

# MINUTES

## MEETING OF THE LOWER RIO GRANDE VALLEY DEVELOPMENT COUNCIL BOARD OF DIRECTORS

12:00 PM WEDNESDAY, JUNE 28, 2023

HELD IN-PERSON AND VIA GLOBAL GOTOMEETING VIDEO CONFERENCE PLATFORM  
INITIATED AND CHAIRED FROM  
LRGVDC MAIN CAMPUS - 301 W. RAILROAD STREET, WESLACO, TEXAS  
BUILDING B, KEN JONES EXECUTIVE BOARD ROOM

PRESIDING: 1st VICE-PRESIDENT MAYOR NORMA SEPULVEDA

1<sup>st</sup> Vice-President Norma Sepulveda called the meeting to order at 12:07 p.m. Roll Call was taken, and a quorum was declared. Chairwoman Sepulveda then moved to item 2. Consideration and Action to Approve Meeting Minutes (May 31, 2023). *Mayor Ambrosio Hernandez motioned to approve the minutes from May 31, 2023, as presented. Mr. Jim Darling seconded, and the motion carried unanimously upon a vote.*

Chairwoman Sepulveda moved to Item 3. - Public Comment, there being none, she moved to Item 4. Administration.

A. Consideration and Action to Appoint Board Designee and Alternate to Texas Association of Regional Councils (TARC).

Mr. Manuel Cruz was recognized and stated that a yearly advertisement to solicit volunteers to attend the Texas Association of Regional Councils (TARC) is made. He mentioned Commissioner Garza was the primary and Jim Darling the alternate in previous years. They have touched bases with both and are willing to continue to serve if no other board member wants to volunteer. *Mr. Troy Allen motioned for Commissioner David Garza to continue as LRGVDC's TARC representative and Mr. Jim Darling to continue as the alternate. Mayor Ambrosio Hernandez seconded the motion, which was carried unanimously upon a vote.*

B. Presentation and Possible Action on Texas Gas Service Rate Case.

Mr. Cruz informed the Board that Texas Gas Service (TGS) staff were here to present their rate case and as a reminder, a workshop was held at 11:30 a.m. today, prior to this meeting, to offer a more in-depth look at this case rate and the opportunity to ask questions. Mr. Cruz then introduced Ms. Stacey McTaggart, Director of Rates & Regulatory. Ms. McTaggart stated that TGS was filing a rate case on Friday, June 30, 2023, and she began a "Presentation to the Cities in the Rio Grande Valley Service Area (RGVSA)." The presentation included background information on Texas Gas Service, a Division of ONE Gas headquartered in Oklahoma, and a list of the cities in the Rio Grande Valley that TGS serves. She noted that yearly Cost of Service Adjustment (COSA) filings do not address several essential items: Rate Design, Cost of Capital, and Depreciation Rates, and periodically, it is essential to have a rate case to evaluate these items. Texas Gas Service is requesting a \$9.8 million revenue increase. The rate increase is due to continued investment in the system's safety and reliability, increased regulatory and safety requirements recovery, inflation has also been a contributing factor for the request.

Mayor Ambrosio Hernandez asked for clarification and addition information related to the last three cases and what happened during the cases, what occurred in the interim, and what was cumulative. Ms. McTaggart next explained the Rate Design Proposal. She stated that TGS staff have found it challenging to set fair rates for disparities within different classes of usages, such as large companies and small Mom and Pop

commercial customers. So, they have been trying to address that in this rate design proposal, and it is a proposal that has recently been implemented in the West Texas area and Oklahoma. She explained how much the rates would change in the RGV service area. TGS will file the case with all RGV service areas on June 30, 2023. Filing will also take place at the Railroad Commission for rural customers. The cities are encouraged to intervene in the Railroad Commission rate case. She explained the standard process moving forward when filing, the proposed effective date would be August 23, 2023. Cities can suspend implementation for an additional 90 days on Aug 23<sup>rd</sup>. The new deadline if suspension is successful becomes November 21, 2023.

Ms. McTaggart understands that nobody likes rate increases and offers flexible payment arrangements, and there are social service agencies where customers can look for assistance.

Mrs. Veronica Gonzales requested an explanation as to what causes the residential rates to go up and commercial rates to decrease. Ms. McTaggart stated that that is determined by conducting an engineering study and typically commercial rates are much higher than residential rates to begin with.

Mayor Sepulveda stated that this is really concerning because even a \$10 increase in a home with a fixed income can make or break a resident especially the elderly. Many other members expressed their concern about this significant increase.

Chairman Darling stated that, in the past, we had hired Lloyd Gosselink, who specializes in these cases and represents all the cities. The City of McAllen will be that kind of connector, with the COG being an administrator, keeping it all together. The alternative is for the cities to retain legal counsel individually subject to all the cities getting a notice from them and the lawyer asking if they want to sign up.

Chairman Darling suggested a motion to authorize the COG to act as administrators on behalf of the cities and the City of McAllen to hire a firm that does these rate cases.

Chairwoman Sepulveda suggested a potential special meeting or the pending information to be emailed to the rest of the board members. That way, they can have enough information for the case.

Upon conclusion of the presentation and discussion, ***Mr. Jim Darling motioned to authorize the LRGVDC as the administrator on behalf of the cities and the City of McAllen to hire a firm representing these rate cases. Mayor Norie Garza seconded the motion, which was carried unanimously upon a vote.***

C. Presentation from Texas General Land Office (GLO) on Update on LRGV Economic Development Strategy & Diversification Study.

Mr. Elijah Casa was recognized and introduced Ms. Debbie Lindsey Opel from the Texas General Land Office. Mr. Casas is the point of contact with the agency's Community Development and Revitalization Division. He provided an update on the economic development and diversification study phase that started last year in August. He presented a slide describing the goal to help the Rio Grande Valley bounce back from natural disasters, implementing an action plan to help the community. The study doesn't encompass the three-county area of Cameron, Hidalgo, and Willacy. That was because it is an allocation of funding from HUD for the 2019 disasters. Mr. Casas then recognized Ms. Opel, and she continued with the presentation, it was focused on the goals in terms of organization, capacity, housing, quality of life, economic development, diversification, and transportation.

D. Executive Report

1. Introduction of New Staff Members:

Mr. Cruz announced that there are six (6) new staff members with Valley Metro: Ms. Lorina Ramos, Vehicle Driver; Ms. Roxanne Vallejo, Dispatcher; Leo Ordonez, Jr., Fleet Detailer/Fueler; Mr. Julio Casas, Vehicle Driver; Mr. Emmanuel Escobedo, Project Management Specialist; and Ms. Stacie Garcia,

Planner I – Planning Mobility.

2. Updates on Regional News, Funding Opportunities, Training, and Legislation:  
Mr. Cruz addressed the Texas Broadband South Texas Regional Working Group, which conducted an extended survey due on July 16, 2023; the deadline is extended to August 31, 2023, to provide more time for residents to engage and complete the survey.

There will be a site meeting on Monday, July 7<sup>th</sup> at LRGVDC in the Ken Jones Boardroom; further information will soon be available. The second meeting will be in Kingsville, TX.

Mr. Cruz also updated on the funding opportunity currently open through the Economic Development Administration under the FY23 disaster supplement funding. The region received \$100 million, of which \$2 million to \$2.5 million is available on an 80-20 match. The application will remain open until further notice; therefore, Mr. Cruz encouraged the board that those that have projects meeting with the feasibility study or industrial parks would be an excellent opportunity for them to submit. As an update, EDA is now utilizing a new grant management system, EDGE – Economic Development Grant Experience.

Upon conclusion of Administration items, Vice-President Sepulveda moved to Item 5. - Department Reports,

A. Community and Economic Development

Department Program Action Item

1. Consideration and Action to Approve Resolution 2023 – 03 Supporting Mexico Paying their Water Debt.

Mr. Cruz introduced this item and returned the floor to Mr. Jim Darling. He explains that Mexico let us have the water from the Falcon Reservoir, so the five-year requirement was met two years ago.

They have yet to provide water since, in the last five-year cycle, they supplied all the water they had in Falcon to catch up to an almost two-year supply. It has been almost four years since they released water from the reservoirs of Mexico, of which some are at 90%. As of today, we are at 31% almost as of the 17th of June. Once it goes below 20%, cities begin to implement regulations. Mr. Darling stated that Mexico needs to pay their debt. We have written to the congressmen and the senators to find a resolution from the Council of Governments.

***Upon conclusion of the discussion, Mr. Jim Darling made a motion to approve LRGVDC Resolution 2023-03 Supporting Mexico Paying their Water Debt and distributing a similar sample resolution to municipalities and water entities for their consideration to approve. Mr. Troy Allen seconded the motion, which was carried unanimously upon a vote.***

Program Status Reports

The monthly status reports are in the meeting packet for review. Mr. Darling had nothing else to report as he had already spoken about the funding opportunities.

B. Health & Human Services

Program Status Reports

Mr. Cruz stated that Ms. Margarita Lopez, Health & Human Services Director, was not present as she had a conflict and is attending the Texas Aging Conference in San Antonio. Mrs. Marifer Posadas Martinez, Program Supervisor II, was recognized to present the status report for AAA as follows:

Mrs. Martinez summarized the program services staff provided during the month of May. Additionally, she highlighted that this month, they have 11 positions available within the department that are open to the public. They have seven (7) in the Harlingen Office and (4) four in the Weslaco Office. They have of (3) three for ARC, and the rest are under AAA. She reported that they had a lot of candidates already applying and have (3) three interviews in the works, including one today.

C. Public Safety

Program Status Reports

Mr. Cesar Merla, CJD/HLS Assistant Director, noted that the status reports were in the meeting packet for review and announced that the Fire Academy is getting an allocation of funding for a total of \$30K. He also talked about the Cybersecurity awareness tabletop exercise.

Mr. Cruz noted that the Regional Police Academy was attending mandatory training; therefore, the status reports are in the meeting packet for review.

Dennis Moreno, Assistant Director for the Rio Grande Valley Emergency Communication District (RGVECD), was recognized; he informed on the upcoming Wellness Seminar in September. He provided a brief overview of the GIS Dept, addressing different projects, including highlights of the renovated RGV911.org website. The Community Engagement Division had events for Willacy County at Lyford High School and attended the 25<sup>th</sup> Annual Storm Water Management and Planning Conference at So. Padre Island, and the First Football Golf Tournament for Mercedes MISD.

Mr. Moreno emphasized that the IT Departments attempted a cyber security incident planning exercise that prepared their team to ensure infrastructure has the latest updates and optimal readiness. He emphasized that it is essential because, on June 6<sup>th</sup>, it was reported that the Chinese breached federal agencies with the most significant cyber-attacks in the U.S. Status reports are in the meeting packet for review.

D. Transportation

Department Program Action Item

1. Consideration and Action to Approve Procurement of Heavy-Duty Shop Equipment.

Mr. Tom Logan, Director of Regional Transit, was recognized and informed the Board that staff requests approval to purchase heavy-duty shop equipment for the Harlingen and Weslaco Maintenance Facilities. These purchases will be made through individual quotes, requests for quotes, and/or a State of Texas Multiple Award Schedule (TXMAS) contracts. Grants are through the Federal Transit Administration at 100% federal funding. ***Mr. Jim Darling motioned to approve the procurement of heavy-duty shop equipment. Mr. Troy Allen seconded, and the motion was carried unanimously.***

Rio Grande Valley MPO Status Report.

Mr. Andrew Canon, RGV MPO Executive Director, was recognized; he stated they have a policy board meeting following this meeting. He was happy to announce that Representative Terry Canales will be here for some comments on the follow-up to the legislative session and to comment on the good news received on Monday, the \$150 million for the IBTC Project. Staff will bring the Policy Board our quarterly revision of our four-year plan, which encompasses our 10-year plan of about \$481,000,000 in revisions. He stated that it was important to note that this amount does not include the IBTC project. That item is pending final approval in August and will be brought forth to the policy board for adoption. They will also present it to the Policy Board of Safe Streets asking the board to approve that, and then staff will

visit city staff and local governments to see how it can be implemented.

Item 6. – Executive Session

- A. Closed Session pursuant to Sec. 551.072 Tex. Gov't Code (purchase of real property) to discuss land purchase for multimodal transit terminal.

At 1:10 p.m., Mayor Ambrosio Hernandez motioned to enter Executive Session; Mr. Jim Darling seconded, and the motion carried unanimously.

The regular session was reconvened at 1:22 p.m. No action was taken.

Item 7. – New or Unfinished Business

Mr. Cruz announced that there was currently a vacancy that needed to be filled in the Regional Water Resource Advisory Committee (RWRAC) for the Special Purpose District Drainage for Hidalgo County. Members interested may contact Valerie Ramos or me.

There being no further business to come before the Board, ***Mayor Ambrosio Hernandez made a motion to adjourn, Ms. Veronica Gonzalez Garza seconded, and the meeting was adjourned at 1:10 pm.***

  
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Mayor Norma Sepulveda, 1<sup>st</sup> Vice President

ATTEST:

  
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Angela Alvarado, Recording Secretary