	615,902	-	1,042,800
Workers Compensation Fund		7,680,548	2,622,211	-	-	2,295,895	3,475	-	2,299,370	322,842	1,677,370	9,680,758
Property & Casualty Insurance Fund		(198,530)	2,267,107	-	-	2,068,577	-	-	2,068,577	198,530	-	-
Total Internal Service Funds		27,098,514	34,512,231	-	-	28,728,164	8,987,998	731	37,716,893	(3,204,662)	1,677,370	25,571,221
TOTALS		\$ 392,394,009	\$ 516,036,471	\$ 69,898,719	\$ (69,898,719)	\$294,088,203	\$341,388,122	\$ 25,553,175	\$ 661,029,500	\$ (145,338,288)	\$ (272,619)	\$ 247,128,361



AGENDA ITEM

5.a.

PUBLIC UTILITY BOARD

DATE SUBMITTED

09/13/2023

MEETING DATE

9/26/2023

1. Agenda Item: Resolution approving the City's Investment Policy and Strategy as presented.
2. Party Making Request:
Roel Rodriguez, P.E. City Manager
Mark Vega, General Manager
Melba Carvajal, Director of Finance for Utilities
Sergio Villasana, Finance Director
3. Nature of Request: Annual Approval of Investment Policy and Strategy upon recommended approval by the Audit and Investment Committee on August 29, 2023
4. Budgeted:

Bid Amount:	_____	Budgeted Amount:	_____
Under Budget:	_____	Over Budget:	_____
		Amount Remaining:	_____
5. Reimbursement:
6. Routing:
Melba Carvajal Created/Initiated - 9/13/2023
7. Staff's Recommendation: Approval of Investment Policy and Strategy upon recommended approval by the Audit and Investment Committee on August 29, 2023
8. City Attorney: Approve. IJT
9. MPU General Manager: Approved - MAV
10. Director of Finance for Utilities: Approved - MDC

Memo

To: Roel Rodriguez, P.E., City Manager; Mark Vega, P.E., General Manager
From: Melba Carvajal, Director of Finance for Utilities; Sergio Villasana, Finance Director
CC: Isaac Tawil, City Attorney; Linda Patterson, Meeder Investments; David McElwain, Meeder Investments
Date: August 29, 2023
Re: Annual Review and Approval of Investment Policy and Strategy

The annual review and approval of the City's Investment Policy and Strategy is required to be conducted prior to September 30, 2023, for the upcoming fiscal year. The Public Funds Investment Act has not been amended to require any material changes to the City's Investment Policy and Strategy. As such, and after conferring with the City's Investment Advisor, Meeder Investments (formerly Patterson & Associates), staff recommended adoption of the Policy and Strategy without revision to the Audit and Investment Committee. At the August 29, 2023 meeting of the Audit and Investment Committee, the Committee recommended approval of the City's Investment Policy and Strategy as presented to the City Commission, McAllen Public Utility Board, Development Corporation Board and Bridge Boards.

Please do not hesitate to call me at extension 1632, should you have any questions.

RESOLUTION NO. 2023-_____
P.U.B. RESOLUTION NO. 2023-_____

STATE OF TEXAS §
COUNTY OF HIDALGO §
CITY OF MCALLEN §

WHEREAS, the City of McAllen, by and through its Board of Commissioners (hereinafter referred to as “City”) is required to maintain a formally approved investment policy under the provisions of the Public Funds Investment Act of 1988 (hereinafter referred to as "The Act"); and

WHEREAS, the City has previously adopted an investment policy to meet the investment opportunities of the City; and

WHEREAS, in conjunction with the adoption of this Resolution, the Board of Commissioners has reviewed the Investment Policy and the investment strategies carried out under such Policy.

WHEREAS, the City has chosen to adopt the Policy and Strategy attached as Exhibit “A” with no revision.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF McALLEN, AND THE McALLEN PUBLIC UTILITY BOARD OF TRUSTEES OF THE CITY OF McALLEN, TEXAS THAT:

The City of McAllen/Public Utility Board/McAllen-Hidalgo International Toll Bridge/Anzalduas International Crossing/Development Corporation of McAllen, Inc. Investment Policy and Strategy attached hereto as Exhibit "A" and made a part hereof for all purposes and the investment strategies set out therein and carried out thereunder, has been reviewed as is annually required by law and is hereby approved in accordance with the 2023/2024 Investment Policy and Strategy attached hereto as Exhibit “A.”

CONSIDERED, PASSED, ADOPTED and APPROVED this____day of September, 2023, at a meeting of the Board of Commissioners of the City of McAllen, Texas, and the McAllen Public Utility Board of Trustees of the City of McAllen, Texas, at which a quorum was present

and which was held in accordance with the provisions of Chapter 551, Texas Government Code.

SIGNED this _____ day of September, 2023.

CITY OF MCALLEN

By: _____
Javier Villalobos, Mayor

ATTEST:

Perla Lara, City Secretary

MCALLEN PUBLIC UTILITY

By: _____
Charles Amos, Chairman

ATTEST:

Clarissa Hernandez, Board Secretary

APPROVED AS TO FORM:

Isaac Tawil, City Attorney

Exhibit A

ANNUAL REVIEW INVESTMENT POLICY AND STRATEGY

**City of McAllen (CITY)
Public Utility Board (PUB)
McAllen-Hidalgo International Toll Bridge (BRIDGE)
Anzalduas International Crossing (ANZALDUAS)
Development Corporation of McAllen (CORP.)**

|
September 2023

INVESTMENT POLICY AND STRATEGY

City of McAllen (CITY) Public Utility Board (PUB) McAllen-Hidalgo International Toll Bridge (BRIDGE) Anzalduas International Crossing (ANZALDUAS) Development Corporation of McAllen, Inc. (CORP.)

INTRODUCTION

The purpose of this document is to set forth specific investment policy and strategy guidelines for the City of McAllen/McAllen Public Utility Board/McAllen-Hidalgo International Toll Bridge/Anzalduas International Crossing/Development Corporation of McAllen, Inc. (hereinafter referred to collectively as “City”) in order to achieve the goals of safety, liquidity, diversification, and yield for all investment activity.

This policy serves to satisfy the statutory requirement, specifically the Public Funds Investment Act, Chapter 2256 of the Government Code (the "Act"), to define, adopt and review a formal investment strategy and policy. The City shall review and adopt its investment strategies and policy not less than annually.

SCOPE

This investment policy applies to all financial assets of the City. These funds are reported in the Comprehensive Annual Financial Report (CAFR). Any new funds created, unless specifically exempted by the City and this Policy, are to be included under the provisions of the policy.

INVESTMENT OBJECTIVES

The City shall manage and invest its cash with three objectives, listed in order of priority: Preservation and Safety of Principal, Liquidity, Diversification, and Yield. All investments shall be designed and managed in a manner responsive to the public trust and consistent with State and Local Law.

The City shall maintain a comprehensive cash management program that includes collection of accounts receivable, vendor payment in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to maintain cash availability and increase interest earnings on short-term investment of idle cash.

Preservation and Safety of Principal

The primary objective of the City investment activity is the preservation of capital in the overall portfolio. Each investment transaction shall be conducted in a manner to avoid capital losses, whether they are from investment defaults or erosion of market value.

Liquidity

The City investment portfolio shall be structured such that the City is able to meet all obligations in a timely manner. This shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

Diversification

Diversification of the portfolio will include diversification by maturity and market sector. The City will diversify its investment in an effort to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions, as appropriate.

Yield

The City's portfolios shall be designed with the objective of attaining a reasonable market yield, taking into account its investment risk constraints and liquidity needs. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified herein and prudent investment policies.

INVESTMENT STRATEGY

The City maintains portfolios that utilize five specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios. Funds may be commingled for investment purposes. The portfolio structure will recognize and reflect the unique needs of all funds. The maximum weighted average maturity ("WAM"), calculated on stated maturities and in accordance with GASB requirements, shall not exceed three (3) years for the laddered portion of the portfolio (which excludes liquid funds).

- A. Investment strategy for operating funds has as its primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure that will experience minimal volatility during economic cycles. This may be accomplished by purchasing high credit quality short-to-intermediate-term investments.
- B. Investment strategy for bond debt service fund(s) shall have as the primary objective the assurance of investment liquidity adequate to fund all debt service obligations on the required payment dates. Investments purchased shall not have a stated final maturity date which exceeds the next unfunded bond debt service payment date. Investment Officers are authorized to invest bond proceeds or revenue pledged to the payment of the debt obligation only to the extent permitted by the Act, in accordance with provisions governing the debt issuance, as applicable, and the local government's approved investment policy regarding the debt issuance, as applicable.

- C. Investment strategy for bond reserve fund(s) shall have as the primary objective to generate a dependable revenue stream to the appropriate debt service fund from investments with a low degree of volatility. Investments should be of high credit quality and, except as may be required by the Bond Ordinance specific to an individual issue, of short-to-intermediate-term maturities. Investment Officers are authorized to invest bond proceeds or revenue pledged to the payment of the debt obligation only to the extent permitted by the Act, in accordance with provisions governing the debt issuance, as applicable, and the local government's approved investment policy regarding the debt issuance, as applicable.
- D. Investment strategy for capital projects funds will have as the primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid cash equivalent investments to allow for flexibility and unanticipated project outlays. The stated final maturity dates of investments held should not exceed the estimated project completion date. Investment Officers are authorized to invest bond proceeds or revenue pledged to the payment of the debt obligation only to the extent permitted by the Act, in accordance with provisions governing the debt issuance, as applicable, and the local government's approved investment policy regarding the debt issuance, as applicable.
- E. Investment strategy for customer deposit funds shall have as the primary objective the assurance of investment liquidity adequate to cover the return of deposit to customers or its application to balances due. Investments purchased shall not have a stated final maturity date which exceeds two (2) years.

DELEGATION OF RESPONSIBILITY

Investment Committee

An Audit and Investment Committee, consisting of the audit committee members appointed by the City Commission and Public Utility Board will meet at least quarterly to determine operational strategies and to monitor results. The Investment Committee shall include in its deliberation such topics as: performance reports, economic outlook, portfolio diversification, maturity structure, potential risks, independent training sources, and authorized brokers/dealers. The Committee is authorized to adopt the annual broker/dealer list and approve training sources.

Delegation of Authority and Investment Officers Training

Authority to manage the City investment program is derived from investment officer designation resolutions of the City. Those authorized by said resolution are designated as investment officers of the City and, in conjunction with the Audit and Investment Committee, are responsible for investment decisions and activities. The Finance Director shall establish written procedures for the operation of the investment program consistent with this investment policy.

The Finance Director and the investment officers shall attend at least one training session from an

independent source approved by the Investment Committee. Training shall accumulate at least 10 hours of instruction relating to the officer's responsibility under the Act and any other requirements of the Act within 12 months after assuming duties. The Finance Director and the investment officers shall attend 8 hours of such investment training sessions not less than once in every two-year period that begins on the first day of the City's fiscal year.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment Officers will avoid any transaction that might impair public confidence in the City's ability to govern effectively. Investment Officers shall recognize that the investment portfolio is subject to public review and evaluation.

No Investment Officer may engage in an investment transaction except as provided under the terms of this Policy and established procedures.

Prudence

The standard of care to be applied by the investment officers shall be the "prudent person" rule, which states: "Investments shall be made with judgment and care, under prevailing circumstances-, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the investment officers have exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- A. The investment of all funds, or funds under the City's control, over which the officers had responsibility and not necessarily consideration as to the prudence of a single investment.
- B. Whether the investment decision was consistent with this policy.

The investment officers, acting in accordance with written procedures and exercising due diligence, shall not be held personally liable for a specific investment's credit risk or market price changes, provided that these deviations are reported immediately.

Ethics and Conflicts of Interest

City staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. City staff shall disclose to the City any material interests in financial institutions that conduct business with the City, and they shall further disclose positions that could be related to the performance of the City portfolio. City staff shall subordinate their personal financial transactions to those of the City, particularly with regard to timing of purchases and sales.

An investment officer of the City who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics

Commission and the City Council or Board of Directors, as appropriate.

REPORTING

Quarterly Reporting

The Finance Director shall submit a quarterly investment report signed by the investment officers to the Investment Committee and to the City in accordance with the Act that contains sufficient information to permit an informed outside reader to evaluate the performance of the investment program. The quarterly investment report shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy.

The report shall summarize current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio on a detail and summary basis. The final quarterly report of the fiscal year will include a snapshot of asset allocation changes throughout the year.

The report will include the following:

- A. A detailed listing of individual securities and positions by maturity held at the end of the reporting period.
- B. Beginning and ending amortized book and market value of securities and positions for the period.
- C. Changes to the market value during the period.
- D. Average weighted yield to maturity of the portfolio.
- E. The earnings for the period (including accrued interest) net of amortization/accretion.
- F. The percentage of the total portfolio that each type of investment represents.
- G. Statement of compliance of the City investment portfolio with the Act and the Investment Strategy and Policy adopted by the City.

The Finance Director shall establish and implement procedures for monitoring the market price and rating changes in investments acquired with public funds and the liquidation of such investments. The market prices shall be obtained from an independent source.

AUTHORIZED INVESTMENTS

Assets of the City may be invested only in the following instruments in accordance with and further defined by the Act.

I. Authorized Investments

- A. Obligations of the U.S. Government, its agencies and instrumentalities not to exceed seven years to stated maturity to include pass-through mortgage-backed securities and

collateralized mortgage obligations (CMO) which pass the high-risk mortgage security test. Investment in mortgage-backed securities must be pre-approved by the City governing bodies.

- B. FDIC insured or collateralized certificates of deposit of state and national banks doing business in Texas including deposit spreading products initiated through a Texas bank. The certificates must be collateralized in accordance with this policy and not exceed three years to stated maturity.
- C. Local government investment pools created and managed in accordance with the Act and that maintain as an investment objective of a \$1.00 net asset value.
- D. AAA-rated, SEC registered and regulated money market mutual funds which include in their investment objectives the maintenance of a stable net asset value of \$1.0000. The City may own no more than 10 percent of the total assets of the mutual fund.
- E. A no-load bond mutual fund:
 - (1) registered with the Securities and Exchange Commission;
 - (2) with an average weighted maturity of less than two years;
 - (3) investing exclusively in obligations approved by this Policy; and
 - (4) continuously rated at least three stars by Morningstar.

Investment in such mutual funds must represent:

In the aggregate less than 15 percent of the City's operating monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; and may not be utilized for any portion of bond proceeds, reserves and funds held for debt service. The City may own no more than 10 percent of the total assets of the mutual fund.

- F. FDIC insured or collateralized interest bearing and money market accounts from any FDIC insured bank in Texas to include depository spread money market accounts initiated through a Texas bank.
- G. Debt obligations of any state or political subdivision in any U.S. state rated A or higher with a stated maturity not to exceed seven years.
- H. Fully collateralized repurchase agreements with a defined termination date. A flexible repurchase agreement may be used for bond proceeds with a maturity not to exceed the expenditure plan of the proceeds.
- I. A1/P1 commercial paper not to exceed 365 days to maturity from the date of issuance.
- J. FDIC insured brokered certificate of deposit securities from U.S. banks, settled delivery versus payment to City safekeeping with a maximum maturity of two (2) years.

II. The following securities are not authorized for investment by the City.

- A. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
- B. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
- C. Collateralized mortgage obligations that have a stated final maturity date of greater than ten (10) years.
- D. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

The City intends to match the maturities of investment funds with liquidity needs of the City. The maximum final stated maturity of any investment shall not exceed seven years and it is further provided that any security with a stated maturity over five years must be approved by the Audit and Investment Committee. No more than ten percent (10%) of the total security portion of the investment portfolio may have a stated maturity exceeding five years.

Risk and Diversification

The City recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is managed through portfolio diversification which shall be achieved by the following general guidelines:

- A. Risk of issuer default is managed by limiting investments to high credit quality instruments allowed by the Act.
- B. Risk of market price changes shall be controlled by avoiding over-concentration of assets in a specific maturity or market sector, limitation of average maturity, and avoidance of over-concentration of assets in specific instruments, as appropriate.

INTERNAL CONTROLS

The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that the objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Finance Director shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points at a minimum.

- A. Control of collusion.
- B. Separation of transaction authority from accounting and record keeping.
- C. Perfection of City ownership and pledge rights through safekeeping.
- D. Clear delegation of authority to subordinate staff members.
- E. Written documentation on all transactions.
- F. Development of a wire transfer agreement with the depository bank or third-party custodian.
- G. Establishment of procedures to monitor rating changes in investments acquired with City funds and the liquidation of such investments consistent with the provisions of Section 2256.021, Government Code.

Competitive Bidding

All transactions shall be made on a competitive basis to assure that the City is receiving the best rates and has compared all comparable investments.

Delivery versus Payment

All securities shall be purchased on a delivery versus payment (DVP) settlement basis. Funds shall not be released until receipt of the security by the City's approved custodian. The records shall assure the notation of the City ownership of or explicit claim on the securities. The custodian shall provide the City with proof of ownership or claim by an original document delivered to the City.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of the City. Supplemental to the financial and budgetary systems, the Investment Officers will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

Monitoring FDIC Status for Mergers and Acquisitions

The Investment Officers shall monitor the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officers or Adviser shall immediately notify the Finance Director and present information to make an informed decision on possible liquidation.

COLLATERALIZATION

Time and Demand Bank Deposits Pledged Collateral

Collateralization is required on all bank time and demand deposits over the applicable FDIC insurance coverage. All securities pledged to the City for these deposits shall be held by an independent third-party institution outside the holding company of the pledging bank.

In order to anticipate market changes and provide a level of additional security for all funds, the market value of securities held as collateral will be maintained at 105% of total principal and accrued interest on the deposits or investments less an amount insured by the FDIC. And letters of credit

issued by the Federal Home Loan Bank held as collateral will be maintained at 100% of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. Federal Home Loan Bank letters of credit held as collateral must expire at least two business days beyond the maturity date of the investment, or if rolling letters of credit are utilized, advance notice prior to any expiration must be provided along with a letter of credit extension, and the extension to cover the final expiration of the investment must extend at least two business days beyond the final maturity date. The depositories will be responsible for monitoring and maintaining the collateral and margins daily. The safekeeping custodian will provide monthly reports to the City detailing the collateral.

Collateral will be pledged under the terms of a written depository agreement executed under the terms of FIRREA. (If the custodian is the Federal Reserve the City will execute a Circular 7 form.) The agreement will be approved by resolution of the bank's board or loan committee.

The City shall accept only the following as collateral:

- A. FDIC insurance
- B. Obligations of the US Government, its agencies and instrumentalities, excluding mortgage backed securities, but including letters of credit issued by the Federal Home Loan Bank

Repurchase Agreements Owned Collateral

Collateral under a repurchase agreement is owned by the City. It will be held by an independent third-party safekeeping agent approved by the City under an executed Master Repurchase Agreement, or similar agreement. Collateral with a market value totaling 102% of the principal and accrued interest of the repurchase amount is required and the counterparty is responsible for the monitoring and maintaining of collateral and margins at all times. Monthly reports are required at a minimum.

All collateral shall be subject to inspection and audit by the Finance Director or the City independent auditors.

SELECTION OF BANKS AND DEALERS

Depository

At least every five years a Depository shall be selected through the City's banking services procurement process, which shall include a formal request for applications (RFA). The depository contract shall contain a provision that the City may terminate the agreement at its sole discretion at any time. In selecting a depository, the services, fees, credit worthiness of institutions, and earnings potential may be considered.

Broker/Dealers

The Investment Committee shall approve those broker/dealers through whom the City buys or sells securities on an annual basis. Investment officers shall not knowingly conduct business with any broker/dealer representative with whom public entities have sustained losses on investments based upon improper recommendations. All broker/dealers shall provide the City with references from

public entities which they are currently serving. A list of not less than five broker/dealers shall be maintained to assure a competitive process.

All broker/dealers who desire to transact business with the City must supply the following, as appropriate:

- 1) Annual audited financial statements
- 2) Proof of Financial Industry Regulatory Authority (FINRA) certification and CRD Number
- 3) Proof of Texas State Securities registration

No investment transactions may be entered into with a brokerage subsidiary of the City's depository bank unless it can fulfill all delivery versus payment (DVP) requirements for trade independence.

Policy Review Certification

Every local government investment pool (e.g. business organization) shall have been provided a copy of this Policy to assure that they are familiar with the goals and objectives of the investment program. The authorized representative of the pool shall sign a written certification, in a form acceptable to the City, substantially to the effect that the firm has:

- (1) received and reviewed the investment policy of the entity; and
- (2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the City's investment policy, except to the extent that this authorization:
 - (A) is dependent on an analysis of the makeup of the City's entire portfolio;
 - (B) requires an interpretation of subjective investment standards; or
 - (C) relates to investment transactions of the City that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

No investment transaction shall be executed with a firm which has not delivered this written certification. Material changes in this Policy will require re-certification by business organizations.

The City is under no obligation to transact business with any financial institution.

All approved broker/dealers and financial institutions shall receive a copy of the Investment Policy. If any material changes are made to the policy an updated copy will be sent.

SAFEKEEPING AND CUSTODY

Collateral pledged to secure deposits shall be held by an independent financial institution outside the holding company of the depository in accordance with a safekeeping agreement signed by authorized representatives of the City, the Depository, and the custodian (with the exception of the Federal Reserve as Custodian). The Finance Director or a third-party financial institution shall maintain evidence of the pledged collateral. The Custodian shall provide a monthly report of collateral directly

to the City. Collateral shall be reviewed weekly to assure that the market value of the pledged securities is adequate.

Safekeeping Agreement

All safekeeping arrangements shall be approved by the Investment Officer and an agreement of the terms executed in writing. The independent third-party custodian shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, CUSIP number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the City or pledged to the City.

INVESTMENT POLICY ADOPTION

The City investment policy and strategy shall be adopted by resolution of the City Commission/PUB/Bridge/Corp. The resolution shall include any changes made to the policy and strategy. The Investment Committee shall review the policy for effectiveness on an annual basis and any modification will be recommended for approval to the City.

**GLOSSARY
Of
COMMON TREASURY TERMINOLOGY**

Agencies:	Federal agency and instrumentality securities.
Asked:	The price at which securities are offered.
Bid:	The price offered to buy securities.
Broker:	A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market brokers are active in markets in which banks buy and sell money and in interdealer markets.
Brokered Certificate of Deposit Security:	A time deposit which has been sold onto the secondary market and divided to assurance FDIC insurance coverage. This is a registered security with a CUSIP and is settled over the FedWire or other settlement system
Depository Certificate of Deposit (CD):	A time deposit with a financial institution with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.
Collateral:	Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public monies.
Coupon:	(a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.
Dealer:	A dealer, as opposed to a broker, acts as a principal in all transaction, buying and selling for his own account.
Debenture:	A bond secured on by the general credit of the issuer.
Delivery versus Payment:	There are two methods of delivery of securities; delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for

securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount:	The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original price shortly after sale also is considered to be at a discount.
Discount Securities:	Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.
Diversification:	Dividing investment funds among a variety of securities offering independent returns.
Federal Credit Agencies:	Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.
Federal Deposit Insurance Corporation (FDIC):	A federal agency that insures bank deposits, currently up to \$250,000 per deposit.
Federal Funds Rate:	The rate of interest at which Fed funds are traded. The Federal Reserve through open-market operations currently pegs this rate.
Federal Home Loan Banks (FHLB):	The institutions that regulate and lend to banks and savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.
Federal National Mortgage Association (FNMA):	FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development, (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder corporation. The corporation purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.
Federal Open Market Committee (FOMC):	Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve is a permanent member while the other

presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**Government National
Mortgage Association**

(GNMA of Ginnie Mae): Securities guaranteed by GNMA are issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by the full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA, or FMHM mortgages. The term pass-through is often used to describe Ginnie Maes.

Liquidity:

A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government

Investment Pool (LGIP):

The aggregate of all funds from political subdivisions that are placed in a common pool for investment and reinvestment.

Market Value:

The price at which a security is trading and could presumably be purchased or sold.

**Master Repurchase
Agreement:**

To protect investors, many public investors will request that repurchase agreements be preceded by a master repurchase agreement between the investor and financial institution or dealer. The master agreement should define the nature of the transaction, identify the relationship between the parties, establish normal practices regarding ownership and custody of the collateral securities during the term of the investment provide remedies in the case of default by either party and clarify issues of ownership. The master repurchase agreement protects the investor by eliminating the uncertainty of ownership and hence, allowing investors to liquidate collateral if a bank or dealer defaults during the term of the agreement.

Maturity:

The date upon which the principal or stated value of an investment becomes due and payable.

Money Market:

The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the

FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit: sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Portfolio:	Collection of securities held by an investor.
Primary Dealer:	A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities brokers-dealers, banks and a few unregulated firms.
Prudent Person Rule:	An investment standard. Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.
Rate of Return:	The yield obtained on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.
Repurchase Agreement (RP or REPO):	A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use REPOs extensively to finance their positions. Exception: When the Fed is said to be doing REPOs, it is lending money that is, increasing bank reserves.
Safekeeping:	A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.
Secondary Market:	A market made for the purchase and sale of outstanding issues following the initial distribution.
Securities & Exchange Commission:	Agency created by Congress to protect investors in securities transactions by administering securities legislation.
Treasury Bills:	A non-interest bearing discount security issued by the U.S. Treasury to

finance the national debt. Most bills are issued to mature in three months, six months, and one year.

Treasury Bonds: Long-term U.S. Treasury securities having initial maturities of more than ten years.

Treasury Notes: Intermediate term coupon bearing U.S. Treasury securities having initial maturities from two to ten years.

Yield: The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price of the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



AGENDA ITEM

7.a.

PUBLIC UTILITY BOARD

**DATE SUBMITTED
MEETING DATE**

**09/18/2023
9/26/2023**

1. Agenda Item: Evaluation of General Manager (T.G.C. 551.074)

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 - 9/18/2023

7. Staff's Recommendation:

8. City Attorney: None. IJT

9. MPU General Manager: N/A - MAV

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



AGENDA ITEM

7.b.

PUBLIC UTILITY BOARD

DATE SUBMITTED

09/18/2023

MEETING DATE

9/26/2023

**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 - 9/18/2023

7. Staff's Recommendation:

8. City Attorney: None. IJT

9. MPU General Manager: N/A - MAV

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