

Special City Council Meeting
June 19, 2008

ATTACHMENT A

**LUBBOCK WATER ADVISORY COMMISSION
Minutes of Meeting
Wednesday, June 19, 2008 at 8:30 a.m.
City Hall, City Council Conference Room, 1625 13th Street,
Lubbock, Texas**

COMMISSION MEMBERS PRESENT: H. P. “Bo” Brown, James Collins, Jim Conkwright, Suzie Baker, Mike Liner, Ron Phillips

COMMISSION MEMBERS ABSENT: Abel Castro, L. E. Anderson and Dr. John Abernathy.

CITY COUNCIL PRESENT: Jim Gilbreath, John Leonard, Todd Klein and Paul R. Bean

CITY OF LUBBOCK STAFF PRESENT: Thomas Adams, Aubrey Spear, Mary Gonzales, Bruce Blalack, Wood Franklin, Tammy Vander Kuy, Gaylyn Chapman, Renee Witherspoon, Richard Casner, Thomas Harris, Jeff Yates, Lee Ann Dumbauld and Katherine Crumbley

OTHER VISITORS: John Kelly – Parkhill, Smith and Cooper and Marc McDougal – McDougal Realtors

Item 1: Welcome

Chairman H.P. “Bo” Brown of the Lubbock Advisory Water Commission called the meeting to order.

Item 3: Consider Minutes from previous Lubbock Water Advisory Commission Meeting on May 21, 2008.

Chairman Brown asked Ms. Katherine Crumbley to note in the minutes when the vote is unanimous.

Item 4: Consider Water Commission Meeting Dates and Committee reports and assignments.

There were no comments or suggestions from the committee.

Item 5: Consider consent agenda items that are administrative or routine. Some items will be presented to the City Council for approval. Others may only require administrative approval.

Mr. Tom Adams stated that these were routine items that needed the Commission’s approval. He stated that staff recommended accepting sanitary sewer improvement for a new development in Lakeridge Estates and two license agreements to cross railroad

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easements related to the Downtown Water Line Replacement project. Mr. Mike Liner made a motion to approve these items and Mr. Jim Conkwright seconded. The motion passed unanimously.

Item 6: Consider regular agenda items that need approval from the Commission. Upon approval by the Commission, these items will be presented to the City Council for approval.

Item 6.1: Consider a contract with Parkhill, Smith and Cooper for the final engineering design of the Lake Alan Henry Raw Water Pipeline and Pump Stations.

Mr. Aubrey Spear stated that this is the second of three contracts associated with the Lake Alan Henry pipeline project. He distributed two exhibits that will be included with the contract. Exhibit A details the division of responsibilities between the City (owner) and the engineer. Exhibit B details the payment schedule and amount by major task with the associated milestone dates.

Although the total contract is for \$5,548,000, the engineer will only be authorized to spend \$736,000 this fiscal year. They will deliver the preliminary design reports for both the pump stations and the raw water lines by October 1, 2008.

Mr. John Kelly added that all contract details have been worked out for this contract and the final design is still within the projected schedule. Mr. Spear stated that the goal is still to have the project completed by the middle of 2012.

Ms. Suzie Baker made a motion to approve this item and Mr. Liner seconded the motion. The motion passed unanimously.

Addition to agenda:

Item 6.2 Consider the Water Utilities budget for fiscal year 2008-2009. Budgeted items include incentive pay increases for required licenses to maintain, operate, and repair water and sewer infrastructure and facilities.

Mr. Jeff Yates reported that the Finance Department is still developing the 2008-2009 Operating Budget and Capital Improvement Program. He stated that on March 1, 2008, water and sewer rates were increased by 16%. He recommended waiting until March 1, 2009 to increase rates again. Finance is trying to keep the rates as close as they can to what was originally forecast. Next year the increase for water should be 16% and sewer should be 8%.

Mr. Yates indicated that the capital improvement program (CIP) for water was the major driver in Finance's water model. The total CIP program has increased by approximately \$35 million in the water fund. It appears that we will need to increase the water rates in the 5th year by approximately 5%.

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In the sewer fund the CIP has increased by about \$20 million. There will be an increase in 2009 and 2010 of approximately \$17 million. The 8% per year increase originally used in the financial models does not appear to be sufficient so they anticipate the a 5th year increase similar to 5th year water rate increase. Chairman Brown asked what the \$17 million increase covered. Mr. Aubrey Spear stated that a solids study was moving forward to handle our solids at the wastewater plant more effectively. Mr. Adams added that a new sewer truck main project will be needed over the next few years in order to provide capacity for growth in Southwest Lubbock. This sewer truck main could cost as much as \$20 million. Mr. Adams stated that they will soon have the budget documents ready for the finance committee to review.

Mr. Liner asked Mr. Yates to explain the projection for the block rates. Mr. Yates stated that they are currently evaluating the need to increase revenues and have not yet determined how the increases will apply those the block rates. He stated that they are projecting a 1% growth rate for usage. Growth usage via new homes takes care of any difference.

Mr. Adams added that we only have a little over one year of block rate experience so we don't have a long history to rely. However, we have a history of total water usage for the City over the past several years. Mr. Yates is incorporating trends in water usage into the model as he makes his estimates.

Mr. Adams brought one more issue before the commission. He stated that certifications required to work on public water systems is becoming a significant issue for several reasons. The TCEQ has begun auditing cities to determine whether a certified person is supervising system maintenance, operations, and repair work. If the city is out of compliance, we can be cited for violations and be issued fines by the TCEQ. The city has already received one notice of violation. Mr. Adams pointed out that it was not due to the fact that we don't have certified people, but rather that we did not have them on site. Staff needs to organize crews in order to meet the TCEQ certification criteria. He added that competition with other water systems for certified staff will make this issue more challenging in the future.

Chairman Brown asked if this has caused a slow down of water system work. Mr. Adams stated that it has not. Councilman Leonard asked what the penalty was for non-compliance. Mr. Adams stated the TCEQ will usually give a notice for the first infraction, a correction is made and there is no penalty. Continued failure to comply can lead to fines and a project being shut down. He did not know the amount of a fine.

Councilman Klein asked how hard it would be to get staff that we already have certified. Mr. Spear stated that there is a progression in licensing and it can take several years to move staff from a D license to an A license. Mr. Adams indicated that many of the manual laborers struggle with the testing aspect of the certification even though they are very skilled workers in operating equipment and completing construction, repairs and maintenance work.

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Item 6.3: Consider July 2008 Texas Water Development Board Water Infrastructure Fund (WIF) application for financial assistance for the Lake Alan Henry infrastructure project.

Mr. Adams stated that the application is nearing completion. He distributed the conservation plan which is part of the packet that we must respond to in order to receive points when the WIF application is being considered. He asked for a recommendation to go forward with the application for funding. He pointed out that one of the very positive trend documented in the report is the City's per capita water consumption from 1998 through 2007 shows a 20% decrease in usage patterns.

Chairman Brown suggested that some narrative language be added regarding the water rate structure which states that, contrary to many cities philosophies, in Lubbock, the more public water you use, the more you pay to use it. He also suggested that under the "parks irrigation" heading that any mention of flooding basements be removed. We need to focus on the fact that our groundwater modeling resulted in converting parks and open space irrigation to using groundwater.

Mr. Liner asked if any modeling had been done to determine if parks irrigation is driving down per capita use. Mr. Adams stated that, as we complete this fiscal year, we will have enough information to present a meaningful report. Mr. Franklin added that the parks groundwater usage is 0.2% of our total water supply for the City.

Mr. Ron Phillips suggested that we add a brief description of the city's water strategic plan to the water conservation document. Mr. Adams stated that he add it as an additional item within the Conservation Plan.

Chairman Brown also suggested that, along with irrigation systems, we add any major remodels and/or technology upgrades to the irrigation systems to the document. He also asked if the City had rain sensors at the city parks. Mr. Adams stated that this was a capital item that has been requested for the next budget year. Mr. Franklin added that the newer parks do have them.

Mr. Collins made a motion to approve the submission of the application and the Water Conservation Plan with suggested changes and Ms. Baker seconded the motion. The motion passed unanimously.

Item 6.4: Consider the City of Lubbock's Public Water Supply Well Evaluation and Plugging Plan.

Mr. Spear asked for the approval of a plan to plug some old City owned public water supply wells. The TCEQ has regulations that state that wells must be removed from service and plugged if they are not in use. The City's plan lists approximately 90 old wells and their locations and includes wells in Bailey County. Rather than trying to plug all the wells at once, the city would like to do this over a five year period. Staff will

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evaluate approximately 15 – 20 wells a year and decide whether to plug or cap them. The cost will be approximately \$750,000 over the 5 years.

Councilman Bean asked if it would be possible to reopen the wells if needed. Mr. Spear stated that plugging the well takes it out of service permanently. However, capping the well would allow us to come back at a later date for reuse. However, he added that, based on the ages of the wells and the construction of the wells, many will not meet TCEQ criteria and their production ability may be very limited.

Mr. Adams stated that staff will be looking at the well's proximity to city parks and if the well production is still sufficiently strong, it may serve as a park well rather than a public supply well.

Mr. Bruce Blalack added that federal regulations require that, if a well is not used in 18 months, an evaluation process must be undertaken to ascertain whether the well will be capped for future use or plugged. The wells in the plan have been out of service longer than 18 months.

Ms. Suzie Baker made a motion to approve the plan for evaluating and plugging old public water supply wells and Mr. Phillips seconded the motion. The motion passed unanimously.

At this point the meeting went into Executive Session, and then after discussing Executive Session items, came back into Open Session.

9.4 Consider status of amendments to the Region O and State Water Plan in order to reflect the City's reuse plans by supplementing Lake Alan Henry water supply with various reuse projects, including Canyon Lake #7, Post Reservoir, Scalping Operation, and the South Fork alternative.

Mr. Adams stated that we must add language for our re-use alternatives and they must specifically be spelled out in the regional plan in order to get points during the WIF application process. We also need to show how re-use can help offset our per capita use. The goal is to have the Region O and State Water Plan amended this fall and finalize it ready for the January 2009 application process. Chairman Brown stated that he spoke with a Region O consultant and the next meeting is scheduled to take place in September. All work must be completed and posted approximately 35 days prior to the meeting. After the meeting, the records must be kept open for an additional 30 days for public comment. He added that if a specific project is not in the Region O plan, it is ineligible for state funding programs.

Mr. Adams stated that this schedule will give staff time to present amendments to the Water Commission and to the City Council for approval and then have it ready for Region O review. Mr. Spear stated that we are applying for funding approximately a year prior to the actual need.

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Mr. Adams stated that this commission and the City Council have already approved the proposal to drop Canyon Lake 8 out of the plan and keep Canyon Lake 7 in the plan. Staff anticipates that as they go through negotiations with BRA and as they get a permit from TCEQ, environmental flows will be required from Lake 7 and also from Post Reservoir.

At this point, the meeting went back into Executive Session.

Item 8.2: Consider changes in irrigation water run-off ordinance to further define and clarify what substantial run-off means.

Mr. Adams stated that a Water Commission committee met and reviewed the proposed changes to the irrigation ordinance to define waste of water. Some suggested changes were made by the committee. He distributed a copy of the ordinance with the suggested changes included and recommended that the Commission review the documents. The item will be placed on the July 2008 agenda for discussion and approval. He stated that there were a number of changes throughout the ordinance but that the main change had to do with the definition of "waste of water".

He stated that water run-off is defined as running a distance of 150 feet or two times the distance of the width or length of the property, water that has run into storm drainage system or a public right of way or alley, water running onto adjacent property owners, water that pools in streets or intersections and failure to repair a leak in an irrigation system.

Chairman Brown asked about water run-off that is caused by blowing wind. Mr. Adams stated that it is noted in the ordinance as an affirmative defense to a violation.

Item 8.3: Consider the Second Amendment to Professional Services Agreement, Resolution No. 2006-R0357, Evaluation of the city of Lubbock Pump Stations and Related Storage Tanks, Contract No. 7018

Mr. Bruce Blalack stated that the amendment was only a time extension to the contract. Mr. Spear added that the amendment allows the engineer additional time for evaluating pump stations to make sure they are running at an optimal level. It also allows them to do additional water system modeling required by the TCEQ in order for us to meet their requirements.

Item 9.3: Consider status of efforts to locate federal and state funding opportunities. Assistance plans include obtaining grants and/or loans for major Water and Wastewater Utility capital improvement projects.

Mr. Spear stated that staff will be meeting with the USDA Rural Development Program. If you can show you are helping small communities or rural areas they are more likely to award grant funding. A Grant Coordinator position has been created for the Water

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Utilities Department. The Grant Coordinator duties will consist of coordinating and seeking out grant and low interest loan funding opportunities.

Item 10.4a: Wastewater Sytem Project Updates: Lubbock Land Application Site – Remediation.

Chairman Brown asked the status of the ARCADIS report. Mr. Spear stated that it was completed and, at the request of the Commission, an request for qualifications (RFQ) has been sent out to prospective consultants so the City can formally select a consultant to continue providing remediation engineering and geosciences services. The successful firm will enter into a contract that will replace the contract that ARCADIS currently has with the City.

Item 10.8: Mineral Offer Memorandum

Chairman Brown asked for elaboration on this issue. Mr. Adams stated that we have mineral interests in town and we get blanket requests wanting to buy them periodically. The City is not really interested in selling them as buyers don't offer as much as they're worth. Mr. Adams just wanted to make the Commissioners aware of the request.

Item 10.3e: Bailey County Transmission Main Study – B&V

Mr. Liner asked if there have been any surprises in the study and Mr. Franklin stated that there have been no anomalies.

Administrative Report and Other Business:

Chairman Brown asked how the membrane testing was progressing. Mr. Spear stated that staff is currently going through the vendor selection process and getting the equipment ready so that we can set up for the pilot test. We also have to get approval from the TCEQ and that it also in process.

Item 11: Adjournment:

The meeting was adjourned at 12:30.

Approved:

/s/ H.P. "Bo" Brown, Jr.	07/23/2008
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H.P. "Bo" Brown, Jr. Chairman	Date
/s/ Thomas L. Adams	07/23/2008
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Thomas L. Adams	Date