

**City of Alpine
Special City Council Meeting
October 22nd, 2013
6:00 P.M.
Minutes**

- 1. Call to Order, Invocation and Pledge of allegiance to the flag – Mayor Rangra called the meeting to order. Oscar Cobos gave the invocation and Mayor Rangra led the pledge of allegiance to the flags.**

- 2. Determination of a quorum and proof of notice of the meeting – Mayor Rangra and Councilors Bermudez, Davidson, Fitzgerald, Gonzales and Castelli were present. The meeting notice had been posted at 5:30 P.M. on October 18th, 2013.**

- 3. Presentations, recognitions and proclamations – None**

- 4. Reports –**
 - City Mayor's Report -**
 - City Attorney Report –**
 - City Manager Report –**
 - City Staff Updates –**

- 5. Citizens Comments (on agenda items) –**

- 6. Public Hearings – None**

- 7. Consent Agenda- (Minutes, Financial reports, Department written reports, board appointments, etc.) -**
 - A. Approve Accounts Payable. (M. Taylor, ICM)**

Motion was made by Councilor Bermudez, by Resolution 2013-10-23 to accept item A of the consent agenda. Motion was seconded by Councilor Gonzales. Motion carried unanimously.

- 8. Information or Discussion items –**

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.)

- 9. Discuss and Consider approval of remedy and cost for sewer plant**

situation using a special type of equipment, which is not a belt press. This process will be explained by Virgil Clark, Interim Utilities Director. (M. Taylor, ICM) The Interim City Manager said Virgil Clark was present to talk about a special type of equipment to help us with the sewer plant and it is not a belt press, it is much more economical. She said at this time Virgil could also do his presentation. Mayor Rangra said at this time he wanted the Council to know that Virgil was also our utilities director in 1999 to 2001 and again in 2004 for a very short period of time. He said Virgil has been around for some time and he thinks that we are very fortunate to have him help us out. Virgil said what he wanted to do tonight was give an overview on how the wastewater treatment plant works, and what our problems are and what he thinks the solutions are. He showed a google earth picture of the sewer plant that was taken in April, 2013. He said what you see is pretty close to what it is now. He said what he wants to do is explain basically how our wastewater flows through the plant so the council will have an understanding of what happens and what we have to do which will help the council to make a decision later on. He said the green arrow shows where sewage flows in from the town across the 06 Ranch and there is a pump station or lift station there to lift the sewage up into the oxidation ditches. He said it shows oxidation ditch 1 and oxidation ditch 2. He said water flows in this direction and is split between the two. He said the one on the left is out of service and it has been out of service since our renovations were complete, about 2000 or 2001. He said this ditch will need to be renovated because it is part of the permit of this plant and we will need it in the near future as the flows continue to get greater as the town grows. He said after we get into our oxidation ditches, the sewage now flows from the two oxidation ditches when they are both in service into a junction box. He said it flows from that junction box into two clarifiers. He said those two clarifiers separate the solids from the water. He said the clean water now flows and goes to a chlorine box where chlorine is added to disinfect the water. He said it flows from those two chlorine boxes into two chlorine contact chambers. He said in those two contact chambers, it is required to have a minimum of twenty minute contact time to kill any bacteria or anything before it moves on. He said because of the size of our plant, he said we are permitted for 1.48 million gallons a day, we have to de-chlorinate the water so it flows from this basin to another basin adjacent to the two contact chambers into what we call de-chlorination and we have to de-chlorinate it down to below to .1 part per million before we discharge the water on out to the outfall which is an unnamed creek that runs across the 06 Ranch. He said that is the basic principal of how water flows and now we have our sludge maintenance system which is what we are getting out of the water and it is now digested in clarifiers that flows from those two clarifiers to another junction box or what we call a RASP pump (return activated sludge pump). He said some of this is returned back to the oxidation ditches for further treatment and at times we have to waste the sludge. He said we waste a couple of times a week and we go to drying

beds which are located here on the location and that is what we are going to discuss a little bit more here in a moment. He said "Why are we having problems at the sewer plant?" He said again these are his interpretations of what he has seen at the plant and where we are at. He said we are having problems at the plant because there have been plant modifications. He said those plant modifications have been done, by he does not know who. He said he is investigating that. He said these are things that should not have been done, but were done. He said one of the big issues is the removal of four drying beds. He said we had nine drying beds at the completion of construction in 2000-2001, and now we have 6 drying beds. He said two of those drying beds are not functioning properly and the media needs to be replaced. He said that is expensive and we will talk about that in a little bit. He said another issue, in his opinion, there were people not doing their job. He said we have right now, by his estimate, about 100 tons of sludge at the plant. He said this is sludge that should have been hauled off periodically over the last few years to the landfill that did not get hauled off and some of which is in places that it should not be. He said we will have some more pictures of it in a minute. He said another one of his hypotheses is the dreams of a belt press. He said he will show the council some pictures that might explain a little better how we handle sludge but what happens is that the sludge is wasted from the clarifiers to the drying beds. He said the drying beds are about 20 feet by 60 feet. He said we waste sludge into those drying beds and then they dry and in about two to three weeks they are dry enough to remove. He said we have to go in there with basically a snow shovel. He said we have a bobcat and we can go down with a front bucket but we cannot scoop it out with that. He said we have to actually shovel it out. He said it is not one of the best jobs of the wastewater treatment plant and people would rather not do it and what has happened is that it has not been done and now we have a problem. He said the problem is that we have a lot of sludge that we have to get out. He said the bigger problem is that we have to remove sludge out of the treatment train. He said as with the deletion of drying beds and the dreams of having a belt press, so they would not have to have the drying beds, we have inhibited our ability to remove sludge from the process. He said we do not have enough drying beds. He said they would not have to do any shoveling if we had a belt press. He showed the Council an aerial view of the plant as it was on April 19, 2013, courtesy of Google Earth and it is a little scary what big brother has for us because this is free on the internet. He said here we have oxidation ditch 1 and ditch 2. He said you see that it is level with the ground. He said the ditch is four feet deep. He said it should be empty. He said that is where the sludge is. He said it is 100,000 cubic feet. He said he has estimated the volume of that basin. He said he is estimating about 100 tons and he may be underestimating. He said one of the issues we have is that not only do we need to haul this sludge off but we have a landfill that we can only take 20 tons of garbage to per day. He said if we take 20 tons a day there, we are not dumping garbage. He said people would have to keep

it and we can't do that. He said we have to do this in an incremental fashion. He said what is wrong with this picture without even going out to the plant to look at it. He said by the shadows in the picture, this picture was taken at about 2 to 3 o'clock in the afternoon, the gate is locked which tells his that there is not an operator there. He said there is supposed to be an operator there Monday through Friday. He said he did not know what happened or why they are not there. He said he was not here that day and does not know if we can find out. He said maybe they had to go to town and do something. He said but he can tell the council right now that there are a lot of things at the plant that need to be done and they should have been at the plant. He said the other problem is that we have three dumpsters. He said those are roll off dumpsters from TDS, our garbage company. He said those dumpsters cost money to sit there. He said this is one method of removing sludge from that site. He said it costs \$150 for that dumpster to hit the ground. It costs \$150 dollars to pick it up and then we are hauling this to our own landfill but they are hauling it and we do not manage our landfill so we are paying scale fees. He said each of those dumpsters represent about \$400 to \$450 dollars for three of them. He said there should be one there, if there are any. He said another problem is that there is a dump truck there. He said it is not there now because it has been reassigned to the street department. He said that is not a problem but we have three dumpsters and a dump truck and how much equipment do we need out there? He said here is the dump trailer that we are going to start using again. He said we are actually licensed to haul our own sludge. He said to dose it to the plant we can haul about a ton a day in that trailer and that is about all we can afford to get to the landfill and we are just going to have to do it every day until we can get it out of there. He said that is what we are going to do once we get this sludge handled to a point where we can get it out. He said the sludge in the oxidation ditch is not dry enough to go to the landfill. He said we have to pass a test called the coffee filter test. He said you put a filter in a 100 milliliter glass and you put sludge in there and if water does not drip in it, it passes but if water drips you have to dry it some more. He said that is what the drying beds do. He pointed to the picture and said all of this right here should have been wasted to here. He said and it wasn't. He said it was wasted and dumped to here and nobody shoveled. He said nobody thought about the fact that you have to get it out of there. He said you can see that we have 6 drying beds. He said the other issue that he has is that again we have sludge problems, and again we have all the sludge in the race track and that is a problem. He said one of those contact basins is empty. He said both of those should be running all the time. He said he does not know why it was down that day and obviously it is going to be down all weekend long. He said he does not think that it inhibited any problem and one basin should have been able to handle it but we should be online. He said there is a drying bed missing. He said someone took this drying bed out of service. He said somebody decided to destroy some property. He said it cost money to put that drying

bed there. He said not only that but it is a violation of our operating permit. He said we have a permit from TCEQ to operate our facility and everything is in that permit. He said somebody did that and we don't know who. He said we have three beds missing right there and the gravel is pretty new. He said it was about 2011 or 2012 when that was removed. He said that is three beds and that is inhibiting our ability to handle sludge. He said that is why you are getting these requests for a belt press so we can handle sludge out there. He said you can see all of this darkness, here. He said there are two aerators here and they are kind of like giant mixers. He said they are like 60 horse power mixers. He said wind and time has blown sludge all around there and that should be cleaned up and washed out. He said we were out there doing that today because it is still like that and this picture was taken in April. He said this is October. He said we are taking care of that. He said these are minor issues that we are taking care of. He said we need to do maintenance in the plant. He said that is our responsibility. He said again, the de-chlorination basin is really dark there and it tells him there is a problem and there is probably some sludge in there. He said that needs to be removed. He said that is just what he can see from the aerial shot. He said this is what our plant looked like in 1996. He said that is how far back you can go on Google Earth. He said you can see the old oxidation ditch that is in service and you can see one clarifier, one chlorine contact chamber and it came in through our water screen and went to the area and went to the contact chamber. He said our outfall at that time were these lagoons. He said those were remnants from the very old plant. He said those were, because of the process that we had there, it went to the lagoons and was discharged to this creek. He said this is a shot in 2003 and this was a year or two after he left. He said the oxidation ditch is empty. He said see how clear it is. He said there is a little bit of stuff in the bottom and it has functioned as it should. He said we maybe had a power outage because at this point we did not have a backup generator. He said when the plant fails it cannot lift it up into this oxidation ditch here, it is supposed to flow into this ditch and catch it so that it does not turn out into the creek. He said when we get out there the next day and find the power problem and finally get it fixed then we pump the sewage back to the head of the plant and get it through that process. He said that is what should be done and not let it sit there and fill up with sludge. He said here is a picture of the plant in 2005. He said he can see a little more in there but the ditch is still pretty clean and there are two ramps there and three drying beds there and two more. He said you can see one full and there are two there and two there and three there. He said so one has disappeared. He said there were three there. He said so sometime before 2005, one of those beds got covered up. He said his reasoning why the operator at the time took this drying bed out of service is the same reason that this one was taken out of service here. He said those three beds line up and you cannot get to the middle bed with a backhoe to shovel the sludge into. He said you had to put it in the end so you were walking 30 feet with the sludge and it

was not a nice job and so they decided that it would be easier if they took that bed out of service. He said they could get closer to the other side and would not have to walk so far. He said but that was not a decision for the operator to make. He said that is a decision that an engineer should make if this plant is not working properly we need to get an engineer involved. He said here is our plant in 2008. He said now we see about 2008 our ditch is a lot fuller. He said it is almost full again. He said sometime before 2008 and as green as this is, it has not been there very long, and this is when some of the issues started happening. He said they were not issues then. He said they are issues today. He said the other thing that concerns him When he looks at this is that we obviously have a sludge handling problem because they are putting the sludge in here. He said look at the empty drying beds. He said you can tell those drying beds are empty. He said this one has some in it and these three are empty and this one has a little and this one has a little and these two are empty. He said it was a concerted effort not to get the sludge where it should be. He said here is a picture of it in 2011 and you can see that we have controlled the weeds somewhat but our niche is still full again. He said there are an awful lot of drying beds that are here and that are empty. He said the drying beds appear to still be here. He said he cannot quite tell from that photo because they should look like these and they don't. He said it looks like it is starting to be taken apart. He said of course you can see our solar panels and that provides some electricity for our plant and cuts down our electric bill. He said here is a photograph in 2012 and the same thing. He said he sees a lot of empty drying beds and more sludge here. He said he still sees that we are not cleaning this area here and it looks like this contact chamber might be full of sludge and this one here looks like it is operating well. He said what he is starting to see is flow into the lagoons and that is not where it is supposed to go. He said it is supposed to flow out here to the creek and away. He said he thinks it is happening because we have too much sludge here and we are bulking and cannot run it down into the creek. He said we go to the lagoons and these are the old lagoons again from the old, old, old plant and they are really not supposed to be used, however they hopefully are still part of the permit. He said then it flows out here and then we get clean water here and in this case it is the sludge. He said that is what is happening there and that is what is happening now again. He said this is in April and the lagoon has a lot of water in it and the flow is diverted there. He said he will tell the council that today we are not doing that. He said we have a good product going out of the plant but we have sludge handling problems. He said we can't dry enough sludge to get it out of the system and what is going to happen is that our clarifier is going to bulk which means the sludge is going to rise and come out and is going to go into contact chambers and is going to go into the creek and then we will be in a violation situation. He said we do not want that. He said we have worked very hard. He said everything we have left is full of sludge. He said we have four beds which are the new

ones and which were constructed in 2000 and then we have these two beds which were constructed, he guessed, in the early 80's. He said the three beds that are gone here were at the original plant. He said they were functioning plants but there were several modifications made in this plant other than removing drying beds. He said here are some of the major modifications that are causing these issues. He said there were three drying beds and they have been removed. He said you can see that there was no sludge in there. He said we have sludge handling problems. He said we have filled them up now. He said we have waited for them to dry and hopefully in a day or two they will be ready to dry and we can shovel them out. He said another issue is right here on this race track, we have got to refurbish this. He said we did it in 2000 and everybody has forgotten it due to directors that have come in and new city managers. He said everyone has forgotten that this is part of our plant and it needs to be functional and we do need it in a couple of years. He said we need to get all the sludge out of there and then there are aerators there. He said the aerators were broken and that is why we built the new plant. He said the new carousel was not adequate for our permit. He said this had to be refurbished. He said his suggestion back then was for us to save a little money so that we could afford to put the aerators back and get this back into service. He said sometime in the last year or two, there is a catwalk that goes across here so you can get across here and do maintenance on the rotors. He said the little red line indicates the one that is missing. He said his understanding is that it was given to the golf course and his intent is to get it back. He said we have to have it or build another one. He said in a minute he will talk about what it will cost to refurbish the drying beds. He said who made the modifications he does not know. He said he is investigating that. He said he is getting some good information and it happened at various times. He said it is totally unknown. He said "who is responsible?". He said he can tell the council right now that as of October 1st, he is the responsible person to operate, maintain and protect Alpine's investment in that wastewater treatment plant. He said the buck stops here. He said he is responsible to get it fixed. He is responsible to tell the Council what we need to do to get it fixed. He said it is also his responsibility to maintain it and protect the city's interests. He said the city has put 1.5 million dollars into this plant in 1999, 2000 and 2001. He said somebody is coming up here and asking the city for 1.2 million dollars for a belt press. He said he cannot in good conscience come to the city and ask for that kind of money when we have not been taking care of what the city has already provided us. He said the plant can operate good. He said we just have a little work to do. He said unfortunately we are doing some work for somebody else who did not do their work. He said his responsibility is to make sure that we are in compliance with the TCEQ. He said that is what the city hired him to do. He said he has the license and that is his job. He said that is what he did before, here, at the city of Alpine, and other places. He said "who is responsible?", after we get the facts

together, the council will have to be the judge on that. He said he does not want to point fingers. He said all he can say is that it was operating good in 2001 and it was operating good in 2004 and we are where we are at now. He said we cannot cry over spilt milk, we have to fix it. He said in good conscience he cannot come in here and ask for 1.5 million dollars to fix that plant. He said first it is ridiculous and second we do not need that and first we need to operate and maintain that plant before anything else is put into the plant. He said why we are here today is because of Alpine's wastewater treatment plant sludge process. He said "what are we going to do?". He said one suggestion is a belt press but our wastewater treatment plant is not designed for a belt press. He said a belt press requires a sludge digester, sludge thickening which is tanks and pumps and things that this was not designed for. He said it was designed for manual sludge drying beds. He said there are things that we can do to make that better. He said we already have the equipment but we are going to need a little money to help us to do something to make these drying beds more efficient, but we don't need 1.2 million dollars. He said you have to build a big house to equip this belt press and it is high maintenance and extensive maintenance. He said his thought is if you are going to automate some process, we should be able to eliminate some employees. He said if you are going to make it easier you will not have to have so many employees. He said you are going to have to have as many people with a belt press to maintain it. He said it requires washing down and it has a belt that has to be replaced, and it is a big belt, a several thousand dollar belt. He said it is high cost and it takes a lot of money. He said the proposal with everything he has seen is to set it out on top of those drying beds they covered up. He said this is some of the equipment associated with it. He said it is an electric panel, pump, more controls, pumps, chemical feed and you have to have those. He said it needs to be inside a building. He said the sludge has to be transported outside on another deal that goes sideways into a dump truck and it still has to be hauled off. He said he does not think that is our solution. He said that may be a solution for a very large system where they have a 10 million gallon a day plant. He said you are not going to get any used equipment cheaper than about \$500,000. He said he would not recommend any used equipment because it is in the worst environment on earth and you need some equipment that will hold up. He said if we rebuild the covered up drying beds we are talking \$50,000 or more. He said the under drains are destroyed and we would have to buy sand and gravel and put a liner in it and this is work if we did it ourselves. He said he is talking about materials. He said he is talking about us digging it up and fixing it ourselves. He said there is another technology that he researched and it is being used in Spearman, Texas and a lot of other places. He said it is dewatering bags and associated equipment. He said what he is calling this dewatering bag is a poor man's belt press. He said it does what a belt press does. He said this is the estimate for that showing exactly what the cost is. He said it can be shipped if we give them

the order tomorrow and the council approves it. He said we will have it at the plant in a week and it will be in service immediately. He said we are using our equipment and we are using our return activated sludge pump. He said what we have to have with this is a polymer to help dewater the sludge and we have to have equipment to add that polymer to the sludge as it is being pumped and then there is a big giant bag. He said it is 20 feet by 60 feet. He said as he said earlier, you waste to a drying bed and then you have to let that drying bed dry and you cannot waste to it a second time until the sludge is removed. He said with this bag it goes in there in the drying bed and you pump the sludge in and you keep pumping sludge in every time you need to until the bag fills up and it will hold about three months of sludge. He said and then when we are done, adding sludge to it, we let it dry for about two or three weeks and then you can get in with a bobcat and shovel it out. He said you do not have to shovel it with hand shovels. He said we are making it a little more pleasant job. He said we have the bobcat and we have the equipment and everything else. He said this is not new technology, this is something to make our drying beds, the four good drying beds that we have, equal to twenty drying beds. He said what we are doing is that we will be able to handle all of our sludge in those drying beds. He said the first bag will hold sewage for three months and that will give us time to start digging sludge out and the guys are going to have to do this. He said he is sorry but we are going to have to do it. He said we have the equipment to do it and we can use a backhoe and a grabber. He said we can reach into the drying bag and put that in the bucket of the bobcat or backhoe and take it to the drying bed and dry it out and everybody will have to shovel that out. He said that is part of it. He said that is part of our job. Councilor Bermudez asked about the equipment and asked if it was only used at the sewer plant. Virgil said no the one that he is talking about is the one that the street department has. Councilor Bermudez asked if that could be not contaminated. Virgil said no it is not contaminated and in fact they could wash it and disinfect it with chlorinated water. He said he is not really envisioning using it. He said what happened is we have a violation and the TCEQ was out a couple of months ago. He said we have answered that and the letter has been sent off to TCEQ. He said we had a violation for weeds as well as our irrigation and we cannot dispute it. He said one thing we were written up for was also failing to notify of using the oxidation basin as a drying bed that was not part of the permit. He said his response was it is part of the permit. He said apparently he was the only one who knew it. He said it is part of our permit because it has to be in service eventually to handle our sewage. He said that violation is probably going to go away. He said he wanted to use the grappler basically to get the weeds off and then we are going to use the backhoe to dip it in the front end bucket and let them haul it over to the drying bed to dry and when it is dry enough we will start hauling it to the landfill one load at a time. He said that is what we will do with the sludge. He said we will have a large amount of sludge in the

drying beds but it is where it is supposed to be. He said it is supposed to be in the drying beds. He said we had TDS come out to take those dumpsters out, the three that are in there. He said they are still there. He said that was in April and they are still there in October. He said they could not haul them away because the sludge is still wet. He said they were putting it in wet. He said they just dipped it out of the oxidation ditch into the dumpster so now we have to dip it out of the dumpsters to put it in the drying beds. He said when we do that, he will just have them take the dumpsters out, because we do not need them. He said we do not want to pay the tipping fee if we are going to have to pay \$150 to get them out. He showed the pictures from Spearman, Texas of their drying beds. He said the sludge goes into the bag with the polymer to help dewater it. He said clear water comes out and goes into the drying bag and because it is a big bag you split the bag open and pull it over sideways and you can drive in there with a bobcat to get it. He said you cannot drive in there with a regular drying bed because the sludge is still on the sand and if you drive on it your drying bed will not work. He said this way we can take it out one dump load at a time, one load to the landfill every day, Monday through Friday. He said then we need to get that out of the race track. He said what it does is it makes a much dryer product to get out of there and it can be handled with a bobcat. He said the great thing about this process is that we do not have to have an engineer. He said we do not have to have permission from TCEQ to do it because we are using our existing drying beds and we are using them for the purpose that they are permitted for, the same purpose, for drying sludge. He said we are doing the same thing. He said we have a sludge hauling permit for our vehicle. He said the only thing we need is the bags, the equipment to add the polymer to dewater and the total bid for it is \$11, 400. He said to him that sounds a lot better than 1.2 million. He said he thinks it is a much more responsible way to deal with the problem. He said the problem we have with the race track is that it has been in the racetrack for years but it is still wet because it cannot drain. He said he thinks this is a much more feasible and better way to do it. He said if this works as well as it appears to we will not have to rehabilitate the drying beds and we will actually have adequate drying beds to do what we need to do. Councilor Bermudez asked if the bag would actually be torn. Virgil said yes, we will use the bag one time. He said it is about \$1,600 for the bag. He said the initial cost will be for the equipment and two bags. He said we will use about 4 bags a year. He said that will be our only cost, for bags and polymer. Councilor Bermudez asked how much the bags were. Virgil said they are \$1,600 each. Councilor Bermudez asked if they would last three months. Virgil said they should last three months. He said we have to deal with the sludge that we have in the plant right now and if we don't there will be fines from TCEQ. Councilor Davidson asked what kind of disposal problem there would be with the bags. Virgil said you just roll them up and they go to the landfill. Councilor Gonzales asked what we needed to get started. He said Virgil

said something like \$11,600. Virgil said that was it. Councilor Gonzales said pretty soon it is going to start getting cold and we are not going to have so much sun. Virgil said the beauty of these bags is that they work as well in the winter as in the summer. Councilor Castelli asked how much the polymer ran. Virgil said \$975 for a 55 gallon barrel. He said the barrel should last us 6 months or longer. He said he is expecting to use one barrel of polymer per year. He said he will probably not buy polymer from the same dealer. He said he will find someone who is less expensive. He said the freight will be expensive. Councilor Castelli asked about the 4 violations from TCEQ. Virgil said one violation was when TCEQ showed up at the plant and upon entering the plant there were three individuals working in the plant, who were not licensed and Johnny Marquez was at the plant, who did not have a license. His B license had expired. He said the previous director of Utilities, Cynthia Hollander, was specifically mentioned in the citation as the person who had the B wastewater license, which we are required to have and she was not at the site when TCEQ was there. He said they said we did not have a B licensed operator. He said the others were weeds, sludge in the drying bed, altering the plant without altering our permit. He said what they alleged was that we were using our oxidation ditch as a drying bed. He said there was one other thing. He said our generator was hit by lightning and it destroyed one of the switches. He said they ordered a new transfer switch and they have an electrician lined up to put it in. He said at the same time the lightning hit they had a power outage. He said the way the plant is designed to operate when they have a power outage and the lift pumps are not able to pump sewage up to the carousel, it is designed to flow around into the oxidation ditch. He said about 100,000 gallons of wastewater went into the oxidation ditch. He said they said we did not report a reportable event within 24 hours. He said there was no reportable event because by their definition in their rules, a discharge is a blatant discharge of untreated water into waters of the state. He said the water never left the wastewater treatment plant. He said it went to the oxidation ditch as it was designed to do. He said we will hear from them some time in the near future. Councilor Castelli said that was a wonderful presentation. He talked about the council discussing on the 11th of October, the emergency that we needed to get a belt press. He said we could not even get formal quotes since it was such an emergency and now all of that has been contradicted by Virgil tonight. Councilor Castelli asked if it were possible that we could hold off making a decision on this until the lady from TCEQ comes to town on Thursday. Virgil said the Council could do that, however his best recommendation to the council and his professional opinion is that we have to get sludge out of that plant. He said he believed the information that the council received was bad information on the belt press. He said he believed that there were people who wanted something that was going to make it easier and they came to the council with something. Virgil said the belt press has actually been presented to this council before. Councilor Castelli said he just did not want to rush into

another bad decision. He said we have a history of making a series of bad decisions. He said tonight we are having another emergency. Councilor Castelli said Pamela Aguirre is coming from TCEQ. Virgil said TCEQ was here again today and he recommends action tonight. Mayor Rangra said unless things have changed, how many tons of garbage does the City of Alpine produce every day. Virgil said that is not his area but looking at the reports, the City of Alpine has about 20 tons a day. Mayor Rangra said we have the permit and TDS is the operator. He said the City of Alpine has the authority and we should not have to pay. Virgil said we do have to pay. He said the operator gets a percentage of the tipping fee. Mayor Rangra said he thinks the council needs to look at that. He asked how many gallons do we have every day. Virgil said right now we are running about 550,000 gallons a day. Mayor Rangra asked how many tons of sludge that would provide. Virgil said to fill that racetrack would have taken three years. Mayor Rangra said we need to talk to TDS about this. Virgil said what we have to haul with is a dump trailer. He said if we haul a couple of loads a day we will be getting this out. Councilor Davidson said as a point of clarification, he believed the TDS contract allows them accept other waste but if at the end of the year, they have exceeded the quota, they will haul garbage to Presidio and they will do that at their own expense. Virgil said the responsible party for TCEQ is the City of Alpine. Mayor Rangra discussed the procedures at the landfill. Councilor Gonzales asked how much we could haul in a day. Virgil said he could probably haul ten tons a day. He said we do not need to do that. He said we can do one or two trailers a day. Councilor Gonzales said we are not considering a belt press tonight but a different solution that will cost less money. He said he was in favor of this. Virgil said he is not in favor of a belt press at this plant at all because this plant was not designed for a belt press. He said it is a lot of money and even if we had the money he would not recommend it. He said he has to get sludge out of that plant. He said this plan is substantially less. Mayor Rangra said he was told 1.2 million for the belt press. He said he was told that it was not that expensive and that it was a quarter of a million. He said the plant is not designed for a belt press. Virgil said \$225,000 would just be for the belt press. Mayor Rangra said the people of Alpine cannot afford it. Councilor Castelli said he would like a government official to supervise that plan. Councilor Bermudez asked about drying the sludge. Virgil said he really needed to dry the sludge quickly. Virgil said TCEQ had also been back today at the sewer plant and said they had another call from someone. Bryon Garrison asked how critical the situation was. Virgil said critical. He said we have sludge that we have to deal with and the situation today is the same as it was last week or two weeks ago and from what he can see this has been critical for some time. He said is it going to hurt to hold off a day or two? He does not think so. He said he does not believe that you will come to a different conclusion because he does not think they will say that they want a belt press. Councilor Gonzales said he just wants to add that if we go ahead and

approve to request these bags, how long would it be before we actually got the product here. Virgil said they told him that it was just trucking time. He said he has the stuff in stock. He said they sew the bags together but they have them ready in one day and it is a matter of trucking them. He said he believes they are in Indiana and he said we would have them within a week. He said we should have it sooner than that and we should be operational in one day. He said all we have to do is hook up some hoses and do some modification where the slush lines come out which is not going to cost us anything and is a matter of connecting parts that we already have. Mayor Rangra asked if TCEQ was told about what we would be doing. Virgil said yes, he said he talked to them today. Virgil said if you get a belt press, you have to renew the permit and you have to hire the engineer to come out and reengineer the plan. He said a belt press is not part of our plan and is not a part of the permitting process. He said the beauty of what he is proposing is that we don't have to do any infrastructure. Motion was made by Councilor Bermudez, by Resolution 2013-10-24, to go ahead and purchase the dewatering bags and other necessary products to go along with them. Motion was seconded by Councilor Gonzales. Councilor Castelli asked the interim finance director how soon she could write a check for that amount. Deborah said tomorrow. Councilor Castelli again asked if she could cover a check for that amount. Deborah said yes. Councilor Bermudez said she totally goes with Virgil's advice. The Interim City manager said the reason we brought up the belt press again was because the council had already voted a long time ago to take bids on it and Virgil had not had a chance to speak to us even though it was his first day. She said at that time, everyone was saying belt press, belt press, we need a belt press and we have never gotten bids for it and that is what we are going to have to do to fix the plant because that is what we always heard. She said that is why it was on the agenda because it had already been voted on and for once we were actually going to take bids and see how much this thing was going to cost. She said the interim finance director said it needed to be on there and that is why it was on there. She said we did not have a chance to talk to Virgil yet because it was his first day and then he came along with this good information. Virgil said he stayed late trying to find something we could do that would not be that expensive. He said this technology is used in a lot of areas. The Interim City Manager said the belt press was not his recommendation specifically, it was a recommendation we had always had in the past. Virgil said he had an A water license, an A wastewater license, a backflow assembly tester and customer service. He said you only have to have a B license to operate a wastewater facility. Motion carried unanimously.

- 10. Discuss and Consider ratifying the payment for Twin Peaks 4-H 5K, in the amount of \$1,000, which occurred this past weekend at the Paisano encampment and was paid out of hotel/motel funds, out of account 06-**

0656-5200. (M. Taylor, ICM) – The Interim City Manager said this was an item that the council had already approved. She said they approved payment of it. She said they did not have an item to take it out of. She said this past weekend came up quickly and they needed the funds. She said we had funding in hotel motel. She said we had a booth there and Martha Latta handed out pamphlets for all the hotels, shopping and restaurants and in this way we thought we could actually use these funds out of this account but we wanted to ask the council if they would ratify this payment for us. Motion was made by Councilor Davidson, by Resolution 2013-10-25, to ratify this payment out of the hotel/motel funds account. Motion was seconded by Councilor Gonzales. Motion carried unanimously.

- 11. Discuss and Consider granting the authority to the Interim Finance Director to create separate bank accounts for water, sewer, sanitation/recycling, airport, utility deposits for water and sewer and gas, and other special revenue or grant funds which are now within a consolidated account and not separated into distinct funds. (M. Taylor, ICM) – The Interim City Manager said we have talked about this for quite some time and it is something we really need so that we can see where the money is and split it out. She said she believed that the interim finance director had some things to say about this but it is a very important thing for us to be able to look at and see how much money we have left and how much money went into a particular account. She said it will be better for us to take care of all these accounts that way. Deborah said she knows the terminology is and she knows the initial recommendation is to have separate bank accounts. She said she is actually here to ask if we can have something along the lines of 30 to 45 more days. She said we are making a great amount of progress working with the system and pushing the system to perform the way the accounting can do the fund accounting that is required. She said it is not necessary to have separate bank accounts. She said we just have to get that set up and we just cannot do that overnight. She said we are in that process. She said she would be the first to admit that there are a few of these accounts that by how the bond series was implemented, the contracts related to a specific special revenue account, it designates in that original ordinance that a separate bank account is required. She said yes, definitely those need to be set up as separate bank accounts if they are not already. She said some of it is not necessarily.....she said you don't need separate bank accounts and it adds another level of complexity when you are making deposits and withdrawals and it is an unnecessary level of complexity if we could just get the accounting that we just purchased and implemented July 1st set up the way it needs to be set up. She said we are doing that and making progress on it every week. She said that is what we are doing and it can give you the detailed fund accounting that you need. She said it is just that you have to get the account structured properly. She said she thinks on some of the accounts where there was an ordinance that said that there needs to be a separate account,**

absolutely, but she would ask that the council give them another 45 days of working time and if they are not doing reports that departments need to distinguish the funds, then we can talk separate bank accounts and there is a physical way to do that. She said it can be done with the accounting software. Councilor Bermudez said when they talked to someone on the water board they suggested to have separate bank accounts. Deborah said on some of that she needs to go back to the original ordinance. She said she can definitely understand the water development board saying separate accounts. She said in definitely some of the ordinances we have and some of the bond issues it states separate accounts. She said she is going back to the original ordinances and wading through the legal ease to see what was required. Councilor Gonzales said so she was asking for 30 more days. Deborah said she would say 45. Councilor Gonzales said she originally asked for 30 days. Deborah said 45 days is more realistic. Councilor Gonzales said why don't we just give her 30 days to do it. He said we can amend the discussion and consider 30 days. Deborah said she would bring it back and see where we stand at that point. Councilor Gonzales said he thinks we do need that and we need to start moving in that direction. Deborah said we are doing that behind the scenes now, we are just not finished. Councilor Gonzales said at one of the meetings she was saying how important it is to have separate accounts for deposits and stuff like that, and he is going based on what she said....Deborah said she is using her terminology wrong. She said accounts to her is a chart of accounts. She said it can be a separate bank account but you can set it up distinctly on the chart of accounts as individual fund balances, beginning year fund balances, end of year fund balances and all the transactions related to that fund but in the process of getting it set up and just the internal procedures when you are writing checks to make sure that you always pull it from that account and not from the general fund. She said you are pulling from that airport account. She said you are hitting the right account codes to the accounting structure. Councilor Gonzales said he understands that but that wasn't she supposed to have the enterprise funds separate anyway. Deborah said it would be smart to have one bank account where all the enterprise funds go. She said yes, to get those distinct from the general fund. She said that would help. Councilor Gonzales said but you have it consolidated right now. Deborah said yes, that is the way it came to us. She said it would be good to have all that are true enterprise funds in a separate bank account. Councilor Gonzales asked what the purpose was of having them separate. Deborah said we have a gas fund and we could actually migrate the water, sewer and sanitation to that fund or again you could have yet a second fund. Councilor Gonzales said let's say the money is all in one account, but you could actually separate it in the accounting system. He told Deborah he had seen her charts and they were not separated. He said she does not have airport separated. He said she had gas separated. Deborah said the budget is broken out. She said they use basically departments, if you look

at the budget structure, you have general fund and within that you have the separate departments that are funds. Councilor Gonzales said you may have the money all in one bank account and call it general funds but you also have enterprise funds in there like the airport itself and she is saying that she can distinguish the money. Deborah said we are in the process because not all the entries have been posted properly. She said yes, the program is designed to do absolutely all of that. She said we just have a little more tweaking to do with the accounting structure. She said we separated out as much as we could during the budget process. She said we have always been talking budget amendments because we know we are going to continue changing accounts structure to the extent getting these things on paper. She said then at any moment you can tell the fund balance in any fund. Councilor Gonzales said we have the software guy coming in to help do some of these things. He said we are paying him a lot of money for him to come in and do that aren't we? Deborah said like today we were working and found a few more things that, again you have to take this in levels, a little bit at a time. She said we found a few more accounts that were carry overs from how the conversion converted data. She said an invoice number or a date was in there a little unconventionally so it did not know what to do with it so it assumed something and moved something back six months or so. She said it is a conversion issue and we were meticulously digging for the information to see if what got pulled from the old system makes sense and matches the paper that we have. She said some of it didn't. She said the old system was just a bear to convert from. She said it was not a normal, clean conversion. She said it was interpreting data and sometimes assumptions were made that were wrong. She said when we were analyzing an account number or a date, it got it wrong and in a lot of cases you see a lot of entries that have come back up in October 1st of 2012 because it did not know what to do with it and decided it was the default setting dated October 1, 2012. She said we have all these entries that look like they were dated October 1, 2012 and in reality it might have been four months later or three months later. She said they are just working their way through that and literally piece by piece. Councilor Bermudez asked if Deborah had been trained on Hill Country. Deborah said she used Hill Country as the Municipal Court setting. She said she did not use the General Ledger. Councilor Bermudez said that is totally different right? Deborah said General Ledger softwares are basically the same but she had used the Municipal Court Software. She said the Hill Country Municipal Court software is what they implemented. Councilor Bermudez said the reason she was asking was because when all of this other stuff came in where we only had \$500 in the account and 1.5 million was missing and here comes the gentleman who does the software himself and she thinks in a day and a half he was able to come in there and find out the missing money. Deborah said the Mayor has said a lot about giving Council information. She said those documents, we were working with the auditors, and it was a question of time and timing. She said a lot of the

journal entries, we had, that were the corrections to those discrepancies. She said they were sitting and they were waiting and she talked to Jim before she left on vacation about what were some of the biggest projects that we could get done while she was gone. She said she told him, here is all the paper work and she has all the journal entries. She said she told him that she had not cross checked it all but most of it was there, and if not Daniella from Shaw's office can come and help, but here is the basic material and it is just not input into the system yet. Councilor Bermudez said why weren't we told this at that meeting where you stood there and starting shaking your hands and stating that you were not going down with the ship and all of that other stuff. She said why weren't we told this, that you were still working on it, instead of making all of those big things that gave the city of Alpine a very bad name that day. She said why weren't we told that instead. Deborah said there were a lot of things that were all going on at once. Councilor Davidson said he would like to point out that none of our professionals have ever said that money was missing. He said it has been apparent to him since he walked in the door here that the accountability has been fouled up beyond recognition. He said he had lunch with Jim today, just by coincidence and he is still astounded at how much work there is to be done. He said if the city of Alpine has a bad name it has earned it. He said our accounting system has been out of control. He said the thing about a master trial balance is that if it is not in balance you do not know if money is missing or if it is in the right place. He said he thinks we have made great strides getting this stuff into shape. He said only the press, or people who did not understand what the concept of a trial balance is or a balance sheet thought money was missing. Motion was made by Councilor Davidson, by Resolution 2013-10-26, to authorize our interim Finance Director to create the separate bank accounts where an ordinance requires that to be done and then to come back to us in 30 days and have a report on the progress and see what our software is going to do to adequately take care of the problem or if we need to take a further step of forming more bank accounts. Motion was seconded by Councilor Gonzales. Councilor Castelli said it seems like Deborah is here negotiating 30 versus 45 days of more time. He asked if having to respond to FBI subpoenas was taking up a significant amount of her time. She said significant. He said maybe if she was not responding to the FBI subpoenas she might be able to do this within 30 days. She said in her experience that every time they go into something that they think is a simple process, one question leads to 20 questions and leads to 40 questions and she does not finish until it is resolved. She said yes, you saw her emotion because she does not like for there to be a 30.2 million discrepancy. She said we had a 10 million dollar budget and we had a 30.2 million discrepancy of debits and credits and that is how she worded it. She said she is so sorry that it got construed because she never had the intention that it was stolen because you not have stolen it because you only had 10 million dollars in the budget. Mayor Rangra said just a minute...let's not get emotional. She said it was a debit and credit

issue and given the magnitude of your budget it was pretty horrendous that it was that far out of balance. She said how it was out of balance at the time, she was going back and forth with our auditor and they were getting details and if you go back to the minutes, there were some statements that were made that some of this tied back to fiscal year 2011 and some of it 2012. She said it went back a pretty good distance as to what was affecting the trial balance today. Councilor Bermudez said we have a young lady coming in that you hired that really knows Hill Country. She said her name is Megan Antrim. Councilor Bermudez said maybe she will be able to help get the system up to where we are not using as much money paying Jim. She said hopefully that will happen. Mayor Rangra said Shaw Skinner said we needed to have separate accounts. He said all people are concerned with this. He said enterprise should have separate accounts. He said in this way everything is transparent. He said when you have everything in the general fund, even though on a piece of paper we have 15 different accounts, the money can still be moved around. He said Shaw Skinner, when he presented the report to the council, very frankly said that management failed to follow his suggestions, which were that in order for the management to move money from one account to the other the council needed to be involved and if you have everything in one account you can move it around however you feel like. He said he had to differ from some of the council members concerning the earned "looking bad". He said he has his own opinion. Councilor Castelli called for the question. Mayor Rangra said some of these funds were manufactured like the 572 dollars but we do not want to go back, he agreed. He said if you can say that the city of Alpine earned it just like the belt press. He said wrong information and wrong conclusions and somebody comes in and says we do not need it. Motion was amended by Councilor Gonzales to include special revenues and grant funds. He said he thought that should be included because grant funds and how we are paying them are very important. Deborah said eventually when the trust is restored and we have the accounting structure as reported you can have a special revenue and grant fund with all the revenues and all the expenditures within that fund where each line item has a balance and you can have all of the enterprise funds but we are not to that point yet. She said the accounting structure is not set up but you can have maybe just three major accounts in the city and have all the accounting perfectly satisfactory to the auditors but we are just not to that point. Motion was seconded by Councilor Bermudez. Amended motion was voted on. Motion carried unanimously. Main motion was voted on. Motion carried unanimously.

12. Discuss and Consider approving Resolution and Agreement for the temporary closure of state right of way to authorize the City of Alpine to participate on an agreement with the State of Texas through the Department of Transportation to request the closure of North Hwy 118 (between Holland Avenue and Avenue E on November 22nd through

November 24th, 2013) for Alpine's Art Walk 2013. (M. Taylor, ICM) – Interim City Manager Taylor said this requires a Council Action because this is a state highway. Motion was made by Councilor Bermudez, by Resolution 2013-10-27, to approve a Resolution and Agreement for the temporary closure of state right of way to authorize the City of Alpine to participate on an agreement with the State of Texas through the Department of Transportation to request the closure of North Hwy 118 (between Holland Avenue and Avenue E on November 22nd through November 24th, 2013. Motion was seconded by Councilor Gonzales. Motion unanimously carried.

- 13. Discuss and Consider appointing Robert Steele as Interim City Attorney until a City Attorney is chosen. (J. Gonzales) – Councilor Gonzales said he brought this up. He said at the last meeting we had a disagreement and he thinks that this would be a good way to get an attorney to help us out with some of the situations that we have. He said Robert Steele has agreed to it and it is an interim position. Motion was made by Councilor Gonzales to appoint Robert Steele as Interim City Attorney until a City Attorney is chosen. Motion was seconded by Councilor Bermudez. Councilor Davidson said this is an employment matter and under customarily Texas law this would be discussed in Executive Session unless it was waived by the party but they are not here to waive it. He said since we already have an Executive Session scheduled with exactly the same part of the code, it seems like we could move it. Councilor Gonzales withdrew his motion and Councilor Bermudez withdrew her motion. Mayor Rangra asked for a vote to move this item into Executive Session. Councilor Davidson made a motion to move this item into Executive Session. Motion was seconded by Councilor Bermudez. Motion carried unanimously.**
- 14. Discuss and Consider approving the use of the Civic Center and waiving all fees, for Alpine High School to hold its annual Athletic Banquet. This event will be hosted by Alpine High School and Alpine Buck Boosters. This event will be held on Wednesday, May 7, 2014. (M. Taylor, ICM) – The Interim City Manager said the High School has asked to be able to hold this event in the Civic Center without any cost. She said we have had the policy lately to charge utility charges. She said since this was a school she did not know if the Council wanted to waive that charge as well. She said we still charge the fee for non-profit organizations but this is a little different, this is a school. She said they make no money from this. She said they sell tickets but that is to pay for the food that they serve to the crowd. Councilor Davidson made a motion to follow the recommendation of the Interim City Manager to approve the use of the Civic Center and waive all the fees by Resolution 2013-10-28. Motion was seconded by Councilor Bermudez. Motion carried unanimously.**
- 15. Discuss and Consider ratifying past payment and approving future payments that will involve a FY 2013/2014 budget amendment for**

professional services from HCSS and former City Auditor Shaw Skinner related to the proper completion of the FY 2012/2013 Financial audit. (M. Taylor, ICM) – Deborah Pattison said in the budget that was adopted we knew that year one of the audit change and a transition like this is always the most expensive year of the audit. She said we budgeted \$10,000 additional dollars in the General Fund for audit services and \$10,000 additional dollars was budgeted in the Enterprise Fund for auditors. She said we have an additional \$20,000 that was anticipated and budgeted. She said the people are going to stay within it. She said she has had a conversation with Shaw Skinner and moving their work papers over to the auditor, the new auditor has met with Shaw Skinner for three hours and that will be time that Shaw Skinner is going to bill us for. She said they anticipated some time for calls to Shaw Skinner and for him to communicate their information to the new auditors. He said the new audit firm will probably cost us closer to \$50,000 by the time they are finished so she thinks we are budgeted and fine. She said we are not finished with the Hill Country conversion and that may require picking up the phone and talking to Hill Country, and consulting with their customer service. She said we budgeted \$20,000 and she thinks it will be well under that but she wanted to have the conversation that this first year is a bit more time consuming and involved just making that transition. She said year two of the audit after that is a lot simpler process. Councilor Davidson asked if Mr. Skinner and his firm were in any way obligated in any way to share that information or is any of that considered proprietary for him. He said he is not required to turn over that information and that is appropriate for him to charge for that. Deborah said some of that would be more of a legal question. She said she did know that he retains the paperwork there and does not release the workpapers. He said the auditor has gone to his office and spent three hours in his office and during the course of that there was dialogue and answering questions and those were billable hours. Mayor Rangra said we are talking about \$5,000 in additional costs from Shaw Skinner. Deborah Pattison said that was correct. Mayor Rangra said if he talked for four or five hours, what is the hourly rate? Deborah said this would be an ongoing process with the auditor. Mayor Rangra asked how much he charged per hour. He said we are going to be billed for a certain rate. Deborah said she would have to look back on the previous invoices. Mayor Rangra said for the Council to make good decisions we need to have all the information. He said there is no dollar amount on this item. Deborah said we will work within our additional \$20,000 budget. She said we will likely spend that extra money that we have budgeted. Mayor Rangra said we need to have more information. Councilor Bermudez said was Deborah saying that we have already budgeted another \$20,000. Deborah said it was budgeted. She said last year we budgeted \$25,000 in the General Fund and \$25,000 in the non-departmental Enterprise fund. She said this year we budgeted \$35,000 each. Councilor Gonzales said but that was for the new auditor wasn't it. Deborah said the new auditor and associated work related

to the audit, transferring information, getting the data out of the new software, etc. Councilor Gonzales said he has a little problem with that because he thinks that the data that Skinner has is our data and is she saying that he is not willing to give it to the new auditor and he can only see it at their office. Deborah said that was correct. Councilor Gonzalez asked who that data belonged to. Deborah said again, that would be a legal question. Motion was made by Councilor Davidson, by Resolution 2013-10-29 to approve ratifying past payment and approving future payments that will involve a FY 2013/2014 budget amendment for professional services from HCSS and former City Auditor Shaw Skinner related to the proper completion of the FY 2012/2013 Financial Audit. Motion was seconded by Councilor Castelli. Councilors Davidson and Castelli voted in favor. Councilors Gonzales and Bermudez voted against. Motion failed.

16. Discuss and Consider ratifying TexSTAR Investment Account transfers and all other account transfers from the period of FY 2011/2012 through current FY 2012/2013 (M. Taylor, ICM) - The Interim City Manager said this refers to some transfers from the period of FY 2011/2012 to the current fiscal year and it concerns some TexStar investment transfers and we are asking for your approval. She said they have already been made and Deborah is here to discuss this further. Deborah said each individual transfer needs to be ratified and then she will bring this back to the council account by account. She said the account balance is approximately \$2,300 plus or minus a few interest fees from October of 2009 through July of 2012 and at that time \$300,000 was wired from the General Fund to the Texstar account on July 2, 2012 and then during the month of August, the check was dated August 30th of 2012. She said check number 2570 for \$300,000 was then written from the gas department back to the general account and that was dated August 30th of 2012. She said that was approximately 60 days after the initial wire transfer from the general fund to Texstar without placing it back in the general fund, the \$300,000. Then in October of 2012, October 5th, the wire transfer was withdrawn from Texstar so its balance was reduced from \$300,000 down to \$152,000. She said that balance maintained through July of 2013 and during the month of August, with City Manager approval, each of these transfers were used for payroll or accounts payable runs and we withdrew on August 6th, \$86,000 and on August 21st we withdrew \$50,000 from Texstar and on August 30th we withdrew \$16,000 leaving a remaining balance of \$574.84. She said if you also notice, look at July, August and September. She said look at your payroll runs and your accounts payable runs for those three months. She said in the month of August we were backlogged with all the invoices we were paying. She said August is also the month that biennial debt service payments are due. She said we had three pay periods in August, August 2nd, August 16th and August 30th. She said in the month of July our total bill run was for \$799,000 and for the month of August it was 1.23 million dollars. She said she went back and looked at the September and October minutes and that transfer was not

brought before council. She said at this point she is just asking that the council ratify that transaction that occurred in this fiscal year and the transfer that occurred in August, 2013. Councilor Davidson asked if it was customary practice that the City Council authorize these types of transactions, or could it be approved by the City Manager in coordination with the Finance Director. Deborah said usually in her previous experience they went to the City Manager. Councilor Davidson said the reason was it was very obvious, so the checks would not bounce. Deborah said that is why we did not make one large transfer. She said they took it in bites as they needed it, throughout the month of August. Councilor Gonzales said he wanted to ask about Texstar and where the money came from. He said he thought it was an investment account where we had money put away. Deborah said the original money came from a transfer from the general fund account in July of 2012 and that money was replenished from the gas department on August 30th of 2012. She said ultimately the gas department paid for it. Mayor Rangra said the money came from the gas company. He said \$189,000 in 2005 when the gas company paid dividends to Marfa and Alpine and Alpine's share was 60% with interest. He said the gas company was dissolved and the money was withdrawn to purchase the Fort Davis part. He said the Council had given permission to the manager for the \$250,000 to be used for the purchase of the Fort Davis account and it was paid to Marfa and came from this account and the council had discussed that at one of the meetings as to how we were going to pay for it. He said the council knew about it at that time. He said the question is what happened. He said the auditor has been telling us that transferring money from one account to the other without asking the council is not good. He said this was an investment and the council was not told about it. He said then it was stated that we only had \$572 dollars left. He said that was all over town and all over the country. He said and then \$77,000 was withdrawn in July from the General Fund. Councilor Davidson said this was not on the agenda. Mayor Rangra said when somebody goes into the details all of a sudden nobody wants to talk about it. He said \$77,000 was transferred in July out of the General Fund to go into 2005. He said \$36,000 came from the EDAP fund and it should not have gone there. He said we still have \$50,000 to \$60,000 in the EDAP fund because we have been paying for the EDAP fund out of the general fund. He said it should have been brought to the Council. He said whoever did that. He said expenses should be brought before the council. He said whenever the public comes in, we talk about that the council did not know anything about it. He said this is the whole idea of having different accounts, bank accounts. He said \$572 was trashed all over the country, not because the investment account was really depleted for whatever reason. He said it was a management problem. He said now his issue is to make it legal. Motion was made by Councilor Bermudez, by Resolution 2013-10-30, to ratify Texstar investment account transfers and all other account transfers, making it legal, from the period of FY 2011/2012 through current FY 2012/2013. Motion was seconded by Councilor Gonzales. Councilor

Gonzales said ratifying Texstar investment account transfers is one thing but what about all other account transfers? Deborah said she would like that to be eliminated and go through each separate account and do the same thing that we just did for Texstar. She said to document transfers that have occurred and bring it to the council with this level of detail so that the council can see this account by account. Motion was made by Councilor Gonzales to amend her original motion to read approve ratifying Texstar investment account transfers, making it legal, from the period of FY 2011/2012 through current FY 2012/2013. Amended motion was seconded by Councilor Bermudez. Councilors Bermudez, Davidson and Gonzales voted in favor of the amendment. Councilor Castelli abstained from voting. Motion carried. Councilor Davidson said he has heartburn with the term making it legal because that is a term that would require an attorney and that is why he asked his question originally. He said this is a special kind of account. He said this is not like taking money out of the general fund and putting in another account and it is intended to take your money sitting idle in a checking account and not drawing interest and to say that this was illegal for the money to be moved from one account to another out of this investment account to pay bills. He said he is not saying it is right or that it should not have been brought to the council but he does not feel like voting on a motion that has that terminology and that it is illegal to do so. Councilor Castelli said that was an interesting point. Councilor Davidson made an amendment to the original amendment which stated to approve ratifying Texstar investment account transfers, from the period of FY 2011/2012 through current FY 2012/2013. Motion was seconded by Councilor Gonzales. Councilor Castelli abstained from voting. Councilors Bermudez, Davidson and Gonzales voted in favor. Motion carried.

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

Oscar Cobos said he wanted to come and thank Mr. Richard Voight for his Presentation. He said he also wanted to thank the Council and the Mayor for their quick response to everything that was presented. He said he dealt with TCEQ years back when it was formerly TNRCC and he can really appreciate the words of this government agency for the sake of human beings. He said tonight that he was asking for their vote and support and he takes pleasure in that for whatever is good for the community.

Dale Christopherson – said the Council was two hours into the meeting this evening and still had a pretty important executive session coming up. He wished the Council good luck and that they were all on the same page.

18. Council Member's Comments and Answers –

Councilor Gonzales – said he wanted to thank Virgil for his presentation.

Councilor Davidson – said thank very much for Mr. Clark and he thinks that we are sliding forward. He said that type of presentation is what we should demand from our folks.

Councilor Bermudez – said it is in our minutes that all department heads are supposed to be present for our meetings. She said a lot of them already come to the meetings.

Motion was made by Councilor Bermudez to enter into executive session. Motion was seconded by Councilor Davidson. Motion unanimously carried.

19. Executive Session – Pursuant to Texas Government Code, Subsection 551.074, Personnel Matters and Subsection 551.071, Consultation with Attorney –

Item 13 – Discuss and Consider appointing Robert Steele as Interim City Attorney until a City Attorney is chosen. (J. Gonzales) –

- A. Discuss order of City Manager candidates, choosing final candidates for interviews, any further vetting process and setting date and time for interviews. (M. Taylor, ICM)
- B. Discuss contemplated litigation regarding sewer plant. (M. Taylor, ICM)

20. Action – Executive Session – Pursuant to Texas Government Code, Subsection 551.074, Personnel Matters and Subsection 551.071, Consultation with Attorney -

Item 13 – Motion was made by Councilor Gonzales, by Resolution 2013-10-31, to approve appointing Robert Steele as interim City Attorney until a City Attorney is chosen, at a salary of \$1,454, per pay period. Motion was seconded by Councilor Bermudez. Motion carried unanimously.

- A. **Select final candidates for interviews, any further vetting process and setting date and time for interviews. (M. Taylor, ICM)** – Councilor Davidson made a motion, by Resolution 2013-10-32, to invite the three candidates, Erik Zimmer, James Doty and Fabio Angell to interview with City Council at a special meeting we call at 6 PM on Tuesday, November 12th and furthermore authorize the City Manager to contact each candidate for permission and a waiver to be able to run background checks by Alpine Police Department and also the Cole firm, which is an employee investigative outfit from Houston and to ask each candidate for contact information on their last employer and three references. Motion was seconded by Councilor Bermudez. Motion unanimously carried.
- B. **Action, if any, regarding contemplated litigation concerning sewer plant. (M. Taylor, ICM)** – Motion was made by Councilor Gonzales that we take no

action at this time. Motion was seconded by Councilor Bermudez. Motion unanimously carried.

21. Adjournment. – Motion was made by Councilor Davidson to adjourn. Motion was seconded by Councilor Bermudez. Motion carried. Meeting was adjourned.

I certify that this notice was posted at 5:30 P.M. on October 18th, 2013, 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 5:30 P.M. on October 18th, 2013, and remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Margaret "Molly" Taylor, City Secretary