

June 2, 2014

On this the 2nd day of June 2014 7:00 P.M., the City Commission of the City of Hereford, Texas, convened in a special session in the Banquet Room, in the Community Center, the meeting being open to the public and notice of said meeting having been given as prescribed by Chapter 551 of the Government Code, with the following members being present and in attendance, to-wit:

Robert D. Josserand, Mayor
 Jose A. Garza, Commissioner Place One
 Charlie Kerr, Commissioner Place Three
 Linda Cumpston, Commissioner, Place Four
 Cathy Bunch, Commissioner Place Five
 Sam Metcalf, Commissioner Place Six
 Rick L. Hanna, City Manager
 Suzanne Finch, City Secretary

Absent: Angie Alonzo, Commissioner Place Two
 Slater C. Elza, City Attorney

Lynda Work and Chip Formby were in attendance from the media to witness the proceedings. Also in attendance were Assistant City Manager Steve Bartels, Audie Sciumbato (Attorney Underwood Law Firm), Zane Edwards (Parkhill, Smith, & Cooper), Fire Marshal Dean Turney, Public Works Director Johnny Torres, Water Production Supervisor Ted Ray Coleman, Chief Brent Harrison, Captain Kirsten Williams, Officer Dustin Tucker, Parks Superintendent Robert Jones, several other City employees, and over one hundred citizens.

Mayor Josserand voiced the invocation and then called upon Commissioner Cumpston to lead the Pledge of Allegiance. He then called the meeting to order, welcomed those in attendance, and introduced each item on the agenda.

PUBLIC HEARING:

Hear comments regarding proposed acquisition of water rights.

Mayor Josserand stated the purpose of the hearing today is to explain the proposed project and to answer questions.

He stated we have the opportunity to purchase the water rights on eleven thousand acres of land (contiguous block). Mayor Josserand noted our engineers say water is there; but, no action will be taken until this is verified. He stated the purchase would be for the water only for thirty-six million dollars and bonds would be sold to cover the cost of the project over a twenty year period. He noted these would be paid for by increasing the cost of everyone's water bill by approximately thirty-nine to forty-two dollars per month, depending on the interest rate.

Mayor Josserand stated those on fixed incomes that cannot afford the increase could apply for assistance through the City of Hereford for monies donated by some major benefactors of our community to remove the burden from our seniors and disabled citizens.

He noted the water rights could be bought now and then the infrastructure developed in twenty years after the bonds were paid off; to go ahead now with the infrastructure would be an additional thirty million dollars.

Mayor Josserand stated we have had several people contact us about cheaper land and the City would be happy to consider other proposals if they can meet the specifications and provide the required documentation.

He noted the project we are considering will:

- provide one billion seven hundred million gallons of water each year for one hundred years
- add one hundred years to our water supply given our current usage
- be a contiguous block of land
- average eight miles from town
- include right of ways and easements
- provide documentation such as hydrological, engineer, well logs, depth to red bed, and static levels
- contain nine Dockum wells on the property drilled to municipal specifications; at today's prices that adds \$500,000.00 value for each or total of approximately \$4.5 million
- have 140 Ogallala wells that could easily be converted
- have existing pipelines the City can use
- have infrastructure that would add \$15-\$20 million of value

Mayor Josserand stated we want people to know about the proposed water project and to express their opinions. He noted we have three options:

- do nothing
- go forward with City Commission approval
- or, take it to a vote in November

Mayor Josserand discussed some of the surrounding communities.

- Clovis has between eight and fifteen years of water left.
- City of Amarillo very progressive at obtaining water. Purchased some land for \$500 per acre; but, approximately one hundred miles from town. Even though land considerably cheaper - it will be extremely expensive to build a pipeline for that distance and to pump it uphill.
- San Angelo recently revised their estimate from ten months to eighteen months of water remaining.
- Midland just completed a \$230 million pipeline/well field to meet part of their needs.
- Russell, KS - usage restricted - people cannot water yards or wash their vehicles.

Mayor Josserand broke the price down of the current project as follows:

- 44 cents per person
- \$1.21 per family
- 1/2 cent per gallon delivered to your faucet

He reiterated that this project would not go forward unless the water is proven to be there and the citizens of Hereford give their approval.

Mayor Josserand then asked for public comments and/or questions.

Bob Maddox asked about capturing rainwater; opposed farmland for water purposes; stated community lost Frito-Lay plant due to water (cost of corn too high); stated City gives away a lot of water; questioned how the \$42 was derived; and, noted he would like to see the issue put to a vote.

Mayor Josserand responded the City of Hereford does not give away water and the \$42 figure is what it would take to pay off the \$36 million including the interest for twenty years.

Margaret DelToro inquired about other alternatives; she used Wichita Falls as an example of a community that is recycling water.

Mayor Josserand stated we have looked at that alternative and the cost to clean up waste water to potable water is approximately \$30-\$35 million.

City Manager Hanna stated it would cost approximately the same to take the water from toilet to tap; but, you are also looking at about a million dollars per year to operate and maintain the plant once it is built.

Mayor Josserand noted the City has also looked at what it would cost to build a desalination plant and it is roughly \$30-\$40 million.

Carolyn Tackitt asked about rationing yard water; many people waste water.

Mayor Josserand stated that is a tough question and at this point the City has chosen not to do rationing; he stated he has also seen people watering when the wind is blowing and leaving sprinklers on even after a rain.

Michelle Brisendine suggested a combination of reusing grey water and rationing and a price based on usage versus a flat rate.

Carolyn Waters asked if irrigation would continue if we purchased the water rights.

Mayor Josserand noted the agreement with the seller is they would eliminate all irrigation.

Pat Fisher asked what percentage of the water used was by residential and what percentage was used by industrial.

City Manager Hanna stated he did not have the exact figures but would guess around 50% each during the winter months and 75% residential/25% industrial during the summer months.

Bruce Smith inquired on the payback structure why not base it on usage instead of a per meter fee. He also expressed concern that the neighbors surrounding the property would pump continuously and the water would not be there in twenty years.

Mayor Josserand stated the thought process was each meter should bear their share of the cost. He noted the wells had been strategically placed on the land to prevent crowding.

David Brumley inquired whether or not we currently have a graduated water bill in place to penalize those customers that use more water.

Mayor Josserand confirmed that we do; however, he stated our rates are still relatively cheap in comparison to a lot of places.

James Self asked why the land was not included in the deal; he expressed concern the water from the Dockum Formation would have to be treated as it is brackish; and, he wanted more details on the relief fund.

City Manager Hanna noted the land was not offered. He stated he made contact with the landowner after looking at current levels of water; the price was negotiated at a meeting he attended with the landowner and the attorneys.

Mayor Josserand noted currently we are blending the water with the Ogallala water. He stated we have not worked out all the details of the relief fund but we have half a million dollars already committed.

Kari Valdez had a question about "pools of water below the surface" and whether or not those "pockets" of water are the same. She also expressed concern over the City's water usage for parks.

Mayor Josserand stated he did not know the answer to the pools of water question; however, the issue of City water usage is being addressed. He cited several examples of the City of Hereford using xeriscape to conserve water at the small triangular parks and at City Hall. He stated the grassy areas around the pump stations and water tower were going to be removed and filled with gravel. Mayor Josserand noted some of our parks are used quite extensively and we don't want desert landscaping in those - the kids need grass to play on.

Joe Kerr expressed concern that some of the parks like Mothers Park should not be changed and commented on the carpet at Champions Park how nice it looked.

Betty Jo Driver inquired why we were spending all this money without purchasing the land, mineral rights, water, oil, and wind rights.

Jim Hund inquired why not solicit bids; why lock onto this deal.

Mayor Josserand stated if someone can meet the specifications [as stated earlier] and sell it to the City cheaper, we would certainly look at it. He also clarified, we are not locked into anything at this time.

Lynda Work commented rainfall is not guaranteed and if you think this is expensive, wait until you have to haul the water in; she stated the aquifer is not recharging as fast as the population is increasing.

Steve Johnson asked if you had to be a resident of the City to vote.

City Manager Hanna stated if someone has a business here, but lives outside the city limits - then they would not be eligible to vote.

Cory Marsh expressed concern over the brackishness of the Dockum water and the possibility of having to pay for a desalination plant in order to make the water usable.

Mayor Josserand said he assumes as we pull more water out, it will get more salty.

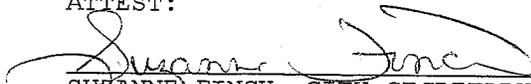
Mayor Josserand invited everyone to attend the next public hearing set for June 16th and to talk to their neighbors and commissioners and stated all of the Commission would be happy to answer questions.

There being no further business before the Commission, the meeting was adjourned at 8:12 p.m.

APPROVED:


ROBERT D. JOSSERAND, MAYOR
CITY OF HEREFORD, TEXAS

ATTEST:


SUZANNE FINCH, CITY SECRETARY