

AGENDA
DRAINAGE DISTRICT
DRAINAGE DISTRICT #1
HIDALGO COUNTY BOARD OF DIRECTORS
November 21, 2006
9:00 A.M.

NOTICE is hereby given in accordance with Chapter 551, Texas Government Code, that a SPECIAL MEETING of the Drainage District #1 Board of Directors will be held in the Commissioners' Courtroom of the Administration Building, Edinburg, Hidalgo County, Texas. Discussion and possible action relating to the following business will be transacted:

- 1. Roll Call**
- 2. Open Forum**
- 3. Approval of Consent Agenda**
4. Consideration, discussion and action (if necessary), including, but not limited to the following items:

Pursuant to the Texas Natural Resources Code, Chapter 71, Lease for Mineral Development, Sub-chapter A:

 - A. Article 71.004-Public Notice and Hearing to consider "Lease of Land for Mineral Development" the described parcel of land; the property owned by Hidalgo County as listed in attachment hereto;
 - B. Under Article 71.005 - Requesting authority to Publish "Notice of Intention to Lease Land for Mineral Development".
5.
 - A. Presentation by Mr. William "Bill" Rusteberg, (Hidalgo County Section 125 Plan Consultant) the scoring and evaluation grid the responses received in connection with Hidalgo County's Request for Proposals (RFP's) for "Section 125 Voluntary Products" for the purposes of ranking by Hidalgo County Drainage District No. 1 Board of Directors';
 - B. Requesting authority for Purchasing Department, Consultant (Bill Rusteberg) and Legal Council to negotiate a final services contract(s) with the number one ranked vendor(s), for "Section 125 Voluntary Products";
 - C. Modification to existing contract (C-05-158-11-22) with National Plan Administrators (NPA) to include clarification(s) of the fee(s) structure as attached on "Exhibit 1", with direction to NPA that all awarded voluntary products vendors inform all participating Hidalgo County Drainage District employees of the \$1 per month fee(s) for the plan year effective 2-10-07.
6. Presentation for approval to cancel RFB-Hidalgo County Drainage District No. 1-DD-06-025-11-01(Pharr-McAllen South Drain Phase 1) due to consolidation of Pharr-McAllen South Drain Phase 1 and Phase 2 to help reduce expenditures for the District.
7. **Closed Session:**

Board of Directors may go into Closed Session pursuant to Chapter 551, Texas Government Code, Sections 551.071 & 551.072 to discuss the following:

 - A. Real Estate Acquisition**
 - B. Pending and/or Potential Litigation**
8. **Open Session:**
 - A. Real Estate Acquisition**
 - B. Pending and/or Potential Litigation**

9. Closed Session:

Board of Directors may reconvene into Closed Session for the discussion regarding the agenda items listed

10. Open Session:

Board of Directors may reconvene into Open Session for the discussion regarding the agenda items listed

11. Adjourn

AI-1202

4.

**Lease of Land
DRAINAGE DISTRICT**

Date: 11/21/2006
Submitted By: Jaime Salazar, DRAINAGE DISTRICT
Submitted For: Jaime Salazar
Department: DRAINAGE DISTRICT
Agenda Area: Budget and Management

Agenda Item

CAPTION

Consideration, discussion and action (if necessary), including, but not limited to the following items:

Pursuant to the Texas Natural Resources Code, Chapter 71, Lease for Mineral Development, Sub-chapter A:

A. Article 71.004-Public Notice and Hearing to consider "Lease of Land for Mineral Development" the described parcel of land; the property owned by Hidalgo County as listed in attachment hereto;

B. Under Article 71.005 - Requesting authority to Publish "Notice of Intention to Lease Land for Mineral Development".

BACKGROUND

Revenue & Expenditures

Attachments

Link: [Lease of Land](#)

Confidential documents are indicated with a **(c)**.

30.19 acres of land, more or less, out of Lots 3, 4, 5 and 6, Block 46 of the Capisallo District Subdivision out of the Llano Grande Grant in Hidalgo County, Texas, according to the map or plat thereof recorded in Volume "P", Page 226, Deed Records of Hidalgo County, Texas, and being more particularly described in 8 tracts as follows, to-wit:

TRACT NO. 1: 1.35 acres of land, more or less, out of Lot 3, Block 46 of said Capisallo District Subdivision described by metes and bounds as follows: Beginning at a point on the north boundary line of Lot 3, in Block 46, which point is 339.59 feet west of its northeast corner; thence westerly along said north boundary line 45.41 feet; thence to the left 50 degrees 05 minutes; 518.9 feet; thence to the left 39 degrees 29 minutes, 922.0 feet to a point on its south boundary line, 595.0 feet east of its southwest corner; thence to the left 90 degrees 26 minutes, easterly along said south boundary line 47.0 feet; thence to the left 89 degrees 49 minutes 918.0 feet; thence to the right 40 degrees 03 minutes, 519.39 feet to the point of beginning; containing 1.35 acres, more or less.

TRACT NO. 2: 7.60 acres of land, more or less, out of Lot 3, Block 46 of said Capisallo District Subdivision and being part of the land described by metes and bounds in that certain deed dated March 20, 1935, from American Rio Grande Land & Irrigation Company to Hidalgo County, Texas, recorded in Volume 408, Page 144, Deed Records of Hidalgo County, Texas.

TRACT NO. 3: 2.67 acres of land, more or less, out of Lot 4, Block 46 of said Capisallo District Subdivision described by metes and bounds as follows: Beginning at a point on the north boundary line of Lot 4, in Block 46, which point is 830.0 feet west of its northeast corner; thence westerly along said north boundary line 65.0 feet; thence to the left 84 degrees 28 minutes; 578.16 feet; thence to the right 3 degrees 40 minutes, 400.00 feet; thence to the left 6 degrees 42 minutes, 350.0 feet to a point on its south boundary line, 290.0 feet east of its southwest corner; thence to the left 92 degrees 30 minutes, easterly along said south boundary line, 80.0 feet; thence to the left 82 degrees 52-1/2 minutes, 645.0 feet; thence to the left 3 degrees 45-1/2 minutes, 681.2 feet to the point of beginning, containing 2.67 acres, more or less.

TRACT NO. 4: 4.72 acres of land, more or less, out of Lot 4, Block 46 of said Capisallo District Subdivision, and being part of the land described by metes and bounds in that certain deed dated March 20, 1935, from American Rio Grande Land & Irrigation Company to Hidalgo County, Texas, recorded in Volume 408, Page 144, Deed Records of Hidalgo County, Texas.

TRACT NO. 5: 2.46 acres of land, more or less, out of Lot 5, Block 46 of said Capisallo District Subdivision, described by metes and bounds as follows: Beginning at a point on the north boundary line of Lot No. 5 in Block 46, which point is 950.00 feet west of its northeast corner; thence westerly along said north boundary line 80.0 feet; thence to the left 79 degrees 28 minutes, 867.85 feet; thence to the right 28 degrees 13 minutes, 210.0 feet to a point on its west boundary line, 303.0 feet north of its southwest corner; thence to the left 38 degrees 45 minutes, southerly along said west boundary line, 143.0 feet; thence to the left 136 degrees 18 minutes, 311.0 feet; thence to the left 34 degrees 17 minutes, 947.75 feet to the point of beginning, containing 2.46 acres, more or less.

TRACT NO. 6: 3.12 acres of land, more or less, out of Lot 5, Block 46 of said Capisallo District Subdivision, and being part of the land described by metes and bounds in that certain deed dated March 20, 1935, from American Rio Grande Land & Irrigation Company to Hidalgo County, Texas, recorded in Volume 408, Page 144, Deed Records of Hidalgo County, Texas.

TRACT NO. 7: 1.37 acres of land, more or less, out of Lot 6, Block 46 of said Capisallo District Subdivision, described by metes and bounds as follows: Beginning at a point on the north boundary line of Lot No. 6 in Block 46, which point is 678.0 feet west of its northeast corner, thence westerly along said north boundary line 47.0 feet; thence to the left 90 degrees no minutes, 1320.0 feet to a point on its south boundary line 595.0 feet east of its southwest corner; thence to the left 90 degrees no minutes, easterly along said south boundary line 43.0 feet; thence to the left 89 degrees 49 minutes, 1320.01 feet to the point of beginning; containing 1.37 acres, more or less.

TRACT NO. 8: 6.59 acres of land, more or less, out of Lot 6, Block 46 of said Capisallo District Subdivision, and being part of the land described by metes and bounds in that certain deed dated March 20, 1935, from American Rio Grande Land & Irrigation Company to Hidalgo County, Texas, recorded in Volume 408, Page 144, Deed Records of Hidalgo County, Texas.

AI-1177

5.

**Voluntary Products
DRAINAGE DISTRICT**

Date: 11/21/2006
Submitted By: Gricelda Villarreal, PURCHASING DEPT.
Department: PURCHASING DEPT.

Agenda Item

CAPTION

A. Presentation by Mr. William "Bill" Rusteberg, (Hidalgo County Section 125 Plan Consultant) the scoring and evaluation grid the responses received in connection with Hidalgo County's Request for Proposals (RFP's) for "Section 125 Voluntary Products" for the purposes of ranking by Hidalgo County Drainage District No. 1 Board of Directors';

B. Requesting authority for Purchasing Department, Consultant (Bill Rusteberg) and Legal Council to negotiate a final services contract(s) with the number one ranked vendor(s), for "Section 125 Voluntary Products";

C. Modification to existing contract (C-05-158-11-22) with National Plan Administrators (NPA) to include clarification(s) of the fee(s) structure as attached on "Exhibit 1", with direction to NPA that all awarded voluntary products vendors inform all participating Hidalgo County Drainage District employees of the \$1 per month fee(s) for the plan year effective 2-10-07.

BACKGROUND

Note: Exhibit 1 is correspondence from Bill Rusteberg, Voluntary Plan Consultant detailing recommendation for award to NPA in 2005.

Revenue & Expenditures

Attachments

Link: [exhibit](#)

Confidential documents are indicated with a **(c)**.

Insurance Advisory Group, Inc.

1010 East Tyler
Harlingen, Texas 78550
800-825-2306
Fax: 956-425-6502

"E X H I B I T - 1"

October 11, 2005

Ms. Marty Salazar, Purchasing Agent
Hidalgo County
100 East Cano
Edinburg, Texas 78539

Re: Section 125 Plan Administrator – Hidalgo County
Bid no: 05-158-07-27CGV

The County of Hidalgo has solicited proposals for a fee based Section 125 Cafeteria Plan Administrator to administer the County's Premium Only Section 125 Program.

Under IRC Section 125, employees may elect certain qualified insurance plans and pay for these plans on a pre-tax basis, through payroll deduction. Examples of qualified insurance plans include dental, vision, and group medical insurance.

Currently, Hidalgo County self administers their Section 125 Cafeteria Plan with assistance from the vendors of products previously approved by the Commissioners Court. Each vendor provides personnel for the annual open enrollment period and performs both the act of an Administrator for the Cafeteria Plan and enroller of insurance products. In addition, each vendor reports separately to the County of Hidalgo regarding billing statements, adjustments to billing statements, new employee enrollment forms, terminations, changes and/or additions to their eligibility format, which among the vendors is not a universal form or procedure.

The current system has proven to be inefficient. Hidalgo County has had to provide additional man hours to properly install the plan each plan anniversary. Some insurance policies applied for by the employees were either not issued (but payroll deductions were initiated), or were terminated (either by the insured or the County) with payroll deductions continued on these cancelled policies. This has put the County at risk. Without a central Cafeteria Plan Manager (Administrator) I believe these issues will continue to put the county at risk.

It is the intent of the County to seek an independent fee based administrator to act a general manager/administrator of the County's Cafeteria Plan. Current insurance vendors would remain in place. A fee based administrators will improve the program as follows:

1. The functions of the Administrator are separate from the acts of an agent selling insurance. By contracting with an independent fee based Administrator, the act of "enroller" versus "marketer" would be separate and distinct.

2. The Plan Administrator would be responsible for the following:

- A. Process and administer all new and existing payroll deductions with insurance companies for payroll deducted financial and insurance products.
- B. Relieve Payroll Department responsibility by providing consolidated monthly billing, including the plan recaps, which allows the Payroll Department to submit one check to the Plan Administrator for all payroll deducted products. The Plan Administrator will disburse appropriated amounts to individual carriers within two working days after receipt of funds.
- C. Act as County liaison for plan operations to assist with the resolution of employee participant, and administrative problems as they arise.
- D. Keep the County informed of all changes in both State and Federal laws and Regulations pertaining to Section 125 to assure that the County and its Plan remain in compliance.
- E. Conduct meetings and enrollments with all personnel in the County on determined days to educate and inform, answer questions, and give presentations on the Plan, its benefits, and products.
- F. Assure continuing compliance with the Internal Revenue Code and Department of Labor Regulations and Rules of the employer, including but not limited to, reviewing benefit election forms, plan documents, summary plan descriptions, plan changes and amendments, form 5500 (if applicable) and other IRS filings. Additionally, maintain all plan records in a fashion conducive to providing verification of plan compliance.
- G. Provide the County with all needed forms to facilitate plan operations and compliance.

The functions of the Administrator will provide more efficient management of the Program and will bring accountability to the process. Vendors of insurance products would continue to offer their products through the direction and management of the Plan Administrator.

As a result of the RPF, the County received one proposal. That proposal was from National Plan Administrators. Their proposal complies with the proposal specifications and is a complete offering of services requested.

The National Plan Administrator's fees for service include the following:

- Monthly fee for each participating employee	\$ 1.00
- Annual Enrollment fee per eligible employee	\$5.00
- Initial set up fee (one time only)	\$ 500.00
- Annual completion of IRS form 5500	\$ 300.00

National Plan Administrators Inc. has met with the Insurance Committee to go over their offer in detail, as well as had discussions with the County of Hidalgo IT Department to determine if their system is compatible with the Hidalgo County payroll system.

October 11, 2005

Recommendation:

We recommend that NPA be approved as the County of Hidalgo Section 125 Cafeteria Plan Administrator effective November 1, 2005. We recommend that the fees be paid as follows:

Monthly fee for each participating employee	Paid by employee
Annual enrollment fee	Paid by County
Initial set up fee	Paid by County
Annual completion of IRS form	Paid by County

Based on approximately 3,500 employees, the County's annual cost would be approximately \$17,800.

Sincerely

William Rusteberg
Risk Manager, Tx. Lic. #149261

AI-1209

6.

**Cancellation of Pharr Mcallen Phase 1
DRAINAGE DISTRICT**

Date: 11/21/2006
Submitted By: Jaime Salazar, DRAINAGE DISTRICT
Submitted For: Jaime Salazar
Department: DRAINAGE DISTRICT

Agenda Item

CAPTION

Presentation for approval to cancel RFB-Hidalgo County Drainage District No. 1-DD-06-025-11-01(Pharr-McAllen South Drain Phase 1) due to consolidation of Pharr-McAllen South Drain Phase 1 and Phase 2 to help reduce expenditures for the District.

BACKGROUND

Revenue & Expenditures

Attachments

No file(s) attached.
