

NOVEMBER 13, 2017

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, NOVEMBER 13, 2017 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 6:00 P.M.

CITY COMMISSION PRESENT:

Sam Fugate, Mayor
Edna Lopez, Commissioner
Arturo Pecos, Commissioner
Al Garcia, Commissioner

CITY STAFF PRESENT:

Jesús Garza, City Manager
Mary Valenzuela, City Secretary
Kyle Benson, IT Manager
Courtney Alvarez, City Attorney
Tom Ginter, Director of Planning & Development Services
Sharam Santillan, Capital Projects Manager
Jason Alfaro, Parks & Rec Director
Derek Williams, Systems Specialist
Bill Donnell, Public Works Director
Ricardo Torres, Police Chief
Adrian Garcia, Fire Chief
Susan Ivy, Parks Manager
Deborah Balli, Finance Director
Leo Alarcon, Tourism Director
Israel Vasquez, Facility Maintenance Manager
Cynthia Martin, Downtown Manager
Stephannie Resendez, Administrative Assistant
Jennifer Bernal, Community Appearance Supervisor
Marco Jimenez, Water Supervisor
Frank Garcia, Waste Water Supervisor
Avelino Valdez, Street Supervisor
Richard Flores, Golf Course Manager

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 6:00 P.M. with four Commission members present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by Mrs. Courtney Alvarez, City Attorney, followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting - October 23, 2017

Motion made by Commissioner Lopez to approve the minutes of October 23, 2017 as presented, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Lopez, Pecos, Garcia, Fugate voting "FOR".

II. Public Hearing - (Required by Law).¹

1. Public Hearing on an ordinance changing the zoning map in reference to Retama Park, Block 29, Lot 2, also known as 907 E. Fordyce Street, from R2-Two Family to C2-Retail District, amending the comprehensive plan to account for any deviations from the existing comprehensive plan, Mary Mora, Applicant. (Director of Planning & Development Services).

Mayor Fugate announced and opened this public hearing at 6:01 P.M.

Mr. Tom Ginter, Director of Planning & Development Services reported that the applicant is requesting a rezoning of 907 E. Fordyce. The rezone will be from R2 to C2. Applicant Mary Mora has purchased the building and plans to locate a urgent care facility. Records show that the area around this address is zoned as C2. Why this address is zoned as R2 is hard to say, but records reflect that it is R2 so the change should be done to accurately reflect the use of the property. This building was used for a Chiropractic Center in the past. The Planning & Zoning Commission has heard this item and has voted 6-0 to recommend approval of the rezoning.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so now with a five-minute time limit. Additional time cannot be extended by City Commission.

Mayor Fugate closed this public hearing at 6:05 P.M.

2. Public Hearing on an ordinance amending the zoning ordinance by granting a Special Use Permit for 916 S. 14th Street in the Village Shopping Center, 1.157 acres of land out of CAD TERR, Block 1, Lot 1-6, for a poker card club, Rocky Dominguez, Jr., agent for owner Herman Olenbusch. (Director of Planning & Development Services).

Mayor Fugate announced and opened this public hearing at 6:05 P.M.

Mr. Ginter reported that in the City's Land Use Appendix A, there is not an exact land use description of a legal poker card club. After a review of the land use descriptions, the following seems to fit the best; amusement (commercial, indoor) or club. In either case, for this to occur under C2, it will require a Special Use Permit (SUP).

Mayor Fugate asked if the property was zoned C2 now. Mr. Ginter responded that this was correct. Fugate further asked why does it have to be zoned for a special use.

Mr. Ginter commented that the use in this space under the city's ordinance, it could be a commercial amusement indoor or a club which is the closes that staff could get to Appendix A, which is the city's land use, and to do this would require a special use permit.

Mayor Fugate asked that if the Commission is only approving the permit and not making any ruling on the legality of this business.

Mr. Ginter responded that this was correct. Just like any other special use permit that comes before the City Commission.

Commissioner Garcia asked about the ramifications connected for this type of establishment.

Mrs. Alvarez commented that this is only the public hearing portion for this item. On this agenda, there is also an item to introduce an ordinance for the special use permit, so some of the comments that the Commission may want to discuss, may be more germane for that portion of the agenda. Not that it can't be discussed now, but this will give the public a chance to comment on this.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so now with a five-minute time limit. Additional time cannot be extended by City Commission.

Mr. Rocky Dominguez, Jr., 903 W. Avenue G, commented that he knows what the Commission is thinking about as he thought the same thing when he first heard about poker club. This poker club was started in Austin, TX in March 2015 by a gentleman named Sam Bakenel, who worked for the Licensing and Administration as a Chairman for the Committee. He later joined forces with Senator Jose Menedez of San Antonio. Together these two men created this model business of membership poker club. Dominguez commented that when he first about this, he didn't believe it so he drove up to Austin to see the business and see how things worked. He stated that he also had questions, as the Commission did as well, and thought how this could happen in the State of Texas. He stated that he went to Houston and saw one called The Mint and saw it in motion. Dominguez stated that they did was follow the Texas Penal Code Chapter 47.02, which is black and white but there is a small grey area they capitalized on, which he could read to the Commission. Dominguez read the section of the Penal Code which read, A person commits an offense if he: (1) makes a bet on the partial or final result of a game or contest or on the performance of a participant in a game or contest; (2) makes a bet on the result of any political nomination, appointment, or election or on the degree of success of any nominee, appointee, or candidate; or (3) plays and bets for money or other thing of value at any game played with cards, dice, balls, or any other gambling device; (b) It is a defense to prosecution under this section that: (1) the actor engaged in gambling in a private place; (2) no person received any economic benefit other than personal winnings; and (3) except for the advantage of skill or luck, the risks of losing and the chances of winning were the same for all participants. Dominguez stated that what they basically done was that they converted a private/social club where it's not open to the public but you have to become a member and everything that is put on the table like at the local bars dart and poker tournaments, 100% of the entry has to stay on the field for all the participants. If the house, the third party, takes 1% of any type of tournaments, it becomes illegal, which is the same concept here. Dominguez stated that there are several of the same establishment within the Coastal Bend area and in areas North of Texas. This type of establishment has been around for some years except in Kleberg County. Dominguez commented that he is not trying to create something new, only trying to follow the business model and present to the community, after all, there is some illegal gambling within our area. Dominguez stated that if this type of establishment is allowed, this will eliminate all the illegal gambling as the participants will come to this type of establishment.

Mayor Fugate closed this public hearing at 6:14 P.M.

III. Reports from Commission & Staff.²

“At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports, Utilities Billing Update; Police-Communications Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works; Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time.”

Mayor Fugate commented that he is concerned about a couple of things that he would like to get some answers from staff. One is the lack of street production on the maintenance side. With the summer going by, he didn't see a lot of paving going on and without any reports or information it's hard for the Commission to see what is being done. If he was told that there was paving going on, he usually goes out and observe the work being done. Fugate commented that there has been very little maintenance being done to city streets over the summer.

Mr. Garza commented that staff has information and an answer to the Mayor's concerns as well as a commitment in providing information as we move forward.

A summary of streets that were worked on from June 2017 through the end of the year was given to the City Commission.

Mr. Garza stated that the information given to the City Commission back up the observation that the Mayor just made. Staff has compared this to two year past and it is correct that there hasn't been the same amount of streets worked on in the past six months as there has been in the past years prior. Garza further commented that staff has developed a strategy in-house as to how or why.

Mayor Fugate commented that if it's equipment that is down or the lack of manpower, staff will work on streets even if the city has to go out and rent equipment.

Mr. Garza commented that it's basically been on the personnel side than anything else, which is no excuse. Currently, the division has six vacancies with the most experience operators leaving the organization over the last year. With this, there has been delay in training of the personnel. These area issues, but they are issues that staff needs to do a better job of getting ahead of and preparing for. Garza commented that in working with Bill Donnell, Public Works Director in getting the strategy moving forward to assign certain personnel in constantly be working on streets and catch us up on that.

Mayor Fugate commented that the knows that when he first came on board as Mayor, there was an issue on whether or not you can pave during the winter season, well TXDOT paves during the winter months, and if TXDOT does so should the city.

Mr. Garza further commented that on the schedule is full depth construction in both November and December, so staff is planning on working during the winter months.

Mayor Fugate commented that this is the biggest complaint that the city has from the citizens and for us to do the job we did this summer is totally unacceptable. Fugate further commented that he doesn't speak for the entire Commission but only for himself, but the city has to do a better job.

Mr. Garza commented that staff developed a strategy on how to rearrange staff in-house. Garza stated that staff will make a commitment to update the Commission on a quarterly basis.

Mayor Fugate responded that he wants an update at every City Commission meeting. At the next meeting he would like to know what staff has done in the last two weeks. Every

meeting that the City Commission has, he would like an update on streets, until further notice.

Mr. Garza commented that for the Commission's reference, a list of all the streets to be done this fiscal year has been provided to them during tonight's meeting. Any updates to be made in future meetings will be based from this list.

Mayor Fugate commented that the other item he would like an update on is on demolitions.

Mrs. Jennifer Bernal, Community Appearance Supervisor reported that the schedule is a off but after speaking with Mr. Bill Donnell, Public Works Director and Pete Pina, Landfill Supervisor today, it has been determined that there will be two demolitions scheduled for Wednesday and one for Thursday of this week. With the holidays coming up and interrupting the brush and trash schedule, they are looking in getting the rest of the demolitions started for the next year. A list of demolitions was provided to the City Commission which showed tentative dates of when demolitions should continue in January.

Mayor Fugate commented that one other thing he is concerned about is the Golf Course. Fugate stated that he has never seen this golf course in as bad as shape as it is now, at least since his been Mayor.

Mr. Jason Alfaro, Parks & Recreation Director stated that as far as the irrigation is concerned, the components are onsite at the golf course and the irrigation installation contract will be presented during tonight's meeting. This will get the contractor selected and onboard. The contractor will have 45 days to get the work completed, which makes for a completion date in mid-January, considering the upcoming holidays and weather permitting to have it completely installed. As for the greens, they are planning on verta-cutting and preparing to over seed the greens for the winter.

Mayor Fugate asked how staff allowed for the greens to get in the shape they are in.

Mr. Alfaro responded that it is a combination of a few things, but it's the type of grass that is on there. Every time staff goes to cut the greens, which is the very fine cut that is seen, makes the greens go under stress, which then creates disease and decay within the greens itself. Alfaro further commented that some of the greens don't have any Bermuda at all. So, every time staff goes out there to cut the greens and with the type of grass is has on there, we are going to see the same issue.

Mayor Fugate commented that the number one producer of golf course grass in the country is right here in Kingsville, that being the King Ranch. With resources available to the city such as the University and the King Ranch, the city should take advantage of asking for their assistance.

Mr. Alfaro commented that he and the Golf Course Manager have discussed getting in touch with the University as well as USGA in order to get some opinions and try to figure out what staff can do to fix this on a more permanent basis.

Mayor Fugate commented that he doesn't like to complain, but this course is in the worst shape he has ever seen.

Mr. Alfaro stated that staff will over seed with winter rye, but come Spring, staff will need to have a game plan in place to take care of the greens.

Commissioner Lopez commented that the skatepark, there is a lot of trash all over. She also commented that during school hours, she has seen young kids playing at the skatepark. They are also out there during the late hours as well.

Mr. Alfaro commented that staff has been going out to the skatepark everyday and have seen where trashcans have been full as there are a lot of citizens that utilize the skatepark.

Commissioner Lopez commented that it's good that they are utilizing the skatepark, but staff needs to keep up the maintenance at the park or KISD will start complaining about the trash.

Mrs. Courtney Alvarez, City Attorney commented that the next City Commission is scheduled for November 27th. Due to the Thanksgiving Holiday, city offices will be closed on Thursday and Friday and with the potential of staff being out on Wednesday, the deadline for agenda items has been pushed up to this Wednesday. Alvarez further

mentioned activities that will take place in the city. Alvarez further gave her condolences to the family of Commissioner Noel Pena.

Mr. Israel Vasquez, Facility Maintenance Manager gave an update to the City Commission on the pumphouse. The pumphouse should be completed, according to the general contractor, on Friday. Once this is done, the architect will be contacted and staff will get the punch list together and give them a couple of weeks to do it, which by December it should be good. The new fence should be in place by mid-December.

Mr. Garza commented that overall, staff is looking a mid-January for the site, as there are some additional improvements that need to be made.

Mr. Sharam Santillan, Capital Improvements Manager reported that there is additional parking that which includes parking for the pavilion as well as parking for the Volunteer Fire Department (VFD). Santillan stated that at the VFD the plan is to place a driveway as per requested by the Fire Chief to be used for trucks that do not fit in the bay area at Fire Station No. 1 & 2. Staff is also looking at making this site pedestrian friendly with ADA Improvements and also create a loop that can be utilized by families to walk around the park. There is a new fence that will be built at Well #19. The chain link fence will be replaced with an ornamental black aluminum fence. There are plans to redo PFC Alarcon Street within the next fiscal year, which is part of the maintenance street improvement program.

Commissioner Garcia commented on the burial services for Commissioner Noel Pena. Garcia further gave his condolences to the Pena Family.

Mayor Fugate commented the city will have a ceremony in December to memorialize the service that Commissioner Noel Pena has given to his community. Fugate further stated that Commissioner Pena has served in the Probation Department for Kleberg County for many years and five years on this Commission. He was an outstanding volunteer and public servant to his community.

Commissioner Pecos commented that in the previous years, the city has had a Mayor and Commissioner that have passed away. There are sketches made of those individuals which hang on the wall at the old City Commission Chambers located in the Municipal Building. Pecos further commented that he would like for those sketches to be brought to the new City Hall and displayed in their honor. He also asked that a photo of Commissioner Pena be displayed at City Hall in his memory.

IV. Public Comment on Agenda Items.³

1. Comments on all agenda and non-agenda items.

Mr. Vic Medina of Wastewater Connections presented a check of \$1,000.00 to Commissioner Garcia and the City of Kingsville, for Garcia's participation in the "Texas Got Talent" singing competition during the TML Annual Conference in Houston. Garcia wrote the lyrics and song "I Love this Town" to the tune of Sweet Caroline.

Ms. Faith Delaney, Public Information Officers with the US Small Business Administration Office of Disaster Assistance gave her condolences to the Commission for the loss of Commissioner Noel Pena. Ms. Delaney gave a quick report on the SBA loans that were issued to citizens of Kleberg County that endured damage during Hurricane Harvey.

V.

Consent Agenda

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

Motion made by Commissioner Garcia to approve the consent agenda as presented, seconded by Commissioner Lopez and Commissioner Pecos. The motion was

passed and approved by the following vote: Pecos, Garcia, Lopez, Fugate voting "FOR".

1. Motion to approve appointment of Omar Rosales to the Historical Development Board for a three-year term. (Downtown Manager).
2. Motion to approve out-of-state travel for City Commission and City Staff to the ICSC RECon Global Retail Real Estate Conference in Las Vegas, Nevada on May 20-23, 2018. (City Manager).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

3. Consider introduction of an ordinance changing the zoning map in reference to Retama Park, Block 29, Lot 2, also known as 907 E. Fordyce Street, from R2-Two Family to C2-Retail District, amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Director of Planning & Development Services).

Introduction item.

4. Consider introduction of an ordinance amending the zoning ordinance by granting a Special Use Permit for 916 S. 14th Street in the Village Shopping Center, 1.157 acres of land out of CAD TERR, Block 1, Lot 1-6, for a poker card club. (Director of Planning & Development Services).

Commissioner Garcia commented that he has done some research on this type of establishment. Garcia mentioned some names of communities near the Houston area that have these types of establishments within their community. He further mentioned that across Texas, there are some in Austin, Pflugerville which has been closed, as well as one in Austin. Round Rock and San Antonio have these types of establishments which are still in operation. In Plano and Dallas, these types of establishments have been shut down by the Police Department. Garcia commented that due to some legal ramifications and reports that he has been reading, which have been compiled by attorneys. Garcia stated that he would hate to see a club open and get shut down, which will be of loss of money to the owner. He doesn't mean to discourage the owner from continue his venture, but thought that it was important to mention some of the information he has come across.

Introduction item.

5. Consider a resolution authorizing the City Manager to enter into an Agreement for Financial Advisory Services between the City of Kingsville, Texas and Estrada Hinojosa & Company, Inc. (Purchasing Director).

Mrs. Alvarez commented that earlier this year, the city's Purchasing Department went out for Request for Qualification for this particular item. It was advertised in the paper, responses were received and an evaluation committee was formed. There were three responsive submittals received and after the evaluation committee received those and acknowledged there responsive, there were interviews had with each of three companies that submitted proposals. After this was done, there was some discussion amongst the committee and eventually all the groups were scored based on their submittals and interviews. It is staff's recommendation that the RFQ be awarded to Estrada and Hinojosa. Alvarez stated that the City Commission back on October 9th, did award the financial advisory services RFQ to Estrada Hinojosa and authorized staff to negotiate a contract with them, which is what has occurred since that time.

Motion made by Commissioner Garcia to approve this resolution, seconded by Commissioner Pecos.

Mayor Fugate asked Mrs. Alvarez if this was for the best interest of the City.

Mrs. Alvarez responded yes. She further stated that the contract states that this contract is for a five-year term with no automatic renewals and either party can terminate the contract with 30 days written notice.

Mayor Fugate asked Mrs. Alvarez if she was comfortable with the agreement. Mrs. Alvarez responded yes.

Commissioner Lopez asked if this was normal to do a five-year contract.

Mrs. Alvarez responded that most of the normal contracts that the city has had, not only for this type of work, but for depository and other, have been for three to five years and generally have automatic renewals.

Motion was passed and approved by the following vote: Garcia, Lopez, Pecos, Fugate voting "FOR".

6. Consider authorizing the award of RFQ#18-02 for a Utility Rate Study to HDR Engineering and authorizing staff to negotiate a contract with them, as per staff recommendation. (Purchasing Manager).

Mrs. Deborah Balli, Finance Director stated that staff has gone out of an RFQ #18-02. The city published the RFQ on October 15th and October 27, 2017. Request for applications were accepted until 2:00 p.m. on October 31st. Three responses were received from New Gen Strategies and Solutions of Richardson, TX; HDR Engineering of Austin, TX; and Capex Consulting Group of Frisco. The Utility Rate Study Evaluation Committee reviewed qualifications and discussed the three firm's responses based on a point evaluation system. The Utility Rate Study Evaluation Committee recommends HDR Engineering as the most highly qualified provider based on demonstrated competence and qualifications for the City.

Mrs. Alvarez commented that the Commission will be awarding it to HDR and then authorizing staff to negotiate based on the award.

Motion made by Commissioner Pecos to authorize the award of RFQ #18-02 for Utility Rate Study to HDR Engineering, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Lopez, Pecos, Garcia, Fugate voting "FOR".

7. Discuss update on City's wastewater treatment plants. (City Manager).

Mr. Bill Donnell, Public Works Director gave the Commission a report on the wastewater treatment plants. Some Plant history, year built was in 1977 with a capacity design of 1mgd. It was built by Belco Construction Co. for a construction cost of \$873,890. Previous Plant improvements are UV light system conversion in 1994; Wedge wire drying beds in 1994, which shorten drying process; Polymer injection system in 1994, which separates water from sludge; and SCADA system installed in 2002. Previous Plant improvements: replaced clarifier bridge in 2001 for a cost of \$330,756; aeration basins No. 1&2 in 2006, \$157,500; aerated grit chamber in 2006 for \$197,500; blower system upgrade in 2006 for \$288,300; UV light system upgrades in 2006 for \$75,310; gate replacements in 2006 for \$21,177; Lift Station in 2006 for \$113,050; new secondary clarifiers for TCEQ requirement in 2013 for \$1,355,600; and centrifuge from drying process of sludge in 2015 for \$550,000.

Mr. Garza commented that all the improvements that were done in 2006 were done via a CO from the Utility Fund, and the 2013 improvements was also done through a CO from the Utility Fund.

Mr. Donnell continued to report that when this plant was originally built, it was a contact stabilization treatment process. Due to ammonia limits regulated by TCEQ, they change the process and went to a complete mix. This would allow for long aeration time which would reduce the ammonia so that the city could operate within TCEQ guidelines. This was done in 1994. The blower system is the most use of energy in electricity. There is the Spencer which is a backup blower, which was installed in 1978 during the initial design. Some Plant enhancement needs are grit system/head works; isolation gates; clarified effluent pipe; and clarifier bridge.

Mr. Garza commented that there will be three different phases which are not related but needed. There are some repairs that are needed at the Plant which have nothing to do with making it efficient or expanding its capacity.

Mr. Donnell stated that recommended repairs for the Plant are as followed: grit system/head works, due to deterioration of the concrete; clarifier effluent pipe size; blower pacing; isolation gates; course to fine bubble diffusers; clarifier repairs; UV system upgrade; and SCADA upgrade. These improvements will total \$2,384,000. Plant enhancement needed, contact stabilization, high speed blower, fine bubble aeration; automation & controls, and UC System. Schneider Electric efficiency proposal is to change process back to contact stabilization, fine bubble aeration, high speed turbo blowers, automation and controls, improved air handling system, and P-Uptake aerobic digestion. Proposed budget savings will be in personnel services, chemicals, lab supplies/chemicals, professional services, utilities, and equipment maintenance, repairs and replacements. The goal is savings pay for debt service payments on efficiency related improvements. Next steps is consideration of IGA (Investment Grade

Audit); exit fee, if entered into, will be \$175,000, only applicable if self-funding project is developed and city opts to not do it. Currently no money allocated in FY 2018. Phase three is the capacity expansion, which is to be determined, but can cost from \$7.0 to \$1.60 million dollars. Kimley Horn Engineering completed a Capacity Analysis Report for the city They had awarded a contract on November 28, 2016. They gave a presentation to City Commission on June 26, 2017 and submitted a capacity report on July 2017. The projected population during this study was that in 2020, if you go with the portion of low growth project verses Texas Water Development Board or the portion of high growth project, depending on the growth rate on the south end, would determine in what year the city could possible determine when we would have to expand this Plant. The projected flow rate, in 2020 on the lower average, we are looking at 0.64, Texas Water Development Board at 0.77 and the high growth rate would be at 0.84. These numbers are in hundred million gallons. Donnell stated that currently, the study shows that the city is at 70% as of the summer. Since then, they have had the meter at the Plant recalibrated which is showing closer to 75%, just in the past few months which makes us at the design need for TCEQ requirements.

Commissioner Garcia asked if the city was at 70% a couple of years ago. Mr. Donnell responded that staff was thinking that it was in the 60% in capacity. But due to the calibration of the flow it has moved up.

Mr. Donnell spoke about the expansion requirements. At 75% of average daily or annual average flow for three consecutive months, the permittee must initiate engineering and financial planning for expansion and/or upgrading of the wastewater treatment and/or collection facilities. Whenever the average daily or annual average flow reaches 90% of the permitted average daily flow for three consecutive months, the permittee shall obtain necessary authorization from the commission to commence construction of the necessary additional treatment and/or collection facilities. Projected growth is what drives what the city would have to do with that Plant.

Commissioner Pecos asked that a time back, the capacity was at 60% and now it's at 70%. Would this be due to the fact that the University's enrollment has gone up about 2,000 students which would increase the volume.

Mr. Donnell responded that it could increase it if they resided in the south end of the city. The flow from the University goes to the North Plant.

Mayor Fugate asked if there is any way that some of this can be diverted to the North Plant.

Mr. Donnell's response was that staff has looked at that and back in the mid to early 90's there was a reroute done that laid a trunk line from down Franklin Adams and around through Pasadena which rerouted a section of that town to go to the South. To reroute it back to the North would require a hydraulic study. Donnell stated that this wouldn't be feasible for the short years if growth continues towards the south end of the city. The cost of the hydraulic study and the reroute would not be as beneficial as looking at moving forward with the treatment plant.

Mr. Garza commented that one of the limitations is that the city doesn't have the capacity in-house to look at the hydraulic and other things. Part of what is being conveyed is the vision of the team that is in the process of being assembled and the roles that they would play in helping to find solutions for our challenges. Garza commented that there is a financial challenge with the Utility Fund. We are in a tight situation that can force us to think outside the box and in order to help in doing that, it is important to have the right people at the table which is why staff has gone through the process in selecting the financial advisor that was recommended. It is also important to select a firm to come in and look at the rates, but it is also important to go through another RFQ process to select an engineering firm to assist and bring the experience to the table that will represent the interest of the city. They can also help look at the hydraulic and the expansion component of it. Historically, improvements to the Plant was being paid through Certificates of Obligations, but we don't have capacity for that at this time. Part of assembling this team is that with the financial advisor, they can assist the city as to when we are eligible for capacity, or assist in the possibility of refinancing in order to get more money. The rate study firm will assist in improving revenues to help us run day by day operations but potentially tie some rates to a capital improvement program that will include some of the improvements which is in phase 1. This type of work can be done in-house, which staff has already starting the process in retrieving quotes. Garza stated that staff is in the process of hiring a City Engineer. Once this person is onboard, they can help develop a CIP that the firm can take a look at where they can report in what years rates can be increased to help fund some of the improvements. Garza stated that at this time, the city doesn't have the funds to fix what needs to be fixed or even start the discussion for an expansion or reroute option. Not

knowing how much this would cost, makes it difficult for staff to make a recommendation. Garza further commented that some of the options for the city, is pursuing the IGA with Schneider is a true option to figure out if this is a self-funding project. If it is a self-funding project, it will take care of phase 2 without it having to increase rates. Garza stated that this is something to keep in mind that it's a risk because it would be investing time into it and if it turns out that it's not a self-funding project, the city have the same issue. Garza stated that there is some pros and cons to the mix. The pros being not having to fund those improvements through rate increases. Garza stated that another option would be for a budget amendment to proceed in getting a third party engineering firm to help the city look at some of the hydraulic models and the actual details of an expansion. Staff feels confident that internally, staff can handle seeing the repairs, which is the phase 1, but will definitely need the outside experience to assist staff come up with the actual plan for the expansion. Garza stated that even if the city was to look at the option for the efficiency with Schneider, that process would still require for the city to have its own third party engineering firm to validate all of the information that will be put together by this firm.

Mayor Fugate asked how much would a contract with Schneider cost the city.

Mr. Garza commented that it doesn't cost the city anything upfront, it only cost if they develop a self-funding project that the city chooses not to pursue, then the city will pay them the exit fee of \$175 or if the city chooses to pursue the improvement that they spearhead, almost as a project manager, and oversee all of the construction of the improvements, then they get compensated through the construction management process. This is not something that the city pays them directly, unless those two things happen.

Mayor Fugate asked if this is something that staff can take care of and why we would need someone from the outside do it? Staff knows this Plant better than anyone out there. Staff will know what will be efficient and what is not. Mayor Fugate commented that he is concerned about this.

Mr. Garza commented that it has its pros and cons. It all depends on the policy direction that the Commission wants to give to staff. The pro side on performance contracting is that it comes with a guarantee. With a guarantee, if one of those things that was discussed does not happen, the city doesn't have to worry about coming up with that dollar amount from the city's budget, it is guaranteed. If it is done in-house, the city can manage and include it in the CIP that was discussed earlier, but at this point the city will take on all the risk where if some of these things don't occur, the city will have to find the additional funds to pay for that improvement. If the city gets a third party, they take the risk. If the city is doing it on its own, then the city takes on the risk on whether the energy efficiency will happen or not happen. Garza commented that the improvements, staff agrees with, and it's also important to note that the energy efficiency components don't just apply to the South Plant but also apply to the North Plant. The proposal that was received from Schneider, it took a look at both Plants as both Plants can be more efficient with the more efficient blowers. Both Plants can be more efficient but as for capacity and from a needs for improvement, it's only the South side.

Mayor Fugate commented that we do the repairs which could cost \$2.5 million, which the city doesn't have, and do the efficiency study. Which we don't know what it will cost, which the city doesn't have, but it doesn't raise the capacity. Now on top of that, we have the issue with capacity which will cost over \$7 million.

Mr. Garza commented that this is a wide range on purpose as staff hasn't had a detailed conversation with a firm to assist the city fine tune it.

Commissioner Pecos asked what is the projected savings of Schneider in implementing the plan that they have?

Mr. Garza responded that staff didn't want to discuss it just yet as we don't want to hold them to a number, as everything that has been discussed has been preliminary. Staff knows that the combination of the efficiency improvements at both the North & South Plant are in the range of \$6 to \$7 million dollars, combined. Something like this over a 20 year note of a debt service payment of over \$400,000 which means that the city would have to come up with some savings that equate that to make it self-funding. Some of this would come in the form of energy efficiencies, personnel, and maintenance savings.

Mayor Fugate asked how the city would save on personnel, does this mean that the city would have to let some employees go.

Mr. Garza commented that staff doesn't know that for a fact as the city hasn't gone through the process of the IGA. Garza stated that from staff, they are 100% against reducing the number of staff that we have now.

Mr. Donnell stated that the city is at TCEQ requirements at this time. As for 3MGD, the city is mandated to have certain amount of operators. The only position that could be released is the plant helper as that position is not required by TCEQ. Donnell stated that there is a lot of work that the plant helper does. There are two operators at the North Plant that are required, and an operator at the South Plant that is required.

Mr. Garza commented that there is potential for some savings, but without going through the details, we wouldn't be able to decide whether we should or not. Garza stated that this is a policy direction that he feels should come from the Commission as it will impact the city's timeline of when we take a look at all these issues. The priority is in phase 1 which is the improvement that are a little over \$2 million dollars, which could be handled internally, in terms of managing that capital program. By saying this, the city had a five year capital maintenance improvement plan that was developed internally by the Engineering Department that ranged from 2011 to 2016, which was developed and implemented by staff. Every year, staff would bid out the projects and over saw the construction of it. So when he says that staff can internally handle the \$2.3 million, this is what he means. It's completely different in asking the engineering staff to develop a strategy to expand the capacity, that we do not have the capacity to do in-house.

Mayor Fugate commented that if staff does a lot of these repairs it will increase the efficiency. Fugate asked if the blowers were going to be updated.

Mr. Donnell responded that it was included. He further stated that it's all determined on how fast the population goes up in the south end of the city.

8. Consider a resolution authorizing the City Manager to enter into a Commercial Real Estate Listing Agreement Exclusive Right to Sell between the City of Kingsville and Lynn Yaklin. (Purchasing Manager).

Mrs. Balli reported that during the March 13, 2017 City Commission meeting, staff was authorized to sell city owned property that is located off of Loop 428. Staff contacted several MLS Brokers locally which included Scott Irbey Realty, Kingsville Realty and Coldwell Banker. Staff recommends Coldwell Banker as the broker. Balli further stated that what is before the Commission tonight, is the agreement that staff worked on between the City and Coldwell Banker.

Motion made by Commissioner Garcia to approve this resolution, seconded by Commissioner Pecos.

Mayor Fugate asked that if this wouldn't interfere with any of the city's future plans for a Fire Station on the Southside of town.

Mrs. Alvarez commented that it is her belief that was a discussion that was done earlier when it was talked about putting the property up for sale and the answer was no.

The motion was passed and approved by the following vote: Pecos, Garcia, Lopez, Fugate voting "FOR".

9. Consider a resolution authorizing the City Manager to enter into an Agreement for Professional Services between the City of Kingsville and Maldonado Nursery & Landscaping for Golf Course Irrigation Components Installation Services for the L.E. Ramey Golf Course. (Purchasing Manager).

Mrs. Balli reported that a request for proposal was published in the paper on May 17th and May 24, 2017. There were two proposals received, one from Maldonado Nursery and Landscaping and one from Green Scape Six. Staff is recommending Maldonado Nursery and Landscaping, as they were the low bidder.

Mayor Fugate asked if they city has done any business with them before. Mrs. Alvarez responded, not to her knowledge.

Motion made by Commissioner Garcia to approve this resolution, seconded by Commissioner Lopez and Commissioner Pecos. The motion was passed and approved by the following vote: Garcia, Lopez, Pecos, Fugate voting "FOR".

10. Consider authorizing the purchase of a John-Deere backhoe for the Water Construction Department via BuyBoard, as per staff recommendation. (Public Works Director).

Mr. Donnell reported that this will replace a backhoe that was approved in the budget. There is a backhoe in the water construction division that has already spent in the past three years \$45,000 in repairs and at this time looking at over \$10,000 for hydraulic repair for this unit, which has not been done. This item will expend \$59,500 from the allocated funding of machinery and equipment under fund 054.

Commissioner Pecos asked what would happen to the old backhoe. Mr. Donnell responded that it will be used as a trade-in.

Motion made by Commissioner Garcia to authorize the purchase, seconded by Commissioner Pecos.

Mayor Fugate asked Mr. Donnell if this item was within budget. Mr. Donnell responded yes.

The motion was passed and approved by the following vote: Lopez, Pecos, Garcia, Fugate voting "FOR".

11. Consider authorizing the purchase of a CCTV Inspection System for the Wastewater Department via HGAC, as per staff recommendation. (Public Works Director).

Mr. Donnell stated that this time inspection system will replace a Cues model CCTV Inspection System the City has had for approximately 25 years. It is currently not working and parts to repair it are obsolete. The Raush Mobile Pro CCTV Inspection System is able to video 4 inch to 72 inch pipe. This camera is mounted in Unit 7405 and comes with 1000 feet of cable and has 360 degrees rotation. This purchase will expend \$78,500 of allocated funding budgeted in Capital Outlay from fund 051.

Motion made by Commissioner Lopez to authorize the purchase, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Pecos, Garcia, Lopez, Fugate voting "FOR".

12. Consider authorizing the award of a small-purchase contract for CDBG Contract #7215270 Armstrong Waterline Improvements for replacement of water valves and installation of a fire hydrant, as per staff recommendation. (Capital Projects Manager).

Mr. Santillan reported that the City has a remaining balance of \$31,762 of construction funds for the CDBG Contract. Staff is reaching out to companies for small purchase contracts. Staff received bids until October 6th. The project scope focuses on the replacement of three water valves and the installation of one fire hydrant. The financial impact will be an amount of \$12,300. It is staff's recommendation that the city award the small purchase contract to E-Tech Construction.

Motion made by Commissioner Pecos to authorize the award, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Lopez, Pecos, Fugate voting "FOR".

13. Consider approval of a change order for the Santa Gertrudis Street Improvements Project (Bid#17-17) to extend the project from Tranquitas Creek Bridge to 14th Street. (Capital Improvements Manager).

Motion made by Commissioner Lopez to approve this change order, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Lopez, Pecos, Garcia, Fugate voting "FOR".

14. Consider a resolution authorizing the submission of an application to the Environmental Protection Agency for an Assessment Grant Program for the old Hospital Building at 400 E. Caesar Ave., Kingsville, Texas. (Director of Planning & Development Services).

Motion made by Commissioner Pecos to approve this resolution, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Pecos, Garcia, Lopez, Fugate voting "FOR".

15. Consider a resolution casting the City of Kingsville's votes for candidate Al Garcia to the Board of Directors for the Kleberg County Appraisal District. (City Attorney).

Motion made by Mayor Fugate to approve this resolution, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Pecos, Fugate voting "FOR". Garcia "ABSTAINED".

16. Consider introduction of an ordinance amending the Fiscal Year 2017-2018 budget to include projects not completed in Fiscal Year 2016-2017. (Finance Director).

Introduction item.

17. **Consider introduction of an ordinance amending the Fiscal Year 2017-2018 budget to reallocate funds to purchase a Genie Z60/34 boom lift for the Street Department. (Purchasing Manager).**

Introduction item.

18. **Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Section 5-1-56, providing for an increase in the truck rental fees. (Public Works Director).**

Introduction item.

19. **Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewers, Section 74, providing for an increase in septic tank or liquid waste disposal rates and adding sludge disposal rates. (Public Works Director).**

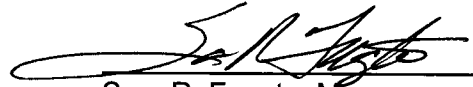
Introduction item.

20. **Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Section 52, providing for an increase in water tapping charges and adding water boring tap charges. (Public Works Director).**

Introduction item.

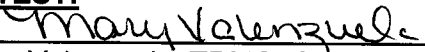
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:45 P.M.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, TRMC, City Secretary