

WORKSHOP
MONDAY, MARCH 6, 2017
6:00 p.m.

A Workshop of the Anahuac City Council was held in the Council Chambers of Anahuac City Hall located at 501 Miller Street, Anahuac, Texas on Monday, March 6, 2017 at the above noted time.

There were present:

Cheryl Sanders	Mayor
Janice Jircik	Aldерwoman
Deidre Crews	Mayor Pro Tem
Charlie Henry	Alderman
Danny Thompson	Alderman
Ken Bays	City Administrator
Julie Harvill	City Secretary
Scott Wible	Public Works Director

Those not present:

Richard Baker	City Attorney
Richard Ferguson	City Attorney
Miguel Anderson	Alderman

Guests:

Bill Stults	Citizen
Dayna Haynes	The Progress
Michael Thompson	Citizen
Sean Perry	Citizen
James Gilley, Jr.	U. S Capital Advisors
Jim Gilley	U.S. Capital Advisors
Aaron Thomas	County Judges Office
Austin DuBose	Chambers County
Ken Thompson	Chambers County
Richard Lasater	Citizen
Elizabeth Gibson	Citizen
Cheser Linares	Citizen
Ira J. Echols	Citizen

Workshop

Mayor Sanders called the workshop to order at 6:00 p.m. Alderman Henry led the invocation and Mayor Pro Tem Crews led the pledges.

Mayor Sanders moved to item 1 - the purpose of the workshop is to discuss the water/sewer project, review the rate study, and discuss the rate needed to fund the drinking water/clean water debt.

Jim Gilley with U. S. Capital Advisors spoke before and explained that the City was in the process of getting a \$16.6 million loan through the Texas Water Development Board (TWDB). \$1.1 million of this loan was for the sewer and \$5 million was for the water. He also explained that in 2014 and 2015, the City was short an average of \$15.00 per connection in order to pay their capital accounts and expenses. In order for the loans with the TWDB to be approved, the City would have to raise rates and have at least 2% of the cost of the payment for the first 3 years.

Jim Smith, with JBS Water Inc., presented the water rate study to the Council and explained again that the City would have to raise rates and would need to increase the rates yearly in order to stay ahead and pay their debts. He explained that the City has not had their water rates at the rate they needed to be in order for the utility fund to stand on its own.

Council continued to discuss the rate study and the need for the projects to be completed, but still expressed their concern of the rates needing to be raised so high. Mr. James Gilley of U. S. Capital Advisors suggested a refinance for the old debt. Mayor Sanders stated that in the 1991 comprehensive plan, the same things needed to be done, but have still not been accomplished.

Alderman Danny Thompson stated there was ~~some~~ indication that some of the items listed on the project didn't need to be done and if they were taken out it would cut the cost. Mr. Gilley said he could not speak on the part about the items needing to be in the project or not, but that ~~yes~~ if there were fewer items listed in the project that didn't need to be replaced, it would lower the cost.

Mayor Sanders asked if anyone had any other questions for Mr. Gilley or Mr. Smith - nobody spoke up. Mayor Sanders asked if Council wanted to discuss the rates that would need to be increased. She also stated that by repairing the infrastructure, it might bring more people and businesses to town. Mayor Sanders asked Council if they wanted to discuss the projects and reminded Council that we are under the SSO Plan with TCEQ.

Citizen Monroe Kreuzer spoke before City Council and ~~again~~ said that there was an 8" line on Tower down Alice and a 6" line on every street east of Texas that were all PVC lines. He said there was at least 2-3 miles of water lines that were PVC and didn't need to be changed and also claimed that the City was planning to replace lines that had already been replaced. Mayor Sanders again informed Mr. Kreuzer that the City used the maps that were available to them and also reviewed work orders that showed lines that had been replaced since 2013. Mr. Kreuzer stated to the Mayor that the past public works director had thrown the maps away. Mr. Kreuzer said the water project was off about \$4 million dollars, and questioned how much we were off on the other project. Mayor Sanders asked Mr. Kreuzer where he came up with that number and he

stated that he guessed, just like everyone was doing. Mayor Sanders said, "A guess is why the article in the paper scared everyone in town so badly." Citizen Kenneth Sanders spoke up and asked Mr. Kreuzer to provide the City with the maps or information if he had it, and to quit saying the same thing over and over. He also told him to quit griping about it. Mayor Pro Tem Crews told Mr. Kreuzer the same thing as Mr. Sanders did about the maps - he stated that he had the information and at that point Mr. Kreuzer left the meeting.

Mayor Sanders stated that this is the list of what our engineers suggested to be done. She informed Council that if they were trying to cut cost and ease the burden as much as possible on the citizen's, then the project wouldn't include the water line replacements.

Alderman Thompson said that he had one question and asked the Mayor who would be making money off of this. Mayor Sanders said it wasn't her or him and so he asked her again who makes the money off this. The Mayor responded with the people we employ and she didn't think they would do the job for free and Alderman Thompson responded with in other words the engineers and the contractors. Alderman Thompson added that the engineers were going to give us as much stuff as possible to make more money. Mayor Sanders informed Alderman Thompson that he and Alderman Henry were on the committee and that he brought some of the stuff that needed to be done that wasn't in the original plan when the committee met. Alderman Thompson said yes he did and that Public Works Director Scott Wible was working on it right now. Mayor Sanders stated it was Kit Jones and Mark Hainley along with the committee that came up with these additions for City and that it wasn't something that they dreamed up. Alderman Thompson said he and Alderman Henry only attended one meeting and it lasted about 30 minutes. Mayor Sanders said it was Kit Jones, the Public Works Director at the time, and Mark that met with the engineers and took them to the places and showed them all the items. Mayor Sanders then asked Alderman Thompson what part of it wasn't correct or what part of it was ok. Alderman Thompson said the whole committee did not meet to discuss all of it, to which Mayor Sanders replied, yes the City's employees met and came up with the suggestions that needed to be done and then that is when the entire committee met to discuss the items suggested. Mayor Sanders told Alderman Thompson that this wasn't the first time he had heard of all this. Mayor Pro Tem Crews asked if they would set up another workshop to discuss the projects and see if there was something they could take out. Alderwoman Jircik said they needed to do the sewer and ground storage because if it was leaking, leaking water is wasted water.

Alderman Henry asked Mr. Gilley if they go ahead with the full 16 million dollar project and we end up not needing all the funds would we be able to pay back what we didn't use to which Mr. Gilley stated yes it would be taken off the back end of the loan.

Mayor Sanders moved to item 2 discuss the letter to the Editor in the Anahuac Progress and the accusations made by Alderman Danny Thompson. Alderman Thompson said, "Roast Danny." The Mayor said, "No Danny, it looks like you roasted all of us." Mayor Sanders said to Alderman Thompson, "You started your letter off to the editor with nothing but scare tactic. You stated that bills would raise as much as \$200, and nowhere in any of the information we have received or discussed did we ever say the rates would increase by \$200 a month." Alderman Thompson said, "Well at no point until tonight did we discuss how much the water bills would increase," to which the Mayor asked, "Why didn't you chose \$500 or \$1000 a month? Why did you choose the \$200 a month?" Alderman Thompson replied, "\$200 was a better scare tactic." Mayor Sanders asked Alderman Thompson, "Oh, so it was a scare tactic?" Alderman Thompson answered, "Yes".

Mayor Sanders asked Alderman Thompson about all the accusations he made in the paper, and asked him if he had issues, if they would get solved in the paper or here at the Council meeting. Alderman Thompson said that the paper isn't going to solve the issues. Mayor Sanders asked him, "What was the purpose of putting it in the paper? Alderman Thompson answered, "It was just my opinion and I wanted to put it out there and there was no other reason." Mayor Sanders asked him, "So it was just a smear tact on your part?", to which Alderman Thompson said, "No, not smear, scare." The Mayor replied, "Well you were making allegations in the paper that were untrue. You also said that the administration is ignoring and bypassing state law - local government code does not allow general cities to do this." Mayor Sanders continued with, "What laws were we breaking?" to which Alderman Thompson answered, "Code Enforcement. It states you have to be certified by the state to be a code enforcement officer." Mayor Sanders let him know that our ordinance states we can appoint anyone to do code enforcement. Alderman Thompson said, "We can't make an ordinance that says we can go out and break state law." City Secretary Harvill pointed out to City Council a print out from The Texas Municipal League website's legal section where it states that a City can appoint anyone to be a Code Enforcement Official, but only a person that is certified through the state can be a Code Enforcement Officer. Mrs. Harvill also pointed out the stack of code violation letters that had been sent out to residents in the City due to Alderman Thompson claiming that some citizens were being sent letters warning of violations and some were not.

Mayor Pro Tem Crews expressed to Alderman Thompson that she also felt as if he was slamming Council and insinuating that they were not doing their jobs as Aldermen and Alderwomen.

Mayor Sanders asked Alderman Thompson about him insinuating that she was not paying her part and taking from the City due to her only having one meter for her RV Park. Alderman Thompson stated she should not have just one meter for her RV Park and her house. Mayor Sanders stated she did as she

was told by the City at the time they placed the meter at the location. She spoke with the administration at the time who informed her she only needed one meter. She stated that if Council wanted her to have to meters she would gladly do it.

With no further business needed to be brought before Council, Mayor Sanders moved to item 3 and the workshop was adjourned at 7:57 p.m.

Council did not go into the special meeting.

**Cheryl Sanders, Mayor
City of Anahuac**

**Julie Harvill, City Secretary
City of Anahuac**