

**MINUTES OF THE CITY COUNCIL MEETING
OF THE CITY OF GLENN HEIGHTS, TEXAS**

August 16, 2010

STATE OF TEXAS *
COUNTIES OF DALLAS AND ELLIS *
CITY OF GLENN HEIGHTS *

On this the 16th day of August, 2010 the City Council of the City of Glenn Heights met in a regular meeting at the Glenn Heights City Hall in Glenn Heights, Texas located at 1938 S. Hampton Road with the following members present:

CITY COUNCIL:

Victor Pereira	*	Mayor
Doug Burton	*	Council Member
Leon Tate	*	Council Member
Kathy Dixon	*	Council Member
Mary Ann Chancellor	*	Council Member
Chance Harvey	*	Mayor Pro Tem
Dan Freeman	*	Council Member

STAFF:	Jacqueline Lee	*	City Manager
	Othel Murphree	*	City Secretary
	Patrick Harvey	*	Director of Finance
	Chris Shook	*	Fire Chief
	Kristen Smith-Davis	*	Human Resource Director
	Joe Goodman	*	Director of Public Works
	Connie Hearne	*	Assistant to the City Manager
	Judy Bell	*	Executive General Manager for Planning and Municipal Services

CONSULTANT:

Barbara Boulware-Well	*	City Attorney's Office
Frank Razor	*	City Engineer

ABSENT:

Mayor Pereira called the meeting to order at 7:33 p.m.

INVOCATION: Pastor Dansby gave the invocation.

PUBLIC COMMENT: NONE

CONSENT AGENDA: All matters listed in Item 1, Consent Agenda, are to be considered routine by the City Council will be enacted by one motion. There will not be separate discussion on these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

1. Consider and approve the Minutes of August 2, 2010 regular meeting and August 9, 2010 special meeting.

Councilwoman Chancellor moved to postpone the approval until the next regular meeting. Councilman Freeman made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Pereira, Chancellor, Harvey, and Freeman

2. Executive Session, pursuant to Chapter §551. Government Code V.T.C.S. (OPEN MEETINGS LAW), in accordance with the authority contained in Section §551.071 Legal and Section §551.087 Deliberation Regarding Economic Development Negotiations.

- A. Pursuant to Sec. §551.071, Consultations with Attorney on contemplated litigation – T.J. Liquor
- B. Pursuant to Sec. §551.071, Consultations with Attorney on Legal Opinion Regarding Grounds for Denying an Application for a SUP
- C. Pursuant to Sec. §551.087, Deliberation Regarding Economic Development Negotiations

Councilwoman Chancellor moved to convene into closed session Pursuant to Sec. §551.071, Consultation with Attorney and Section §551.087 Deliberation Regarding Economic Development Negotiations. Councilman Burton made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Pereira, Chancellor, Harvey, and Freeman

The City Council convened into Executive Session at 7:39 a.m.

3. Reconvene and consider any Official Action as a result of the Executive Session.

Councilman Freeman moved to reconvene into open. Councilwoman Dixon made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Pereira, Chancellor, Harvey and Freeman

Mayor Pereira called the meeting back to order at 9:10 p.m.

Councilman Freeman moved to direct the City Attorney to move forward as discussed in the executive session. Councilwoman Dixon made the second. The motion carried with the following vote:

VOTE: **6** **Ayes** – Burton, Tate, Dixon, Chancellor, Harvey and Freeman
 1 **Against** - Pereira

Mayor Pereira filed an affidavit with the City Secretary August 2, 2010 in order to comply with the requirements of Chapter 171, Texas Local Government Code stating he owned property within 200 feet of the property located at 1710 S. Hampton Road. Mayor Pereira turned the meeting over to Mayor Pro Tem Harvey and took a seat in the audience.

4. Consider and approve Ordinance O-14-10 changing the zoning classification on approximately 2.87 acres of land described as Tract 6 of the M L Swing Abstract 1455, page 205, Glenn Heights, Dallas County, Texas, recorded in Volume 2001229 zoned Commercial "R" to by allowing a Specific Use Permit for retail sale of consumables at the property located at 1710 S Hampton Rd. 1st Reading

Councilman Freeman moved to approve Ordinance O-14-10 changing the zoning classification on approximately 2.87 acres of land described as Tract 6 of the M L Swing Abstract 1455, page 205, Glenn Heights, Dallas County, Texas, recorded in Volume 2001229 zoned Commercial "R" to by allowing a Specific Use Permit for retail sale of consumables at the property located at 1710 S Hampton Road with one addition of the exterior of the building will be red brick. Councilman Burton made the second. The motion carried with the following vote:

VOTE: **4** **Ayes** – Burton, Chancellor, Harvey, and Freeman
 2 **Against** – Tate and Dixon

Mayor Pro Tem Harvey turned the Chair back to Mayor Pereira.

5. Consider and approve Ordinance O-15-10 modification of Conservation and Drought Plan. 1st Reading

Dallas Water Utilities has a water supply agreement with the City of Glenn Heights to supply potable water. The agreement requires the City to adopt a Water Conservation Plan and a Drought Contingency Plan which is compatible to the Plans that Dallas Water Utilities has in place. As a result the City of Glenn Heights approved Ordinance O-11-09 that incorporates both water conservation and drought contingency.

The City of Dallas has revised their plans and Glenn Heights must revise its' plan to be compatible with the Dallas Plan.

There is no financial impact to the City Budget. Staff recommends that the enclosed Water Conservation and Drought Contingency Plan (**Ordinance Number 0-15-10**) be adopted.

Councilman Freeman moved to approve Ordinance O-15-10 repealing Ordinance O-11-09 and adopting a new revised Conservation and Drought Plan with one change on page 18 of the plan:

Change: Required Water Use Restrictions

Water customers:

(a) Mandatory two (2) day a week watering.

To:

Required Water Use Restrictions

Water customers:

(a) Mandatory limit of two (2) days a week for outside watering.

Councilman Burton made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Pereira, Chancellor, Harvey and Freeman

6. Consider and approve Resolution R-24-10 appointing the City Manager as the Administrator of the Glenn Heights Employee Benefits Trust.

The City Council adopted Resolution R- 21-10 authorizing the Creation of an Employee Benefit Trust and Resolution R-22-10 authorizing the City of Glenn Heights Employee Benefits Trust to pay the obligations of the Trust as it relates to insurance contracts that the Trust awards.

At the August 9, 2010 City Council meeting there was discussion on appointing the City Manager the Administrator of the Trust thus allowing the City Finance Officer at her instruction to pay the premiums each month as it relates to insurance contracts that the Trust awards. Allocations for Employee Benefits are included in the 2010/2011 Budget proposal.

Councilwoman Dixon moved to approve Resolution R-24-10 appointing the City Manager as the Administrator of the Glenn Heights Employee Benefits Trust. Councilman Tate made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Pereira, Chancellor, Harvey and Freeman

7. Consider and approve Interlocal Agreement with Dallas County Roads/Streets

The City of Glenn Heights has in the past participated in an Interlocal Agreement between the City and Dallas County for Major Capital Improvement Program. It has been mutually profitable for both entities to join in project which enhance both the City and the County. One such project is the intersection of Bear Creek and Hampton Road construction project.

This is an extension of the Interlocal Service Agreement in effect with Dallas County. The larger purchasing power of the County allows the City to participate in projects at a more reduced cost than would be available for projects done by the City alone. It also allows the County to carry out projects without having complete funding from the County. The City and the County actually co-participate on roadway projects supplying funding and the County provides project management. Dallas County has proposed a renewal of the Master Agreement that is the result of a court order executed by the County Commissioners Court which insures the maintenance of roadways in Dallas County which are considered orphan roadways. This order provides for the Direct Project and Program cost for improvements and maintenance costs for streets and roadways that will have an effect on traffic flows in the County. It also provides for the multi-modal connectivity improvements which comply with current or future federal transportation safety acts. The agreement allows for City construction standards to be used in the projects as well as sets a minimum standard for the construction of roadways in the County. It can also provide for the installation of the infrastructure (drainage, water and wastewater lines) in the construction of roadway projects.

This agreement will benefit the City of Glenn Heights in future Capital Improvement Programs by providing a co-participant for future infrastructure improvements. This will mean not only partial funding, but engineering, project management, bidding, and procurement for City/County projects. The City may agree to participate or reject any project proposed by the County.

There is no immediate financial impact to the budget. This agreement will mean the City can participate in mutually beneficial projects.

Staff recommends that this agreement be adopted.

Councilman Freeman moved to approve the Interlocal Agreement with Dallas County Roads/Streets. Councilwoman Dixon made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Pereira, Chancellor, Harvey and Freeman

8. Workshop Council Budget FY 2010 – 2011

Part 1. Water and Wastewater

- A. Fund Proposed Budget Overview
- B. Rate Review

- C. Strategies To Address Systems & Funding Issues
 - o Rate Amendment
 - o Dallas Water Utilities: Rate of Flow
 - o Computerized Hydraulic Model of Water Distribution System

Part 2. Impact Funds Status

- A. Fund Balance Overview
- B. Proposed Road Projects

Councilwoman Chancellor moved to open the workshop. Councilman Burton made the second. The motion carried with the following vote:

VOTE: 7 Ayes – Burton, Tate, Dixon, Pereira, Chancellor, Harvey, and Freeman

Mayor Pereira opened workshop at 9:52 p.m.

Part 1 Water and Wastewater

Fund Proposed Budget Overview and Rate Review

Chris Ekrut, Manager of J. Stowe & Co., LLC. is scheduled to attend the Monday, August 16 meeting to present the Water and Sewer rate study results. Mr. Ekrut's presentation will focus on the following issues:

- Current Water and Wastewater Issues
- FY 2011 Rates
- FY 2011 Regional Monthly Bill Comparison
- Estimated Future Rates

Staff recommended the retention of J. Stowe & Co. in late May 2010 to review our water and sewer rates in light of the withdrawal of the City of Red Oak as a customer. During the month of June, we received a notice from Trinity River Authority (TRA) of the settlement for FY 2009 sewer of approximately \$160,000 and \$160,000 a month for the remainder of FY 2010. The City's budget for waste water treatment services after the payment of the \$160,000 settlement was approximately 100% expended. This information was provided to us in the final phase of the operating budget development process. During the month of July, 2010 we received notification from TRA of their FY 2011 estimate of waste water treatment services. Those were the two reasons underlying the retention of J. Stowe & Co. Mr. Ekrut's analysis incorporates those events and provides recommended water and sewer rates over a three year period designed to enhance the fiscal stability of the fund.

Staff projects the 2010 fiscal year end W&S Fund reserve to be -10 days due to the impact of the TRA cost increase. We currently project that the implementation of the

rate increase will have the 2011 fiscal year reserve at 6 days and the 2012 fiscal year reserve at 29 days.

Staff recommends the adoption and implementation of the water and sewer rate increases proposed in the FY 2010 water and sewer rate study.

Presentation by: Chris Ekrut, Manager of J. Stowe & Co., LLC.

Presentation Summary

- Introduction
- Current Water and Wastewater Issues
- FY 2011 Rates
- FY 2011 Regional Monthly Bill Comparison
- Estimated Future Rates

Base Charge	CURRENT		RECOMMENDED	
	Inside City	Outside City	Inside City	Outside City
¾"	19.44	22.36	26.72	30.72
1"	48.60	55.89	66.79	76.81
1½"	97.20	111.78	133.58	153.62
2"	155.52	178.85	213.73	245.79
3"	291.60	335.34	400.74	460.85
*4"			668.00	768.00
Volumetric Charge Per 1,000 gallons	3.60	4.14	4.95	5.69

*City has not formally adopted 4" base charge.

Dallas Water Utilities – Proposed Rate-of-Flow Contract Amendment

The City of Glenn Heights signed a contract with the City of Dallas (as Dallas Water Utilities) on September 18, 1985 for the long-term purchase of potable water. Amendments to that contract and Memorandums of Agreements have been signed since that time.

As the City's management has spent the past eighteen plus (18+) months evaluating all areas of the City, Staff was instructed to analyze all infrastructure conditions, studies, contracts, revenues and expenses. Additionally, Staff has been engaged in a concerted effort to develop and maintain professional relationships with other cities, counties and contractual partners. As a result of these instructions, Staff has been meeting with Dallas Water Utilities (DWU) to discuss options for cost-savings measures. DWU Staff recommended the City consider a contract amendment from a "flat rate" to "rate-of-flow".

In order to evaluate this option, Staff assembled 6+ years of data regarding consumption, both DWU water and well water, and growth. In the midst of this analysis,

the City lost its largest water customer (i.e., Red Oak) and experienced unusually wet weather conditions. These factors required further analysis and consideration.

Currently the City of Glenn Heights purchases water from DWU with a flat rate method which only requires the City to pay for water that passes through the meter. Under the flat rate method the City is not obligated to take or to pay for any set amount of water. Glenn Heights has no obligation other than to pay for the water consumed. Because this leaves DWU with no guarantee from Glenn Heights, the City pays a premium for water.

Under the rate-of-flow method, Glenn Heights will commit to pay for a set amount of water per day – regardless if it is used or not. This methodology provides DWU with guarantees for water sales as well as the ability to plan for the amount of water demands it will face. All DWU water capital projects are based on these guarantees. Because of these guarantees to DWU and their commitment to developing water reservoirs and other resources necessary to stay ahead of the water demands, once Glenn Heights makes this contract amendment it cannot return to the flat rate method.

In order to transition to the rate-of-flow method the City will be required to make several modifications in the Dallas pump station, which serves as the City's "take point" and metering station for potable water. The modifications will include several pieces of equipment, including a new meter, which DWU has looked at and provided a cost estimate of approximately \$35,000. These monies were included in the FY09-10 budget. Additionally, DWU personnel have committed to be responsible for the change-out of the metering equipment at no cost to Glenn Heights. DWU will have ultimate control of the meter and the flow through the meter.

The proposed contract amendment with DWU would require Glenn Heights to pay a two-part rate. One part would be based on demand which requires the City to set a "maximum day" use. The current demand rate is \$179,991 per million gallons (mg) and the FY10-11 demand rate will be \$187,263 mg. For example, if the City set the maximum day use at 2.3 million gallons per day (mgd), a total annual demand payment of \$430,704 would be divided by twelve (12) months and paid throughout the year. The second part would be based on consumption (meter flow) and is referred to as a volume rate. The current volume rate is \$0.3826 per thousand gallons (0.3826/1000) and the FY10-11 volume rate will be reduced to \$0.3722/1000. FY09-10 should result in a total consumption of approximately 428,806 mgd. Again, for example, if the City purchased 428,806 mgd at the FY10-11 rate the cost would be \$162,502. By adding the demand rate with the volume rate the total annual cost to the City could be \$593,206.

The flat rate is determined by the flow through the meter and is multiplied per one thousand (1,000) gallons. The current rate is \$1.5076 and the rate for FY10-11 will be \$1.5426. To compare this cost with the rate-of-flow method, if the City purchases 428,806 mgd at a flat rate of \$1.5426 the total annual cost would be \$661,475. This creates an opportunity for the City to save \$68,269.

If the City decides to enter into this new contract amendment, a letter of request will be submitted to DWU for the modification. Also, this letter will include the maximum day use as a basis for the demand on the system. If the City is required to exceed this maximum day amount a request to raise the maximum day use will be required and the City will be required to pay the demand rate on the new use back to the beginning of the DWU fiscal year (June). Slight allowances can / will be made in the event of unexpected or unavoidable use such as a large firefighting effort or an extensive main break. That consideration will be made by DWU upon Glenn Heights' request.

Staff has looked at measures that can aid the City in setting the lowest maximum day use as possible as well as aiding to ensure that threshold is not exceeded. Two things can and will be assessed and implemented:

- *maximize storage by allowing the 500,000 gallon ground storage behind the Police Department to be filled with DWU water; and
- *possibly irrigate Heritage Community park with well water.

Based on the analysis of all water consumption data against the two DWU rate method options, the City of Glenn Heights has the opportunity to save money on the annual cost for potable water. The estimated cost savings for FY10-11 is \$68,269. However, the City will be required to expend approximately \$35,000 to make the necessary and required meter station improvements. This \$35,000 was included in the FY09-10 budget and is available upon approval.

Staff recommends the City Council approve the contract amendment with DWU and to authorize the City Manager to submit a letter of request for the amendment, set the maximum day use and sign the amended contract.

Computerized Hydraulic Model of Water Distribution System

Computer technology includes the ability, through specialized software, such as pipes data, valves, elevations, storage facilities and consumption demands to analyze the performance of a water distribution system. As a water distribution system is a closed and pressurized system, the hydraulic properties throughout the system can be duplicated. The modeling software predicts activities such as flow and pressure and the result of those factors on the entire system. The creation, testing and verification of a hydraulic model provide insight into problems that can be expected when all factors are active. Additionally, various consumption demands as well as various pipe sizes can be entered into the model to know and develop the maximum efficiency delivery system. This technology not only allows a water provider to create an efficient system but to also see the dynamics associated with sizing pipes, storage facility and other system requirements combined with demand.

In 2007 Biggs and Matthews was commissioned by the City of Glenn Heights to develop a Master Water and Wastewater Plan (Plan). As the Staff was preparing to complete the recent Water and Wastewater Impact Fee Capital Improvement Plan (CIP), City Staff engaged the Biggs and Matthews personnel in conversations about the method of

analyzing the recommendations. It was discovered that no computerized hydraulic model was used in making the recommendations included in the Plan.

As stated in the background portion of this Memo, this technology is a tried and true method of analyzing a water distribution system. The model is also the best method for planning future improvements when combined with growth projections.

Staff requested the City Engineer to provide a proposal to model the City's existing system, provide a ten (10)-year and a twenty (20)-year plan, the computer model and a written engineering analysis.

With the current Comprehensive Plan update and upcoming CIP, the information that would result from the modeling is extremely important. The City Engineer will be able to determine water pipe sizing, storage sizing, storage placement, capacity limits, etc. Additionally, as development presents itself to the City, Staff can obtain demand requirements and determine how those demands and resulting piping will affect the entire distribution system. This computerized hydraulic model will be a long-term investment for the City's water system.

The proposal received from the City Engineer states that this project can be delivered for \$49,500 in an estimated one hundred twenty (120) days. With approval of computerized hydraulic modeling of the water distribution system as a study in preparation of the next Water and Wastewater Impact Fee CIP, this expenditure can be reimbursed to the Water Fund after the next Water Impact Fee is developed and approved.

Staff recommends the City Council approve this expenditure in the upcoming Water Fund budget.

Part 2 Impact Funds Status

In 2003 the City of Glenn Heights adopted the current Roadway Impact Fees and in 2005 the current Water and Wastewater Impact Fees were adopted. A review of records indicate that since adoption of the Impact Fees and the respective studies in 2003 and 2005 there has not been an implementation strategy to initiate and complete the projects identified.

The purpose of this Memo and presentation is to refresh the minds of City Council about the available projects and make proposals for use of those funds to aid in the proper development of the City's infrastructure.

There is several viable and needed capital projects included in these impact fee studies. The criteria used in evaluating the projects was enhancement in load capacity of roadways, water and wastewater treatment with anticipated growth in mind.

The presentation will discuss the proposed engineering design and technical support of:
*three (3) recommended roadway projects - Bear Creek Rd. from I-35E to west of

Gateway Blvd., realignment of Uhl Rd. south of Bear Creek Rd. to north of Barton Ave.; and realignment of Uhl Rd. at Lindell Estates to north of Harmony Way;

*replacement of a 1,000 gallon per minute (gpm) water pump to a 2,000 gpm at the Northwest Pump Station;

*the continued support of the debt of the Trinity River Authority (TRA) Red Oak Creek wastewater treatment plant (WWTP); and

*an updated Water and Wastewater Impact Fee study upon the completion and findings of the Comprehensive Plan and Capital Improvement Plan (CIP).

Roadway Impact Fees

By expanding major intersections the City will realize an enhanced service level of the major arterial roadways such as Bear Creek Rd. Although the Thoroughfare Plan and Impact Fee CIP call for six-lane divided roadways, this proposal includes the design for ultimate build-out but would recommend only four-lane construction at this time. The Bear Creek Rd. and I-35E intersection reconstruction will also provide aesthetic enhancements with a wide median for lighting and landscaping.

Additionally, the Uhl Rd. improvements are proposed in order to eliminate the four (4) ninety degree (90°) turns. Uhl Rd. is also ultimately planned to be six-lane divided but proposed for current construction of two-lanes with an extremely wide median accommodating hiking and biking trails. When the growth demands the City can construct two (2) or four (4) more lanes.

Water Impact Fees

The 2,000 gpm water pump at the Northwest Pump Station is being recommended due to its impact on water delivery, pressure and State compliance. Texas Commission on Environmental Quality (TCEQ) requires all water providers to pump two (2) gpm per connection or 1,000 gpm with the largest pump out-of-service and meet peak hourly water demand. Currently Glenn Heights exceeds that capacity but, in preparing for future growth and remain in compliance with the State and the Impact Fee CIP, this is a viable project.

Wastewater Impact Fees

Increased delivery of wastewater to the Red Oak Creek WWTP has created the need to expand the plant. TCEQ requires that when a WWTP reaches eighty percent (80%) capacity the permit holder must begin design for expansion. Additionally, when the plant reaches ninety percent (90%) capacity the permit holder must begin construction of the expansion.

The 2003 Wastewater Impact Fees allow the City to support the debt obligation of the Red Oak Creek WWTP with collected impact fees.

Water and Wastewater Impact Fees

In 2007 J. Stowe and Company was commissioned to update the Water and Wastewater Impact Fee study. In the midst of that study the City experienced a major change in management and personnel. The new management suspended the study until Staff could evaluate the City's processes, studies and conditions. After a complete review, Staff recognized the capital recommendations to be used for the Impact Fee studies were developed without benefit of necessary technology (i.e., computerized hydraulic model). Also, City Council authorized the update of the Comprehensive Plan and development of a Capital Improvement Plan (CIP). Based primarily on the previous rationale, the Water and Wastewater Impact Fee study was completed and it was determined that at this time the City should make no change in the current Water and Wastewater Impact Fees.

At the completion of the Comprehensive Plan update and CIP a new Water and Wastewater Impact Fee study should be conducted with the resulting findings. Chapter 395 of the Texas Local Government Code (TLGC) provides that all impact fee studies must be updated every five (5) years. This study would be sooner than is required by law but the base information for the study would be fresh and founded on the results of the Comprehensive Plan and CIP.

The completion of these projects would enhance the City's ability to realize long-term plans, as identified by each Impact Fee study. The completion of these projects should in turn enhance the viability of the City's infrastructure. This enhancement will have a positive financial impact on the City as it will reduce maintenance and increase the attractiveness of the City for development.

Specifically, the cost associated with each proposed project is:

• Design Bear Creek Rd. and I-35E	\$ 349,514
• Design to realign Uhl Rd. from Bear Creek Rd. south to near Barton Ave.	\$ 202,653
• Design to realign Uhl Rd. from Lindell south to Harmony Way	\$ 236,137
• Design 2,000 gpm water pump and controls	\$ 35,000
• Debt support of Red Oak Creek WWTP	\$ 187,803
• Engage in update of Water and Wastewater Impact Fee study	\$ 35,000
Total	<u>\$1,046,107</u>

Sufficient funds are available in the Impact Fee funds to complete all proposed projects.

Staff recommends the City Council consider all proposed projects and authorize the City Manager to engage the services of the City Engineer to complete the engineering design and technical support of all desired capital projects and further to continue the authorized debt support of the Red Oak Creek WWTP.

Mayor Pereira closed workshop at 11:45 p.m.

5. ADJOURNMENT

Councilman Freeman moved to adjourn. Councilman Burton made the second. The motion carried with the following vote:

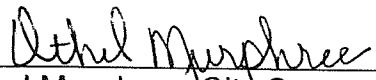
VOTE: 7 Ayes – Burton, Tate, Dixon, Pereira, Chancellor, Harvey, and Freeman

Mayor Pereira adjourned the meeting at 11:45 p.m.



Victor Pereira, Mayor

Attest:



Othel Murphree, City Secretary

Passed and Approved 30th day of August, 2010.