

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LUFKIN,
TEXAS, HELD ON THE
3RD DAY OF AUGUST, 1999 AT 5:00 P. M.

On the 3rd day of August, 1999 the City Council of the City of Lufkin, Texas, convened in a regular meeting in the Council Chambers of City Hall with the following members thereof, to wit:

Louis Bronaugh	Mayor
Bob Bowman	Mayor pro tem
R. L. Kuykendall	Councilmember, Ward No. 1
Don Boyd	Councilmember, Ward No. 2
Betty Jones	Councilmember, Ward No. 3
Jack Gorden, Jr.	Councilmember, Ward No. 5
Dennis Robertson	Councilmember, Ward No. 6
C. G. Maclin	City Manager
James Hager	Asst. City Manager/Finance
Atha Stokes Martin	City Secretary
Keith Wright	City Engineer
Kenneth Williams	Director of Public Work
Stephen Abraham	Director of Planning

being present when the following business was transacted.

1. Meeting was opened with prayer by Father Eduard Nevares, St. Patrick Catholic Church.

2. Mayor Bronaugh welcomed visitors present.

3. **APPROVAL OF MINUTES**

Minutes of the budget workshop meeting of July 8, 1999, the called meeting of July 12, 1999, the regular meeting of July 20, 1999 and the budget draft presentation meeting of July 27, 1999 were approved on a motion by Councilmember Don Boyd and seconded by Councilmember Bob Bowman. A unanimous affirmative vote was recorded.

4. **PUBLIC HEARING - BUDGET FOR FISCAL YEAR 1999-2000**

Mayor Bronaugh stated that the first item for consideration is a Public Hearing, and that City Manager Maclin would give an introduction before he officially opened the Public Hearing.

City Manager Maclin stated that the highlights for this year's proposed budget draft for 1999-2000 include several things that involve dealing with the growth of the City in planning for the future. Mr. Maclin stated that the first is an update to the City's Comprehensive Plan, which is almost 13 years old, and was ranked highly in the Council's consideration for inclusion in the General Fund budget for next year. Mr. Maclin stated that this budget also provides for a \$4 million reconstruction program in the Street Department. Mr. Maclin stated that instead of going in and putting a layer of asphalt on top of an old street, the Street Department will actually go down to the subgrade and completely rebuild the street to current City specifications to provide longevity and a lasting product that will have less maintenance in the long term for the future. Mr. Maclin stated that this budget also includes, in terms of new personnel, a new Code Enforcement Officer and Inspector position to implement a State mandated back flow monitoring and back flow prevention ordinance. Mr. Maclin stated that this is a requirement by the State of Texas, but the State is not sending funds to pay for this new inspector. Mr. Maclin stated that in the area of Water Utilities, the biggest project the City will be initiating is the replacement of the asbestos cement pipe. Mr. Maclin stated that the biggest and most significant element of this budget, in his opinion, is a first time Capital Improvements Program. This Capital Improvements Program is a five year program that includes several projects that will improve quality of life that will improve quality of service to our citizens. Mr. Maclin stated that this \$13 million Capital Improvement Program project, which will be spread out over five years, includes three detention ponds on Hurricane Creek on the east side of town, which will have a positive impact to help minimize flooding conditions on the east side of town and provide a detention pond that will catch the rain during heavy rainfalls, hold the water and allow it to flow out at a rate that the creeks down stream will be able to handle. Mr. Maclin stated that another project included in the Capital Improvements Project is a new 800 mhz communications system. This communications system will impact not only public safety but all city departments including public works. It will provide an emergency frequency for all departments to be able to communicate on this frequency during a

disaster or emergency situations, and will also give the Police Department a data transmission capability which will enable them to send and receive messages from the laptops in their vehicles, specifically reports that are used in crime reports that are sent to Austin and the FBI, as well as do their own license plate checks from their vehicles. Mr. Maclin stated that this project, also in the public safety sector, includes the replacement of ambulances on a bi-annual basis and one fire pumper over the next five years. Mr. Maclin stated that it also includes some bleacher replacement and some HVAC elements at the Civic Center. Mr. Maclin stated that it also includes a new Public Works facility to replace the nearly 50 year facility located off of Martin Luther King Drive, and this will be a new home for the Street Department, Water & Sewer Department, the Park Department and the Fleet Maintenance Department.

Mr. Maclin stated that there are two quality of life major issues that are included in this Capital Improvement Program, and they are the Kit McConnico Master Plan implementation phased out in three phases over a five year period, and matching funds for the Girl's Softball Association to construct new fields at the Morris Frank complex. Mr. Maclin stated that Phase I of the Kit McConnico Master Plan include design, clearing, rough grading of top soil and stabilizing some new entrance roads and some new parking areas and drainage features. Phase II includes eight softball fields, ten soccer fields, the utilities (water and sewer) to service these areas, and electricity for the lighted fields, three restrooms and concession areas, landscaping and irrigation. Phase III will finish the parking, and will provide group picnic shelters, security lighting, sidewalks, a maintenance building, some playground equipment and other auxiliary recreational support facilities.

Mr. Maclin stated that staff feels that this project will enhance the quality of life for many years to come and will give the ability to keep up with the growth in youth athletics and adult athletics area, and provide facilities for the future.

Mr. Maclin stated that in the Utility Fund, a significant element of this fund, which is the water and sewer fund, is the replacement of 25% of the City's distribution system, which is made up of asbestos/cement pipe. Mr. Maclin stated that A/C pipe is approximately 85% cement and 15% asbestos. Mr. Maclin stated that over a period of years due to the naturally occurring conditions of the City's water, which includes a lot of hydrogen sulfite, the cement portion has begun to dissolve thereby allowing the asbestos fibers to flake off into the water. Mr. Maclin stated that in order to eliminate this problem, we have to eliminate all of the A/C pipe, which is approximately 65 miles of pipe. Mr. Maclin stated that several months ago the Council approved moving forward with a project to replace all of the A/C pipe and completely eliminating the asbestos fibers from the City's water system by the elimination of its source, the asbestos/cement pipe. Mr. Maclin stated that this is a five year project that will require a 2% increase in the City's water and sewer rates to amortize the \$16 million in debt it will cost to do this project. Mr. Maclin stated that the 2% increase represents about 35 cents a month to the minimum billing customer, and about 70 cents a month to the average customer.

Mr. Maclin stated that the other things the City is doing to improve the water quality include a new two million gallon ground storage tank that will increase the detention time thereby giving the ability to use aerification to aerify the hydrogen sulfite that gives a bad odor to the water. Mr. Maclin stated that the City has done several things over the past several years to improve the City's water quality including increased chlorination and increased distribution systems, and has seen the frequency of complaints about the water go down tremendously in the last three years.

Mr. Maclin stated that the Capital Improvement Program uses three things to help pay for it in a cost effect way - it shifts one penny from the Operation and Maintenance budget to debt service, it provides for a 3/4's of a cent tax increase to the City's tax rate, which to the average homeowner is \$5 a year, and thirdly it uses a build up of funds in the Interest and Sinking Fund, which the City has been able to invest and make money on during a period of years and allows the City to apply that back to the debt retirement thereby avoiding a tax increase. Mr. Maclin stated that the City will be able to get this \$13 million worth of projects for just 3/4's of a cent tax increase, whereas in 1994 when the citizens approved a bond election for \$8.6 million worth of streets, that \$8.6 million costs a five cent tax hike. Mr. Maclin stated that the staff looks at this as an opportunity due to the financial health of the City to be able to do some positive things for our community, to improve our quality of life and provide the needs for many of our youth and adult athletic programs for many years to come in the future.

Mayor Bronaugh opened the Public Hearing.

Bill Wellborn stated that he works for the Angelina County Economic Development Partnership and their mission in life is to do what they can do to stimulate the creation of new jobs in Angelina County and Lufkin. Mr. Wellborn stated that he works with local manufacturing companies as they try to recruit new industry from out of town. Mr. Wellborn stated that as he visits with local plant managers and their staff he finds that most of the existing industry expects good quality of life in Lufkin and Angelina County. Mr. Wellborn stated that they expect good parks, recreation, good roads, good drinking water, flood control, and Police and Fire protection. Mr. Wellborn stated that as he gets into the very competitive business of trying to recruit new industry from out of town, he finds that new industry away from here demands good quality of life. Mr. Wellborn stated that, in his opinion, the City Council is on the right track preparing for the future, addressing the needs of tomorrow today. Mr. Wellborn stated that he hoped the Councilmembers would favorably consider this budget that will support the implementation of this very forward thinking visionary plan.

Kent White, representing the Lufkin Youth Baseball Association, stated that he would like for the Council to know that their group supports the expansion of Kit McConnico Park. Mr. White stated that under the current plan the City could compete for softball tournaments but right now the City does not have the facilities. Mr. White stated that with the expansion of Kit McConnico it would free up future needs at Morris Frank Park and allow for expansion there. Mr. Wright stated that right now softball is set up where there are many tournaments that come in, and from an economic standpoint as a City, we are missing the boat. Mr. Wright stated that an ASA National Tournament can bring up to \$250,000 to \$1 million over a weeks period of time to the local economy. Mr. Wright stated that he just wanted to get on the record and let it be known that the Lufkin Youth Softball Association does support the expansion of Kit McConnico Park.

Hector Rojas stated that first of all as a family and a member of this community, his family is very important to him. Mr. Rojas stated that he has two daughters who are 11 and two years old. Mr. Rojas stated that the 11 year old daughter has been playing softball for about eight years, and has been benefited by that organization. Mr. Rojas stated that his two year is too young to play any sport now, but when he looks at the expansion of Kit McConnico he thinks about the future for kids like his two year old. Mr. Rojas stated that right now he knows that there are not enough sports facilities in the City to host any large tournaments.

Mr. Rojas stated that he is also present as a spokesman for the Hispanic Soccer League. Mr. Rojas stated that he is a private business owner and is a sponsor of a soccer team. Mr. Rojas stated that there are 16 teams that come and play for one day in three fields in Morris Frank Park, which is unbelievable. Mr. Rojas stated that they play 10 months out of the year, with teams coming as far as Jasper and Livingston. Mr. Rojas stated that every team has 11 players and it is easy to see the volume of people that are impacting this community for a few hours. Mr. Rojas stated that if the City had the facilities to supplement a real tournament it would bring a significant amount of dollars into this community.

Mr. Rojas stated that the economic growth is important to him as a private business owner, because his business depends on the growth. Mr. Rojas stated that he hoped that the Council would give serious consideration to the expansion of Kit McConnico Park, because it is very critical to this City.

David Tankersley stated that the President of the Girl's Softball Association Tino Villasana was out of town and he had been asked to represent the Association. Mr. Tankersley stated that he is present supporting the Kit McConnico expansion, and he had also asked for matching funds for the Girl's Softball Association at Morris Frank Park. Mr. Tankersley stated that this year they registered about 350 girls during the summer league with about 300 girls participating in the fall league. Mr. Tankersley stated that they also have girls coming from Jasper, Rusk, and Woodville. Mr. Tankersley stated that they have two lighted fields and one small field, and they supply the High School field and the JV field for Lufkin High School. Mr. Tankersley stated that in the spring they use the facilities to practice and also to play their games on each week, usually two games a night. Mr. Tankersley stated that Lufkin High School hosts two tournaments using their fields. Mr. Tankersley stated that their bathroom facilities, which they built 10 - 12 years ago, are outdated. Mr. Tankersley stated they have more and more girls entering the association every year and they are limited with space. Mr. Tankersley stated that they had one tournament this year that had 37 teams, with 32 teams being from out of town. Mr. Tankersley stated that two and three weeks ahead of time they were turning away teams from Houston, Dallas and Temple who wanted to

participate. Mr. Tankersley stated that Lufkin is in the center of the hub for softball. Mr. Tankersley stated that teams are wanting to come from Louisiana, Longview, Tyler, Temple, Waco, Houston, Beaumont and even further south, to participate in Lufkin's tournaments.

Mr. Tankersley stated that the Girl's Softball Association came to the Council two or three years ago asking for money. Mr. Tankersley stated that they had complied with all the requirements the Council set forth for them at that time. Mr. Tankersley stated that the Council had set up a Parks Advisory Board and the Association had gone before them, and they had complied with all their recommendations. Mr. Tankersley stated that they were not asking that the Council give them all the money they needed, they had raised \$66,000 themselves. Mr. Tankersley stated that they have cleared the land behind the existing fields and are ready to start construction. Mr. Tankersley stated that their funds will only build a bathroom (which will have room for six men on one side and six women on the other side), the grade work done, the sprinkler system, and can get the grass in, and then they are out of money. Mr. Tankersley stated that with the \$66,000 they are requesting from Council they can build the back stops, and put some fencing around the three ball fields, and then they can begin using the fields. Mr. Tankersley stated that they will not have lights on the fields, lights will run between \$40,000 and \$50,000 per field. Mr. Tankersley stated that they are working on donations right now for the lighting. Mr. Tankersley stated that the Association is not asking that Council provide all the money that will be needed to make these improvements; they are asking for seed money to get started.

Mr. Tankersley passed out a letter from Dothan, Alabama, a town of about 15,000 more than Lufkin. Mr. Tankersley stated that the letter shows some estimates and actual figures of money brought into their city through tournaments. Mr. Tankersley stated that last year they brought in \$1.2 million, and if Lufkin can bring \$1 million in and the City gets 1 1/2 cents on that, that represents \$15,000. Mr. Tankersley stated that half of the money spent is in hotels and motels, and the City has a 7% tax that funds the Civic Center, Museums, and Tourist Center. Mr. Tankersley stated that the \$66,000 they get from the City, will be paid back in just a few years.

Mr. Tankersley stated that when they get through with the City's \$66,000 they will work on lighting the fields, building maintenance facilities, warm up areas built, and batting cages, with a picnic and playground area.

Mr. Tankersley asked all those present who were in support of the Kit McConnico expansion to stand. (There were approximately 150 people present.)

Dan Melton stated that he was present to speak in support of the Kit McConnico expansion. Mr. Melton stated that he is the coach for the All American Athletics men's softball team that plays at Kit McConnico. Mr. Melton stated that they have played together for 2 1/2 years now from late February to early October. Mr. Melton stated that they have played 44 tournaments to date with 22, or 50%, of their tournaments being played at city owned/operated facilities. Mr. Melton stated that they have traveled approximately 14,820 miles to play against 1,406 teams and have played in Texas, Arkansas, Louisiana, Oklahoma and this year in Iowa. Mr. Melton stated that they played two tournaments in Texas this year and the Class "D" tournament in Bryan brought in \$339,880 over a two day period, and a Class "C" tournament in Tyler brought in \$186,750 over a two day period. Mr. Melton stated that softball is "big business and a draw" for the community.

Mike Parker stated that he personally would urge the Council to move forward with the budget they have set forth because it effects him greatly in a number of ways. Mr. Parker stated that, in his opinion, we have to plan today for tomorrow. Mr. Parker stated that while he has been involved in most of the sports activities that have been represented already, he is present in behalf of the Angelina Youth Soccer Association. Mr. Parker stated that he has been active in soccer for the past 14 years and has watched the association go from playing with a few teams at Kit McConnico and some of the softball and baseball fields and now they are at their present location because the sport has grown. Mr. Parker stated that soccer has grown tremendously in the last few years, 570 kids played soccer this past fall, and over 200 this spring. Mr. Parker stated that they have developed into tournament teams and go to other cities to play and often have three or four teams traveling on the weekend to Longview, Tyler, Jacksonville, Huntsville, Beaumont, Crosby, Kingwood, Spring, Corpus, or Conroe. Mr. Parker stated that some of the cities are not as large as Lufkin and they are having tournaments. Mr. Parker stated that when they travel out of town it is usually Friday night through Sunday. Mr. Parker stated that the soccer coaches will tell you that we have got to continue this momentum of competition. Mr. Parker stated that more fields are needed. Mr. Parker stated that the soccer association would like to be able to host a tournament.

Park, and as spokesman for the Association, they are more than willing to do that. Mr. Overby stated that that would accommodate the growth that they need to have in the Parks and Recreation Department.

Peggylu Watkins, one of the original members of the Parks Advisory Board, stated that she got interested in this not from the parks side but from the leisure side and what it would mean to her family. Mrs. Watkins stated that her five year old daughter was a baby when she came on the Board, and she was interested in playgrounds. Mrs. Watkins stated that she wanted to tell Council how important the parks expansion is to her family not only from the standpoint of the sports and economic development and all those wonderful things, but also because it is a place for the family to go. Mrs. Watkins stated that there a lot of things in the Master Plan for Kit McConnico other than just sports; there are hiking trails, playground areas, archery, disc golf, and in the future there is a place for an amphitheater. Mrs. Watkins encouraged Council to continue to support the parks program.

Johnny Giles stated that he also served on the Parks Committee. Mr. Giles stated that he's been in education for 26 years and has seen changes in the population and youth in the community and the change in the young people. Mr. Giles stated that the change in the economic growth is good but he is looking at it from the standpoint of the future of the youth. Mr. Giles stated that if we want people to come to Lufkin, we have got to provide the quality of life. Mr. Giles stated that he supports, and hopes and that Council will pass, this budget.

Carol Bradley stated that she has daughters who are playing at a higher level of soccer. Mrs. Bradley stated that this fall in order to play in a league they will be traveling to the north and west parts of Houston on Sunday afternoons. Mrs. Bradley stated that we do not have the fields to bring people in for home games here so they have to rent fields in Kingwood. Mrs. Bradley stated that team sports have been shown to build self esteem especially for young females. Mrs. Bradley stated that it is very difficult at their level to have to travel so much just to play games. Mrs. Bradley stated that she hated to see kids drop out of the program because it is so difficult for their parents to have to travel to other cities. Mrs. Bradley urged Council to vote for the expansion of Kit McConnico Park for the Lufkin youth.

Deabroah White stated that she and Debbie Jamison were typical soccer moms. Mrs. White brought a box full of trophies and stated that they were a sampling of trophies that they had won over the last four years. Mrs. White stated that every one of the trophies and medals were won out of town. Mrs. White stated that she told the Committee a year ago that in 1997 they played a tournament in Beaumont and because of the scheduling with the kids she bought every bit of her Christmas in Beaumont that year. Mrs. White stated that she and Mrs. Jamison calculated that they have probably spent about \$40,000 in the last four years just for their group for hotels and meals. Mrs. White stated that she could not even estimate the amount she has spent on soccer equipment. Mrs. White stated that soccer balls average about \$25 to \$90 a ball, goalie's gloves are between \$35 to \$80 a pair, cleats run around \$125. Mrs. White stated that these items were bought somewhere else because no one in Lufkin provides them with these items. Mrs. White stated that she has probably put close to 35,000 miles on her car driving to other cities to provide a place for her son to play soccer. Mrs. White stated that there are 13 people on the team, and most of them are on the high school soccer team because of the abilities they have developed playing in the Youth Soccer Association.

Mrs. Jamison stated that recently they traveled out of town for a tournament and it ended up with one Lufkin team against another Lufkin team in the finals. Mrs. Jamison stated that it would have been wonderful to have played this game in our own town.

Mrs. White stated that the kids are now playing year round and she would invite Councilmembers to come out to a game.

Mayor Bronaugh closed Public Hearing.

5. ORDINANCE - APPROVED - SECOND READING - ZONE CHANGE - COMMERCIAL & APARTMENT TO APARTMENT - SPECIAL USE PERMIT (NURSING HOME) - FRANK STREET - CANTEX HEALTHCARE CENTERS - PHILIP W. GOODWIN

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance to change the zoning on approximately 10.267 acres of land located on Frank Street between First Bank & Trust and the Greenbriar Apartments from "Commercial & Apartment" to "Apartment" zoning district and to grant a Special Use Permit for a nursing home as requested by Philip W. Goodwin on behalf of Cantex Healthcare Centers.

Motion was made by Councilmember Betty Jones and seconded by Councilmember Bob Bowman that Ordinance to change the zoning on approximately 10.267 acres of land located on Frank Street between First Bank & Trust and the Greenbriar Apartments from "Commercial & Apartment" to "Apartment" zoning district and to grant a Special Use Permit for a nursing home as requested by Philip W. Goodwin on behalf of Cantex Healthcare Centers be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

6. ORDINANCE - APPROVED - SECOND READING - ZONE CHANGE - RESIDENTIAL SMALL TO MANUFACTURED DWELLING - KURTH DRIVE - SELLERS STREET AND BROCK STREET - ERIC WATTS

Mayor Bronaugh stated that the next item for consideration was Second Reading of an Ordinance to change the zoning from "Residential Small" to "Manufactured Dwelling" on approximately 7.3 acres of land south of Kurth Drive and also fronting on Sellers Street and Brock Street as requested by Eric Watts.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Jack Gorden, Jr. that Ordinance to change the zoning from "Residential Small" to "Manufactured Dwelling" on approximately 7.3 acres of land south of Kurth Drive and also fronting on Sellers Street and Brock Street as requested by Eric Watts be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

7. AMENDMENT - APPROVED - ADMINISTRATIVE FUNDS - 1998 HOME PROGRAM GRANT

Mayor Bronaugh stated that the next item for consideration was an Amendment to use administrative funds from the 1998 HOME Program grant.

City Manager Maclin stated that included in the Council packet is a memorandum of explanation from Annie Fields, Community Development and Inspections Services Department, as well as a Performance Statement, a listing of applicants and a letter from the Chairman of the Neighborhood Improvement Committee asking the Council to consider using the \$8,000 administrative grant match for additional HOME Program participation.

Mrs. Fields stated that basically this is a very simple proposition for Council consideration. Mrs. Fields stated that the City was approved for the 1998 HOME Program and was awarded \$200,000, and \$8,000 in administrative funds that the City can draw. Mrs. Fields stated that this Program was specifically targeted for elderly and disabled applicants. One of the major criteria is that they would be numbered among the very low in income. Mrs. Fields stated that after they had interviewed the people who were interested in applying for the Program and who met the low income criteria, they ended up with six applicants. Mrs. Fields stated that the program was originally designed to handle five homes to be rebuilt and in reviewing the applicants with the Neighborhood Improvement Committee, they could not determine who in fact should be cut. Mrs. Fields stated that Council has a list of the applicants, and the two youngest applicants were the two applicants found to be most in need. Mrs. Fields stated that both of the youngest applicants have been applying for a year and a half for housing assistance, and this is the first time they were selected to actually be considered in this Program. Mrs. Fields stated that she is asking Council to release the \$8,000 administrative funds that the City can draw in the efforts to rehab that sixth applicant. Mrs. Fields stated that this will not require any cash outlay on the part of the City, instead of the \$8,000 going into the General Fund, it would be earmarked for the rehabilitation efforts of that sixth applicant. Mrs. Fields stated that all of these applicants are elderly and in severe need. Mrs. Fields stated that she applauded the Neighborhood Improvement Committee for trying to find an alternative method to help everyone who qualified this time. Mrs. Fields stated that they want to bid out the five houses and try to get a package deal with the contractor, therefore giving them a good price. Mrs. Fields stated that hopefully with this \$8,000, if the City approves, along with a \$3,000 contribution by Angelina Beautiful/Clean, that will leave them with just enough money to rehab the sixth and final applicant.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Bob Bowman that the Amendment to use administrative funds from the 1998 HOME program grant be approved as presented. A unanimous affirmative vote was recorded.

8. UTILITY EXTENSION POLICY - APPROVED

Mayor Bronaugh stated that the next item for consideration was a Utility Extension Policy for the City of Lufkin.

City Manager Maclin stated that included in the Council packet is a memorandum of explanation from the City Engineer. Mr. Maclin stated that staff mentioned to Council some weeks back that staff needed a utility extension policy to apply outside the City limits, and specifically to the Burke area where the City acquired that water system and began operating it last January. Mr. Maclin stated that also in the packet is a survey form by area water supplies and some questions that were asked and then actual copies from the TNRCC law regarding the governance of these types of issues. Mr. Maclin stated that another copy of the TNRCC law has been provided on the table in addition to the one in the packet. Mr. Maclin stated that the copy on the Council table highlights the areas of emphasis and importance on pages 3 and 4 that come into question about the authority of the City to have a policy of this nature.

Keith Wright, City Engineer, stated that he has had several requests that fell outside of the City's policy, and they could not make a decision on how to handle the requests so they decided that a clarification of the utility extension policy was needed. Mr. Wright stated that a policy was put together for inside the City limits, outside the City limits, and outside the City limits differentiates between a developer and a single residential home.

Mr. Wright stated that he made a survey of all the entities to see what their policies were and then he went back and looked at the TNRCC Code, which is called the Texas Administrative Code, Title 30, which deals with environmental issues including water quality and water issues. Mr. Wright stated that on page 3 of 5, item c, Line Extension and Construction Charges, this is what the capability of the City would be charging for line extensions, that are above and beyond our normal costs. Mr. Wright stated that item 2 states that the developer may be required to provide contributions in aid of construction in amounts sufficient to reimburse the utility. Mr. Wright stated that under item B of that same section it says: Additional facilities compliant with the commission's minimum design criteria (set by the TNRCC) for facilities used in the production, transmission, pumping, or treatment of water or the commission's minimum design criteria for wastewater collection and treatment facilities and to provide for reasonable local demand requirements. Mr. Wright stated that under item 3 it says: for purposes of this subsection, a developer is one who subdivides or requests more than two water service connections or sewer service connections on a single contiguous tract of land. Mr. Wright stated that that took care of the developer's section. Under item d, it states that "cost utilities and service applicants shall bear", and lays out some criteria that the City must do. Mr. Wright stated that item 1 on page 4 states: "Within its certificated area, a utility shall be required to bear the cost of the first 200 feet of any water main or sewer collection line necessary to extend service to an individual residential service applicant within a platted subdivision", and there are conditions where you do not have to do that if certain conditions are violated under items A, B, and C. Mr. Wright stated that under item 2 it states that "A residential service applicant may be charged the remaining costs of extending service to his property, and that is above and beyond the 200 feet. Mr. Wright stated that the first 200 feet he would do free and the next 800 feet he would charge for that extension. Mr. Wright stated that the condition to that is - provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending to the nearest water main or wastewater collection line, whether or not that line has adequate capacity. Mr. Wright stated that for a single residential and that line is already below minimum TNRCC standards, he cannot charge them for upgrading the line, whereas on a developer he can charge. Mr. Wright stated that it also says under item (A) that a residential service applicant shall not be required to pay for costs of main extensions greater than two inches in diameter for water distribution and pressure wastewater collection. Mr. Wright stated that it limits what you can charge back to a single residential but on the developer's side you can charge all your costs back to that entity for the developer. Mr. Wright stated that based on that TNRCC law, staff came up with some recommendations. Mr. Wright stated that if the extension of service to a property is inside the City limits of Lufkin the City will extend utility service to the nearest property line that is the most advantageous to the City. Mr. Wright stated that if there is a line on one side of the property but the developer would like for the City to extend it to another side of the property, they would have to take that cost. The City's policy further states that the extension of service will be at no cost to the owner or developer, any upgrades or infrastructure, will be completed by the City at no cost, all construction will be in accordance with the Fire Code, which the City has to meet for our fire insurance rates, TNRCC and the City Subdivision Ordinance, whichever is more restrictive. Mr. Wright stated that this is done to promote development inside the City limits to encourage and grow our tax base. Mr. Wright stated that outside the City limits we have served some areas for a number of years, but since the City acquired the Burke Water System, which is a very large area, the City could incur some very significant costs. Mr. Wright stated that the new policy states: "If the extension of service to a property is outside the

City limits of Lufkin the developer will extend utility service to the property under the supervision of City staff and based on construction plans approved by the City Engineer. All construction will meet the same criteria as it would inside the City limits, meeting the Fire Code, TNRCC, and the City's Subdivision Ordinance, whichever is more restrictive. The cost of the extension of utility service will be borne solely by the developer. Any upgrades in infrastructure to meet fire, pressure and/or TNRCC rules will be completed by the Developer at their expense. In the event of future connections to the utility service by other Subdivisions or Developers the original Developer will be reimbursed a prorated share based on a per unit cost for a period of up to five years. The cost shall be determined based on the point of connection of the new development. After five years no cost will be reimbursed to the Developer." Mr. Wright stated that on the Council table he has placed a document with a series of charts that is an example of prorated costs. Mr. Wright stated that the Policy states: "If the extension of service to a property is outside the City Limits of Lufkin, the City will extend utility service to the property for the first 200 feet at no cost to the owner. The owner will be required to reimburse all material, labor, and administrative cost for all service beyond the first 200 feet. Upgrade requirements will be the responsibility of the City."

Mr. Wright stated that this is the recommendation for the Utility Extension Policy for the City of Lufkin. Mr. Wright stated that in his opinion this policy fits in with the Texas Administrative Code, and what other utilities in the area are doing.

Mr. Wright stated that currently there is a subdivision being developed in the area previously serviced by the Burke Water System, and they have a three inch line that is laid on each side of the road that is connected to a two inch line. Mr. Wright stated that the two inch line is way over the limit or minimum connection criteria for TNRCC and it is approximately 1 1/2 mile to the nearest main six inch line to that development. Mr. Wright stated that they are wanting to move into Phase II development which would require additional lots to be divided up and sold, and would put more demand on that two inch line. Mr. Wright stated that the two inch line is not capable of meeting the pressure or flow requirements.

In response to question by Mr. Gorden, Mr. Wright stated that the Burke Water System violated the TNRCC standard when the first Phase was connected. Mr. Flournoy stated that basically this a complicated problem and staff needs some guidance from Council. Mr. Flournoy stated that for example there was a mile and a half of line already in place and it is a two inch line on the highway. There are probably 20 or 30 residential connections on that line already, not necessarily in a development, but already out there. The developers have come in and are building a subdivision, and they cannot put in this subdivision unless this mile and a half line is upgraded to a six inch line. Mr. Flournoy stated that if the City requires them to upgrade the line, then you will have 20 people along the line who are not going to contribute anything to it, and they will be the beneficiary at the cost of the developer because he has no way of recovering his cost from them. Mr. Flournoy stated that there may never be anyone develop in between to where you have to extend the line. Mr. Flournoy stated that the problem is that if you don't allow them to recover their cost from somebody who is on the other side of them. Mr. Wright stated that, in his opinion, the new developer should have to pay. Mr. Flournoy stated that it is not hard when there is not already a line there, it's the upgrades that are more difficult. Mr. Flournoy stated that the extensions are not as bad. Mr. Flournoy stated that Burke Water System's position was that they would extend the line, but they never did upgrade. Mr. Wright stated that according to Tom Selman, who was the President, the development was required to pay for the cost of all the line work inside the development back to Burke Water Supply Corp. Mr. Wright stated that they did not bring up the extension but this could be due to ignorance of what they were doing, since there was no engineer on the job who would have found that out. Mr. Wright stated that he did not think they understood the law as far as the number of connections on the line. Mr. Flournoy stated that this discussion is not about what they have to do within their subdivision, they have to comply with TNRCC rules and the City of Lufkin regulations just like they would inside the City limits. Mr. Flournoy stated that what this is about is basically getting water to them. Mr. Flournoy stated that the City of Lufkin is not in compliance and now that the City has taken them over that line is way under sized. Mr. Wright stated that the matter is easy when it is just an extension of service, but it becomes harder when you require upgrade of facilities.

In response to statement by Mr. Gorden, Mr. Wright stated that the examples on the chart he passed out show that the developer is required to pay for the cost. Mr. Wright stated that eventually the City will have to upgrade the Burke system but will do it in our own time frame. Mr. Wright stated that they are wanting

to develop right now, and the City is not prepared to do that type work as far as the funds that are available. Mr. Gorden stated that, in his opinion, the developer should pay.

Mr. Wright stated that there is another potential development coming in between this development and the six inch main that could help share the burden of the cost.

Mr. Flournoy stated that one of the other things that is a problem is if an individual wants to tie into the existing line, and basically what we are saying is that we would upgrade for that individual, which would mean that the whole line would have to be upgraded for them to be in compliance. Mr. Flournoy stated that because there are already too many on that line, TNRCC would say that the City could not allow anyone else to connect to that line, and in our policy we want to say that a residential could connect onto the line and we would pay for the extension or the upgrade. Mr. Wright stated that that is what the policy says we have to do. Mr. Flournoy stated that the upgrades are the real problem.

In response to question by Mr. Robertson, Mr. Wright stated that if TNRCC gave the City an administrative order to get certain areas of the Burke Water System lines completed we would have to get it completed in the time frame that that order laid out. Mr. Wright stated that at this time there is no penalty that he knows of that we have to do it in a certain time frame. Mr. Wright stated that the City did develop a five year plan when we took over the Burke Water System for implementing improvements to the system. Mr. Wright stated that some of the A/C line replacement will be in Burke under the bond issue.

Mr. Maclin stated that it is important from a historic standpoint to know that the City does have a five year plan and we are basically taking the funds above and beyond our cost, the 1.8 rate that the Burke residents pay, the .8 portion of that has been allocated in a five year budget plan as those receipts come in to spend that back in the Burke system to upgrade those lines to where they do meet TNRCC standards.

Mr. Flournoy stated that part of the problem that makes this a little more difficult is that a portion of this subdivision was already in and functioning before the City took it over. Mr. Flournoy stated that what the developer is attempting to do is simply expand the subdivision they already have. Mr. Flournoy stated that Burke Water System was allowing them to develop that subdivision with too small of lines.

In response to question by Mr. Bowman, Mr. Wright stated that this subdivision is on Country Road 62 off of the old Diboll Highway.

Paul Medlin, developer, stated that the subdivision he is putting in is exactly one mile from the railroad tracks, not one and one half miles as previously mentioned. Mr. Medlin stated that he bought this land and starting developing it in July of 1997. Mr. Medlin stated that the land was divided up into 57 original one to one and one half acre tracts. Mr. Medlin stated that some of the lots were sold together and there are now 48 tracts left. Mr. Medlin stated that when he met with the Burke Water Board and presented the subdivision plats they took it upon themselves to pay for the line and said that they would collect their money back on the meters. Mr. Medlin stated that the actual cost of the line was not discussed in his presence. Mr. Medlin stated that since that time Lufkin has acquired the water system. Mr. Medlin stated that he sold some houses in Phase I and sold land in Phase II, prior to submitting some plans to Mr. Wright. Mr. Medlin stated that Burke Water System paid for putting in two three inch lines, three inch on the side of the road for approximately one half mile. Mr. Medlin stated that they lack approximately 4,000 more feet within the subdivision. Mr. Medlin stated that he was hoping to continue the same three inch line around the subdivision so that the road would never have to be cut or that no water would be under the road. Mr. Medlin stated that the County has already adopted the first one half mile of the road. Mr. Medlin stated that an engineer had drawn up some plans for him and he had submitted the plans to include the three inch line around the subdivision to Mr. Wright.

Mr. Medlin stated that he was asking Council to consider "grandfathering" in this property prior to any decision they might make today because they are limited for what they can sell the land for in that area, their prices have already been set accordingly, and it will be very hard for him to absorb a lot of extra cost for water. Mr. Medlin stated that this is something that he did not expect and did not know that it would be a problem. Mr. Medlin stated that Burke Water System left some extra pipe on the property that he thought could be used, but maybe now it can't.

In response to question by Mayor Bronaugh, Mr. Medlin stated that one person in the subdivision had drilled a well and it is at the very entrance of the subdivision.

Mr. Wright stated that he had talked to Tom Selman and Sybil Nichols, who was the manager for the facility at that time, and they both told him that Mr. Medlin was informed of the cost for the system and it would have to be paid. Mr. Wright stated that the final settlement for the tap price to each individual lot owner was \$850 to reimburse the cost to Burke, and that they were not doing it free. Mr. Medlin stated that that was true but Burke did not require him to pay that, they were responsible for collecting their own money. Mr. Medlin stated that Burke chose to put the line in and put it in at their cost.

Mr. Maclin asked Mr. Medlin if, before he sold a lot, he told the property owner that they would have to pay an \$850 tap fee based on Burke's decision in the past before the City took the system over. Mr. Medlin stated that he did not because he did not know about the \$850 fee until it was brought to his attention by one of the landowners. Mr. Medlin stated that no one had discussed the cost of the line with him. Mr. Medlin stated that he left early from the meeting and did not stay until the end. Mr. Medlin stated that he had run a test on the line and there is 70 pounds of pressure. Mr. Wright stated that pressure can be deceiving, when volume is taken out the pressure will drop and if it is a static pressure it can be very high, it depends on the quantity of flow that is coming out to each meter on the pressure that will actually drop. Mr. Wright stated that one of the biggest complaints he gets from the Burke Water System is the low pressure, and that is why he is looking at extending the 12" line up Airport Road and that is why we tied into the 6" line at FM 819.

Mr. Medlin stated that it will create a great hardship on him to develop the property if there are a lot of charges involved to pay for a main line to furnish the subdivision. Mr. Medlin stated that it may stop him from selling altogether once he figures out the cost.

Mayor Bronaugh asked if Council would like to table this item at this time to allow Mr. Medlin to receive all the necessary information he needs. Mr. Maclin stated that basically staff is seeking direction from Council as to where we go from here and what Council tells staff to spend the taxpayers money on.

In response to question by Mr. Bowman, Mr. Wright stated that the estimated cost could be \$10 to \$12 per foot plus, depending on what kind of bores have to be made, the number of fire hydrants, etc. Mr. Wright stated that he would estimate the cost at around \$55,000 to \$58,000.

Mr. Wright stated that according to Tom Selman, the cost was discussed, and the decision was made, and an agreement with Mr. Medlin that the cost would be reimbursed at the tap. Mr. Wright stated that he could get a letter in writing to that effect if he needed to. Mr. Maclin stated that Burke Water System was expecting to get \$850 for 57 homes, which would amount to \$48,450.

Mr. Gorden asked if the \$850 could be incorporated into the price of the property. Mr. Medlin stated that it would have to be paid extra. Mr. Wright stated that basically Burke Water System was financing the development, financing the improvements up front and they were hoping for reimbursement at some time table. Mr. Wright stated that when they started selling multiple lots with one house it effected the amount of income they could get back on the reimbursement for the line. Mr. Medlin stated that since Lufkin acquired the Burke System that is why he came to Mr. Wright because he wanted to continue the 2 - 3" lines, one on either side of the road. Mr. Medlin stated that there are only 20 tracts of land left to provide water to in Phase II. Mr. Wright stated that the Phase II he saw looked like there was more to it than that, and there could be many more houses. Mr. Medlin stated that his restrictions prevent the property from being subdivided any more and they are recorded at the Court House.

Mr. Robertson stated that if Burke was part of the City of Lufkin, then we would have different responsibilities with this. Mr. Robertson stated that he took exception to the property being "grandfathered" in, but could see that as a possibility if this property were being annexed. Mr. Robertson stated that if he lived a mile outside the City and wanted City water, he should be expected to pay for that without having the City of Lufkin citizens subsidize him to get water out to his property. Mr. Robertson stated that staff has done a good job in making the recommendation, but he does not oppose tabling this item until it can be given more consideration.

Mr. Bowman stated that he could not recall the City ever subsidizing a developer outside the City limits, and this would be setting a horrible precedent. Mr. Bowman stated that these developers need to pay for this.

Mr. Flournoy stated that from a standpoint of subsidization, the City does charge them one and one half times what the inside rate is in order to compensate the fact that inside we are paying taxes. Mr. Bowman stated that every time the City goes outside the City limits to provide water, we get in trouble somewhere.

Mrs. Jones stated that she agreed with what Mr. Robertson and Mr. Bowman have said, and she did not think that any further deliberation was needed for tabling the item. Mrs. Jones stated that it seems that the staff has done a pretty thorough job of what would serve the interest of the City and the Burke water users to the best of our ability.

Motion was made by Councilmember Betty Jones and seconded by Councilmember Bob Bowman to accept staff's recommendation in adopting the Utility Extension Policy for the City of Lufkin. A unanimous affirmative vote was recorded.

9. BID - TABLED - SCAFFOLDING - WATER POLLUTION CONTROL PLANT - SCAFFOLDING DYNAMICS

Mayor Bronaugh stated that the next item for consideration was bids for scaffolding for the Water Pollution Control Plant.

City Manager Maclin stated that staff has been reviewing these bids and considering some other alternatives and would like to request Council's indulgence to table this item tonight and let them complete some more research about possible ways to save a little more money on this digester painting project. Mr. Maclin stated that staff will come back to Council in the next few weeks with a recommendation that would be less expensive than this bid.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Jack Gorden, Jr. that the bid of Scaffolding Dynamics in the amount of \$11,211 for the first month and \$59.25 per day thereafter be tabled at this time. A unanimous affirmative vote was recorded.

10. EXECUTIVE SESSION

Mayor Bronaugh recessed Regular Session at 7:00 p.m. to enter into Executive Session. Regular Session was reconvened at 7:51 p.m. and Mayor Bronaugh stated that Councilmembers had discussed attorney/client matters and appointments to Boards and Commissions, and no decisions had been made.

11. COMMENTS

Mr. Robertson stated that he was real pleased with those people who turned out tonight in support of the budget and Kit McConnico Park. Mr. Robertson stated that having serving on the Parks Advisory Board, it was very pleasing and gratifying to him to see that turnout. Mr. Robertson stated that parks programs within the City make a very positive statement for any city. Mr. Robertson stated that the City has a lot of parks that need a lot of work, and he would like to see more money for maintenance for existing parks. Mr. Robertson stated that he knew that it would be expensive for the City to do, but in the long run he would like to see that happen. Mr. Robertson stated that he would like to see those people who make comments in Sound-Off sit down with the people making the presentations tonight and those that support the program and get a dialogue going so that they will understand those kinds of things.

City Manager Maclin stated that he would echo some of Mr. Robertson's comments by saying that this is his 14th budget to prepare as a City Manager, and he had been in City Government for 27 years and this is the first Public Hearing of a Budget that he has had 150 show up for, all for the budget, and 14 spoke for it and no one spoke against it. Mr. Maclin stated that he is very appreciative of people like Pam Fletcher and David Tankersley who took the trouble to be present tonight.

Mr. Maclin stated that the First Friday luncheon is this Friday.

Mr. Maclin stated that Councilmembers will be getting an invitation to a ground breaking for the new library on August 12th at 9:30 a.m. at the Junior West site.

Mr. Maclin stated that August 11th at 10:00 a.m. is the Open House and ribbon cutting of the new Solid Waste facility located on Southpark.

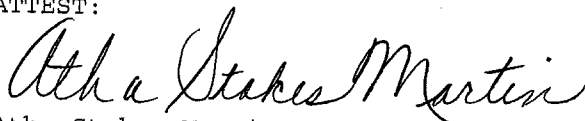
Mayor Bronaugh stated that this Thursday at 5:30 p.m. the Health District is having a ground breaking for the Angelina County-Cities Health District Clinic on Hill Street next to Goodwill and the Salvation Adult Day Care Center.

12. There being no further business for consideration, meeting adjourned at 7:55 p.m.



Louis Bronaugh
Mayor

ATTEST:



Atha Stokes Martin - City Secretary

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