



**FARMERSVILLE CITY COUNCIL  
REGULAR SESSION MINUTES  
For  
January 10, 2017, 6:00 P.M.**

**I. PRELIMINARY MATTERS**

- Mayor Piwko called the meeting to order at 6:00 p.m. Council members John Klostermann, Michael Hesse, Donny Mason, Mike Hurst, and Leaca Caspari were all present. City staff members Ben White, Paula Jackson, Sandra Green, Kim Morris, Rick Ranspot, Daphne Hamlin, Adah Leah Wolf, Mike Sullivan, and City Attorney, Alan Lathrom, were also present.
- Prayer was led by Chief Kim Morris with the City of Farmersville Fire Department followed by the pledges to the United States flag and Texas flag.
- Mayor Piwko stated that the City offices would be closed on Monday, January 16<sup>th</sup> in observance of Martin Luther King, Jr. Day.

**II. PUBLIC COMMENT**

- No one present to speak.

**III. CONSENT AGENDA**

- A. City Council Minutes
- B. Police Department Report
- C. Code Enforcement/Animal Control Report
- D. Fire Department Report
- E. Municipal Court Report
- F. Warrant Officer Report
- G. Public Works Report
- H. City Manager's Report
- I. City Financial Report

- Mayor Piwko asked to pull the City Council Minutes, Public Works Report, and City Manager's Report for discussion.
  - Motion made to approve reports B-F, and I by Michael Hesse
  - 2<sup>nd</sup> to approve was made by Leaca Caspari
  - All council members voted in favor
  
- Mayor Piwko indicated on page 9 of the City Council Minutes it showed no action was taken in regards to the possible regulation of personal property and other materials placed or left in the areas open to the public view, including, but not necessarily limited to, carports. Mayor Piwko stated the "no action taken" needed to be removed because Council directed Alan Lathrom to draft an ordinance for Council to review at a future meeting.
- Leaca Caspari stated that on page 11 were it stated "Leaca Caspari asked if the donation was a gift" could be removed because it was a ret oracle question. Also, on page 12 the name of the landowner was incorrectly spelled.
  - Motion to approve City Council Minutes with changes made by Leaca Caspari
  - 2<sup>nd</sup> to approve was made by Donny Mason
  - All council members voted in favor
  
- Mayor Piwko indicated she wanted an explanation on the two recent water leaks that were shown in the Public Works report under Water System, item 2. She wanted information on the leak under the railroad tracks and how the report indicated that it could be very costly.
- Ben White stated the City has a cast iron line that was installed in 1922 and it has started to leak. Old cast iron lines leak and the new construction is on top of the leak. There is some belief the new construction could have caused the leak. The leak is small in nature, but it does cause a great deal of concern for the Railroad Company. What the City has told the Railroad Company is that the City will work quickly to fix the leak.
- Mayor Piwko asked if the leak was going to require the pulling up of the recently completed road.
- Ben White indicated no and the City is going to bore under the railroad tracks and move the line to alleviate more damage. The City may move it 100 feet to 200 feet to the north and that will get it away from being right underneath the railroad crossing.
- Mayor Piwko asked why Ben White was alerting the Council that it may be more expensive to fix this leak.
- Ben White explained that it is costly to bore. He felt like Council should know of the possible costs upfront.

- Michael Hesse inquired if the City would have to have the area inspected to check for a sink hole.
- Ben White stated that the Railroad Company's Engineer is in charge of that and makes those calls. He has not indicated that it is an issue.
- Mike Hurst inquired if the line ran adjacent or parallel to the railroad tracks and would it be necessary to make a bore or could the City just kill the line on both sides and make the line go where the City wanted it to go.
- Ben White explained that the City can kill the line, but that would be limiting the amount of crossings the City conducts between two halves of the hydraulic plan. The City needs that crossing in case something goes wrong with the water system.
- Michael Hess inquired if Ben White had any idea what the cost would be.
- Ben White indicated it could be tens of thousands of dollars.
- Mayor Piwko asked when they started the process of reconstructing the railroad crossing eight to ten years ago was there an inspection of the line then.
- Ben White stated in 1922 water lines were not incased and the City did not know. It could have continued to work fine for several more year and never caused a problem.
- Mayor Piwko continued and asked about the second water leak and wanted to know how the house became flooded.
- Ben White stated when a water leak happens in a main it can be major and could shoot up 50 feet in to the air. That is how the house was flooded. This is an example of why the City does not build mains by structures. It is worse than a rain storm. It comes in like a hard wind gust at an angle. Ben stated he assumed the windows did not form a perfect seal.
- Mayor Piwko asked if the house had major or minor damage.
- Ben White explained that it had minor water infiltration into the home.
- Paula Jackson stated that she spoke to the home owner and she was happy with Servpro drying her carpet.
- Mayor Piwko indicated that she was wanting to make sure the home owner was taken care of.
- Ben White stated that the City did take care of house.
- Donny Mason asked about the progress on Hamilton Street from McKinney Street to U.S. Highway 380.
- Ben White stated the project is still in engineering.
- Mayor Piwko stated she noticed the same thing on the page for General Obligation Bonds and inquired if the start date needed to be moved.
- Ben White explained that an adjustment could be made on the start date. The Engineers have the alignment completed, but they made the decision to not concrete all the way to U.S. Highway 380. There is interaction with the church as to whether we could straighten out the intersection so

Hamilton Street going across to the south side could be aligned at that point. The way to move forward is to create an S curve at the church now and hope to solve the alignment issue in the future. Then, work the concrete section from there going north. It will prevent digging up the concrete in five or six years.

- Mayor Piwko asked if the alignment that was determined is even for widening the road on both sides. She also asked if the City was going to come closer to the houses on the east side.
- Ben White indicated that the City was trying to go to the west side but there are some issues with alignment on the south side and right-of-way acquisitions. There have been decisions made with regards to realigning the north side and connecting with the existing Hamilton Street at McKinney Street. All issues are being worked, even if progress is slow.
- Mike Hurst inquired about the progress on Jackson Street.
- Ben White stated the proctor test was not met so forms had to be removed that were put in for curbs and gutters. The City has explained to the contractor to stop using the base material they are using, because the City will not allow them to go forward until they meet the proctor test. The proctor test for density is there to ensure a stable base is in place before concrete is poured. It delays the project when the contractors do not want to follow the rules.
- Mike Hurst asked if the City requires a performance bond on jobs that penalize the contractors if the job is not completed by a certain date.
- Ben White stated that the City has a performance bond on every job. Every time the contractors have to rip something out they get further and further behind and they stop making money. Later down the road, people tend to do funny things and take short cuts. But, the City is holding them to the letter of the law.
- Mike Hurst stated the contractors cannot just quit and leave and the bond just pick that up.
- Ben White explained that it has happened where the contractor went into bankruptcy and they were going to execute a performance bond. At that point, another contractor would be chosen to perform the job. The City would work with the insurance company to ensure the contractor would perform and do the job as stated.
- Leaca Caspari inquired about N. Washington Street and the pool of water that was there.
- Ben White stated that the City patched the street as much as possible but the street has a dip in it causing the standing water to stay in that area. The City would have to fix the dip to prevent water from standing. The drainage area located at the end of the Street by the school has been worked on.

- Leaca Caspari explained that it is someone's perspective that the work the City has done there over the past several years has exasperated the problem.
- Ben White answered by stating that he does not believe that is what has happened. The City did re-work some of the drainage at the end of the street so it would drain better. The City would have to change the grade of half of the street to fix the problem. The problem has existed a very long time and it has not become worse. Unless City Council directs staff to reconstruct the street now, then it will stay the way it is until the City can reconstruct it later.
  - Motion to approve Public Works Report made by Leaca Caspari
  - 2<sup>nd</sup> to approve was made by Mike Hurst
  - All council members voted in favor
- Mayor Piwko asked about the Planning Engineer information on the City Manager's Report. Mayor Piwko read the report regarding the Planning Engineer and how there were six packets submitted for review. Then, the next step would be to present to 4A and then Council for approval. She explained that it was her understanding the team the City set up would choose the top three. Then, the three selected would present to Council and then Council would choose from those along with recommendations.
- Ben White explained that 4A is providing the money so the City wanted to give them the courtesy to see the process occur. The 4A Board may down select to the company they recommend, but Council will make the final selection. All three choices will be brought in to present to Council. The Council will get the selection team recommendation, the 4A Board recommendation, and then Council will make a decision based on the input from those groups.
- Mayor Piwko asked if the City knew if the 4A Board was going to make their selection at the January 19<sup>th</sup> meeting.
- Daphne Hamiln, 4A Board staff liaison, stated it was on the next agenda.
- Ben White explained that it will be on the next City Council meeting agenda.
  - Motion to approve City Manager's Report made by John Klostermann
  - 2<sup>nd</sup> to approve was made by Donny Mason
  - All council members voted in favor

#### IV. INFORMATIONAL ITEMS

These Informational Items are intended solely to keep the City Council apprised of the actions and efforts of the various boards and commissions serving the City of Farmersville. Council members may deliberate and/or request further

information or clarification regarding any one or more of the items contained in this provision. City Council approval of, or action on, these items is not required or requested.

- A. FEDC (4A) Meeting Minutes
- B. FCDC (4B) Meeting Minutes
- C. Main Street Board Minutes
- D. Main Street Report
  - Motion to approve all reports made by Leaca Caspari
  - 2<sup>nd</sup> to approve was made by John Klostermann
  - All council members voted in favor

**V. REGULAR AGENDA**

- A. Consider, discuss and act upon filing appeal of the North Texas Municipal Water District water rates with the Public Utility Commission.
  - Ben White addressed Council and stated that in the packet was paperwork from Plano, Richardson, Mesquite, and Garland regarding their filing with the Public Utility Commission to have the method which is being used by North Texas Municipal Water District revamped to determine rates. Those cities believe the methods are unfair and they are going in front of the Public Utility Commission to make changes to the rules. Member cities have a contract with North Texas Municipal Water District that was created in the 1950's and the contract has been updated in a minor way since then, but the basics have stayed in place for a very long time. The City of Wylie and the City of Princeton filed a Motion to Intervene. The basis of their beliefs is the contract is decent and the contract has served every city well. The bigger cities are built out, but they are a huge percentage of the water usage in the system right now. The City of Farmersville is one of the growing cities. If the rules were changed it might hurt the City. Our rates have not gone up, except 5 years ago there was an increase. The growing cities are taking one view point and the non-growing cities are taking a different view point. Ben recommends the City of Farmersville join the City of Wylie and the City of Princeton and file a Motion to Intervene. The motion does not put the City at the table, but the judge or the body that is making the decision will take the City of Farmersville's information in to account when decisions are made. The larger cities have a long road to prove that North Texas Municipal Water District is applying unfair rates. Ben stated all cities are applied the same rate. Ben said he believes North Texas Municipal Water District has not done anything but what is responsible for the upkeep and care of the water system. The rates are expensive, but they are not out of line with national or Texas averages.

The City of Farmersville is definitely not the highest when it comes to charging water fees. Ben indicated that he believes the North Texas Municipal Water District is doing a good job at supplying the City water at the lowest cost. The North Texas Municipal Water District has had a lot of things against them lately. The zebra mussels and drought have had an effect on the water system. Also, along with a drought comes the use of water. People have to conserve, but the price of water still remains the same. The rates are hurt because of this. North Texas Municipal Water District manages the system well. Ben recommended to Council that they advise the City Attorney, Alan Lathrom, to file a Motion to Intervene.

- Mike Hurst asked how much the rates differed from city to city.
- Ben White explained all cities are charged the same rates from the North Texas Municipal Water District. Every city charges a little different and it is hard to compare. The City of Farmersville is in the medium to high middle in regards to rates. The cities involved are all over the place in comparison to the City of Farmersville rates. Everyone is on a sliding scale.
- Mike Hurst asked if the other cities' impact fees take care of the cost of water rates. For example, those cities that have big subdivisions, do they base their impact fees in order to help overcome the rates.
- Ben White explained that impact fees are used for line increases, pump stations, or a water tower. It does not go to the North Texas Municipal Water District for them to take care of water treatment. Impact fees are applied to take care of our local costs.
- Mike Hurst asked if the rates will fluctuate up at all.
- Ben White stated if there was growth all of a sudden the City would start collecting more impact fees, and those fees would take care of the growth. The assumption is that the impact fee is set correctly to offset the cost of growth. The City has to stay above the curve and have pump stations and water towers in place to take care of that.
- Leaca Caspari stated that she believed impact fees are for the structural improvements that will need to be made.
- Alan Lathrom answered by saying that is what they are designed for.
- Ben White stated they help with lines, ground storage tanks, and elevated storage tanks.
- Alan Lathrom indicated all the member cities pay the same rate for the water. The contract between the member cities requires those cities to pay for all the water they have taken in their largest year of usage. If they do not use that amount of water every year they still have to pay that amount. The four cities that have filed the rate case have had the benefit of having the cities that are now growing help fund the

infrastructure that the North Texas Municipal Water District has built since the 1980's. The larger cities have been paying their money, but they do not want to pay those rates anymore because they are built out. North Texas Municipal Water District still has to address the needs of all the cities that are entering into the growth phase. The larger cities are upset because they are still paying the rates for their highest usage point. The City of Farmersville impact fees are used to help with infrastructure that will service new development. For example, oversized lines, transmission lines, ground storage tanks, water towers, and how the City gets water to our residents are just a few. The cost that North Texas Municipal Water District runs into are things like the new reservoir they are building and cost for pumping water from Lake Texoma to east Texas and back over to all the member cities. Those costs are built into the rate they charge each city. So, this is not a rate case. It is to force a change in the contract because it takes every member city to agree on the change.

- Ben White stated that unknown to Council there have been talks in the background among City Managers to change wording in the contract, but they are not there yet. The City of Plano had set a deadline before the end of the year, but when the wording was not agreed on Plano decided to file for the rate change. It is a take or pay issue for those four cities. For the City of Farmersville, we want the ability to grow. Based on the current contract, we are not meeting our take or pay right now. The City is paying more per gallon, but the City structure is going to change soon. The City will be going over that amount and that is why it has not be recommended to join or fight the take or pay issue.
- Mike Hurst stated that once the City reaches that point that is when it is going to be a take or pay the next year.
- Ben White explained that by contract the North Texas Municipal Water District will have to give us the water we need. All the cities will be paying for that, just like the City of Farmersville helped pay for the City of Plano's growth. The City did not want to invoke anything to raise our rates.
- Mayor Piwko commented on how the press releases that were put out were purposely inflammatory with ignoring things like the 70% increase in rates is mainly attributed to the new water line because of the zebra mussels.
- Ben White explained they were trying to negotiate, so their best foot would be forward in regards to their own view point.
- Mayor Piwko stated that the City has two examples of the Motion to Intervene. The City of Wylie and the City of Princeton's motions are almost word for word and then the one from Rockwall was a little



different. Mayor Piwko asked Alan Lathrom if he had a recommendation of one being better than the other.

- Alan Lathrom stated that he had not review them to determine which would be better.
- Mayor Piwko indicated she liked The City of Rockwall motion because it appeared to lay out how it impacted the cities and was more detailed.
- Ben White stated that the City just has to get our Motion to Intervene filed.
- Alan Lathrom explained the Council can make a motion for direction since it would be to intervene in the lawsuit.
  - Motion to direct Alan Lathrom to prepare a Motion to Intervene made by Leaca Caspari
  - 2<sup>nd</sup> to approve was made by Mike Hurst
  - All council members voted in favor

B. Consider, discuss and act upon Resolution #R-2017-0110-001 readopting and reaffirming City of Farmersville investment policy and related investment strategies adopted by and through Resolution #R-2015-0623-001.

- Ben White explained the Resolution is a policy the City already has in place. It is required that it be reaffirmed and if statements are worded appropriate to the Council it can be approve, or if it requires changes that can be done. The review has to be completed annually and it is a good financial process and the auditors recommend it.
- Alan Lathrom explained that Texas Government Code 22.56 requires it to be reviewed every year, but you do not want an expiration date on the document in case it is not presented to Council before the expiration date.
- Mike Hurst stated it seemed pretty conservative.
- Ben White explained the types of investments the City is doing are conservative in regards to tax payer's money.
  - Motion to adopt the policy made by Leaca Caspari
  - 2<sup>nd</sup> to approve was made by John Klostermann
  - All council members voted in favor

C. Consider, discuss and act upon approval of the Final Plat for Lots 1 & 2, Block 1 of the Beech Addition.

- Mayor Piwko stated that the plat had been pulled from the agenda because it should have had a public hearing. But, Ben White could sign it since it is a minor plat. Minor plats do not require a public hearing.
- Ben White explained he can approve a minor plat at any time, but he chooses to put it in front of council. Planning & Zoning has conducted a public hearing but it was not put on the Council agenda. The City could wait, but staff did not want to hold up owners. Since Planning &

Zoning and the City Engineer has approved the plat, he feels comfortable signing it.

- Donny Mason explained he went by and looked at the lots. They were cleaned up and he believes it will be an improvement to the land.
- Ben White indicated that the plat meets all the city requirements and it will be an improvement.
  - No action taken, Ben White will sign plat.

D. Consider, discuss and act upon approval of the Final Plat for Lot 1, Block 1 of the Wiley Orange Addition.

- Mayor Piwko asked if there was anyone in the audience who wanted to speak about the plat.
- The Keller Williams realtor, Stephanie Hibbitts, spoke and stated the new owner was in the audience.
- Ben White indicated that Daniel & Brown, Inc. approved the plat. The property had never been platted and that is why it does not require a public hearing.
- Alan Lathrom added it is a matter of state law. State law mandates that if you have someone come in to replat property it means the property has been previously platted. If it has been previously platted and it is either deed restricted or zoned for residential use of two or fewer residences per lot, then state law mandates you have a public hearing. This law is in place to protect residential neighborhoods. The State says if the plat meets all the conditions of the Subdivision Ordinance then it has to be approved anyway.
- Stephanie Hibbitts wanted to clarify that it is going from two lots to one.
- Alan Lathrom stated that it does not make a difference.
  - Motion to approve the Final Plat made by Mike Hurst
  - 2<sup>nd</sup> to approve was made by Leaca Caspari
  - All council members voted in favor

E. Consider, discuss and act upon approval of annual Interlocal Agreements between Collin County and the City of Farmersville regarding dispatch services.

- Mayor Piwko stated the Council was reviewing an annual renewal of the document.
- Mike Sullivan, Police Chief, explained that he met with the Sheriff and he was very encouraged about his opinions about how everyone is in it together. The Sheriff is about to conduct a huge renovation of the dispatch center to handle the growth. All the cities committed to staying with the Collin County dispatch system. For the City to take on their own dispatch services would cost a significant amount. The Chief indicated that he is a part of a committee that is going to look at the

- the training is something the City can do without a lot of expensive.
- Mike Sullivan stated that he has had training, but he would like all of his staff to have the training as well.
    - Motion to approve the Interlocal Agreement made by John Klostermann
    - 2<sup>nd</sup> to approve was made by Donny Mason
    - All council members voted in favor


**VI. REQUESTS TO BE PLACED ON FUTURE AGENDAS**

- John Klostermann asked to have an update on the Heritage Museum.
- Leaca Caspari requested an update on 4A.
- Mike Hurst wanted to discuss residents living in travel trailer's outside of their homes

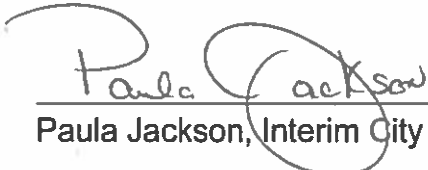
**VII. ADJOURNMENT**

- Meeting was adjourned at 7:10 p.m.

APPROVE:

  
\_\_\_\_\_  
Diane C. Piwko, Mayor

ATTEST:

  
\_\_\_\_\_  
Paula Jackson, Interim City Secretary

