

CITY OF SULPHUR SPRINGS, TEXAS

**REGULAR MEETING OF THE
CITY COUNCIL**

MARCH 6, 2018

7:00 p.m.

Mayor John Sellers called the regular meeting of the Sulphur Springs City Council to order at 7:00 p.m. The following council members and staff were present:

Mayor John A. Sellers
Mayor Pro Tem Oscar Aguilar
Councilman Craig Johnson
Councilman Clay Walker
Councilman Freddie Taylor
Councilwoman Emily Glass
Councilman Dan Froneberger

Absent: None

Staff: Marc Maxwell, City Manager
Jim McLeroy, City Attorney
Lesa Smith, Finance Director
Gordon Frazier, HR Director
Tory Niewiadomski, Community Development Director
Pat Leber, Lieutenant, SS Police Department

PLEDGE AND INVOCATION

Mayor Sellers led in the pledge of allegiance to the United States Flag, the Pledge to the Texas Flag, and Councilwoman Glass led the invocation.

PRESENTATIONS, ANNOUNCEMENTS AND PROCLAMATIONS

Mayor Sellers read the following proclamation:

WHEREAS, service to others is a hallmark of the American character, and central to how we meet our challenges; and

WHEREAS, the nation's counties are increasingly turning to national service and volunteerism as a cost-effective strategy to meet their needs; and

WHEREAS, AmeriCorps and Senior Corps participants address the most pressing challenges facing our communities, from educating students for the jobs of the 21st century, to fighting the opioid epidemic, to responding to natural disasters, to supporting veterans and military families; and

WHEREAS, national service expands economic opportunity by creating more sustainable, resilient communities and providing education, career skills, and leadership abilities for those who serve; and

WHEREAS, AmeriCorps and Senior Corps participants serve in more than 50,000 locations across the country, bolstering the civic, neighborhood, and faith-based organizations that are so vital to our economic and social well-being; and

WHEREAS, national service participants increase the impact of the organizations they serve, both through their direct service and by managing millions of additional volunteers; and

WHEREAS, national service represents a unique public-private partnership that invests in community solutions and leverages non-federal resources to strengthen community impact and increase the return on taxpayer dollars; and

WHEREAS, national service participants demonstrate commitment, dedication, and patriotism by making an intensive commitment to service, a commitment that remains with them in their future endeavors; and

WHEREAS, the Corporation for National and Community Service shares a priority with local leaders nationwide to engage citizens, improve lives, and strengthen communities; and is joining with the National League of Cities, the National Association of Counties, Cities of Service, and local leaders across the country **for National Service Recognition Day on April 3, 2018.**

THEREFORE, BE IT RESOLVED that I, John A. Sellers, Mayor of the City of Sulphur Springs, Texas, County of Hopkins, do hereby proclaim April 3, 2018, as **National Service Recognition Day**, and encourage residents to recognize the positive impact of national service in our community, to thank those who serve; and to find ways to give back to their communities.

ISSUED UNDER BY HAND AND SEAL OF OFFICE this 6th day of March, 2018.

Mayor John A. Sellers

WHEREAS, it is imperative that the citizens of the great State of Texas make every effort to preserve, protect, and promote the diversified and cultural history of our state; and

WHEREAS, Friday, March 2, 2018, the State of Texas will celebrate its 182nd year since the signing of the Texas Declaration of Independence creating the Republic of Texas; and

WHEREAS, in February 1845 the Republic of Texas approved a resolution to enter the Union and part of that resolution, which came to be known as the Constitution of 1845, stated that Texas would retain its right to divide into four states in addition to the original Texas. The Republic of Texas existed for nine years before joining the Union as the 28th state on December 29, 1845; and

WHEREAS, the Texas Legislature purchased the land and buildings of the Alamo complex in the early part of the 20th century and designated the Alamo chapel as an official Texas State Shrine. Alamo Day is celebrated on March 6th of each year; and

WHEREAS, Texas is known as the Lone Star State and the flag displays a single five-point white star on a field of blue with an upper white horizontal stripe and a lower red horizontal stripe; and

WHEREAS, in 1826 the Texas Rangers, a unique group of lawmen used to track down outlaws, settle feuds, and reconcile land disputes, were established by Stephen F. Austin. In 1935, the Texas Rangers became a branch of the Texas Department of Public Safety and today the organization still works for law and order in the state; and

WHEREAS, Texas is the only state that was a Republic before joining the Union, the second largest state in land mass, and the second largest in population. It occupies about seven percent of the total land and water areas of the United States.

NOW, THEREFORE, I, John A. Sellers, Mayor of the City of Sulphur Springs, Texas, do hereby proclaim the month of March 2018 as

“TEXAS HISTORY MONTH”

and urge all citizens to observe this month with appropriate ceremonies and activities.

It is so proclaimed this the 6th day of March 2018.

Mayor John A. Sellers

MANAGER’S REPORT

STREET IMPROVEMENT PROGRAM – Beth, Rasure, Rose, Junnell and a portion of Gossett Lane have been repaved. Calvert Street will be milled and repaved during spring break.

CANTEX FORCE MAIN – This will be our next capital improvement project. It will replace 2,400 linear feet of aging sewer force main and 2,900 feet of gravity main. Currently the main passes through the middle of the hospital complex. This would be a nightmare if the main ever ruptures. The proposed route would go around the hospital complex rather than through it. One third of the city’s sewage passes through this line.

WASTEWATER TREATMENT PLANT – The work at the wastewater treatment plant is on schedule. The three primary clarifier basins have been constructed, and the effluent troughs are being constructed now. Other concrete structures adjacent to the clarifiers are under construction. I expect to bring the clarifiers online in July, weather permitting.

CROSSTOWN TRAIL – Construction of the Crosstown Trail is ongoing. This grant-funded project will connect Buford Park to Coleman Park as well as the high school/civic center complex with a concrete path. It will also replace the sidewalk on the north side of Connally Street.

CLAIMS – We did not have any liability claims in February. We had two minor workers’ compensation claims in February. We have recently changed our coverage for sewer overflows with the Texas Municipal League Risk Pool. The pool will now cover losses that result from a stoppage in a city sewer main. Previously the coverage only applied to overflows that were caused by some action of the city. The additional coverage costs \$4,770 per year. The additional coverage does not protect a homeowner who incurred damage as a result of a blockage in their own service line.

REVENUES AND EXPENDITURES – Finance Director Lesa Smith will give a year-to-date report of revenues and expenditures.

Elsewhere around the city, employees:

- Repaired irrigation at Buford Park Baseball fields.
- Repaired multiple plumbing leaks in bathrooms resulting from frozen pipes.
- Repaired many electrical receptacles in concession stands.
- Conducted 21 building inspections, 16 electrical inspections, 15 plumbing inspections, 4 mechanical inspections and issued 28 building permits.
- Began doing utility locates on Sunset Street in preparation for reconstruction.
- Treated wastewater to a daily average total suspended solids rating of 2.97 mg/L.
- Installed ramp lights at the airport.
- Repaired 6 ruptured water mains.
- Replaced 13 water meters.
- Unstopped 19 water mains.
- Repaired 16 sewer mains.
- Washed 85,000 feet of sewer mains.
- Flushed 35 dead end water mains.
- Repaired the spillway controller at Lake Sulphur Springs.
- Performed preventative maintenance on several apparatuses at the water treatment plant and wastewater treatment plant.
- Treated 106 million gallons of potable water.
- Checked out 2,864 items from the library and checked out another 456 eBooks.
- Responded to 201 animal control calls, and achieved a 40% adoption rate.
- Made 8 arrests in the special crimes unit.
- Responded to 32 accidents, wrote 421 citations, recorded 50 offences and made 57 arrests.
- Sold 806 gallons of AvGas and 7,900 gallons of JetA fuel.
- Made 28 extensive street repairs following utility repairs.
- Repaired 284 potholes.
- Replaced 7 stop signs and 8 street signs.

DISCUSSION/ACTION ON THE CONSENT AGENDA

Consider for approval the regular City Council meeting minutes of February 6, 2018; the Downtown Revitalization Board meeting minutes of February 13, 2018; the Planning and Zoning Commission meeting minutes of February 19, 2018; and the Economic Development Corporation meeting minutes of January 22, 2018. There was no one to speak to the issue. Mayor Pro Tem Aguilar made a motion to approve the minutes as presented. Councilwoman Glass seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON AUDIT FOR FISCAL YEAR 2016-2017

Kirk Evans of Evans & Knauth, PLLC, presented the 2016-2017 audit to the City Council. The City of Sulphur Springs continues to be in excellent financial condition. There was no one else to speak to the issue. Councilman Froneberger moved to accept the audit as presented. Councilwoman Glass seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1148 APPROVING A TARIFF AUTHORIZING AN ANNUAL RATE REVIEW MECHANISM (RRM) AS A SUBSTITUTION FOR THE ANNUAL INTERIM RATE ADJUSTMENT PROCESS DEFINED BY SECTION 104.301 OF THE TEXAS UTILITIES CODE, AND AS NEGOTIATED BETWEEN ATMOS ENERGY CORP., MID-TEX DIVISION AND THE STEERING COMMITTEE OF CITIES SERVED BY ATMOS; REQUIRING THE COMPANY TO REIMBURSE CITIES' REASONABLE RATEMAKING EXPENSES; ADOPTING A SAVINGS CLAUSE; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL FOR THE STEERING COMMITTEE CALLING FOR ELECTION FOR CITY COUNCIL PLACES 1, 2, AND 3, NAMING ELECTION JUDGES AND SETTING DATES FOR EARLY VOTING.

ITEM SUMMARY:

City Manager Maxwell presented the staff report. The City, along with 171 other Mid-Texas Cities Served by Atmos Energy Corporation, Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Steering Committee of Cities Served by Atmos (“Cities”). In 2007, the Cities and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute. Since 2007, there have been several modifications to the original RRM Tariff. The Ordinance that resolved the Company’s application under the RRM Tariff in 2017 also terminated the existing RRM Tariff and required a renegotiation of the terms of that tariff. Negotiations have taken place over the past several months, and have resulted in a revised RRM Tariff that has been agreed to by the Company. Cities strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues and rewarding the Company for increasing capital investment. The RRM Tariff on which the 2017 rates were based allowed a rate of return on equity of 10.50%. The revised RRM Tariff reduces that to 9.8%. The revised RRM Tariff also captures the reduction in federal income tax rates

from 35% to 21%, and should result in a rate reduction effective by mid-March, 2018. Prior RRM tariffs allowed Cities only three months to review the Company's filing. The new revised Tariff expands that time period by two months. New applications by the Company should be made on or about April 1 of each year, with new rates effective October 1. A rate order from the Railroad Commission in an Atmos Texas Pipeline rate case adopted the position of Cities with regard to incentive compensation related to Atmos' Shared Services Unit that reduced allowed expenses, and that reduced level of expenses will be applicable under the new RRM Tariff. There was no one else to speak to the issue. Councilman Johnson moved to approve the resolution as presented. Councilman Taylor seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON RESOLUTION NO. 1147 TO AUTHORIZE SUBMISSION FOR APPLICATION FOR TEXAS CAPITAL FUND GRANT

Community Development Director Niewiadowski presented the staff report. Saputo Dairy Foods USA, LLC will be making a \$40-50 million dollar investment for expanding their business. As a result of this investment, they will need to perform sanitary sewer system upgrades off-site by constructing a new wastewater pretreatment plant near Commercial Services Drive and routing new sewer lines to accommodate their expansion.

The Texas Capital Fund infrastructure development and real estate programs are economic development tools designed to provide financial resources to non-entitlement communities such as Sulphur Springs. Funds from the infrastructure program can be utilized for infrastructure needed to assist a business that commits to create and/or retain permanent jobs, primarily for low and moderate income persons. These programs encourage new business development and expansions. These are federal funds through the Rural Community Development Block Grant (CDBG) program and is administered through the Texas Department of Agriculture.

In discussions with Ark-Tex Council of Governments that identifies funding opportunities and provides resources to Hopkins County and eight other surrounding counties in Northeast Texas, they believe that the activities that will occur would be eligible for grant dollars and would not require any funds from the City to leverage matching dollars to apply for the grant. If awarded a grant, this would also allow the City to upgrade and increase capacity of our public sewer lines to accommodate additional wastewater discharge for development. This will be a work in progress until we finalize a route working with Ark-Tex and Saputo for the purposes of the grant. Ultimately, we need to find ways to tie into the existing 15" sewer line downstream.

Vicki Williamson, Ark-Tex Council of Governments explained the grant process to the City Council. Ark-Tex Council of Governments Executive Director Chris Brown was also available to answer any questions. There was a brief discussion. There was no one else to speak to the issue. Councilwoman Glass moved to approve the resolution as presented. Councilman Taylor seconded and the vote was unanimous.

The motion carried.

DISCUSSION/ACTION ON PLAT CASE PL#180201 BEING A REQUEST BY WARD AND GILLIS, LLC, LOCATED AT 130 EAST SHANNON ROAD, BEING FURTHER DESCRIBED AS LOTS 14B, 14C, AND 15 OF BLOCK 207M TOWN SULPHUR SPRINGS AND IDENTIFIED AS PLAT NAME LISCIOTTO DEVELOPMENT, CREATING 2 LOTS

Community Development Director Niewiadowski presented the staff report. This plat would create two lots out of a 3.98 acre tract of land located on the south side of Shannon Road east of Broadway between Chili's and Panda Express. In order to serve the proposed Lot 1, sanitary sewer needs to be extended to serve the site and requires a long form plat which requires Planning & Zoning Commission and City Council approval.

In 2013, an 8" water line was installed along Shannon Road to improve service in the area. In 2016, the City installed an 8" sewer line that stubs into the east side of the existing property. Both are adequate to serve reasonable commercial development. The applicant will be required to extend an 8" sanitary sewer line to the east side of Lot 1 to serve the lot with public sewer. The applicant has indicated a sewer easement across Lot 2 to accommodate the requirement. The applicant has indicated a 30' private drive easement across Lot 2 to allow access for Lot 1 to connect south to Duckworth Street.

This plat will vacate two items that were previously recorded on the property:

1. Vacation of a previous 50' roadway depiction as part of this plat. The City Council approved Ordinance 808 in 1979 to vacate a 50' roadway easement. At the time, it was determined that proposed extensions of Duckworth and San Jacinto Streets were no longer be necessary as the roadway was constructed over different tracts of land. This plat will eliminate the depiction.
2. Vacation of a 15' sanitary sewer easement Vol. 400, pg. 447 & vol. 336, pg. 701. This was an old sanitary sewer line that is now substandard and is no longer necessary with the 8" sewer line that was installed in 2016.

The applicant is also requesting a variance to construct sidewalks along the frontage of the property based on the lack of connectivity in the area. In lieu of constructing sidewalk along Shannon, the applicant offered to provide a sidewalk along a proposed

driveway out to Duckworth to connect to the School sidewalk where there is better pedestrian access.

The subdivision ordinance requires sidewalks to be installed for pedestrian safety in the following locations:

1. For a minimum distance of 500 feet along streets serving any school.
2. On one side of any collector street wider than 32 feet of pavement.
3. For a distance of 500 feet leading to any hospital.
4. On school property connecting to any sidewalks adjacent to school property unless other surface structure is provided.
5. Any other place deemed necessary by the Commission.

Staff recommends approval of the plat and the authorization for the City Manager to execute a Community Facilities Contract for the public improvements.

Staff also recommends approval of the applicant's sidewalk waiver request as indicated in the letter dated February 14, 2018 from Bohler Engineering.

There was no one to speak to the issue. Councilman Johnson moved to approve the plat contingent on the execution of a Community Facilities Contract and approving the applicant's sidewalk waiver request. Mayor Pro Tem seconded and the vote was unanimous.

The motion carried.

VISITORS AND PUBLIC FORUM

Jeannie Perkins addressed the City Council.

ADJOURN

With all business complete the meeting was adjourned at 7:38 p.m.