

May 19, 2014

On this the 19th day of May 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
 Angie Alonzo, Commissioner Place Two
 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: Slater C. Elza, City Attorney

Lynda Work was in attendance from the media to witness the proceedings. Also in attendance were Assistant City Manager Steve Bartels, HEDC Executive Director Michael Kitten, Audie Sciumbato (Attorney Underwood Law Firm), Zane Edwards (Parkhill, Smith, & Cooper), Ted Ray Coleman, Officer Geronimo Ruiz, Robert Jones, several City employees, and over one hundred citizens.

Mayor Josserand called the meeting to order, welcomed those in attendance, and introduced each item on the agenda.

PUBLIC HEARING:

ITEM 1 - Hear comments regarding proposed acquisition of water rights.

Mayor Josserand gave an overview of the proposed water acquisition - 11,000 acres at a cost of \$36 million to extend our current water supply approximately 100 years at a cost of approximately \$42 per month on everyone's water bill to insure the future of our town for our children and grandchildren.

Mrs. Work from the Hereford Brand began the comments by stating water and water rights are critical and many city planners are finding it difficult to secure water rights. She noted water is critical for progress, business, schools, and homes and this is a big move to secure the future of Hereford for our kids and grandkids. She stated if Hereford does not act now, we may lose this valuable opportunity.

The citizens present expressed the following questions and concerns:

- Is the \$36 million for water rights only and not the land?
- Is the City willing to purchase other parcels of land?
- What will the acquisition do to taxes and property values?
- If an election is conducted, would it be limited to City residents only?
- Banking?
- Is there any way to tell how much water will migrate out from under us?
- Has the City investigated the possibility of doing a lease/purchase for the water?
- Concern was expressed over the cost being approximately \$3,500 per acre - when land should be valued at half that price.
- Cost per month.
- Right of way issues.
- What would be the volume of water and for how long?

- Concern was expressed for seniors and elderly on fixed incomes that the additional cost of the water on their monthly bill is not feasible.
- What is the life expectancy of all areas? How long is water going to last?
- Concern was expressed if it costs \$40 to buy the water rights an additional \$40 would have to be added to the water bill to develop the infrastructure.
- Concern was expressed over the amount of water used by ethanol plants and the farmers that grow corn for the ethanol plants.
- Concern was expressed over the amount of water used by large businesses such as Caviness.
- Concern was expressed over the cost of the acquisition.
- Concern was expressed that for half the price the City could buy the land and take the water.
- Concern was expressed over the need to impose watering days and to set fines for homeowners that waste water.
- Concern was expressed for how the money would be accounted for - would it be kept in a separate account to pay for debt only and not be used to purchase equipment for example? What about any overages?
- Concern was expressed that there needs to be some type of balance - a lot of people are not watering their yards at all.

ITEM 2 - Announcements and comments from Mayor and City Commissioners.

Mayor Josserand stated the following:

- City is looking to purchase water rights on a large block of land.
- If an election is conducted, it would be limited to City residents.
- Banking would be for 20 years - probably would not do anything on infrastructure for 10-12 years until we could get debt paid down.
- Big block of land would be the best selection to keep water from migrating.
- The \$36 million is for the water rights only; it does not include the cost of the infrastructure.
- Even if 80 years of estimated water was cut in half to 40 years - would still be doing what we need to do for children and grandchildren and for our businesses and investments.
- A relief fund has been set up to help the elderly and disabled, that cannot afford the rate increase, through the generosity of several charitable business owners in our community.
- According to a list from TCEQ, some cities are totally out of water and having to haul it in; others only have 31 days, 38 days, 46 days - many communities did not plan.
- Amarillo did a good job of planning and they are probably the best fixed community; if we are able to do this water acquisition, we would be in second place. This is important when businesses are looking at locations.
- Caviness uses water, but they also employ 600 to 700 people - they helped with the Sportsplex, Amarillo College, and are willing to help those that cannot afford the \$42 increase to their bill.
- What is a glass of water worth?
- There will be two additional "listening sessions" in this same location.
- Any of the City Commission would be happy to to visit with you individually.
- If can identify similar land, happy to pay less; we had some farmers in today making inquiries.
- Can say yes; can say no, don't want to go this route; can search for pockets of water; or Commission can put it to a vote.
- These are things the City Commission needs to hear - this Commission wants your input.

- The list of cities running out of water and the number of days they have left is available to anyone who wants to look at it.

Commissioner Metcalf stated not all of the commissioners are in favor of this and that is why the Commission wants to hear from the public; it is up to the community as to what we do. He also stated, it would be \$60-\$70 per month [per connect] to do purchase and infrastructure. Commissioner Metcalf also noted in response to the question on what would be done with any overages in the account set aside for debt - there won't be anything left.

Commissioner Alonzo asked the crowd when they go home tonight to consider how fortunate we have been and wouldn't they like the same for their children and grandchildren.

Commissioner Garza stated it is imminent we secure water for the future.

Zane Edwards, city engineer, estimated water to be three to four million gallons per day based on numbers supplied by the High Plains Underground Water District; could produce five to six million gallons per day for eighty years. Zane Edwards estimated current water at forty-five years for Hereford.

Ted Ray Coleman estimated forty to fifty years of water left roughly - but that figure fluctuates based on rainfall and customer demand - there are a lot of factors that must be taken into account.

ITEM 3 - Announcements and comments from City Staff.

City Manager Hanna stated the following:

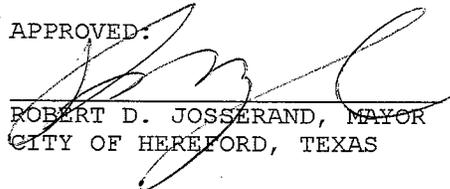
- Lease purchases are not cost effective - we have done that in the past and ended up paying many times over for what the land would have cost.
- In regards to right of way issues - the land is contiguous and we would use the County bar ditch to run the line deep enough not to cause the County any issues (at least 42" deep).

ITEM 4 - Public Comments.

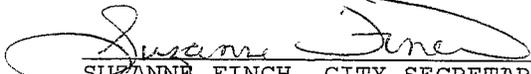
There were no additional public comments. Mayor Josserand thanked everyone for their input and invited the group back to the next meeting.

There being no further business before the Commission, the meeting was adjourned at 8:07 p.m.

APPROVED:


 ROBERT D. JOSSERAND, MAYOR
 CITY OF HEREFORD, TEXAS

ATTEST:


 SUZANNE FINCH, CITY SECRETARY