

CITY OF GLADEWATER
CITY COUNCIL SPECIAL SESSION
MINUTES
AUGUST 30, 2012
6:00 P.M.

MEMBERS PRESENT: Mayor Harold Wells, Mayor Pro-tem Scott Owens, Delbert Burlison, Leon Watson, J.D. Shipp, Lana Niemann

STAFF PRESENT: Sean Pate, Melba Haralson, Wayne A. Smith, Paul Jaap, Todd Orendorff

GUESTS PRESENT: Mike Formby, Diana Formby, Jimmy Williams, Rebecca Jaap, Bill Roach, Pat Watson, Mark Carpenter, Richard Wood, Lorraine Clark, Vi Melton, John Ringler, Don Martin, John Choice, Sam Lucky, Bobby Huckabay

I. CALL TO ORDER

Mayor Wells called the meeting to order at 6:00 p.m. Councilmember Watson gave the invocation and Councilmember Niemann led the Pledge of Allegiance.

II. PRESENTATION by Bill Roach of Veolia Water, N.A.

Veolia Area Manager Bill Roach introduced Veolia personnel in attendance; Don Martin, acting Project Manager and John Choice, Wastewater Treatment Plant Operator. Mr. Roach said we have 3 options as he sees it; 1) to end the contract early with no buy out or penalty; 2) keep the current contract until it runs out in September 2013; or 3) his preference, to look at establishing a true partnership for a longer term in which we extend the contract with 2 or 3 year extensions.

He said they are trying to get things on track but are faced with aging infrastructure. With the new water plant they are able to do a proper line flushing program, however it stirs up sediment and discolors the water. Mr. Roach said he believes they have followed up on all complaints quite well. With the collection system, we have areas of sewer lines that are failing and the city will continue to face those issues until the lines are replaced or repaired.

He said that per the contract they are responsible for spot repairs, not for replacing sections of line. That is a capital project and those recommendations have been made to the City.

Mr. Roach said they take full responsibility for TCEQ violations regarding staffing issues (not having properly licensed personnel at the water treatment plant). He said they are fully staffed now if two temporary positions are counted. The other TCEQ violations are for minor housekeeping issues which were resolved when the old water plant went off line and the new one came on.

He wanted to re-emphasize that our water is safe to drink in spite of the color. We are within the organic carbon limits, however we are over on the trihalomethane limit, which is based on a rolling average and stemmed from the old water plant.

Mr. Roach concluded by stating they want to be a real partner with the City, and then offered to answer any questions.

City Manager Pate cited portions of the contract and brought into question the standard practice of applying numerous clamps to one short section of line. Councilmember Shipp asked if there was a state requirement regarding the number of clamps to be used. Mr. Roach replied there was not. Mayor Pro-tem Owens said it should be common sense to replace a section of line rather than apply multiple clamps every few feet. He said a true partnership is based on what is best for the City.

Councilmember Burlison said a baseline for service has been established over the past 20 years and asked how they would improve on that or what they would do differently. Bill Roach replied that in a partnership situation we would decide on whether it would be best to replace the line or spot repair. Councilmember Shipp recalled a conversation he had with a Veolia executive at the TML Conference last year in which a partnership was promised but it never happened.

Mayor Pro-tem Owens asked Mr. Roach to explain the TCEQ violations with regard to inadequately licensed staff at and how many hours are they required to be at the water treatment plant. Mr. Roach stated that Don Martin, who has been sent in from Oklahoma on an interim basis, has a "B" certification and he is required to be there 20 hours per week, the others are required to be there 32 hours per month. Mayor Pro-tem Owens then brought into question the cost savings to Veolia when staff is split with other cities and asked Mr. Roach to explain what happened on August 10th when the City was in danger of running out of water. Mr. Roach said they were aware of the problem and called it a near miss. He said Don Martin was monitoring the situation from Oklahoma and giving direction to local staff. Mayor Pro-tem Owens said if we had a water main break or a fire during that time we would have run out of water and he was appalled that it wasn't handled like a crisis situation and that no one came in to handle it.

City Manager Pate said he went to the water plant on August 1st and it took most all day to get the water levels back up. He said Don Martin was in Oklahoma and directed John Choice to backwash the filters. If it had not been for Steve Penner, of KSA Engineers, who advised to check the level in the clear well first, we would have run out of water because it was dangerously low. Mr. Pate stated that John is a great worker but he is not properly certified to run the plant. Mr. Roach did not disagree that we need a full time project manager.

Councilmember Shipp said historically there has been a staffing issue, there is no project manager and he asked Mr. Roach what would change if they stayed. Mr. Roach said they are trying to put a team together that would stay here. Mr. Roach then said the City will have the same problems whether Veolia is here or not. He said he hates that it has come to this but Veolia will walk away if that's what we want.

Mayor Pro-tem Owens said according to the contract Veolia is supposed to be smoke testing sewer lines and there is no evidence they have been doing that recently and that 15 manholes are supposed to be rehabilitated each year. Veolia personnel conceded that manhole rehabilitation has not been done.

III. PUBLIC HEARING regarding Veolia Water, N.A. contractual services

Mayor Wells opened the public hearing at 7:00 p.m.

- 1) Todd Orendorff, 1202 Nelwyn, said he has concerns about the water quality and displayed pictures of dark brown colored water in his bathtub. He said this has been going on for several years and he has to buy filters for his drinking water. He said he takes care of his elderly mother and it is a health concern for people to be drinking and cooking with this water. Mayor Wells asked how his water is now and Mr. Orendorff replied it is clear right now. Bill Roach said he finds no work order for Nelwyn Street and said if they (Veolia) don't know about the problem they can't fix it.
- 2) Stan Wood, 605 Canfield, said we had problems with the old system but the new system is unbelievably bad. He said we are hearing all the excuses but bottom line is we have to buy cases of drinking water. He said it's too little to late as far as Veolia is concerned. They are a multi-billion company and they have problems all over. If we terminate the contract we may have some of the same problems but we will handle it.
- 3) Diana Formby, 504 Phillips, said her main question is why the water smells so foul. Bill Roach said it shouldn't. Mrs. Formby said it does all the time. Mr. Roach said they are adding ammonia with the chlorine to help keep residuals up and one of the side effects is an odorous compound.
- 4) Mark Carpenter, 2201 Woodbine, said this is a matter of economic sense. He said 3 years ago citizens pleaded with the City not to renew the contract and it fell on deaf ears. He said he thinks we have a better Council now. No one is coming up to ask to renew the contract. Veolia is a for-profit company and we can save \$150k-\$300k if we cut out the middle man. He said the City will have problems too so he asked the citizens to be patient if we take it over.
- 5) Lorraine Clark, 2206 Woodbine, said what she keeps hearing is a lack of qualified personnel, lack of certification and the vacancy is hard to fill. She said there has got to be a plan to choose to get basic qualifications. She suggested a job fair, scholarships and training with commitment so the needed personnel will be on hand.

- 6) Vi Melton, 406 N. Ferry, said she has been the City Secretary of Warren City for 10 years. Warren City bought 9 million gallons of water from Gladewater last year and also contributed toward capital improvements so they have a vested interest in the water system. She said not a week goes by that she doesn't get complaints about the water. Her response is that Gladewater will fix it, not Veolia. She stated there is a paragraph in the TCEQ notices she is required to mail for the trihalomethane violation that cautions people with cancer or chronic and serious health conditions. She wondered if continued exposure to this water can cause cancer.

Mayor Pro-tem Owens explained the reasons the contract was given a 3-year extension back in 2010. He said we had taken the streets and parks departments back over and at the time we were without a City Manager; City Secretary Haralson was serving as interim. He said the Council was deep into looking for a City Manager with a public works background, which we found in Sean Pate. He said we didn't have staff with the certifications needed at that time and tried to get Veolia to agree to a 1-year contract but they would go no less than 3 years. That allowed us time to get staff in place.

- 7) Sam Lucky, 1600 N. Smith, said our water quality is extremely terrible and he continually has to replace the flushing mechanism in the commode and replace faucets to clear of debris. He said the smell is horrendous and we can do better.
- 8) Bobby Huckabay, 3087 E. Lake, said he agrees something needs to be done and asked what other options we have and if there is a plan in place.

With no other public comments, Mayor Wells closed the public hearing at 7:30 p.m.

IV. CONSIDERATION regarding Veolia Water, N.A. contractual services

Mayor Pro-tem Owens said Bobby Huckabay asked a valid question. He said part of the contract is that Veolia will assist us in the transition period. He said none of this is personal but he would like to end the contract sooner than later. Mr. Owens said City Manager Pate needs time to interview and hire staff and for a time we would essentially be putting duplicate staff in place during the overlap. He said there is \$300k in contingency reserve in the proposed budget for this. Once we are comfortable with staff we can give Veolia 30 days notice. Mr. Owens also said we should entertain a contract with KSA to audit what is going on at the water plant and wastewater plant.

Mayor Pro-tem Owens moved to authorize City Manager Pate to actively search for and hire staff to take over operations from Veolia and then come back to Council and give Veolia 30 days notice. He stated he believes they are in breach of contract so there is no specific time table. Councilmember Niemann 2nd the motion.

Bill Roach stated if breach of contract allegations are coming into play they will have to get legal involved, otherwise we can agree to terminate by mutual agreement. Mayor Pro-tem Owens retracted his statement and consented to terminating by mutual agreement.

Councilmember Shipp said although there is no time table this should be an opportunity for an amicable relationship. Bill Roach agreed completely.

Councilmember Niemann asked if 30 days notice is adequate. Mr. Roach replied that it is.

Motion carried 6-0.

V. PUBLIC HEARING regarding budget for fiscal year 2013

Mayor Wells opened the public hearing at 7:50 p.m.

City Manager Pate pointed out a couple changes since the last budget workshop; \$10k reduction to fire service contract revenue as Smith County ESD contract will not be renewed. We are paying off the police vehicle note and the asphalt zipper note this fiscal year so that freed up funds for some capital improvement items; bunker gear, safety equipment and heating unit for the fire department, and tasers and vests for the police department. In addition, we will increase the court security and court technology fund expenses to help with the warrant round-up. The street program will be cut down to

\$50k. In the Water & Sewer fund the remaining Veolia contract money will be moved to contingency reserve.

Mayor Wells questioned salaries and why some employees were receiving raises while others were not. City Manager Pate said some were not due raises based on their performance evaluations.

Councilmember Niemann commented regarding the process of performance evaluations and that some supervisors may give exceeds expectations ratings to their shift while other supervisors only give a meets expectations. She said there needs to be some type of criteria in place to make sure employees are evaluated on the same criteria and suggested that exceeds expectations ratings need to be justified by the supervisor to the department head before granting.

Mayor Wells had additional questions regarding specific employees not getting raises and City Secretary Haralson explained the Performance Pay Plan and Salary Schedule program. She stated that the annual survey performed with other cities our size showed our salaries to be level with the average. She believed that the 5% increase given last year for TMRS contributions negated an increase this year.

Mayor Pro-tem Owens requested that the four different youth programs sponsored by the City be raised back to \$2,500 each.

Councilmember Niemann requested there be a \$10,000 increase to the Main Street Budget in order to hire a full time Main Street Manager. She said all agreed that downtown is a vital part of the City. She said it is the primary reason people come to Gladewater. She said having a part-time director has unintended consequences and we are reactionary and not visionary. She said we have a responsibility to give downtown our best shot to thrive and grow and in order to do that a full time manager is needed. Ms. Niemann stated this is in no way to slight the current manager; there is just simply too work much to be done than a part time position will allow. She said we are obligated to continue the Main Street program for another two years because we accepted Main Street Grant funds and the State criteria is that at least 51% of the Main Street Manager's time be devoted to the Main Street program.

Mayor Pro-tem Owens said his concern in hiring a full time Main Street Manager is that it is an ongoing obligation and we really have 3 organizations with overlapping responsibilities; the Chamber that we support with Hotel-Motel Tax funds, GEDCO that is supported with ½ cent sales tax and the Main Street Manager for which we help pay salary. He said we need to look at how we can combine these three different entities into one.

Councilmember Niemann said they don't have the same functions. They may overlap in some areas but in the main areas they do not. She re-emphasized that it is not humanly possible for a part-time person to do the Main Street Manager job effectively. She said we need to give Main Street its best chance to succeed.

City Manager Pate stated if we have a full-time position we need to add an additional \$7,250 to cover benefits, for a total of \$40k.

With no other comments the public hearing was closed at 8:40 pm.

- VI. ANNOUNCEMENT that final vote for fiscal year 2013 budget will be taken at the regular City Council meeting September20, 2012

Mayor Wells made the announcement that the final vote for fiscal year 2013 budget will be taken at the regular City Council meeting September20, 2012.

- VII. ADJOURN

Councilmember Shipp moved to adjourn at 8:40 p.m., seconded by Councilmember Watson. Adjourned by consensus.

HAROLD R. WELLS, MAYOR

ATTEST:

MELBA HARALSON, CITY SECRETARY