

CITY OF GLADEWATER
CITY COUNCIL REGULAR SESSION
MINUTES
JUNE 19, 2008
6:00 P.M.

MEMBERS PRESENT: Mayor Walter Derrick, Mayor Pro-tem John Ussery, Jimmy Williams, Joe Derouen, Scott Owens, Richard Parrish, Jr.

MEMBERS ABSENT: Jerry Williams

STAFF PRESENT: Jay Stokes, Melba Haralson, Wayne Smith, Richard ross, Farrell Alexander

GUESTS PRESENT: Bill Stoudt, Mike Marr, Jimmy Davis, Wanda Allard, Mary J. Williams, Jackie D. Wood, Harold Hunter, Judy Burlison, Brett McKinney, Brenda Brown, Janet Ross, John Choice, Don Beale, John Ringler, Kay Alexander, Elijah Anderson, Deborah Pike, Marilyn Kelley

I. CALL TO ORDER

Mayor Derrick called the meeting to order at 6:00 p.m. and gave the invocation. Councilmember Derouen led the Pledge of Allegiance. Mayor Derrick welcomed those in attendance and expressed appreciation for citizens who are interested and involved in the business of our community.

II. CONSIDERATION OF CONSENT AGENDA

- a) Minutes – May 14 and May 15, 2008
- b) Resolution to amend Texpool authorized representatives

Councilmember Jimmy Williams moved to approve, seconded by Councilmember Derouen. Carried 6-0.

III. PRESENTATION by Gregg County Judge Bill Stoudt on Gregg County

Judge Stoudt offered congratulations to newly elected Mayor Derrick and gave a brief update on what Gregg County is doing in Gladewater and in Gregg County. He offered an invitation for the Gladewater City Council to attend and make requests to the Commissioner's Court. He they welcome input from the City and desire to continue to help the City of Gladewater whenever possible.

City Manager Stokes commented that we are so fortunate to have cooperation and assistance from Gregg County on many projects.

IV. PRESENTATION AND DISCUSSION of Water and Sewer Rate Analysis by Harold Hunter

Harold Hunter, with the Community Resource Group from Fayetteville, Arkansas said they cover six states and are responsible for small communities (under 10,000 in population), especially those that use USDA for water and sewer. He was asked to do a rate analysis and make a recommendation to the City to help deal with the \$5,000,000 in upcoming loans needed to upgrade the water and sewer system. Mr. Hunter said the staff has been very cooperative in providing all the information he needed. He said we will need about \$325,000 per year to fund a \$5,000,000 loan. We have approximately 2,800 customers and the current rate will not generate enough revenue.

His recommendation for the water rate is \$16 minimum (first 2,000 gallons), with a increasing block rate of \$3.25/1,000 for 2,001 to 5,000 gallons, \$3.50 for 5,001 to 10,000 gallons and \$4.00 per 1,000 for all over 10,000 gallons.

His recommendation for the sewer rate is \$15 base rate for the first 2,000 gallons and \$3 per 1,000 gallons thereafter.

CITY COUNCIL MEETING MINUTES

June 19, 2008

Page 2

Mr. Hunter also recommended that we revisit the deposit and tap fees and suggested that we also take a look at our receivables (write-offs). He said we should make annual reviews and small incremental rate increases thereafter.

There was discussion and comments made by several Council members regarding the average annual increase per household, deposit collections and although the Council is mindful of families with low or fixed income, the City has no choice but to increase rates.

City Manager Stokes pointed out that last year we had a wet summer and revenues were down. We also have issues facing us with the dam, sewer line work, Dallas lift station, increasing chemical costs, and the Veolia contract has a CPI clause built in so it's going up every year. He said we haven't raised rates since 2003.

Mr. Hunter recommended implementing the rate increase as soon as possible.

V. PRESENTATION AND DISCUSSION of Phase II of the Water Treatment Plant Improvement project by John Ringler, KSA Engineers

John Ringler, of KSA Engineers presented an update on the progress of the Water Treatment Plant Phase II improvement project. He said TCEQ will review the plans within 45 days then RUS (Rural Utility Services) will need to review. Mr. Ringler pointed out some changes in the project and suggested that we bid scope changes as alternate items with the exception of the clear well. He said the goal is a 25% reduction in operating costs when the new plant is completed. We will advertise for construction bids in September 2008, award the contract in October and begin construction in November 2008.

VI. PUBLIC HEARING regarding an application for a drill permit from EXCO Partners Operating Ptshp, L.P. for a gas well to be located 1,321' FSL and 1,923' FEL of the J.R. Crosby Survey A-50, Gregg County, Texas

Mayor Derrick opened the public hearing at 6:50 p.m.

Brett McKinney, Landman for EXCO Partners informed the Council that EXCO is the same company as TXOK and ONEOK. He said they will be drilling a sweet gas well in the Cotton Valley field and offered to answer any questions.

There being no questions, Mayor Derrick closed the public hearing at 6:53 p.m.

VII. CONSIDERATION of application for a drill permit from EXCO Partners Operating Ptshp, L.P. for a gas well to be located 1,321' FSL and 1,923' FEL of the J.R. Crosby Survey A-50, Gregg County, Texas

Councilmember Jimmy Williams moved to approve without stipulation, seconded by Councilmember Derouen. Carried 6-0.

VIII. CONSIDERATION of a Telecommunications Lease with Metro PCS

Mike Marr of Metro PCS, Dallas said the City Attorney has approved the lease and offered to answer any questions. Councilmember Williams asked where his equipment will be stored. Mr. Marr said there will be a building on the opposite side of the existing building.

Councilmember Owens moved to approve, seconded by Mayor Pro-tem Ussery. Carried 6-0.

IX. DISCUSSION of Lake Gladewater leases at the request of Keta Woods

Mayor Derrick announced that this item will be omitted at this time.

CITY COUNCIL MEETING MINUTES

June 19, 2008

Page 3

X. UPDATE on Recycling Program by Judy Burlison

Mrs. Burlison, 3067 E. Lake Drive, announced that the turnout was great for the first recycling day (96 cars). They had a lot of volunteers and it was considered a big success. She reminded everyone that they will be set up the 2nd Saturday of every month and invited everyone to participate.

XI. EXECUTIVE SESSION pursuant to Government Code §551.072 to deliberate the lease of real property at Lake Gladewater

The Council recessed into Executive Session at 7:04 p.m.

XII. RECONVENE into open session and take any action necessary pursuant to the lease of real property at Lake Gladewater

The Council reconvened into Open Session at 7:18 p.m.

Mayor Pro-tem Ussery moved to proceed with the bidding process, seconded by Councilmember Parrish. Carried 6-0.

XIII. CITY MANAGER'S REPORT

- a. Update on grants
- b. Update on Gay Avenue drainage
- c. Hampton/Hackberry drainage update
- d. 09/10 TCDP Funding
- e. FY 09 budget calendar
- f. Lake Gladewater Park issues
- g. Weldon Alumni Association 15th Biennial Reunion

City Manager Stokes gave the following report;

- a) Weldon Bumblebee Park was held up because the federal government had questions about the appraisal. The State has now received a ruling that they will accept it with a letter from the City pledging to cover the deficit.

The 2006 TCDP grant project will wrap up next week. He said we decided to finish out the project without killing out the old line, which will save us a little money.

There will be a walk-thru in the morning for a staff level punch list on the Main Street project.

The Airport project is close to being finished. We are working on the final punch list and we'll have a ribbon cutting in mid July.

A pre-construction meeting was held this week for the Texas Capital Fund grant, which will improve the library parking lot and museum accessibility. We should be ready to start in about a month.

We still need more applicants for the HOME grant.

The Master Plan grant is well underway. Tim Glendening sent maps, which were reviewed and sent back. The Planning & Zoning Commission will soon become more involved in this project.

We received \$4,400 from Exxon for summer help. We are using half of it for mowing and half to keep the library open on Saturdays from 9 am to 1 pm through the summer.

CITY COUNCIL MEETING MINUTES

June 19, 2008

Page 4

- b) The pipe needs to be replaced on the Gay Avenue drainage project. We found it to be disjointed and sagging. However, it appears we will be able to do the work without rupturing the fiber optic line. We may be able to save a little money because the line from Mr. Phillips' property is not all under the pavement.
- c) The Hampton Street drainage project has begun. We were able to satisfy the property owner on the south and stay in budget. Chris Meeks' father will come in to cover for Chris during his absence and lay the pipe.
- d) In regard to applying for the 09/10 TCDP grant, in the past it was strictly on a competitive basis. Now it's structured more on a "round robin" basis, so that next possible time for us to get funded will be 2011/12. The good news is this opens up the funding to other type projects – not just water and sewer.
- e) The 2009 budget calendar has been revised. The first and main budget workshop will still be held July 24th at 10 a.m. at the Continuing Education Building in front of the High School. There will be two public hearings required if the tax rate exceeds certain thresholds.
- f) Lake Warden Richard Ross reports that there is no new progress on painting the benches. The fireworks display will be Saturday, July 5th. As a reminder, people are not allowed to drink alcoholic beverages at the park. He asked that people take care of park, pick up their trash, watch for and report vandalism. The park is a great asset to the City.
- g) Everyone is invited to attend the Weldon Street Renaming Ceremony in honor of the late Coach Calvin Cooksey, July 5th at 10 a.m. at the Weldon Intermediate School Cafeteria.

XIV. CITIZENS COMMENTS

None

XV. ADJOURN

Councilmember Parrish moved to adjourn at 7:43 p.m., seconded by Councilmember Owens. Adjourned by consensus.

WALTER DERRICK, MAYOR

ATTEST:

MELBA HARALSON, CITY SECRETARY