

**City of Alpine
Special City Council Meeting
July 8th, 2014
3:30 P.M.
Minutes**

1. Call to Order, Invocation and Pledge of allegiance to the flag – Mayor Rangra called the meeting to order.
2. Determination of a quorum and proof of notice of the meeting – Mayor Rangra, Councilors Bermudez, Salas, Fitzgerald, and Gonzales were present. Meeting notice was posted at 3:45 P.M. on June 27th, 2014.

3. Presentations, recognitions and proclamations – None

4. Reports –

City Mayor's Report - None

City Attorney Report – None

City Manager Report – None

City Staff Updates – None

5. Citizens Comments (on agenda items) –

Carl Fleming – said the City Manager and Virgil Clark pulled the city out of a bind by coming up with another system instead of the belt press.

Jim Long – said he lived in the Kokernot Heights Addition. He said the Kokernot Heights Addition was annexed into the city. He said the sewer system had not been implemented in Kokernot Heights. He asked what happened to the funds that were supposed to take care of that. He asked about the 1.4 million dollars and the 7 million dollars. He said he was the City Manager for the city of Atlanta, Texas for four and one half years. He said they had the same problems with the sewer and water services. He said the City of Atlanta used common sense.

Charles Wilkes – said he was a retired engineer and a retired general Contractor. He said the interceptor is a plan that is more expensive. He said he has had firsthand experience with lifts and costs. He said engineering is common sense and hands on experience. He said this is all

based on a projection of future population. He said the population for the City of Alpine was 5,971 40 years ago. He said we are almost back to that now at 5,905. He said our track record does not indicate that kind of growth. He said our sewer treatment facility is 15 to 20 years old. He said we do not need the forty passenger bus. He said the water and sewer bill is \$60 per month. He said the interceptor project would call for sewer and water increases to \$50 to \$60 or an increase of \$8.00 to \$10.00. He said there are only four wards that are represented here tonight. He said Ward 5 is not represented.

Gail Lewis – said what she has heard is that there would be a sizeable increase in sewer costs over several years. She said the sewer rate never goes back down. She said we are pricing ourselves right out of the market for families.

Joe Torres – said he lives outside the city limits but also pays water and sewer inside of the city limits. He said we used to use another company, Duncan Disposal. He said the rates for businesses tripled by changing to TDS. He said the public needs to be informed on how much this will cost them from their back pockets. He said the citizens foot the bill. He said a lot of people cannot afford it and eventually taxes will be raised to help.

John Waters – Talked about the proposals for Alpine Recycling and emergency studies from Naismith Engineering. He said the last study had four alternatives. He said the 6.2 million dollar cost could turn into a 7.4 million dollar cost. He said at one point it was said that this would cost 3.5 million dollars. He asked where the rest of the money would come from. He said studies show a zero population growth in Alpine so why would we have an increase in the amount of affluent.

6. Public Hearings – None

7. Consent Agenda - (Minutes, Financial reports, Department written reports, Board appointments, etc.) - None

8. Information or Discussion items –

A. Workshop to discuss Wastewater improvements projects (Sewer problems and the solution.) (A. Rangra, Mayor) - Mayor Rangra said the sewer problem has been discussed for years. He said we have talked about an interceptor that would release the pressure on lines that are 40 or 50 years old. He said we have been taking care of the immediate problems and worrying about it later and thinking about borrowing 2 million dollars and letting the state pay for half of it. He said in 2005/2006 they were talking about the sewer problems. He said he had a personal experience. He said water is an issue and so is the sewer. He said the Council decided to try to fix these problems all at one time. He said in

2005 the sales tax was one half million. He said now it is 1.3 million. He said the problem right now is the sewer. He said it is difficult for the water to drain through because of the pressure on the lines. He said this is for the council to decide. He said numbers have been given to the council every month. He said the nine month salary figures for the Utilities Director is \$86,044.87. He said the overtime was in the amount of \$55,961.71 for the Utilities Department. He said this is 65% of the salaries that we pay. He said something is wrong, somewhere. He said if they work overtime they need to be paid. He said but they are working 60 to 70% of the overtime to take care of problems. He said the new president at Sul Ross says the enrollment at Sul Ross will increase. He said this will increase the pressure on the sewer lines. He said Kokernot Heights is still having some problems. He said whatever solution we come up with does not matter. He said there will be leaks but we will have water pressure. He said the problem is not minor. He said the \$30 to \$40 range has been metered. He said the Council has not looked at the numbers yet. He said the Council has not discussed it. He said there was an article in the newspaper by John Waters. He said he talks about in the Article that in 2012 the City issued \$100,000 at a cost of \$38,000. He said that is not true. He said in 2012 the Texas Water Development Board approved \$204,000, half of which was grant money and the other \$100,000 was loan money. The Mayor said for the \$204,000 the city has to satisfy the bond counsel that everything is good and assure the Attorney General that we are able to do this. He said the cost for the bond council was \$16,281.33. He said the cost for the financial advisor is \$18,187.00. He said the Bank of Texas will hold the money, to be paid when the work is done. He said \$957 is the Bank Cost and that brings the cost to \$35,000, not \$100,000. He said the bond is issued by the City. He said there is a lot of misrepresentation. He said this is not a secret and the City Manager has the documents. He said this has to be addressed, discussed and resolved if the City elects to do this sewer project. He said one estimate for the project is 3.5 million dollars. He said TWDB okayed it earlier this year. He said in the proposal \$75,000 is allocated for land and \$375,000 is allocated for a contingency fund. Mayor Rangra said EDAP would have given us a grant and that was \$2,000,000 if we had done our homework properly. He said we would have to reapply. He said there are two ways to approach this. 1) repair the lines inside the city and 2) take 60% out of the city by interceptor. He said his personal opinion is that the interceptor is the better solution. He said anytime something goes wrong, the people want to hang the Mayor. He said the second option would reduce the pressure on the lines. He said the Mayor has to respond the best way he can. He said we need to think about the people here 50 years from now and possibly a nursing home in Alpine. He said we need to think about our future.

Councilor Bermudez – said she was very interested in having this workshop. She wanted to know how much the cost was and how much

was going to be paid by the public in order to get this project done. She said if we calm down and listen, hopefully we will make a good decision. Councilor Salas – said we need to set out all of our options. She said we need to use a portion of the original study on owed costs. She said we need to look at that before we can make any decision.

Councilor Fitzgerald – said he was against adding another \$6 million dollars of debt. He said we would then owe \$12 to \$15 million dollars. He said 40 years from now this council will not be here. He said it is ludicrous to double our debt. He said we are finally starting to get ourselves out of a hole. He said look what happened in the past. He said if anything, we need to make this a bond election.

Councilor Gonzales – said we need to look at the options that are there. He said we have been nursing this project for about 40 years. He said we need to find out what the solution is. He said we need to get this fixed. He said he does not have a problem with taking it to the vote. He said we are spending a lot of money doing band aids.

Dallas Baxter – said there is a lack of transparency in our City Government. She said the book outlines what the problems are. She said we need to find out what this is. She said she has never heard about any problems from citizens who have sewer problems. She said they need to tell the city what their problems are. She said the citizens do not want to spend money that the city does not have. She suggested that the council and the city manager make this book available to the citizens and press.

Gail Shugart – said she wants someone to explain what happens when a government entity applies for a grant and are there matching funds required. She said if \$6 million dollars is required to fix the sewer, the citizens need to understand what goes on with public money and how much the matching funds would be. She asked where that money came from.

Joe Torres - said there are other ways for the sewer department to fix this. He said we need to look inside the city before we look outside the city. He said we have to fix what we have right now and fix the infrastructure first. He said nobody knows what this will entail. He said we want to do a good job for the city.

Richard Zimmer – said he understands the sewer problems a lot better because of the City Manager’s Report presentations. He said Virgil has solved a lot of the sewer problems for the city. He said the City Manager has confidence in the city staff and relies on them.

City Manager Zimmer - said Tom Brown with Naismith offered to furnish us with an Executive Summary. It was discussed that the big book was at the library for public inspection.

John Waters – said in the purchase of a recent bond, the amount of municipal debt was \$102,000 and it cost \$38,000 to issue that bond.

Ben Rosenberg – said the document is factual. He said the bond amount was \$204,000 and it was half grant and half loan. He said all the fees were on the grant side and not on the loan side. He said the debt

portfolio was analyzed. He said TWDB requires that the city have a financial advisor, bond counsel and engineer.

John Waters said \$38,000 is exorbitant. He asked why the markup was so high. He said he was deeply discouraged. He said for \$204,000 what did we get.

Tom Brown with Naismith Engineering said \$204,000 was for the final plans and specifications. He said EDAP was established in 1989. He said the voters approved \$500 million dollars in bonds in 1995 and an additional \$500 million appropriated in \$50 million dollar increments. He said Alpine is an economically distressed area. Tom said he could put together an executive summary on that. He said we are EDAP eligible for 2.2 million dollars, 1.1 million dollars in grant and 1.1 million dollars in loan. He said the current interest rate is 2.88 percent. He said the second part, the East side interceptor is designed to do that – which is to take 60% of the flow through the interceptor. He said the City, in 2011, applied for a loan from TWDB in the amount of 3.5 million for the design and construction of the East Side interceptor to Kokernot Heights. He said the TWDB approved the loan. He said if the city wants to do this they can close the loan and have it verified through the TWDB. He asked what are the strengths? He said they looked at Kokernot Heights.

Brian Kokernot said the city applied to TWDB for an extension into Kokernot Heights. He said their annexation happened 2 and one half years ago. He said the City is about 4 years behind.

Tom Brown said the flow projection found in the TCEQ criteria was looking at the flaws. He said looking at that criteria, it would cost approximately 4.2 million dollars. He said it should increase the flow by 50%. He said the interceptor should help with the significant problems in the past and the blockages.

The City Manager, Erik Zimmer, said there have not been any flow issues in the last few months. He said he had been in office for the past 8 months and not one person had called him about a flow issue.

Tom Brown said when you put in an infrastructure project you are looking at 20 years of flow. He said there are problems that need to be addressed.

The City Manager He said we need to look at this from a capacity perspective. He said if we establish the need we have four options for this facility plan. He said upgrading the transmission line was looked at and there were several other options. He said ESI was the most cost effective. He said there were additional capacity problems and overflow issues. It was discussed that the population in 40 years has not increased, unless the population of Sul Ross goes sky high. It was discussed that we should have an interlocal agreement with Sul Ross. The key benefit was said to be the use of effluent and we need to look at that option heavily.

Gail Shugart said there are four proposals in the plan and four recommendations. She asked what the citizens could see so they

could read and learn.

The City Manager said there are four proposals and an executive summary that Tom Brown with Naismith will put together on the plan. It was discussed that the current plan would be on line. It was discussed that there is a diagram of option 1 and a diagram of option 2 with a price tag.

Tom Brown said he would put that executive summary together.

Joe Torres said that the City Manager and City Utilities, Virgin Clark, have some expectations. It was said that the Council should listen to the City Manager and save a lot of money and that his input should be taken seriously.

John Waters – said concerning recommendation #4, the interceptor could cost the city 6.2 million dollars. He said the city is 3.5 million dollars in debt and the engineer recommended more debt. He said TWDB approved 3.5 million dollars of the 6.2 million and how much does the city have to raise.

Councilor Gonzales - said TWDB had a January deadline to close the loan. He said TWDB has okayed the ability of the city to borrow the money.

City Manager Zimmer said the existing project has existing approval. He said if we use the money for doing other projects outside of the scope we would pay twice for doing the same thing. He said in Kokernot Heights some people already have sewer and some do not and we will have to address this.

9. Action Items to be accompanied by a brief statement of facts, including where funds are coming from, if applicable. (Action items limited to 15 per meeting.) - None

10. Citizen's Comments (limit 3 minutes) –

Charles Wilkes said we saved a lot of money on the “Clark” plan concerning the belt press. He asked about the Marathon Lift Station. The City Manager said the old Marathon lift station needed to be updated. He said Kokernot Heights is a liability. He said we need to go back through the plan and identify if we did any engineering on that. He said if there was engineering done, we could salvage that. He said we could utilize Naismith or another vendor. He said we could look at the infrastructure at Sul Ross and all of that is outside the scope. Virgil Clark said we spent \$65,000 on a lift station and the existing lift station should last for 40 plus years. He said we need to maintain it. The City Manager said the projected life is 20 years.

Bryon Garrison said he wanted to thank Virgil for saving the City so much money. He said we did not need a belt press and Virgil saved the city about \$300,000.

11. Council Member's Comments and Answers –

Councilor Bermudez said she was looking forward to seeing the package that Naismith will give us.

Councilor Salas said she was also looking forward to the paperwork. She said she did tour the sewer plant. She said Virgil has done a wonderful job out there.

Councilor Fitzgerald said EDAP has been explained. He said it stands for Economically Distressed Area Program. He said before we take on a lot of debt we need to remember that.

Councilor Gonzales said he looks forward to having the executive summary.

Mayor Rangra told the citizens thanks for being here. He said the Council would meet again next week on Tuesday.

12. Executive Session - None

13. Action - Executive Session – None

14. Adjournment– There being no further business, meeting was adjourned.

I certify that this notice was posted at 3:45 P.M. on June 27th, 2014, pursuant to Texas Open Meetings Act. (Texas Vernon's Annotated Civil statutes, section 551.043 Texas Government Code.) This facility is wheelchair accessible and accessible parking space is available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the city secretary's office at (432) 837-3301 or fax (432) 837-2044 for further information.

Dr. Avinash Rangra, Mayor

Attest:

Margaret "Molly" Taylor, City Secretary

I, Margaret "Molly" Taylor, City Secretary, do certify that this notice was posted at 3:45 P.M. on June 27th, 2014, and remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Margaret "Molly" Taylor, City Secretary