

**TOWN COUNCIL
SPECIAL MEETING MINUTES
THURSDAY, JUNE 27, 2016**

The Town Council met in special session on Monday, June 27, 2016 at 5:00 p.m. in Fairview Town Hall Council Chambers at 372 Town Place, Fairview, Texas. Those present were Mayor Pro Tem John Adler, Councilmembers Ron Samuels, Frank O'Reilly, Pam Little, Paul Hendricks and Renee Powell; Town Manager, Julie Couch; Assistant to the Town Manager, Adam Wilbourn; Chief Financial Officer, Jason Weeks; Town Engineer, James Chancellor; Engineer-in-Training, Danielle Gregory; Economic Development Manager, Ray Dunlap; Public Works Manager, Aron Holmgren; Police Chief, Granver Tolliver; Fire Chief, Jeff Bell; and Town Secretary, Elizabeth Cappon.

Mayor Pro Tem Adler called the meeting to order at 5:02 p.m. and declared a quorum was present.

Mr. Chancellor as well as Brad Tribble, Tom Grant and Nathan Ante of Kimley-Horn gave a presentation regarding the engineering and design of Fairview Parkway and related components. The presenters and the Council had an extended discussion regarding Fairview Parkway, topics of discussion included Frisco Road, the NCTCOG models, State Highway 5, road capacity levels, TxDOT speed studies, roundabouts versus intersections and the widening of the State Highway 5 intersection at Stacy Road. No formal action was taken on this item.

Mr. Weeks and Dan Jackson of Economist.com gave a presentation regarding the water and sewer rate study; discuss, consider and take any necessary action. The presenters and the Council had an extended discussion regarding the water and sewer rate study.

John Harkins, 411 Oakridge Drive, River Oaks II subdivision, stated that in Fairview most residents live on larger lots. Mr. Jackson stated that he too lives on a larger lot and that is a personal decision to move to a larger lot with a larger water bill. Mr. Jackson added that due to the necessity of conservation, water pricing must be allocated in a way that encourages it.

Mr. Jackson went over the long-term financial forecast for future growth in water-use for the Town.

Elaine Belcher, 5691 Hummingbird Lane, asked if a separate meter is required for irrigation in this forecast. Mr. Jackson stated it was a combination, depending on the circumstances. Ms. Couch stated that the Town does not require a second meter for irrigation.

Mr. Jackson and the Council discussed the North Texas Municipal Water District's (NTMWD) take-or-pay system and compared it to surrounding water districts.

David Grimes, 1120 Wynford Court, asked what agency beyond the EPA regulates municipal water districts. Ms. Couch stated the Texas Commission on Environmental Quality (TCEQ). Mr. Jackson stated that it was being transferred to the Public Utility Commission of Texas. Mr. Grimes stated that pressure needed to be kept on the NTMWD to reallocate their funding in order

so that they can avoid further regulation.

Ray Edwards, 481 Oakwood Trail, asked how much of the total cost of water that the water itself is. Mr. Jackson stated that for the projected costs for the next ten years almost \$4 million of the \$6 million projected to be spent on water and wastewater would go to the NTMWD but the cost to the NTMWD is expected to increase to almost \$6 million by 2025.

Mr. Jackson and the Council discussed his water rate adjustment recommendations and options. The Council and members of the audience asked to see some other distribution charts before they make a decision with which option to take.

Mr. Jackson discussed the unique situation of the shared irrigation system within Villas in the Park. Mr. Jackson stated because of the minimum use charge, splitting the billing would not be a cheaper way to bill individually those living in the Villas. Ms. Couch added that the Town has already moved all the HOAs from the commercial rate to the residential rate. Ms. Belcher stated her opposition to asking the smaller, more water conserving lots to subsidize larger lots. She proposed a separate residential multi-user rate chart for the Villas, which would remove the high use surcharge.

Mayor Pro Tem Adler asked that the Council take a five-minute recess at 7:34 p.m.

Mr. Chancellor gave a presentation on an engineering study on alternative water supplies. Mr. Chancellor and the Council had an extended discussion regarding alternative water supplies including rights to aquifers, future regulation, ground and surface water, the impact of the NTMWD take-or-pay system, chemical compositions needed when mixing water sources, psychological effect on usage with assigned watering days, well construction, electricity and debt costs, increase in water treatment employees.

John Harkins, 411 Oakridge Drive, River Oaks II subdivision, asked about the possibility of water storage. Mr. Chancellor discussed the chemical ramifications of water storage.

Ms. Belcher stated that she felt the costs of the wells paired with the take-or-pay system would only add insult to injury. Ms. Couch stated that the Town conducted the study in order to see whether these types of alternative sources are viable. Ms. Couch stated if these numbers were correct, the Town would not see any benefit until 2021-2022.

Mr. Harkins stated that as the new NTMWD reservoir would not be online until 2021, wells could help the Town avoid some risk until the new reservoir is online.

Bill Nicol, 422 Long Cove Drive, stated that the NTMWD technically owns the water in any aquifers as well, so the Town and Heritage Ranch could still be impacted by future cost and rule changes for their use.

Mr. Holmgren explained how the differences in the seasons and rainfall would affect how wells could be utilized. Mr. Holmgren stated he did not feel wells would make a significant impact on the Town's water system during peak flows. Mr. Harkins stated that he disagreed, as it would

provide 25 percent of the Town's water. Mr. Holmgren stated that was a yearly rate, not during peak flows. Ms. Couch stated it would be 5 percent of a peak day. Mr. Chancellor added this would also affect maintenance of the chemical ratios in the water from season to season.

Mayor Pro Tem Adler stated that he felt there does not seem to be much benefit from wells and the bigger need is to keep the pressure on the NTMWD to adjust the take-or-pay system.

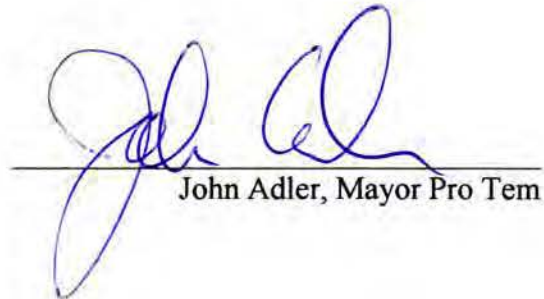
Mr. Grimes suggested that all the non-member NTMWD cities band together to work with state representatives to put pressure on the water district.

Councilmember Powell asked Mr. Nicol how long it took Heritage Ranch for their wells to pay off. Mr. Nicol stated six years but that it was a different environment, as they are not using well water for potable water, but just for watering grass.

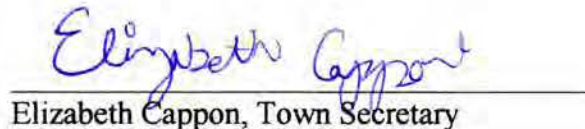
No formal action was taken on the alternative water sources.

Mr. Weeks gave a presentation on the upcoming fiscal year 2016-2017 budget process. Mr. Weeks, Ms. Couch and the Council had a discussion regarding the budget process including budget priorities, long-range planning, budget process, an employee salary study, classification changes due to OpenGov and the special meetings schedule. Ms. Couch stated the budget workshop would be held at Noah's Fairview on Monday, August 1 at 3 p.m., the Council and Staff discussed the schedule for the budget public hearings. No formal action was taken on this item.

Mayor Pro Tem Adler adjourned the meeting at 9:13 p.m.



John Adler, Mayor Pro Tem



Elizabeth Cappon, Town Secretary