

**MINUTES
CITY OF ALVIN, TEXAS
216 W. SEALY STREET
CITY COUNCIL SPECIAL
AND WORKSHOP MEETING
THURSDAY, JUNE 8, 2017
6:00 P.M**

CALL TO ORDER

BE IT REMEMBERED that, on the above date, the City Council of the City of Alvin, Texas, met in Special and Workshop Session at 6:00 P.M. in the First-Floor Conference Room at City Hall, with the following members present: Mayor Paul A. Horn, Mayor Pro-Tem Brad Richards; Council members Gabe Adame, Adam Arendell, Chris Sanger, Glenn Starkey and Keith Thompson; David Olson with Olson and Olson, LLP.

Staff members present: Sereniah Breland, City Manager; Suzanne Hanneman, Interim City Attorney; Junru Roland, Assistant City Manager/CFO; Dixie Roberts, City Secretary; Larry Buehler, Director of Economic Development; Robert Lee, Police Chief; Brian Smith, Public Works Director and Brandon Moody, Utility Superintendent. Representatives from Freese and Nichols were also in attendance.

WORKSHOP ITEMS:

Discuss proposed water and wastewater rates.

Mr. Roland reviewed information relating to the proposed water and wastewater rates.

Fund Restrictions

- Water and Sewer revenues can only be used to support the City's water & sewer program.
- Property Taxes or Sales Taxes may not be used to support the water & sewer program.
Impact fees are used as a way for the city to charge developers for some of the cost that new development places on the infrastructure and resources of the city.

City's Current Water Rate Structure – Residential:

Tiers	Water Usage	Current Residential Water Rates
1 st Tier	0 - 2,000 gallons	\$11.46
2 nd Tier	2,001 - 7,000 gallons	\$2.93 (per 1,000 gallons)
3 rd Tier	7,001 gallons - above	\$4.47 (per 1,000 gallons)

Tiers	Wastewater Usage	Current Residential Wastewater Rates
1 st Tier	0 - 2,000 gallons	\$17.77
2 nd Tier	2,001 gallons – above	\$2.93 (per 1,000 gallons)

Methodology

- Assess current water and wastewater infrastructure.
- Evaluate and prioritize capital projects.
- Assess the Financial Condition of the City.
- Select financing for projects and acquisitions.
- Adjust rates to cover current operational costs, and current & future debt.
- Review rates annually and Capital Improvement Projects every 5 years.
- Keep the public informed.

Utility Master Plan Projects

FY19 Water and Wastewater Projects:

Project	Design	Construction	Design & Construction
54" Eastside Interceptor	\$2,165,300		
Lift Station 30 Expansion	\$1,495,900		
Northwest/Northeast Basin Sewer Survey	\$95,300		
Lift Station 17			\$780,000
Lift Station 14			\$780,000
Fairway Drive & South St. Waterline Improvements	\$670,400		
Water Plant #6 - Ground Storage Tank Replacement			\$3,159,000
Water Line Improvements Phase I	\$1,299,060		

Total
\$10.4M

Project	Design	Construction	Design & Construction
54" Eastside Interceptor		\$5,413,200	
Lift Station 30 Expansion		\$3,739,650	
Fairway Drive & South St. Waterline Improvements		\$3,352,000	
Water Line Improvements Phase II		\$3,680,670	

Total
\$16.2M

Project	Design	Construction	Design & Construction
54" Eastside Interceptor		\$5,413,200	
Lift Station 30 Expansion		\$3,739,650	
Construct Peak Flow Storage Basin at WWTP			\$1,287,000
Water Plant 4 - Ground Storage Tank Replacement			\$2,106,000
Water Line Improvements Phase III		\$3,680,670	

Total
\$16.2M

Financing Infrastructure

- Use accumulated funds from fees
- Issue Bonds

Fiscal Year End	Current Outstanding Debt	Revenue Bonds* Series 2018 \$10.4M	Revenue Bonds* Series 2019 \$16.2M	Revenue Bonds* Series 2020 \$16.2M	Total
2018	\$2,190,245	\$205,485			\$2,395,730
2019	\$2,184,030	\$945,615	\$342,453		\$3,472,098
2020	\$2,163,481	\$924,905	\$1,507,685	\$380,380	\$4,976,451
2021	\$2,162,742	\$904,195	\$1,468,348	\$1,581,650	\$6,116,935
2022	\$2,130,153	\$878,580	\$1,434,113	\$1,543,430	\$5,986,376
2023	\$1,793,579	\$858,060	\$1,399,878	\$1,505,210	\$5,556,727
2024	\$1,452,564	\$837,540	\$1,365,643	\$1,466,990	\$5,122,737
2025	\$1,544,843	\$817,020	\$1,331,408	\$1,423,884	\$5,117,155
2026	\$1,531,283	\$796,500	\$1,297,173	\$1,385,891	\$5,010,847
2027	\$1,514,509	\$775,980	\$1,262,938	\$1,347,899	\$4,901,326
2028	\$1,491,706	\$755,460	\$1,228,703	\$1,309,906	\$4,785,775
2029	\$707,501	\$734,940	\$1,194,468	\$1,271,914	\$3,908,823
2030	\$632,557	\$714,420	\$1,160,233	\$1,233,921	\$3,741,131
2031	\$616,822	\$693,900	\$1,125,998	\$1,195,929	\$3,632,649
2032	\$582,750	\$673,380	\$1,091,763	\$1,157,936	\$3,505,829
2033	\$566,672	\$652,860	\$1,057,528	\$1,119,944	\$3,397,004
2034	\$550,266	\$632,340	\$1,023,293	\$1,081,951	\$3,287,850
2035	\$533,531	\$611,820	\$989,058	\$1,043,959	\$3,178,368
2036		\$591,300	\$954,823	\$1,005,966	\$2,552,089
2037		\$570,780	\$920,588	\$967,974	\$2,459,342
2038		\$550,260	\$886,353	\$929,981	\$2,366,594
2039			\$852,118	\$891,989	\$1,744,107
2040				\$853,996	\$853,996

* Preliminary, subject to change

Proposed Water & Sewer Rates:

WATER RATES	Current	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Base up to 2,000 Gallons						
Residential	\$11.46	\$12.95	\$15.15	\$18.18	\$19.27	\$20.43
Commercial	\$12.03	\$13.59	\$15.90	\$19.09	\$20.23	\$21.44
Per 1000 (2001 – 7000)	\$2.93	\$3.31	\$3.87	\$4.65	\$4.93	\$5.22
Per 1,000 (7,001- above)	\$4.47	\$5.05	\$5.91	\$7.09	\$7.52	\$7.97

WASTEWATER RATES	Current	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Base up to 2,000 Gallons						
Residential	\$17.77	\$20.08	\$23.49	\$28.19	\$29.88	\$31.68
Commercial	\$18.28	\$20.66	\$24.17	\$29.00	\$30.74	\$32.59
Per 1,000 (2,001-above)	\$2.93	\$3.31	\$3.87	\$4.65	\$4.93	\$5.22

Residential water bill @ 5,000 Gallons Usage (including current garbage):

Category	Current Bill	FY18 Bill	FY19 Bill	FY20 Bill
Water	\$20.25	\$22.89	\$26.76	\$32.13
Ground Water District Fee	\$0.20	\$0.20	\$0.20	\$0.20
TCEQ User Fee	\$0.50	\$0.50	\$0.50	\$0.50
Wastewater	\$26.56	\$30.00	\$35.10	\$42.14
Garbage (\$1.16) *	\$14.89	\$13.73	\$13.73	\$13.73
Tax	\$1.23	\$1.13	\$1.13	\$1.13
Total Bill	\$63.63	\$68.45	\$77.42	\$89.83

* Probable rate reduction of ~\$1.16 effective FY18 \$4.82 increase \$8.97 increase \$12.41 increase

Discussion between staff and members of Council present was had on the information presented. Information will be presented in ordinance form for Council consideration at the next meeting.

EXECUTIVE SESSION

Mayor Horn call for an executive session at 6:50 p.m. in accordance to the following:

SECTION 551.071 of the Government Code: Consultation between governmental body and its attorney to seek advice of attorney about pending or contemplated litigation or a settlement offer or a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act.

RECONVENE TO OPEN SESSION

Mayor Horn reconvened the meeting into open session at 7:13 p.m.

Consider authorization of severance payment and/or settlement offer pursuant to City Attorney's employment agreement.

Councilmember Starkey moved to authorize the Mayor to settle Bobbi Kacz's contract dispute for \$122,690 net to her with all appropriate benefits and TMRS payments, less legal fees totaling \$11,862, not to exceed \$258,762 in total cost to the City. Ms. Kacz is to waive all claims against the City, and the Release will contain language protecting the City from any liability for \$22,000 claim against Ms. Kacz by TML-IEB. Second by Council member Thompson, motion passed with Council member's Richards, Starkey and Thompson voting Aye; Council member's Sanger, Arendell and Adame voting No; with Mayor Horn breaking the tie vote, with a vote of Aye.

ADJOURNMENT

Mayor Horn adjourned the meeting at 7:15 p.m.

PASSED and APPROVED this _____ day of _____, 2017.

Paul A. Horn, Mayor

ATTEST: _____
Dixie Roberts, City Clerk