



MINUTES
CITY COUNCIL REGULAR MEETING

November 17, 2022 | 6:31 PM

Council Chambers

City Hall | 665 Country Club Road, Lucas, Texas

City Councilmembers Present:

Mayor Pro Tem Kathleen Peele
Councilmember David Keer
Councilmember Tim Baney
Councilmember Phil Lawrence (*remote*)
Councilmember Debbie Fisher

City Staff Present:

City Manager Joni Clarke
Assistant City Manager Kent Souriyasak
Finance Director Liz Exum
Contract Engineer Joe Grajewski
Public Works Director Scott Holden
City Secretary Erin Day

City Councilmembers Absent:

Mayor Jim Olk
Councilmember Tim Johnson

The regular City Council meeting was called to order at 6:31 pm.

Citizen Input

1. Citizen Input

There was no citizen input at this meeting.

Community Interest

2. Items of Community Interest

Mayor Pro Tem Peele gave items of community interest including:

- Donations for Holiday Donation Drive
- Country Christmas
- Service Tree Nominations
- CWD procedures during Thanksgiving week
- Collin County Future Mobility Plan Meetings

Consent Agenda

3. Consent Agenda:

- A. Approval of the minutes of the November 3, 2022, City Council meeting.
- B. Consider authorizing the City Manager to enter into a professional services agreement with JTG Engineering, PLLC, in the amount of \$134,287.50 for General Engineering Services. Funding for these services was approved in the Fiscal Year 2022-2023 budget in line item 11-6209-309 (Professional Services).

- C. Approval of Resolution R 2022-11-00537 scheduling a Public Hearing to consider amendments to the Land Use Assumptions and Capital Improvement Plan under which an Impact Fee may be amended for water and roadways within the City.

Councilmember Keer requested to pull Item B from the Consent Agenda for further discussion.

MOTION: A motion was made by Councilmember Fisher, seconded by Councilmember Keer, to approve Items A and C of the Consent Agenda as presented. The motion passed unanimously by a 5 to 0 vote, with Mayor Olk and Councilmember Johnson absent.

Regular Agenda

- B. Consider authorizing the City Manager to enter into a professional services agreement with JTG Engineering, PLLC, in the amount of \$134,287.50 for General Engineering Services. Funding for these services was approved in the Fiscal Year 2022-2023 budget in line item 11-6209-309 (Professional Services).**

MOTION: A motion was made by Councilmember Keer, seconded by Councilmember Lawrence, to approve the professional services agreement with JTG Engineering, PLLC, with the understanding that the professional will be compensated according to the payment schedule set forth in the agreement in Exhibit "C", and at no time shall the total compensation for the agreement exceed \$134,287.50. The motion passed unanimously by a 5 to 0 vote, with Mayor Olk and Councilmember Johnson absent.

- 4. Discuss the Capex Consulting Group Water and Wastewater Rate Study and Five-Year Financial Plan and set date for the public hearing.**

Finance Director Liz Exum gave a presentation detailing the purpose of the rate study conducted by Capex Consulting and the steps in the process of adopting a new water rate.

Mayor Pro Tem Peele asked if Council would have the opportunity to make any adjustments before the water rate adoption. Councilmember Fisher explained that at the public hearing the citizens will have a chance to speak, and Council can give their feedback at that time. Councilmember Fisher asked that the study results be placed on the website for citizens to view.

Jeff Snowden gave a presentation including: objectives of study, summary of wholesale and retail water flow, rates of revenue increase, summary of all water and wastewater debt, pro forma cash flow under current rates, revenue-to-demand comparison by customer class, peer group comparison of residential and commercial water bills, cost impact of proposed water rates, rate increase projections for residential and commercial, and recommended steps for the rate adjustment.

Council Comments

Councilmember Lawrence asked if this cost increase is more than what was done in the past. Mr. Snowden advised this increase is less than the previous increase. Councilmember Fisher asked if this adjustment would still be based on tier levels. Mr. Snowden advised that it is still based on tier levels.

Councilmember Lawrence asked if there was a difference in the rate increase between member cities and customer cities. City Manager Joni Clarke advised that currently, customer cities who have not

gone to a new contract pay a five-cent premium on the wholesale rate, and that North Texas Municipal Water District is current doing a rate study.

Councilmember Lawrence asked if commercial rates could be skewed based on the size of a commercial business. Mr. Snowden explained that the rate is tiered based on consumption level.

Council discussed the increase in water chemical prices, and why water rate increases are necessary. Councilmember Lawrence explained that citizens have some confusion as to why the City has surplus funds in the Water Fund but rates still increase. Mayor Pro Tem Peele explained that having a five-year plan is good because it can be adjusted later if needed, but there are infrastructure needs coming up and this allows the City to have the needed funds. Councilmember Fisher explained that even with the increase, we will still need more funds for all of the water projects coming up. Councilmember Lawrence explained that having an adequate fund balance allows the City to borrow at a much lower rate for needed funds. City Manager Joni Clarke advised that City Council will be having a public hearing on January 5, 2023 regarding Capital Improvement Projects and that the citizens will be able to see projects coming up and the cost associated.

MOTION: A motion was made by Mayor Pro Tem Peele seconded by Councilmember Lawrence, to approve the results of the Water and Wastewater Rate Study and Five-Year Financial Plan and schedule the public hearing for January 19, 2023 as presented. The motion passed unanimously by a 5 to 0 vote, with Mayor Olk and Councilmember Johnson absent.

6. Consider board/commission appointments to the Board of Adjustment (also serving as the Building and Standards Commission) and the Planning and Zoning Commission (also serving as the Capital Improvements Advisory Committee) for a two-year term beginning on January 1, 2023, and expiring on December 31, 2024.

Mayor Pro Tem Peele advised that Mayor Olk is the Council Liaison for the Planning and Zoning Commission, and he recommended the following be reappointed:

- Dusty Kuykendall
- Tommy Tolson
- Joe Williams
- James Foster as Alternate

MOTION: A motion was made by Mayor Pro Tem Peele, seconded by Councilmember Fisher, to reappoint Dusty Kuykendall, Tommy Tolson, Joe Williams, and James Foster as Alternate to the Planning and Zoning Commission for a two-year term beginning on January 1, 2023 and expiring on December 31, 2024. The motion passed unanimously by a 5 to 0 vote, with Mayor Olk and Councilmember Johnson absent.

Mayor Pro Tem Peele, liaison to the Board of Adjustment, advised she recommends the following to be reappointed to the Board of Adjustment:

- Ron Poteete
- Brian Dale

Mayor Pro Tem Peele requested a delay in the reappointment of Michael Dunn, Alternate pending further discussion.

MOTION: A motion was made by Mayor Pro Tem Peele, seconded by Councilmember Lawrence, to reappoint Ron Poteete and Brian Dale to the Board of Adjustment for a two-year term beginning on January 1, 2023 and expiring on December 31, 2024. The motion passed unanimously by a 5 to 0 vote, with Mayor Olk and Councilmember Johnson absent.

Executive Agenda

7. **Executive Session:** As authorized by Section 551.071 of the Texas Government Code, the City Council may convene into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney regarding any item on the agenda at any time during the meeting. This meeting is closed to the public as provided in the Texas Government Code.

An Executive Session was not held during the meeting.

8. **Reconvene from Executive Session and take any action necessary as a result of the Executive Session.**
9. **Adjournment.**

MOTION: A motion was made by Councilmember Lawrence, seconded by Councilmember Keer, to adjourn the meeting at 7:31 pm. The motion passed unanimously by a 5 to 0 vote, with Mayor Olk and Councilmember Johnson absent.

APPROVED:

Mayor Jim Olk

ATTEST:

Erin Day, City Secretary

