

**MINUTES
WATAUGA CITY COUNCIL
SPECIAL MEETING
CITY HALL COUNCIL CHAMBER
7105 WHITLEY ROAD, WATAUGA, TX 76148
MONDAY, AUGUST 16, 2021
5:30 PM**

CALL TO ORDER

The Special Meeting of the City Council was called to order at 5:30 p.m.

ROLL CALL

The meeting convened with the following members present:

Arthur L. Miner	Mayor
Andrew Neal	Mayor Pro Tem/Council Member Place 4
Pat Shelbourne	Council Member Place 1 (Absent with notice)
Tom Snyder	Council Member Place 2
Lovie Downey	Council Member Place 3
Juanita King	Council Member Place 5 (Absent with notice)
Mark Taylor	Council Member Place 6
Jan Hill	Council Member Place 7

and

Andrea Gardner	City Manager/City Secretary
Raquel Guajardo	Deputy City Secretary
Sandra Gibson	Director of Finance
Deby Woodard	Assistant Director of Finance
Marcia Reyna	Director of Human Resources & Civil Service
Paul Hackleman	Director of Public Works
Bradley Fraley	Chief Information Officer

ANNOUNCEMENTS

Mayor Miner provided a reminder regarding board appointments and required training.

PUBLIC COMMENT

Requests for public comment were not received.

PUBLIC TESTIMONY FOR ACTION ITEMS

Requests for public testimony were not received.

PRESENTATIONS

1. Presentation on Proposed User Fee Adjustments for Fiscal Year 2021-2022

Mr. Calvin Coles with Waterworth was present virtually with audio/video captured for the Council, in-person audience and remote audience. Mr. Coles provided a review of the City's proposed Utility Rate Model to include a review of capital projects, debt service requirements by year, proposed debt service for the future, operating revenues, water sales, and operating expenses.

He reviewed the chart and explained the purpose/meaning of the red line depicted in the chart and advised the Council that it isn't advisable to go below the red line as that indicates a negative cash position. He further explained the second dotted line on the chart represents the "ideal cash position". The solid black line depicts the financial position of the City as projected. Mr. Coles stated that year 2026 indicates a potential issue if the proposed rate increases do not happen. The revenue generated from the proposed rate increases, show the stabilization of the cash position. Mr. Coles wrapped up his presentation by calling for questions related to the proposed increases or the model. Hearing none, Mr. Coles left the meeting.

Ms. Gibson continued with the presentation of City user fees to include the following highlights:

- 3% increase on base rate for water
- 6% increase on base rate for sewer
- Residential consumption water rate increase from \$5.01 to \$5.16
- Residential consumption sewer rate increase from \$2.99 to \$3.17

Council Member Taylor asked when the last time the rates were increased for water and sewer. Ms. Gibson responded the last increase was completed in September 2019 and that the current proposed rates were suggested by the Waterworth software used to develop the proposed rate structure. Use of the software allowed the City to avoid consultant fees.

Mayor Pro Tem Neal inquired about the water and sewer wholesaler providing 10-year projections on costs. Ms. Gibson stated that unfortunately the wholesaler does not provide such projections.

Ms. Gibson moved to review the administrative fees found in Chapter 12 of the Code of Ordinances to include the following highlights:

- New business registration fee of \$15 (add)
- Renewal business registration fee of \$10 (add)
- Credit card convenience fee \$1.25 (increase) – the increase decreases the subsidy provided by the City to credit card consumers but doesn't provide a total cost recovery

- Various increases to development fees driven by HB 852 attempting to reach closer to full cost recovery

Mayor Pro Tem Neal inquired if the solar system permit fee was based on the value or cost of the system. Mr. Randy Richards responded that the fees were based on the valuation of the project, but HB 852 prohibits basing fees on valuation and must be set as a flat fee or based on square footage for residential. Many of the fees are based on an established table but solar panels are based on the quantity of panels and not the size of panels.

Ms. Gibson reviewed the Parks & Community Services fee changes to include highlights below:

- Summer program fees are being removed
- Pre-school fees being removed

Fire and EMS fees were reviewed next. Many of the fees are currently included in ordinances but staff desires to relocate to the fee schedule. Also, the EMS billing vendor suggested the City breakout the fees for ALS and BLS rates to improve the collection ability for such charges.

Ms. Gibson completed the User Fee presentation with a review of the utilities fees.

Council Member Taylor commented that the presentation included good information and that everything discussed is cost recovery. He expressed the desire to review the possibility of moving to tiered water rates during a future strategic planning meeting. He also would like to incorporate a mechanism that charges for water to fill a pool and only water, not sewer.

Council Member Hill asked how ambulance service is billed. Ms. Gibson responded that the charges are billed to insurance first, then patient billed for the balance.

PUBLIC COMMENT

No public comment was provided.

PUBLIC TESTIMONY FOR ACTION ITEMS

No public testimony was provided.

ACTION ITEMS

1. **Discuss and consider action to authorize the expenditure for the High Density Mineral Bond Seal Program by Andale Construction, Inc. pursuant to the Interlocal Agreement, for the cooperative purchasing of goods and services, with the City of Hurst, Texas**

Mr. Hackleman presented the item to the Council and stated Mr. Kent Nobis with IPS was present to assist with answering questions from the Council.

Mayor Pro Tem Neal stated he researched the product and found many videos. He followed by asking if the product requires a reapplication coat after a certain amount of time. Mr. Hackleman responded that it is best to reapply, so it extends the useful life. Mr. Neal then asked how long the City of Hurst used the product. Mr. Nobis stated the product has been around for 20 years and the City of Hurst has used for 4 years.

Council Member Downey commented that she has driven on this type of road while in S. Carolina and found them to be smooth.

Mayor Miner stated no request was made to provide Public Testimony on this item.

Mayor Pro Tem Neal made a motion to approve. Council Member Downey seconded the motion. As there was no discussion, Mayor Miner called for the Council to vote. Motion carried 5-0-0-2.

Ayes: Snyder, Downey, Neal, Taylor, Hill
Nays: None
Abstain: None
Absent: Shelbourne and King

ADJOURNMENT

Mayor Miner adjourned the Special Meeting at 9:01 p.m.

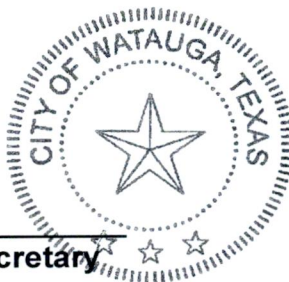
APPROVED: this 13th day of September, 2021.

SIGNED: this 14th day of September, 2021.

ATTEST:

/s/ Terri Johnson on

Terri Johnson, Interim City Secretary



APPROVED:

Arthur L. Miner /s/

Arthur L. Miner, Mayor

Note: Original Audio and Video Recording of this meeting is preserved and maintained by City Secretary's Office.