

**MINUTES OF PUBLIC HEARING and REGULAR MEETING**

**September 22, 2015**

**MONTGOMERY CITY COUNCIL**

**CALL TO ORDER**

Mayor Kirk Jones declared a quorum was present, and called the meeting to order at 6:00 p.m.

Present:        Kirk Jones                    Mayor  
                  Jon Bickford                City Council Position # 1  
                  T.J. Wilkerson             City Council Position # 3  
                  Dave McCorquodale      City Council Position # 5

Absent:         John Champagne          City Council Position # 2  
                  Rebecca Huss             City Council Position # 4

Also Present:  Jack Yates                    City Administrator  
                  Larry Foerster             City Attorney

**INVOCATION**

T.J. Wilkerson gave the invocation.

**PLEDGE OF ALLEGIANCE TO FLAGS**

**PUBLIC HEARING:**

Convene into Public Hearing:

1. Public Hearing for the purpose of hearing comments on adjustments to the Groundwater Reduction Plan (GRP) pumpage fees and Lone Star Groundwater Conversation District (LSGCD) water use fees, and possible increase of fees to cover the additional costs incurred by the City.

Mayor Jones convened the Public Hearing at 6:03 p.m.

Ed Shackelford, City Engineer, advised that Glynn Fleming, Associate Engineer, would present a summary of the information. Mr. Fleming advised that recently they had presented to City Council the findings of the City's Water and Sewer Rate Analysis, which a portion of that dealt with the Groundwater Reduction Plan ("GRP") and expenses. Mr. Fleming noted that the current San Jacinto River Authority ("SJRA") rate just rose to \$2.32 per 1,000 gallons, from \$2.25 per 1,000.

Mr. Fleming noted that when they went thru the Water and Sewer Rate Analysis there were two prominent users that they chose to break out, which were the average In-City Residential

User and average Institutional user. Mr. Fleming stated that they specifically broke out the Groundwater Reduction Charges for the In-City Residential user that uses 6,648 gallons. The fee is approximately \$1.25 per 1,000 gallons, but with the Lone Star Groundwater Conservation District ("LSGCD") fee of \$.06 cents per 1,000 gallons, the total bill for the GRP is \$8.78. When you figure in the GRP expense, which per the current GRP Program with Montgomery County MUD 3 and 4 that runs through 2016, which is 8 % percent of the current SJRA rate for all groundwater drawn from the Jasper wells.

Mr. Fleming advised that the net loss for the average In-City Residential user is approximately \$1.31 per month. Mr. Fleming said that the City's current GRP rate does not cover the City's costs. Mr. Fleming said that they see a similar thing occur with the average Institutional user. However, with the higher usage that gap increases slightly, with an average loss of \$30.85.

Mayor Jones stated that this information only relates to the GRP rates.

Carol Langley stated that the City's web site lists the GRP rate at \$1.50 per 1,000 gallons instead of the current rate of \$1.25, and asked if she was still being charged the \$1.25 per 1,000 gallons.

Mr. Fleming said that having spent a good deal of time analyzing the City's current billing data, he can say with relative confidence that Mrs. Langley was paying \$1.25.

Mr. Mike Newman asked how much the City was considering raising the GRP rate. Mr. Newman confirmed that the residential customer loss was \$1.31 per month, and asked if the City was going to raise the rate to \$1.50.

Dave McCorquodale asked if the sewer rates were included. Mr. Fleming advised that this did not have anything to do with the water and sewer rates, but was strictly the GRP rate that was a pass through cost to the end user. Mr. Fleming said that the City has an expense to the Montgomery County Utility Districts 3 and 4 that they have to cover, along with some additional expenses on the City's side, which includes depreciation and energy costs. Mr. Fleming said that the idea was to cover all of those costs as a pass through rate that should not lose money.

Jon Bickford said that the current rate the City is collecting is \$1.25 plus .07 cents that totals \$1.32 per 1,000 gallons. Jon Bickford said if the City increased it to \$1.50 per 1,000 gallons, they would be adding 18 cents. Mr. Fleming stated that the GRP pass through applies strictly to SJRA, and the LSGCD fee is a pass through for a separate entity and separate rate. Mr. Fleming stated that the rate being considered tonight would raise the GRP rate from \$1.25 to \$1.50 per 1,000 gallons. Mr. Fleming advised that the LSGCD rate is remaining the same. Jon Bickford said that the impact to the average home would be approximately \$1.75 per month, based on average usage. Mr. Fleming advised that would cover the loss for just the GRP for In-City Residential. Jon Bickford stated that there were losses in other places, and he did not want anyone to think that this would fix everything.

Mr. Newman asked if the increase would be more than covering the loss, or were they trying to upgrade the facilities. Mr. Newman said that the figures did not add up to him. Mr. Fleming said that first and foremost it was to cover the loss, and if there is any additional revenue on the City's side it would cover depreciation and money to put into the account to go toward

routine and major maintenance. Mr. Newman asked whether it had anything to do with the new additions or things that are covered by bonds. Mr. Shackleford said that it did not.

Mrs. Cheryl Fox asked if the City was running 100% percent off of the Catahoula Well or using other facilities. Mr. Fleming said, that to date, they are drawing 80% percent from the Catahoula Well. Mrs. Fox said that she thought that when the Catahoula Well went into force it would actually lower the City water rates. Mr. Fleming advised that he did not know what the intent was, because he was not affiliated with the City at that time. Mr. Fleming said that the idea is to find out where the SJRA rates are now and where they will rise. Mr. Fleming said that there was a significant incentive in the long run to have an unregulated water system. Mr. Fleming said that when the agreement with the Mud's expires, the City has an option of having their own GRP.

Mrs. Fox asked if there were any problems with the Catahoula Well. Mr. Fleming said that the well pumps great, the problem is with off-site power issues. Mrs. Fox said that there was an off-site power issue on Old Houston Road. Mr. Fleming said that they are working on the problem. Mr. Fleming said that a couple of weeks ago Entergy installed a power quality meter and collected two weeks of data. Entergy came back and collected the meter and now they are in the process of disseminating the data.

Mr. Fleming advised that he did not know that the Catahoula Well would ever be run at 100% percent, because it was never the intent for it to provide 100% percent. Mr. Fleming said that at optimum conditions they think that it will provide 80-82% percent. Mr. Shackleford clarified that the reason that the Catahoula Well won't be 100% percent is because you still have to exercise the other wells, should there be maintenance on the Catahoula Well.

Mr. Shackleford said to add to an earlier comment by Mr. Fleming, the idea of joining the MUD 3 and 4 GRP or going on their own was to minimize the cost of a GRP in lieu of joining the SJRA's GRP. The SJRA fees have recently increased, and they are in the \$2.32 range, with a projection of \$6.00 in 2035-2045, which would be on top of the existing water use. Mr. Shackleford said that they are of the opinion that if the City has their own GRP the City's price will be lower than the SJRA because the City does not have a massive infrastructure system like the SJRA has to maintain.

Mr. Shackleford said that the only reason there is a reference to the SJRA rate is because that is what the Montgomery County UD 3 and 4 use as a basis for setting the price for the City of Montgomery. They are charging 80% percent of the SJRA rate to the City of Montgomery. Mr. Shackleford said that in 2016 the City will have the option of having their own GRP when the contract expires. Mr. Newman asked if the GRP would go away at that time. Mr. Shackleford said that the GRP fee will never go away because there will always be an expense with the Catahoula Well. Mr. Shackleford said that once the City is on their own and not under the contract, then they will set their own GRP rate, and no further reference will be made to UD 3 and 4.

Jon Bickford advised that the City had an offer from the SJRA Contract, because they had to reduce production of the wells by 30% percent, so the City went into the agreement with UD 3 and 4 to reduce the amount of water from the City's wells, so they had to buy water from other wells. Jon Bickford said that without the Catahoula Well, the City was done with growth unless they paid ransom to the SJRA. So they got an interim solution, with UD 3 and 4, in

place through January 2016, which is when the credits flop and was a drop dead date when they had to have an alternate water source or sign up with the SJRA.

Mr. Shackleford said that the best way to think about UD 3 and 4, was that it was an interim measure until the City could get their infrastructure in place to have their own GRP. Mr. Shackleford advised that the City's GRP would always be less expensive than the SJRA's rate, but there will always be a GRP.

Jon Bickford stated that an average typical home would be an increase of \$2.00 per month for an average 6,625 gallons, even for 8,000 gallons.

Mrs. Cox asked if there was a difference between Institutional and Commercial use. Mr. Shackleford advised that there was no difference regarding the GRP rate, but on the water/sewer rate there was a difference. Mrs. Cox asked if the Institutional would include the schools, and asked what else would be included. Mr. Shackleford that it included the schools, a nursing home and an apartment complex.

Dave McCorquodale asked if the Cowboy Church was considered Institutional. Mr. Fleming advised that he thought most of the churches were considered Commercial use. Dave McCorquodale asked to clarify that when the UD 3 and 4 agreement ends, the City has the option to form their own GRP and asked who is watching over the City to make sure that they have a GRP.

Mr. Fleming advised that the State of Texas and SJRA would make sure that the City had a GRP. Mr. Fleming stated that on December 31, 2016 when the agreement with the Utility Districts expires, as it stands right now, the City has three options: 1) renew the agreement, 2) form our own GRP, or join SJRA. Mr. Shackleford said that going forward, after terminating the agreement with the utility districts, if the City continues to draw water from the regulated aquifer, the City would have to reduce the pumpage down to no more than the volumes pumped in 2009, which the City will be way under that amount. Mr. Shackleford said that the City would not be paying UD 3 and 4, but they would be incurring an expense. Dave McCorquodale stated that he brought the information up to show that the City would always have a fee related to the GRP.

Mr. Shackleford said that so far they had only discussed the \$.25 cent increase on the GRP fee, and not the Lone Star Groundwater Conservation District ("LSGCD") fee. The LSGCD is the regulatory agency requiring the GRP, and the other is the implementation of the GRP. Mr. Shackleford stated that the City has added a \$.01 cent surcharge to the fee that LSGCD charges the City for a total of \$.07 cents. Mr. Shackleford said that the ordinance provides a potential for the City to add a surcharge or administrative cost on the total GRP fee. City Council has a choice on whether to add a \$.15 cent administrative fee on top of the \$1.50 GRP fee.

Mrs. Langley asked when that administrative fee would occur. Mr. Shackleford said that fee was under consideration tonight. Mrs. Langley asked if that would be the periodic adjustment that is addressed in the ordinance. Mr. Shackleford advised that it would not, the periodic adjustment would occur if in six months from now the \$1.50 would not cover the City's costs, the City would have the right to revisit that number and adjust the amount, so they would not lose money on operations. Mrs. Langley asked if there would be more public hearings, because

according to the ordinance, Council would not have to have public hearings. Mr. Shackelford deferred to the City Attorney.

Mr. Foerster said that Mr. Shackelford had done a good job making the distinction between the LSGCD pumpage fees, which is \$.06 cents per 1,000 gallons, regardless of what type of user you are. The City has also, as most other cities and water providers have done, recognizes that there are certain losses, that if they are not made up, the city tax payers have to pay that additional amount. This could be due to leakage, the fire department using water, or other administrative expenses. Mr. Foerster said that in his experience, and he represents a number of cities and utility districts in Montgomery County, most everyone that he knows of have with regard to the LSGCD pumpage fees, they have implemented an additional \$.01 cent per 1,000 gallons to equal \$.07 cents per 1,000 gallons for LSGCD fees. In addition to the LSGCD fee, there is a fee that is a bigger issue for all of us, which is the GRP fee that is required by the LSGCD. Mr. Foerster said that the City has been losing money every time someone opens their faucet and uses water.

Mr. Foerster advised that the City Engineers have been asked to calculate what that loss is so the City can at least get to a break-even level on that cost. Mr. Foerster said that this ordinance provides for an additional surcharge of \$.15 cents per 1,000 gallons, so that in effect the total amount could be \$1.65 per 1,000 gallons. Mr. Foerster said the \$.15 cents per 1,000 gallons is because of the water loss and administrative costs, all of which is incurred by the City, which in turn, is shared by all the water customers.

Mr. Newman asked where the \$.15 cent figure came from. Mr. Shackelford said that when they look at what the wells produce versus what water is metered to the people in the City, there is about a ten percent differential from what is pumped versus what is invoiced to the resident. Mr. Shackelford said that could be due to water leaks, fire department flushing of the lines, routine maintenance of the water system, and administrative costs on the City's side to manage the meter readings, reporting and payments. Mr. Foerster said that he might add that generally what other cities and water providers are calculating runs generally 10%-20% percent. Mr. Newman asked to confirm that at the present time the City is paying for this loss, or the taxpayers are because it is coming out of the general fund. Mr. Shackelford said that it would come out of the water/sewer fund, which the Auditor reported several months ago that the fund was \$70,000 - \$80,000 short of breaking even.

Mr. Newman stated that two meetings ago City Council addressed the problem with the meter reading system, and looking into ways to improve the system, and sometimes those improvements cost money. Mr. Newman asked if those improvements would be part of this rate increase. Mr. Shackelford said that it was not part of this, this is only associated with the cost of the GRP. Mr. Shackelford said that the administrative fees were only related to managing the GRP and has nothing to do with water/sewer system operations. Mr. Shackelford said that the GRP has a distinction and has to do with the Catahoula Well, cooling tower and some piping, a new groundwater storage tank and Water Plant 3. Mr. Shackelford advised that was the capital, which includes maintenance and operations and payments made to UD 3 and 4 for unregulated water, associated with the GRP.

Mrs. Cox said that she thought her question had been answered, but wanted to clarify what fund that the maintenance of the backhoe was paid from. Mr. Shackelford advised that it was built into the water and sewer fund, but not in the GRP rates. Mrs. Cox asked if the water and

sewer truck was in the water and sewer fund and whether the whole amount paid through there or through other avenues in the budget. Mr. Shackelford said that he understood it was out of the water and sewer fund. Mr. Yates confirmed that was correct. Mrs. Cox asked about the employees' salaries. Mr. Shackelford said that there was a distinction on where they are working, such as if they are working on infrastructure versus streets and drainage, that would be water and sewer. Mr. Shackelford said that typically cities have their water and sewer fund completely independent and stand alone.

Mr. Newman asked if the City were to sever ties in December 2016, would they then be on one water well. Mr. Shackelford said that they would still be using the three water wells today, the two regulated wells and one unregulated well. Mr. Shackelford stressed again that the City will always have a GRP.

Mrs. Langley asked to clarify the portion of the ordinance that authorizes periodic adjustments, and asked if that would be something that the City could automatically do two months from now if they find that the \$1.65 or \$1.50 is not adequate, will the customers be notified and given the right to speak again. Mr. Foerster said that he did not expect that there would be an adjustment made at this time, but they do not know what will happen in six months or a year from now. Mr. Foerster said, that as the City Attorney, he would recommend to the City Council, and he is sure that they would want to have another public hearing, just like you are doing today and allow the residents to have this type of input. Mr. Foerster said that as he understands it, is the amount of monies that they are talking about should be adequate for this 2015-2016 fiscal year. Mr. Foerster said that it is possible, with additional increases from the SJRA, since the City pays 80% percent of that fee, they might have to come back to Council in August or September of next year with additional adjustments. Mr. Foerster said that he did not expect any changes in the next twelve months.

Mr. Foerster stated that they are talking about two different fees, they are not talking about the water and sewer rates, but the LSGCD and GRP fees. Mr. Foerster said that this ordinance will not raise the water and sewer rates, but it is the line items that they have to pay for and pass on to the taxpayers. The water and sewer rates could go up in the future.

Mrs. Langley asked when the rate was raised to \$1.25 and whether it has been a year, two years or six months. Mr. Yates advised that it was done in 2014. Mr. Shackelford said that in 2014 the GRP was reduced to \$1.25. Mrs. Langley said that figure was supposed to be adequate.

Mr. Shackelford advised that the Catahoula Well is deeper and has a larger motor than the other wells and costs more to run, along with coming out of the ground 25-30 degrees hotter, which is why it requires a cooling tower that runs on a heat exchanger.

Jon Bickford said that they need to make sure that the GRP fees are not water and sewer rates, they are separate expenses. The water and sewer rates are not up for discussion tonight, but will be brought back in the future.

Mayor Jones asked for clarification regarding the ordinance to be adopted tonight, whether City Council can raise the rates being discussed tonight without conducting a public hearing. Mr. Foerster said that the answer to that question is yes, he thinks they can. Mr. Foerster said that he did not know of anything in the statute that would prevent them from raising the rate

without having to conduct a public hearing, but that would never be his advice, and he did not think that anyone on City Council would want to do that action without a public hearing.

A question was asked about water quality by the intermediate school and why the water was not cleaner around the 149 and Lone Star Parkway area. Mr. Fleming advised that issue was independent of the subject being discussed here and would not necessarily be due to water coming from that well versus another well. Mr. Fleming advised that it was a factor of other matters, such as how long the water has been in the line and where it is traveling. Mr. Fleming advised the resident if they have a water quality issue they just need to let the City know and they can let him know, and they will be more than happy to come out and flush the lines. Mr. Fleming said that typically that is an easy fix.

Mayor Jones advised that the questions were getting off topic and needed to get back to the topic of discussion. There were no more questions.

Mayor Jones adjourned the Public Hearing and reconvened the regular session at 6:44 p.m.

Reconvene into regular session:

**VISITOR/CITIZENS FORUM:**

Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must be recognized by the Mayor. Council may not discuss or take any action on an item, but may place the issue on a future agenda. The number of speakers along with the time allowed per speaker may be limited.

There were no comments.

**CONSENT AGENDA:**

2. Matters related to the approval of minutes for the Joint Workshop Meeting with the Planning and Zoning Commission held on August 20, 2015, and Regular Meeting held on September 8, 2015.

Dave McCorquodale moved to approve the minutes as presented. Jon Bickford seconded the motion, the motion carried unanimously. (3-0)

**CONSIDERATION AND POSSIBLE ACTION:**

3. Consideration and possible action regarding Eagle Scout Project – Pathway at Memory Park – Caden Miller.

Caden Miller, a Life Scout with Troop 491, presented his Eagle Scout Project to City Council. Mr. Miller advised that his project beneficiary is the Lake Conroe Rotary Club, and the project is located in Memory Park next to the library. Mr. Miller advised his project was the Rain Garden Tollway, which is a gravel path that will connect the two ponds. Mr. Miller said that

the project has been approved by the Rotary Club. The pathway will provide easier access for people to get around the Park.

Mayor Jones asked if the material would be crushed granite. Mr. Miller advised that it was and would match the other pathway material. Mr. Miller advised that they would have 4x4 timbers to contain the granite.

Dave McCorquodale asked how long the project would take to complete. Mr. Miller said it would take two days because they are just going over the top of the grass.

Mayor Jones asked about the culvert mentioned in the project. Mr. Miller said that they plan on installing a six inch PVC pipe 18 inches below the surface to drain water so that it does not wash any material off the pathway and will flow into the main pond. Mayor Jones asked how they determined a six inch PVC pipe. Mr. Miller said that due to the size of the body of water, the six inches should be big enough to keep up with the water flow. Mayor Jones stated that the presentation was well done.

Jon Bickford asked about whether the projects are being run through the Parks and Recreation prior to bringing to City Council. Mr. Yates advised that he reviewed the information prior to putting on the Agenda. Jon Bickford said it was a great presentation.

After discussion, Dave McCorquodale moved to approve the Eagle Scout Project for the Pathway at Memory Park as presented by Caden Miller. T.J. Wilkerson seconded the motion, the motion carried unanimously. (3-0)

4. Consideration and possible action regarding Eagle Scout Project – Rail Fence at Memory Park – Jeremy Buck.

Jeremy Buck, a Life Scout with Troop 491, presented his Eagle Scout Project to City Council. Mr. Buck advised that his project would be a split rail fence that will compliment Mr. Miller's pathway. Mr. Buck said that his fence will be approximately 160 feet in length. Mr. Buck advised that the beneficiary of his project would be the Rotary Club.

Mayor Jones asked whether the materials would match other fences in the area. Mr. Buck said that they would be getting material to match the existing fences. Jon Bickford asked if the posts would be set in concrete. Mr. Buck said that they would be setting each fence post in 50 pounds of concrete.

Mayor Jones asked what the primary purpose was for the fence. Mr. Buck said that the fence is to keep people from getting too close and possibly falling into the water or veering off the pathway. Mr. Yates advised that there is a man-made berm that is approximately eight feet wide and slopes off down to the east, where the dry pond bed is located, and to the west to the main pond. Mr. Yates said that the fencing could provide protection should a toddler wander off the pathway.

Dave McCorquodale asked how the 160 linear feet would be placed. Mr. Buck advised that the railing would be 80 linear feet on each side.

After discussion, Jon Bickford moved to accept the Eagle Scout Project for the Rail Fence at Memory Park as presented by Jeremy Buck. Dave McCorquodale seconded the motion, the motion carried unanimously. (3-0)

The Scout Master announced that Scout Mason Ganahl had completed his project “Stairway to Memories” and it turned out very well. Mayor Jones said the project looked very good and was very functional.

5. Consideration and possible action on department reports.

- A. Administrator’s Report – Mr. Yates presented his report to Council, detailing his activities for the month. Mayor Jones asked about the Customer Service Team meetings, and if they were accomplishing something.

Mr. Yates advised that one of the things discussed by the Team was that they felt people were having to wait too long to appear in Court from the time they receive a ticket. It was the recommendation of the Team to set up an additional Court date each month, and will continue with the additional Court date as long as it takes to get the appearance dates down to a month and a half waiting period, rather than a three month waiting period. Mr. Yates said that he also discussed “warm fuzzies” and “cold pricklies” relating to customer service, and to get customer service as a mind set with everyone. Mr. Yates said that he has had a good reaction from the Team. Mr. Yates said that next week they are going to invite Public Works to attend the next meeting. Mr. Yates said that this was not to say there was any problem with Public Works, but they interact with a lot of people and this will emphasize that everyone is a part of the City.

Dave McCorquodale asked if there was a timeline when Mr. Yates would be ready to share the animal ordinance, because the last time that it came up there were substantial flaws. There was also limited information regarding dangerous animals and them not being confined, and what could be done about the issue. Dave McCorquodale said that the ordinance kind of drifted off. Mr. Yates said that was also his feeling, so he obtained a copy of the County rules, and shaded the parts of the ordinance that were covered by County rules, and he found out that two thirds of the ordinance is State Law, so the City would not have to pay anything to enforce. Mr. Yates said that he is working on the information with Councilmember Rebecca Huss. Dave McCorquodale asked if there was a timeline when that ordinance would be ready. Mr. Yates said it would probably be in a month, because he still had to have the City Attorney review the information.

- B. Public Works Report – Mr. Mike Muckleroy presented his report to Council, detailing the highlights of his activities for the month. Mr. Muckleroy advised that they had assisted Jones and Carter with the Water/Sewer Master Model evaluation. Mr. Muckleroy along with Mr. Yates conducted an asphalt crack filling inspection, got the quote to have the work done, and have the approval to begin. They met with NTS and Jones & Carter for lift station and pump upgrades. They installed the Kiddie Cushion

mulch at Homecoming Park. Jon Bickford asked if it was the rubber mulch. Mr. Muckleroy said that it was treated cedar so that it does not rot. Mr. Muckleroy advised that they did not have any sewer stop ups this month. Fernland reported a total of 243 visitors for the month and they provided 20 tours. Mr. Muckleroy said that Fernland said that their numbers were slow because it was so hot and no other reason.

- C. Police Department Report – Chief Napolitano presented his report to Council. Chief Napolitano said that he wanted to make a correction to the information from last month. Council member Huss had stated that they had the numbers incorrect, and they did not. Chief Napolitano said that on the first page it says that the officers responded to 225 calls for service, but on the page with the stats it shows 197 calls inside the City, but the remaining calls were outside the City.

Chief Napolitano reported that last night an aggravated kidnapping occurred just outside the City in the County. Two individuals kidnapped three people at knife point, put them in a car and were driving around. Chief Napolitano stated that two of the victims bailed out of the car, the car crashed and two of the actors ran away. Montgomery County was able to locate one of the actors, but one was still at large. In the morning Sergeant Lehn and Officer Bracht were out and saw the individual and apprehended him with the weapon and large amounts of drugs on his person. Chief Napolitano thanked the officers for the great job that they did.

Chief Napolitano said that the statistics page will have one for 2015 and one for 2014. They are up 20% percent for calls for service inside the City. Chief Napolitano said that since they have an increase in population, they are getting an increase in the number of calls for service. Jon Bickford asked whether they included things that they found. Chief Napolitano said that it was strictly calls for service. Chief Napolitano said they also generated 631 traffic stops, 7 felony arrests and 30 misdemeanors.

Chief Napolitano advised that they sent Lt. Belmares and Officer Bauer to Gracie Self Defense Police School, which taught them Jujitsu strictly for police officers on how to defend themselves from attacks. Chief Napolitano said that they also had the Health Fair at McDonalds and Officer Bracht, Sergeant Lehn and Reserve Officer Evans were there to help.

Chief Napolitano said that they invited Texas Law Shield to come in and give a class to law enforcement on the new Concealed and Open Carry Law so they could be brought up to date from the State of Texas, and how they should handle the Concealed and Open Carry Law once it becomes effective on January 1, 2016. Jon Bickford asked if that was a long speech that could be given on another night, because it might be interesting for the citizens to hear that information. Chief Napolitano advised that he could provide that information. Chief Napolitano said that there are going to be a number of issues that are going to come up that he will be discussing with Mr. Foerster.

Jon Bickford said that there was going to be a lot of questions regarding signage and information, so it would be good for Council to get a briefing.

Mr. Foerster said that he was prepared to do a briefing on the new firearms law as early as the next Council meeting, because he is currently working on a memo regarding that information. Jon Bickford asked how long the briefing would take. Mr. Foerster said that it would take approximately ten minutes. Chief Napolitano advised that the command staff had attended the legislative update class so they are updated in all the changes to the laws.

Dave McCorquodale said that the self-improvement that the Chief allows is very important, and the job that they are doing on the street is really good and he is thankful for it. Chief Napolitano said that they have to have enough officers to cover days off and when officers are attending training.

- D. Court Department Report – Court Administrator, Becky Lehn, presented her report to Council. Ms. Lehn advised that the numbers were down a little in July since there were so many out on vacation.
- E. Utility/Development Report – Utility Billing Clerk, Ashley Slaughter presented her report to Council.

Mrs. Slaughter advised that they had 25 new water accounts versus 4 disconnects. There was a huge increase in the water bills, which she attributes to heavy irrigation watering. Dave McCorquodale asked if the new accounts were mostly residential. Mrs. Slaughter said she believed that they were mostly residential.

Mayor Jones asked if there was any progress on the online bill pay. Mrs. Slaughter advised that Mr. Yates was researching that information.

- F. Water Report – Mr. Mike Williams, with Gulf Utility, presented his report to Council. Mr. Williams advised that they began using the Catahoula Well again with an approximate pumpage of 84% percent. Mayor Jones asked if the electricity issue had been resolved. Mr. Fleming said that they are still waiting on the official results from Entergy. Mr. Fleming said that they are seeing the same thing that they saw last fall, where the temperatures abate and the power quality tends to even out.

Mr. Williams said that they had to pull the pump out of Lift Station 7 to repair a seal failure. Mr. Williams stated that the Lift Pump 1 at Lift Station 4 was brought in for repairs due to a possible crack in the housing.

Mr. Williams said that the WWTP average flow was 177,000 gallons. Dave McCorquodale asked about the residual chlorine, because the report says the high is

3.69, and asked if there was something about the maximum level in the annual water report that 3 was the maximum level. Mr. Williams said that 4.0 is the maximum. Dave McCorquodale asked whether Mr. Williams felt that the City's chlorine amount is high, and he is asking because when he turns on his tap sometimes there is a significant smell of chlorine, and he wondered if there was something that caused our chlorine level to be higher. Mr. Williams advised that sometimes the chlorine smell really comes out the longer the water stays in the pipe, the smell does not mean that the chlorine level is high. Dave McCorquodale said that he knew a little about chlorine because of pools, and he knew that you did not smell the free chlorine. Mayor Jones asked what the minimum level for chlorine. Mr. Williams advised that the minimum for groundwater is .2 residual. Dave McCorquodale asked if the water and wastewater maximum is 4. Mr. Williams said that was correct. Jon Bickford said that he only smelled the chlorine in the morning when he first uses the water, but does not smell it the rest of the day.

Mr. Williams said that they pushed back a month on the well pumpage so they could get an accurate accountability, so this report will be the same as last month, with Well 4 at 800,000 gallons, Well 3 at 11.9 million gallons and Well 2 at 412,000, with 93% percent accountability. Mayor Jones asked if Mr. Williams felt good with those figures. Mr. Williams said those were accurate numbers.

- G. Engineer's Report – Mr. Glynn Fleming, Associate Engineer, presented his report to Council. Mr. Fleming advised that the Stewart Creek Regional Detention Study is complete and will be presented this evening as a separate item.

The Water Distribution Modeling and Master Plan is largely complete and they are finalizing the written report with exhibits, to be delivered to City Council two weeks from tonight. Mayor Jones asked if that would just be for water. Mr. Fleming advised that the Sewer Modeling and Master Plan will be ready in approximately thirty days. Mayor Jones asked if the report would show where they think that there should be a line. Mr. Fleming said that they had identified about a half dozen items that need to be prioritized and addressed in the near future.

Mr. Fleming advised that both the Texas Fund Grants archeological and environmental studies are complete and they are waiting on authorization from the State, and they hope to be moving forward within the next month. Mayor Jones asked if the developers were calling about when they will be able to move forward. Mr. Fleming said that they definitely want to move forward, but in his opinion, the developers have been very understanding of the delays they have encountered.

Mr. Fleming reported on the plan reviews that they have completed, which include Heritage Plaza, Phase 2, The Hills of Town Creek, Lake Creek Village, Section 2 and

Pizza Shack are all active reviews for civil site work. Mr. Fleming stated that he had received the preliminary plat for Pizza Shack and has delivered their review comments to them.

Mr. Fleming advised that the media pavement work on Flagship Boulevard is largely complete, with a few minor issues to fix up, such as joint sealing and they will be coming back to do their striping. Mayor Jones asked whether the City had paid anything on this project. Mr. Fleming stated that the invoice had just been received this morning. Mayor Jones asked if all the necessary striping on Flagship Boulevard would be completed. Mr. Fleming advised that striping will be done as necessary to the portions that were removed. Mayor Jones said that the whole thing needs striping, and said that he wondered what the contractor would charge to do the entire area. Mr. Fleming said that he would be glad to check on that information. Mayor Jones said that there is supposed to be a turning lane, which is not visible or used.

Mr. Fleming advised that Terra Vista, Section One, has submitted their intention to proceed with utility construction and Waterstone Section Two is ongoing.

Mayor Jones asked if there was an estimated time of arrival for the Lift Station No. 8 pump. Mr. Fleming stated that the pump was ordered about four weeks ago and they advised that it would arrive in six to eight weeks, so it should be here next month. Mr. Yates said that they had not experienced any ragging issues. Mr. Williams advised that they had the bottom of the pump cleaned out and there were rags and debris packed in the corner, which is what clogs the pumps. Jon Bickford said that now they have to wait for that to build back up again.

Mayor Jones said that he understood they were demolishing the Lift Station on Berkley. Mr. Fleming advised that today they had decommissioned the Lift Station on Berkley.

- H. Financial Report – Mrs. Cathy Branco, Financial Consultant, presented her report to Council. Mrs. Branco advised that the funds available for maintenance and operations was \$872,000. The total funds available are \$2,084,367.72. Mrs. Branco stated that the large amount of water billed, along with a large tap fee helped the water and sewer fund revenues. Mrs. Branco stated that the next debt service comes due in March. Mrs. Branco said that the end of the year is approaching and she will be preparing for the Annual Audit.

Jon Bickford moved to approve the department reports as presented. Dave McCorquodale seconded the motion, the motion carried unanimously. (3-0)

6. Consideration and possible action regarding awarding the bid on the Automatic Meter Reading System.

Mr. Yates presented the bid information to City Council, advising that the four bidders had given presentations to the Review Committee. The Committee included the City Administrator, City Secretary Susan Hensley, Utility Billing Clerk Ashley Slaughter, and City Engineer Glynn Fleming.

After consideration, the Committee recommended Accurate Meter & Supply beacon system, which would record information from the meter using cellular phone technology rather than drive by or fixed information. Mr. Yates stated that it would be real time information. The customers will also be able to get an application for their smart phones to follow their own consumption, receive reports if there are any leaks, and as their information is compiled they will be able to see their account history. Mr. Yates stated that they had received bids from RG3, Hydro Pro, Accurate Meter and HD Supply. Mr. Yates noted that all the bidders, except Accurate Meter, were drive by systems, and the Committee felt that the beacon system and the references obtained were so much better because of the real time information, and the Accurate Program Manager had excellent recommendations as well. Mr. Yates advised that Accurate was used to using Incode.

Mr. Yates advised that the following bids were received: RG3 - \$114,185, Hydro Pro - \$142,054, Accurate Meter & Supply - \$121,800, and HD Supply - \$142,823. Mr. Yates said that while Accurate was not the lowest bid, the beauty of the real time information and the good recommendations received from their existing customers was enough for the Committee to make their recommendation for Accurate. Mr. Yates invited the vendor from Accurate to make a presentation to City Council.

Mr. Yates said if the contract is approved tonight, the schedule would be as follows:

- Contract Signing and Pre-installation would take up to 30 days
- Installation of Meters and training of staff – 30-45 days
- Meter System in place, reading and billing customers – 4 months

Mr. Yates advised that the meters would be scheduled to be read on a specific day and time of the month when the Utility Billing Clerk will press a button and the meters would be read, and then the bills will be printed. The cost for reading meters will go from \$1,620 per month to \$71 per month. Mr. Yates said that the cost of \$71 would be due to 5-10 meters that will still have read, because they would cost too much to retrofit, and includes an estimate of \$25 for re-reads.

Mr. Yates advised that they have budgeted \$140,000 for this project. The bid from Accurate is \$121,800, it will actually be \$117,000, because he bid ten extra meters. Mr. Yates also said that he allowed \$7,500 for Incode costs, not only to install software but to transfer all the information into the computer for the accounts. This was bid as a turnkey system.

Mr. Dane Burson with Accurate Meter & Supply presented information regarding their system and equipment to City Council. Mr. Burson advised that if the cellular network should go down or a vehicle parks over the meter, or any other type of issue, the meter will hold 120 days' worth of data. Mr. Burson advised that the meters have an LCD display, similar to a digital clock. Mr. Burson said that the meter is a ten year system, and is warrantied for the full ten years, for anything other than physical damage. Mr. Burson stated that the top part of the meter, the dial, has a 20 year warranty. Mr. Burson said that the warranty would include them sending out a replacement. Mr. Burson said that there will be preset alerts regarding tampering and a leak alert. Mr. Burson advised that the resident will be able to set their application on their phone to alert regarding leaks. Mr. Burson previewed the application that would be available for the residents and the information that would be available for them to review.

Mr. Yates said that the Committee suggested that they set up a couple of training classes for the citizens on how to use the applications at an open house at the Community Center, with refreshments one in the afternoon, and one in the evening. They are hoping that there will be some conservation with this system, by notifying citizens when they have a leak. Mr. Burson said that they would like to participate with the training.

Mr. Burson advised that the information and data is hosted on the cloud and they will have access to the system. Jon Bickford asked what is done with that information. Mr. Burson said that the site will be very secure, and there is no confidential information involved, just the name, address and usage. Mr. Burson said that you could go to CenterPoint's web site and see the same type of information. Mr. Burson said that there will be an address and a partial account number that they will be able to see.

Mr. Fleming advised that the Code of Ordinances provides that no unauthorized person is supposed to get into the meter, and it provides very clearly that tampering will be billed back to the consumer. Mr. Fleming said that information is covered in the Code.

Mr. Burson added that when they install the meters they will leave a door hanger letting the citizen know how to access the information and that their new meter was installed. Mr. Yates advised that he will be sending information out to the residents letting them know when their meters will be installed, along with a description of the vehicles and uniforms of the people from Accurate that will be in their yard for 15-20 minutes. Mr. Burson stated that each homeowner will have their water turned off for 15-20 minutes while the meter is installed.

After discussion, Jon Bickford moved to accept Mr. Yates recommendation, to award the bid to Accurate Meters, and authorized Mr. Yates to move forward with the contract, which will be signed by the City Administrator following review by the City Attorney. T.J. Wilkerson seconded the motion, the motion carried unanimously. (3-0)

7. Consideration and possible action regarding the Montgomery Economic Development Corporation 2015-2016 Operating Budget. (Previously presented at the September 8, 2015 Meeting.)

Mr. Yates advised that the Montgomery Economic Development Corporation (MEDC) Budget had been revised. The MEDC inserted the \$65,000 fund balance into revenues, and took out the \$75,000 undesignated projects and moved those funds to utility extensions, with a positive balance of \$1,650.

Jon Bickford moved to accept the amended MEDC Budget as presented. Dave McCorquodale seconded the motion, the motion carried unanimously. (3-0)

8. Consideration and possible action regarding acceptance of the Stewart Creek Watershed Regional Detention Study.

Mr. Ed Shackleford, City Engineer, presented the Stewart Creek Watershed Regional Detention Study. Mr. Shackleford said that phase two of this study was to analyze putting control structures across Stewart Creek in lieu of detention ponds. Mr. Shackleford said that they looked at two versus three structures, and even considered one structure. Mr. Shackleford said that the elevations change depending on how many structures you use during an extreme water event. During an extreme water event with two structure the water would rise four feet and with three structures the water would rise two feet. The structures would also reduce the amount of land needed to be added to the flood plain, because you are able to contain the amount of water that you are trying to manage.

Mr. Shackleford stated that their goals they had to determine what a better option was for the City were as follows:

- Minimize the acreage to be required;
- Balance land acquisition against the cost of excavation;
- Minimize the number of drainage structures; and
- Keep containment of water with area closer to the current flood plain instead of expanding, which is why they looked at two structures versus three structures.

Mr. Shackleford said that the area that they looked at on the eastern side was FM 2854 to Lone Star Parkway going upstream toward 149, which would encompass the watershed, and picks up some area on the north side of SH 105 west of FM 2854, and goes south of Stewart Creek.

Mr. Shackleford said that the cost, not including 20 year maintenance costs, for two structures would be \$5.2 million, and three structures would be \$6.4 million. Mr. Shackleford said that the 20-year maintenance cost for two structures would be \$3.6 million, and three structures would be \$3.1 million, because of less land involved to maintain. Mr. Shackleford said that a question had come up about three structures, and the concern that it might interfere with the

major thoroughfare plan and the extension of Buffalo Springs Drive. Mr. Shackelford said that the middle structure could be moved to align with the Buffalo Springs extension.

Mr. Shackelford said that right now this is perceived to be a gravity flow system, but there could always be an improvement district that encompasses the area and could have other options.

Mr. Shackelford said that the effluent water could be used for irrigation, sell it to other entities or use it for the cooling tower. Mr. Bickford said that St. Petersburg used the effluent water with purple pipes for people to sprinkle their lawn. Mayor Jones said that when that area develops they need to discuss purple pipe in that area.

Mr. Shackelford said that tonight this completes the study, and they are asking for Council to accept the study in its current form. Then at some point in the future to determine if the City wants to move forward with the concept.

Mr. Shackelford said that the idea was in lieu of everyone having on site detention, they would consolidate that into one location. Jon Bickford asked what commercial areas would benefit from this concept. Mr. Shackelford said that the watershed is 1,773 acres, 1,200 of those acres can be developed and is presumed to be the boundary that would contribute towards this concept. Mr. Shackelford advised that 573 acres is already in a planned development district that already has been accepted, and drainage is not required. Mr. Shackelford said that out of that watershed, 1,200 acres may need detention.

After discussion, Jon Bickford moved to accept the Stewart Creek Watershed Regional Detention Study, as prepared by Jones and Carter. Dave McCorquodale seconded the motion.

Discussion: Dave McCorquodale asked how many acres of land will use be used for (3) structures over and above the floodplain. Mr. Shackelford said that if it is (3) structures it would be 18 acres, and for (2) structures it would be 21 acres over and above the floodplain. Mr. Shackelford said that he would be happy to sit down at a workshop meeting to discuss the information.

The motion carried unanimously. (3-0)

Mayor Jones said this information is very valuable and in the future they might need to seek a complete drainage plan for the City.

9. Consideration and possible action regarding naming a street in Buffalo Springs Shopping Center, Phase Two.

Mr. Fleming presented the information, advising that at a Council Meeting held on July 28, 2015, he brought the plat and advised that the Planning and Zoning Commission had given a provisional approval for the plat. Mr. McCorquodale raised the question of the name of Milestone Boulevard and finding a more historically appropriate name for the street. Mr. Fleming said that he went back to the developer and asked that question, and they had no problem with a historical name for the street. Mr. Fleming also sought names from the City Attorney, which he ran by the Mayor and they short listed the names. Mr. Fleming then went back to the developer who preferred John Marshal Wade. Jon Bickford advised that there was already a street with that name and raised a couple of valid points with possible confusion on which street is which, and offering some guidance for a standard on naming and what they want things to look like. Mr. Fleming asked Council for their input on possible names and then he will get with the developer.

Mr. Fleming said that he thought that from what was being discussed, they wanted to stick with single names for streets.

T.J. Wilkerson said that in the Rampy area there was a lady, Judy Gardner, who was a slave to Nathan Bo Hart and father Nathan Hart Davis. After discussion, it was the consensus to go with the name Gardner.

10. Consideration and possible action regarding adoption of the following Ordinance:  
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, ADJUSTING THE AMOUNT TO BE COLLECTED TO OFFSET COSTS AND EXPENSES THE CITY INCURS FOR MEETING WATER USE FEES AND GROUNDWATER REDUCTION REQUIREMENTS OF THE LONE STAR GROUNDWATER CONSERVATION DISTRICT IN ADOPTING ITS MANDATORY GROUNDWATER REDUCTION PLAN AND RELATED WATER PUMPAGE FEES, BY APPROVING SURCHARGES SO THAT THESE EXPENSES MAY BE PASSED ON TO WATER CONSUMERS; AUTHORIZING THE PERIODIC ADJUSTMENT OF SUCH RATES AND CHARGES IN ORDER TO RECOVER SUCH COSTS TO THE CITY; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A TEXAS OPEN MEETINGS ACT CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE OF OCTOBER 1, 2015 AFTER PUBLICATION

Jon Bickford moved to adopt the Ordinance as presented. Dave McCorquodale seconded the motion, the motion carried unanimously. (3-0)

### **EXECUTIVE SESSION:**

The City Council reserves the right to discuss any of the items listed specifically under this heading or for any items listed above in executive closed session as permitted by law including if they meet the qualifications in Sections 551.071(consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation

regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas. (No current items at this time.)

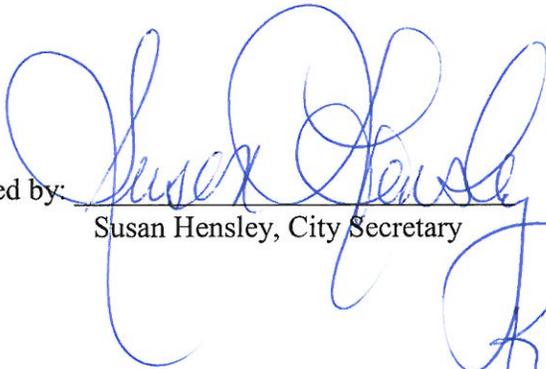
**COUNCIL INQUIRY:**

Pursuant to Texas Government Code Sect. 551.042 the Mayor and Council Members may inquire about a subject not specifically listed on this Agenda. Responses are limited to recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision shall be limited to a proposal to place on the agenda of a future meeting.

**ADJOURNMENT**

Dave McCorquodale moved to adjourn the meeting at 8:36 p.m. Jon Bickford seconded the motion, the motion carried unanimously. (3-0)

Submitted by:



Susan Hensley, City Secretary

Date Approved:

10/13/15



Mayor Kirk Jones

