

REGULAR CITY COUNCIL MEETING

APRIL 10, 2018

5:30 P.M.

COUNCIL CHAMBER, 110 NORTH 8TH STREET

GATESVILLE, TEXAS 76528

AN OPEN MEETING WAS HELD CONCERNING THE FOLLOWING SUBJECTS:

1) CALL TO ORDER REGULAR CITY COUNCIL MEETING AT 5:34 P.M., THIS 10TH DAY OF APRIL, 2018

PRESENT: Mayor Chumley, Council Members; Ronnie Viss, David Mitchell, Dwight Suson, Jack Doyle, Meredith Rainer, and Tim Woodlock

OTHERS PRESENT: City Manager William H. Parry III, City Secretary Wendy Cole, Kate Edwards, Brenda Kiphen, Robert Featherston, Liz Reinhardt, Roger Miller, and Otto Wiederhold (arrived at 5:45)

2) HEAR VISITORS/CITIZENS FORUM: AT THIS TIME, ANY PERSON WITH BUSINESS BEFORE THE COUNCIL NOT SCHEDULED ON THE AGENDA MAY SPEAK TO THE COUNCIL FOR A MAXIMUM OF THREE (3) MINUTES. NO FORMAL ACTION CAN BE TAKEN ON THESE ITEMS AT THIS MEETING.

Roger Miller of 110 Dodds Creek and who is also the Chairman of the Planning and Zoning (P & Z) Commission told the Council that he wished to discuss Resolution 2018-21 that was passed by the Council about six weeks prior to this meeting. Mr. Miller said that he did not wish to address the verbiage of Resolution 2018-21 but how the passing of this resolution was conducted. Mr. Miller said he was very disheartened of the introduction of the passage of Resolution 2018-21 which authorizes the City Manager to approve certain subdivision requests. Mr. Miller was disappointed that this action was taken independently without any consultation by the P & Z Commission. Mr. Miller said that he had a discussion sheet if anyone would like a copy. Mr. Miller was concerned about communication, the value of a multi staff review of the approval process, and relevancy. Mr. Miller said that he is not asking that Resolution 2018-21 be rescinded as the P&Z Commission will have the opportunity to address this issue as the subdivision ordinance is rewritten. Mr. Miller asked if anyone had any questions and Mayor Chumley stated that the Council cannot engage in conversation during Citizens Forum.

3) DISCUSSION AND POSSIBLE ACTION REGARDING THE CONSENT AGENDA: (ALL CONSENT AGENDA ITEMS ARE CONSIDERED ROUTINE BY CITY COUNCIL AND WILL BE ENACTED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS COUNCILMEMBER REQUESTS AN ITEM BE REMOVED AND CONSIDERED SEPARATELY.)

RESOLUTION 2018-29: Minutes from the Regular City Council meeting March 27, 2018

ORDINANCE 2018-02-02: Second reading of Ordinance Number 2018-02 adopting Right-of-Way Management and specified Right-of-Way provisions for the City of Gatesville

ORDINANCE 2018-03-02: Second reading of Ordinance Number 2018-03 adopting the design manual for the installation of network nodes and node support poles for the City of Gatesville, providing repealing and

savings clauses; and providing for an effective date

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RESOLUTION 2018-30: Proclamation declaring April 21, 2018 as “Day of the Child”

RESOLUTION 2018-31: Proclamation declaring April as “Sustainable Environment Month”

RESOLUTION 2018-32: TexPool Resolution supporting name change of authorized representative for the City of Gatesville

No Council Member asked to remove any items from the consent agenda for discussion and Mayor Chumley presented the proclamations after consent agenda approval.

Motion by Ronnie Viss and seconded by Dwight Suson to approve the consent agenda; all six in favor, motion passed.

Mayor Chumley read and presented the “Day of the Child” proclamation to Exchange Club representative, Ronnie Viss.

Mayor Chumley read and presented the “Sustainable Environment Month” proclamation to Cen-Tex Sustainable Partnership representative, Liz Reinhardt.

Mayor Chumley skipped to agenda item #6 since Walker Partners representative, Otto Wiederhold had not arrived at the meeting yet as he was to brief the council on agenda item # 4.

#### 6) BRIEFING AND DISCUSSION ON WATER & SEWER RATE OPTIONS– CITY MANAGER

City Manager Parry reminded the council that there would be no action on this information briefing tonight but would be presented to the council in the near future as the council needs to make a decision on water and sewer rates. Parry said that this is a follow-up to the rates analysis that was discussed at the February 6, 2018 meeting.

The City is not generating sufficient system revenues to recapitalize water and sewer infrastructure in a predictable, planned way. City Manager Parry reviewed the three technical analyses that are used for rate-setting:

1. Revenue Requirements Analysis which is an examination of current operating and capital costs versus revenue requirements, to see if the existing rates are adequate to recover the utility’s costs.
2. Cost-of-Service Analysis which evaluates how the revenue is distributed across the various customer class of service such as residential, commercial etc...
3. Rate Design Analysis uses the results of the above technical analysis to establish cost-based rates that meet the objectives of the utility system.

The following points were discussed:

- Wholesale Water revenues and expenses that currently reflect a loss 10.6 cents for every 1000 gallons used.
- Responsibilities of the Wholesale Water Entities.
- Sewer revenues (which includes \$5/mo.base rate) = \$2,335,452. Costs to treat approximately 824,074,000 gallons of sewer = \$2,815,256. These costs do not reflect the small transfer to the General Fund (Water & Sewer) for operations that are associated with the water and sewer functions.
- The low sewer rates for the Texas Department of Criminal Justice (TDCJ). Rates were negotiated many years ago to encourage the Woodman/Murray and Hughes Units to be built in Gatesville which shows that Gatesville has been subsidizing these prison sewer rates for many years.
- Retail water rate analysis: Revenues (which includes \$20/mo. base rate for every customer regardless if residential or commercial or meter size) = \$3,166,179, Volumetric Charge (\$1,892,081), Cost of Service to customers, and how the Enterprise Fund balances because the retail water rates are covering shortfalls in the sewer operations.
- Noted that the current water rights cost will increase from \$19 an acre foot to \$72 an acre foot in 2021 and that the City needs to prepare for that increase now. The City of Gatesville has rights to 4,000 acre feet of water.

- Previous water rate increases of 25 cents in 2013 and 2008 and previous sewer increases of 41 cents in 2015 and 35 cents in 1999. The \$5/mo. base charge was added in in 2003.

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Following the briefing and lengthy discussion, Mr. Parry recommended that the City commit to the rate study which will separate customer classes for rates and base charge (residential, commercial, institutional); determine the base charge upon meter size; tiered rate structure; and finally to validate the rate analysis by contracting for a rate study.

Parry said that he has a meeting scheduled with the Financial Chief Officer of TDCJ in a few weeks to discuss rates and funding of the expansion of the Stillhouse Wastewater Treatment Plant.

4) BRIEFING AND DISCUSSION ON DRAINAGE POLICY AND DRAINAGE CRITERIA-  
WALKER PARTNERS ENGINEER, OTTO WIEDERHOLD

City Manager Parry introduced Otto Wiederhold of Walker Partners and referred the Councilmembers to the Drainage Policy included in their council books.

Mr. Wiederhold stated that he has been involved with the City of Gatesville for many years and has seen drainage issues developing over time. There is a need for drainage criteria in Gatesville, which will manage water run-off to support acceptable future development. Approval of this policy will especially assist and support the building inspector as more and more permits are requested. Mr. Wiederhold said that he has written drainage manuals for many central Texas cities since about 2005. After working through processes with other cities; residents; councils; and developers, a refined policy has been developed that everyone has been satisfied with.

Mr. Wiederhold said that a policy can always be made more or less stringent but thought this proposed policy was a good policy/manual to start with. Old and pre-existing problems cannot be fixed with this policy, but will outline what needs to be done going forward. Mr. Wiederhold explained that the City is at the point where, moving forward, things need to be done right without adding to problems that already exist.

Standards for gutters, curbs, detention/retention ponds, street discharge, and underground storm drains were discussed, as well as the statistical analysis of the 25 and 100 year storm predictions.

Uncontrolled drainage that occurs on streets and the impact it has on street deterioration were also discussed.

Mayor Chumley reminded the Council that changes to this policy can be made later if needed.

5) DISCUSSION AND POSSIBLE ACTION TO APPROVE SECOND READING OF ORDINANCE  
NUMBER 2018-01 ADOPTING A DRAINAGE POLICY AND DRAINAGE CRITERIA MANUAL  
FOR THE CITY OF GATESVILLE

Following the briefing/ discussion, Mayor Chumley asked for a motion.

2018-01-02 Motion by David Mitchell, and seconded by Meredith Rainer to approve the second reading of Ordinance 2018-01 adopting the City of Gatesville Drainage Policy and Drainage Criteria Manual; all six in favor, motion passed.

7) CITY MANAGER'S REPORT:

1. INITIATIVES:

City of Gatesville Comprehensive Plan Update:

- The Comprehensive Plan is moving forward with a Town Hall meeting scheduled on April 26th where Guiding Principles and Strategies will be discussed.

-CAPITAL PROJECTS:

- Stillhouse WWTP Expansion:

Walker Partners has completed the design and engineering for the expansion project which has been submitted to the Texas Water Development Board.

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Meeting with the TDCJ Chief Financial Officer on April 19th to discuss the Stillhouse WWTP expansion.

- Park Street Project:

The engineering design for this project is complete. A copy of the design manual is in the City Manager's office if anyone would like to review it. Staff is currently reviewing.

- CDBG Community Enhancement Fund Grant for Leon WWTP Solar Array:

Project engineers, KSA Engineering, came today to look at the electric panels at the Leon Wastewater Treatment Plant to see how the solar array needs to be wired in.

2. BUDGET/FINANCIAL REPORT: The Budget Timeline is included in the council book. The City's Charter requires that the budget and tax rate be approved as ordinances and must be read on three several days. So, in order for the City to meet the Fiscal Year deadline, a Special meeting will be required. A quorum will be required to pass the ordinances with the final reading to be on September 11, 2018.

3. HEART OF TEXAS DEFENSE ALLIANCE (HOTDA) FORT HOOD "FAST FACTS":

This chart (included in the council book) shows 690 + Soldiers (8 units) mobilizing/demobilizing at North Fort Hood.

4. PROVISION OF WATER OUTSIDE CITY LIMITS INFORMATION: The information City Manager Parry provided is based on a question asked at the last meeting regarding water/sewer lines outside the city limits and annexation. There were maps included in the council book and Mr. Parry discussed the history of various outside the city limit water lines and how many residences were hooked up at each area. Some of these areas are now in other Certificate of Convenience and Necessity (CCN) holder's names which exclusively allows them to provide water in some of the areas that the City of Gatesville currently provides water/sewer. The City is allowed to continue providing services since those lines were in existence before the CCN holders acquired the areas. Multi- County Water Supply is considering/proposing to take over the Western Pressure Plane area (in their CCN) just outside of town because TCEQ is requiring the City of Gatesville to provide an upgrade that would cost the City \$250,000. Annexing this area (of 13 customers) and collecting property taxes would take the City over twenty years to recoup the return on investment of \$250,000.

City Manager Parry concluded the information overview by noting that there are about 5 to 6 lines outside the city limits that service approximately 130 customers who pay 1 ½ times the base charge and 1 ½ times the rate charge for these services. The results of the rate study and comprehensive plan will help determine if the City needs to do anything different concerning these areas.

5. INVESTMENT POLICY: City Manager Parry provided a working draft of the Investment Policy and Strategy for council review which will be presented as an agenda item at the April 24th council meeting.

8) ADJOURN MEETING AT 6:55 P.M., THIS 10TH DAY OF APRIL, 2018

ATTEST:

APPROVED:

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Wendy Cole, City Secretary

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Gary M. Chumley, Mayor

