

City of Wimberley
Community Center, 14068 Ranch Road 12
Wimberley, Texas
Minutes of Special Meeting of City Council
February 1, 2017 at 6:00 p.m.

City Council meeting called to order at 6:00 p.m. by Mayor Mac McCullough

Councilmembers Present: Mayor Mac McCullough; Councilmembers Bob Dussler, Craig Fore, Sally Trapp, Gary Barchfeld, and John White. Planning and Zoning Commission Chair and Ad Hoc Wastewater Review Committee member John Urban was also present.

Staff Present: City Administrator Don Ferguson

Workshop Session

A workshop to discuss Central Wimberley wastewater service options.

Mayor McCullough thanked everyone for attending tonight's meeting and turned the meeting over to Councilmember Barchfeld. Councilmember Barchfeld stated the purpose of tonight's meeting is to answer questions from and provide answers to the public following a quick review of items. He turned the meeting over to Councilmember Trapp who read a statement: "Tonight is a follow up of last week's subcommittee presentation on various wastewater options we've studied the past few months. The subcommittee members are myself, Councilmember Barchfeld, City Administrator Ferguson, and Ad Hoc Committee member John Urban. All of the costs presented are based on the best available data that we have at this time. Construction estimates are from the engineer Alan Plummer and Associates. Rates are from the rate study group Raftelis Financial Consultants. Data from permits, City financial analysts, City legal counsel at Bickerstaff Heath, and our City staff have played a part in this presented data. The plans for the City system (or Option #1) on your spreadsheets are still under review with the Texas Water Development Board (TWDB). Once those plans are released, we can go out for bids. The bid process at a minimum will take 30-45 days. Nothing this Council has done nor any distractions we're having are delaying this process. For the format tonight, we'll briefly highlight the options we've reviewed, and will hold a question & answer session. We'd like to focus on questions about the various options presented. We'll give Council the opportunity to ask questions first, then property owners and residents within the city limits, followed by individuals outside the city limits. This is not a public forum, but a question & answer discussion. Additionally, please keep your questions respectful in nature. Thanks, and I'll turn it over to Don."

City Administrator Ferguson thanked everyone for their continued interest and noted slight updates in the presentation copies distributed tonight. He reviewed and explained the large spreadsheet comparing Options #1, 2, 3, 4 and 4a (*attached to these minutes*) and noted all of the options include some provisions for water at Blue Hole Park. Mr. Urban referenced the handout from his Comparison of Options financial analysis presentation from last week's meeting (*attached to these minutes*) and said Councilmember Trapp did an excellent job covering the data sources. He reminded there are a lot of moving parts from a financial standpoint and said this is

the best attempt with the best data available to analyze the options under consideration. Mayor McCullough asked City Administrator Ferguson to elaborate on the differences in the amount of water that Blue Hole Park may receive under the various options. City Administrator Ferguson stated that under the City plan (Option #1) the Park would get the benefit of all the wastewater effluent that would be collected and treated in the downtown area. He said in the other options, the Park would only get the effluent that would be produced from Deer Creek Nursing Center and the Park, as is the case right now.

Councilmember Barchfeld provided a project status update and advised that the City is awaiting TWDB approval to go out for bids. He noted the City is currently working to secure and finalize all of our easements. He stated the City is in the process of updating the rate study, developing impact fees, and populating an Impact Fee Advisory Committee. He noted there will be a Chapter 26 public hearing on February 15, 2017 in order to secure the wastewater treatment plant site in the park and do a land swap (conversion). He said all loose ends are being tied up, including a proposal on tomorrow night's Council agenda to seek an extension on the closing of the TWDB loan. He stated that all of the elements that are required to move forward with the wastewater treatment plant are ongoing, while we are visiting and making contingency plans pending receipt of bids.

Councilmember Trapp spoke of a poll taken of 12 to 15 community members from various groups and said one of the main threads that came back related to the City's annual operating budget and where the City would find the \$200,000 annual subsidy from our current budget. She said discussions have been held about adding that \$200,000 contribution into the budget, but that no Council decision has been made at this time. She said if a subsidy is going to be approved, it would have to come out of capital expenditures, which are road projects and other similar items. She also noted that there was another question that was raised about compliance of existing septic systems and asked City Administrator Ferguson to address that question.

City Administrator Ferguson said there are many unpermitted septic systems in the downtown area that were built long before the permitting process began. He noted the karst topography in that area and the common belief that some of those systems may be "failing down." He stated that if those systems failed today, they cannot come back because they cannot meet current TCEQ requirements. He noted that the City has done a property by property inspection and continues to monitor systems to help identify problems. He said past surveys found some septic systems that have been corrected, but as pointed out by a TCEQ inspector, downtown is an older, confined area that is septic-saturated. He stated that a large number of downtown businesses pump and haul on a regular basis due to inadequate systems, which points to the need for central wastewater system. He cited elevated bacteria levels in Cypress Creek and said there is no question that these are due to a number of sources, but based on the history, age and noted problems with existing septic systems, those systems are contributing factors to those levels. He advised that when a problem system has been identified, it is addressed, and monitoring and enforcement is ongoing, until such time a wastewater system is in place.

Councilmember Trapp stated that Council will go first with questions and comments. She said Councilmembers Dussler and Fore both have options they would like to explore.

Councilmember Dussler suggested creating an Option #1a, as highlighted on Bert Ray's handout (*attached to these minutes*) based on the Plummer engineering estimate dated March 4, 2016, which would eliminate the so-called "purple pipe" from the project at a cost savings of approximately \$900,000. He said this removal would eliminate the green subsidy of \$243,000, and result in a net savings of approximately \$700,000, which would not have to be paid back over 30 years. He was not advocating removing the purple pipe, but said this would be the lowest cost option, except for Option #3a. He felt this is a compelling option that would allow the City to own and operate its own wastewater system with local control at a lower cost than other options. Mr. Urban said his analysis confirmed Councilmember Dussler's cost savings estimate. City Administrator Ferguson added that the water balance study indicated there may not be a lot of effluent available to send downtown, as the Park is expected to absorb much of the effluent.

Councilmember Fore stated an alternative plan for Option #1 would be to complete the project in stages instead of all at once. He said his thought process was that if we do the whole project at one time and run into the problem of it costing more money than we expected, then we have no source of extra revenue. He said if we do it in stages and run into problems we will still have some leeway to finish that stage and then maybe go to next and next stage. He did not know how people felt about a very large tank 500,000 gallon tank is about 26-27 ft tall and 60 feet in diameter that would be located right there in the Park with a city limit sign right inside 3237 as we enter town. He thought maybe we could put a holding pond in the Park in place of a storage tank and take the effluent from the plant and put it in the pond and then pump out of the pond to water the park as necessary. He stated that ultimately it could actually be a benefit by not having a discharge permit whatsoever. He said it could be called Option 1b and does not have all the numbers, but does feel like it is something we could do incrementally.

Councilmember Barchfeld invited property/business owners or residents of the City of Wimberley to be the first group to ask questions. Speakers were asked to state their names and addresses.

Long-time Wimberley property owner Sara Dishman spoke her many requests to put this issue to a vote and has said she heard from others (not City staff) that this is not an option. She said this will give everyone who is impacted a chance to have their say. She said the democratic and diplomatic way of addressing something that is a hot-button issue is to take a vote. She stated each side should be allowed to do their best marketing campaign possible and let the City find peace and unity once again.

Councilmember Barchfeld agreed with Ms. Dishman's comment regarding peace and unity and reminded that this is not a public forum, but intended for audience questions and answers. He stated that as a General Law city having a vote on this issue is not a legal thing that we can do. In response to Councilmember Barchfeld's request for clarification, City Administrator Ferguson explained differences between home rule and general law cities and their respective authorities relating to initiatives and referendums, unless the ballot language pertained only to certain financing mechanisms. He said a straw poll could be conducted, but it would be non-binding.

Jennifer Marino of 2908 Flite Acres said she read in the paper “that any City Council can’t resurrect whether or not to discharge” and asked “Can you discharge or not discharge and does any City Council get to change their mind?”

Councilmember Barchfeld said the City’s permit is a discharge permit and thought that the name of permit explains itself. He said we are capable of discharging. He stated we have a mediated agreement which says we will do our best to not discharge, but it does not say we will not discharge. He said any Council can change this and say “yes, they can do it.”

City Administrator Ferguson stated the only way that agreement gets changed is if all of the parties to that agreement agree to change it. He said the City has a discharge permit issued by TCEQ, but it does not mean the City has to discharge. He noted that the settlement agreement is intended to discourage discharge, but the discharge permit gives the City the right to discharge. Councilmember Barchfeld cited the agreement “that requires the City to discharge only as a last resort” and stipulates that no discharge will occur unless the irrigated area’s ground is frozen or saturated as measured by soil moisture sensors. He continued to say the City agrees to maintain an effluent storage facility of 500,000 gallons and “if there is no storage available they can also discharge then.” He said it is likely that there will be no discharge, but there is the capability to discharge.

Mayor McCullough said it is also fair to say that we would have not reached the discharge point for three days in the last five years. Ms. Marino said as she lives downriver it means something to her even if it is only three times. Councilmember Barchfeld said “in contrast to what the Mayor said the last couple of weeks we had 14 days of rain, which would have allowed for a discharge.” Mayor McCullough said (to Councilmember Barchfeld) “you don’t know that.” There was brief exchange regarding statistics and facts.

Councilmember Dussler commented that the City-owned plant is essentially a no-discharge option. He said Blue Hole Park would be irrigated with Type I effluent and in the event of a heavy rain event when the Park is saturated the effluent would be stored in a 500,000 gallon tank, which would accommodate 7-20 days or more effluent production. He said in the extremely unlikely event that the tank is full, the excess would be hauled away in a storage truck. He said rain studies done last year and what Mayor McCullough just mentioned is the likelihood that we would have to take extra effluent away in a storage truck would only occur one or two days per year. He said if this were to occur, the effluent would be delivered to a municipally-owned wastewater treatment facility, not to Aqua Texas, in order that we cannot be charged with enriching a private company. He said this is a no discharge option that many in the community are strongly in favor of. He stated the Aqua Texas option will produce Type II effluent, which is not safe for human contact and would be sprayed on the Woodcreek golf course every night. He stated the Type II effluent has a strong odor and must be diluted, which he said is done by pumping fresh water from the aquifer. He said this is not a very environmentally sound process. He said in the event of a heavy rain event and the golf course is saturated, and the spray continues, it is very likely that runoff will occur into Cypress Creek. He said if Wimberley selects an Aqua Texas option we should realize we will be adding our own wastewater to this toxic mix. He stated it appears that the Wimberley option is closer to no discharge than Aqua Texas.

Councilmember Trapp stated Councilmember Dussler's comments need correction and said we have never said as a Council that we are going to truck or truck to a municipally-owned water source. She said Aqua Texas was the last one on the table who would take it. She said it would cost more gas money to haul further to another city. Responding to an audience member, Councilmember Trapp said we have to stick to all the facts and "yes, it is a discharge permit." Councilmember Barchfeld told Councilmember Dussler he had not heard the comment about the dilution of effluent before and asked for specifics at a future date on Aqua Texas's dilution and why they do that.

Greg Douglas of 513 Summit Loop asked if Option #3 takes care of all of the septic tanks in question. City Administrator Ferguson replied negatively because there are old, unpermitted septic systems scattered throughout the whole proposed downtown area. He said Option #3 takes care of septic tanks closest to the creek and the river and noted its specific boundaries in the immediate Square area. He spoke of how karst topography allows for leaks in the middle of town (as opposed to those closest to the creek) to seep into the creek. Mr. Douglas stated the "short answer is that it doesn't cover all of the suspect septic tanks." City Administrator Ferguson replied affirmatively. Mr. Douglas asked what would be the amount of cost reduction for removal of "purple pipe" from Option #3. City Administrator Ferguson advised the cost is in the neighborhood of \$800,000 to \$900,000 and the City would receive a green subsidy of about \$243,000 in loan forgiveness. He said if the purple pipe is removed, you see an initial savings, but you have to add \$243,000 back into the loan amount. Referencing Councilmember Dussler's and Mr. Urban's prior comments, he felt that ultimately the cost savings of removing the purple pipe would probably be around \$700,000. Councilmember Barchfeld referenced Alan Plummer's estimates from March of last year and said in his opinion the correct savings should be somewhere in the range of about \$550,000, which is still a significant savings. Mr. Douglas said using \$600,000 as a compromise, he assumed that that figure applied for a full system build-out for Option #1. City Administrator Ferguson said yes, that it would be for Option #1 only. He asked if we were looking at a limited system build-out for Option #3. City Administrator Ferguson stated that Option #1 involves purple pipe and the other options do not. Mr. Douglas said there would be no savings for Option #3, if we do not use purple pipe. City Administrator Ferguson repeated there would be no purple pipe for any of the other options. Mr. Douglas asked if Option #3 included a cost for tunneling rather than attaching a pipe. City Administrator Ferguson answered that Option #3 and all of the Aqua Texas options have costs built in for crossing the creek. He said one of the options is shared with Aqua Texas. He said the cost of crossing the creek is about half a million dollars. Mr. Douglas asked if that was for tunneling or attaching a pipe. City Administrator Ferguson said the plan is for tunneling, but the City is exploring whether TxDOT would agree to an attachment agreement. He said they are not typically favorable, but have agreed to look at the possibility. Mr. Douglas asked if the attached pipe would be a significant cost savings. City Administrator Ferguson replied affirmatively and said the benefit of attachment is that you can see if the line is leaking, whereas buried sewer lines, particularly in flood conditions, digging and wearing of the bottom can snap the sewer line and you would not know how much raw sewage poured into the water. He cited the 1998 Guadalupe River flood, which snapped a sewer line, and many thousands of gallons of raw sewage poured into the river, because no one knew the line was gone. He noted that if a line bored under the creek breaks, this City does not have the ability to divert waste to another treatment plant, as larger cities do. He said wastewater flows would have to be stopped from the

downtown area, which would be without wastewater service for a period of days or however long it takes to fix the line. Mr. Douglas stated his understanding that if the City is allowed to attach a line to the bridge, it saves money, and is easier to repair, if needed. He asked if we can assume as a wholesale customer that we get a volume discount. City Administrator Ferguson said the City has been quoted a rate by Aqua Texas of \$11.72 per 1,000 gallons sent to them. Mr. Douglas asked what would be a reasonable estimate of wastewater sent to Aqua Texas under Option #3. City Administrator Ferguson said the full service option area would probably be \$100,000 to \$150,000 per year at the wholesale rate. He said the smaller system would be much less.

Haidar Khazen of 300 Mill Race Lane asked what would cause a line bored under the creek to break and leak raw sewage into the creek. City Administrator Ferguson stated if the line is undermined and hit by debris it could fracture, and there are a lot of things that could happen. Mr. Khazen asked if it is under bedrock. City Administrator Ferguson said it is bored but can be worn down. Mr. Khazen asked how quickly that could be detected. City Administrator Ferguson said it depends on the water level or Aqua Texas could advise that there is nothing coming their way, which would be the first opportunity to detect a problem. Mr. Urban said an engineering analysis would take into account the risk and the line would be bored to a level to mitigate such a risk. He also said there would be the ability to lock down the ends of the line to stop pollution. City Administrator Ferguson stated you do not have the ability to lock down the line until you know there is a problem. Mr. Urban said the same logic could be applied to a line attached to the bridge. Replying to Mr. Khazen, City Administrator Ferguson said that unless the water got low enough to recognize there is a problem, or unless there was a system in place with Aqua Texas indicating that the City was not flowing to them, it can be difficult to detect problems. Councilmember Barchfeld asked if you could truck raw sewage. City Administrator Ferguson said you can, but you would not have the ability to collect it anywhere because you are sending everything across the creek. There was a question about just pumping it out. City Administrator Ferguson you could potentially pump out of the lift station. Mr. Khazen asked "What could actually cause that, an earthquake?" City Administrator Ferguson said a multitude of things can cause a line to fracture from poor construction quality, being hit with debris, or some other force of nature. Mr. Khazen said there are thousands and thousands of these things under various waterways and City Administrator Ferguson said buried utility lines are not uncommon. Referring to Option #1, Mr. Khazen asked how "unlikely discharge equals to no discharge." Councilmember Dussler answered that if the ground is rain-saturated, effluent would go into a 500,000 gallon storage tank that could hold 7-20 days of effluent. He said in the unlikely event the ground remains saturated after 20 days and the tank is full, then the excess could be trucked to another facility. He said the likelihood of that happening is about 2 days per year. Mr. Khazen said he keeps hearing "unlikely." Councilmember Dussler said we have a discharge permit, but it is unlikely we would discharge. Mr. Khazen said it is unlikely also that a pipe underneath the creek would break. Mr. Khazen referenced Option #4, which he said shows \$385,000 total cost and a \$66,000-69,000 debt service. He asked how long the debt service is and was told 6 years. City Administrator Ferguson said all of the other options involve the issuance of 30-year revenue bonds. He said Option #3 would use tax notes to retire the debt in 6 years. Mr. Khazen asked if the annual debt service would only be \$9,000-10,000 if spread out over 30 years. Councilmember Trapp noted that the \$66,000-69,000 listed on the spreadsheet includes additional language from last week's presentation that clarifies the \$66,000-69,000 debt

service would be for a 6-year note. City Administrator Ferguson advised that the 6-year note was mentioned verbally at last week's meeting and the spreadsheet was updated for tonight's meeting. Mr. Khazen asked if there were no water for Blue Hole under Option #4, what would the cost be. Councilmember Trapp said "zero." Mr. Khazen said Options #2a and 3a show Blue Hole would get water from somewhere else and said Option #4 would be a "zero cost option." City Administrator Ferguson the cost of getting water from Aqua Texas to the Park, such as through a return line or tanker, has not been determined. Mr. Khazen asked how much it would cost Blue Hole to water just with regular water and if that would be a significant cost difference. Councilmember Barchfeld said there are two wells at Blue Hole, but the issue is not wanting to drain the aquifers. He said investigating what it would cost to water a soccer field per month, with water purchased at a commercial rate, it is about \$250,000 a month for two soccer fields. He said at Wimberley Water Supply rates that would be about \$1,700 per month or \$21,000 per year, not adjusted for seasonality. City Administrator Ferguson noted that Wimberley Water Supply is governed by law to have a drought management plan, which is intended to promote water conservation. He spoke of challenges to effectively watering the Park in drought stages when the plan only allows for limited watering. He said that would be the risk with any public water supply. Mr. Khazen said keeping the plant at Blue Hole in order to water Blue Hole over 30 years is less than buying or pumping the water. Mr. Urban said it is important to understand that pulling out of the well is the same thing as buying water. Mr. Khazen asked why the City has a discharge permit under Option #1, if it does not want to discharge. Mayor McCullough said it goes back to the chosen plant design and asked City Administrator Ferguson to answer that question. Mayor McCullough said we are now only at about one-third of the 75,000 gallon per day plant capacity and would not be close to that limit in the near future. Mr. Khazen said there is still the possibility of discharge. Mayor McCullough said there is the possibility, but it would not be at 75,000 gallons per day. Mr. Khazen asked why we cannot change the permit. City Administrator Ferguson explained TCEQ issues either a discharge permit or a TLAP (Texas Land Application Permit). He said there is no permit for "discharge as a last resort," so the City included that language in a regulatory agreement that is part of our permit, and noted that the only way the agreement can be changed is if all parties agree to do so. City Administrator Ferguson stated the importance of understanding that no Council member wants to discharge and stressed that in addition to the promotion of "no discharge," the agreement also cranks up the treatment to a much higher Type I quality in order to protect the environment, in the event we have to discharge.

In response to Councilmember Barchfeld's inquiry about the City's previous permit, City Administrator Ferguson answered it was a TLAP (land application) permit that discharged into a drain field. Councilmember Barchfeld asked why we got rid of a 50,000 gallon per day TLAP permit. City Administrator Ferguson replied that with the volume of wastewater that we would be collecting there would be significant costs to bring the facility up to TLAP standards, concerns about the current field, and land availability issues. Mr. Khazen said if that is the case why are we saying we are going to use all the water we are supplying to the fields. City Administrator Ferguson replied because the waste being produced under the previous permit is a Type II effluent and is a non-public contact recreation effluent, which is why there is fencing around the drain field to prohibit public access. Mr. Khazen asked if there was discussion about upgrading the plant to produce Type I effluent. City Administrator Ferguson said there was discussion at one time and recalled there were cost and capacity issues.

Greg Douglas of 513 Summit Loop asked about the number of users that are reflected in Option #3 and Mr. Urban replied 55 users.

Lila McCall of 2500 River Road asked if Council knows the tremendous liability the City would incur if it goes into the utility business and felt that potential legal costs could cause high rates. She said the City should not think it can operate a sewer without problems and it can break a small city. She asked if the City has surveyed its insurance rates if it operates a sewer and if Council has considered a “gathering system” to clean up the creek until the City is rich enough. She asked if Aqua Texas treats its effluent to Type I. Councilmember Barchfeld replied that Aqua Texas treats to Type II effluent. She asked if Councilmember Barchfeld asked Aqua Texas if they would treat to Type I. Councilmember Barchfeld said he spoke to Aqua Texas’s Bob Laughman about upgrading their plant to Type I, and Mr. Laughman said his permit does not require him to do that. Councilmember Barchfeld spoke of Aqua Texas’s large tank with an aeration system that in his opinion, produces effluent that is probably closer to Type I than Type II. Ms. McCall asked Councilmember Barchfeld, in his continuing negotiations with Aqua Texas, if he could ask to make that part of the deal. Councilmember Trapp said they could discuss that and referred to Councilmember Barchfeld’s aforementioned discussion with Mr. Laughman, in which Mr. Laughman offered for us to purchase a “finishing or polishing” plant that would convert the amount of waste we send to them to Type I and he would give that back at no cost. Ms. McCall asked if Aqua Texas would put in purple pipe. Councilmember Trapp said Mr. Laughman has not committed to that and was not asked about it. Councilmember Barchfeld said we are looking at those options again, so we have water for Blue Hole Park. Ms. McCall said we want those wildflowers to grow.

Property owner Alice Wightman cited language on page 14 of the TCEQ permit that she felt required plant expansion if the flows reached certain thresholds. Mayor McCullough said over 20 million gallons would have to be ingested per year to reach capacity and we are “nowhere near” that right now. He said over the last 5 years, the average has been 12 million gallons per year. Ms. Wightman spoke of her involvement in the City of Austin’s growth issues. Mayor McCullough said we do not have that much growth capacity. She said Wimberley is close to Austin and this plant will be a magnet for growth. She said the permit says the City can expand the plant and talk of having a cap on effluent is really not a permanent final cap. Mayor McCullough said multiple levels of protection have been built into keeping the plant from growing and no one on this Council wants to see this plant grow. City Administrator Ferguson told Ms. Wightman that Council is considering a deed restriction on the property that will prohibit a plant greater than that capacity. He further stated that there are discussions with Texas Parks and Wildlife to add a provision to the grant document that prohibits exceeding capacity and this Council has taken and will take every possible legal measure to make sure that no future Council can change the game. He noted the Parks and Wildlife restriction cannot be changed by City Council. Ms. Wightman said Parks and Wildlife could be asked to make the change. Councilmember Barchfeld said everyone on Council wants to protection for the park against growth. Ms. Wightman said Council’s intentions are fine, but felt the permit will allow the plant to be expanded. She asked how the flows are measured and said the permit suggests the 75,000 gallon per day is a calculated number based on four readings over one month. She asked who does the sampling, how is it done, and who does the averaging. City Administrator Ferguson said that would be done by the contract operator as part of his scope of work and envisioned that

the contractor would work with the City to establish a warning stage to provide adequate notice when nearing the threshold. Ms. Wightman said there is no automatic recording and someone would have to measure it. City Administrator Ferguson said the contractors are obligated to be at the facility every day. Mayor McCullough noted all the water consumed does not go back to the plant. Ms. Wightman said it was not clear how average daily flow is measured. City Administrator Ferguson said flows are measured on a daily basis by a person who takes meter readings. Ms. Wightman said she has the answer to the question: Does Type I effluent stink? She said "Yes." Councilmember Trapp said she did not know that. Ms. Wightman said Type I is better than II, but it still smells. She said people need to be aware of this. Ms. Wightman asked if Council is aware of the Meadows Center study on the Cypress Creek watershed that she said pointed out drainage from all over drains to Cypress Creek and asked if there is any proof this plant will be able to solve the problem. Councilmember Barchfeld advised Ms. Wightman that Council is considering enhanced water quality testing as part of its meeting tomorrow night.

Deborah Koeck, downtown property owner and resident of 1 Spalding Circle, asked how many customers there are for Option #1. Councilmember Barchfeld replied "109." She said the City count her as "7" customers. She asked how many customers there are for Option #3. Multiple voices said "55." She asked: "Is the cost for the initial connection of a large business versus a small residential property for Option #1 versus Option #3?" City Administrator Ferguson said the connection fee, which is a capital recovery fee, paid once upfront upon connection, is \$2,500 per LUE, with one LUE as the equivalent of 300 gallons per day. He said the number of LUEs times \$2,500 would determine the fee. He said typical residences are one LUE, with commercial and restaurants as larger users, and all customers would have the opportunity to pay out the connection fee over a period of 7-8 years. As far as monthly bills are concerned, City Administrator Ferguson said the expected bill for a residential customer will be based on a winter average to allow for a uniform wastewater bill. He said commercial customers' bills are calculated on actual usage and can change month to month. He said there is a base rate for everyone and commercial customers will pay a volumetric fee that will be applied to monthly water usage and for calculating residential winter averages there will be the same volumetric fee. Dr. Koeck asked "How are you going to calculate my winter average?" City Administrator Ferguson said it would be based on your water usage during the identified months for winter averaging. She asked "How are you going to do that if I have a well?" He replied that there are a few people that are on wells in the downtown area and a methodology will have to be developed for those wells. Dr. Koeck asked "Can you give me a bottom line?" City Administrator Ferguson said he could provide a bottom line, if he knew how much water is used. He repeated the LUE calculations and Dr. Koeck said she understood those numbers. He stated to Dr. Koeck that if the City is contributing \$200,000, her monthly bill will be \$55.72. With no City contribution, the monthly bill would be \$120.56. She asked what a restaurant owner (like "Tom") expects to pay. City Administrator Ferguson said for a 25,000 gallon per month customer, with a \$200,000 annual City contribution, his monthly bill would be \$192.00. He said if the City contributes nothing, his monthly bill would be \$683.25. Dr. Koeck asked if his hook-up fees are based on the LUE calculation. She spoke of her concern with discharge into the creek and being compassionate to Blue Hole. She asked "that you consider being compassionate to the residential property owners downtown." Councilmember Barchfeld replied "yes."

Chris Middleton of 750 Green Acres (in the City's ETJ) said she would like to point out the reason Aqua Texas has a land use permit is because their predecessor asked for a 900,000 gallon per day discharge permit into Wilson Creek. She said the community rose up and that is why Aqua Texas is doing land application. She cited Councilmember Dussler's concerns regarding runoff from Quicksand (golf course) and David Baker's concern about karst-associated problems. She said Aqua Texas does not have a direct discharge permit, but has an indirect discharge permit. She asked if the City adds its sewage to the Aqua Texas plant, what leverage does this or future City Councils have in making sure that Cypress Creek and the Blanco are not polluted by the runoff from Quicksand. City Administrator Ferguson said he cannot speak to the Quicksand question, but referred to his comments at last week's meeting, and conveyed that discussions with Mr. Laughman of Aqua Texas indicated that Aqua Texas had no interest in ever pursuing a discharge permit while under contract with the City, as Mr. Laughman was well aware of the opposition Aqua Texas would face.

Jim McMeans of 2000 Fischer Store Road asked if Council considered a contract with Aqua Texas to truck effluent if the tank were full and whether Council refused to consider such an agreement. Councilmember Trapp answered that Council said trucking was one of four options discussed, but there was not a vote on that specific item, because there were other options on the table. Mr. McMeans asked if Wimberley Springs Partners has an annual pumping permit for 14 million gallons and if it was true that they use 20 percent of the water on the golf course as groundwater and 80 percent of water as Type II effluent. Councilmember Barchfeld asked if there was anyone on Council who could speak to Mr. McMeans' question accurately.

Mayor McCullough said he has heard that number is correct, but cannot cite a document that shows Aqua Texas dilutes discharge about twenty percent. Councilmember Trapp cited her conversation with Aqua Texas employee Mr. Herrada indicating that Aqua Texas does not dilute its wastewater process. Mr. McMeans said if you check with Quicksand (golf course), you will find that they do the dilution because they have the permit for the pumping. Mr. McMeans asked Councilmember Dussler if Type I effluent could be used anywhere for any use, or possibly be sold. Councilmember Dussler replied affirmatively and said there would be a market for that (such as for landscaping), as it is safe for human contact, unlike Type II and Type I would be used for irrigating at Blue Hole Park. Mr. McMeans stated that clean water has a market value. Councilmember Barchfeld said Type II water also has market value and Hays County purchases a lot of Type II effluent to water their roads down. Mr. McMeans asked if it was true that Type I can be used in places that Type II cannot. Councilmember Barchfeld replied affirmatively. Mr. McMeans said he has been told the City cannot afford the subsidy and referenced a line item in the City's annual budget for \$31,250 to pay for the existing plant and said in three more years when the plant is paid off that money will become available for the City to use toward the annual subsidy. He also asked if it is true that there is also \$93,900 and \$3,887 budgeted for wastewater debt service principal and interest that would roll into the new loan that the City will undertake. He asked if that \$129,000 could be considered basically found money that could go toward the annual subsidy, and then said "is it not true the City can afford that subsidy?" Councilmember Barchfeld replied "those numbers are all accurate" and "in the figuring of where the money is going to come from, those are part and parcel of it." Councilmember Barchfeld said that "we haven't done roads, except for this year, in a long time." He stated roads are at the expense of the figures Mr. McMeans just mentioned. Mayor McCullough said that is not completely true

and that the previous administration did not want to spend money at that time on roads. Councilmember Barchfeld stated "I stand corrected." Mr. McMeans asked if it was true that there was a proposed budget figure of substantially more road improvements in this year's budget that was denied by this Council. Mayor McCullough said that is correct, but the logic supporting the denial was that the budget be balanced and a decision would be best made following the City's annual audit.

Louis Parks of 820 Red Hawk Road said he noticed the willingness of many on City Council to point out that future City Councils cannot be trusted to do what any normal person would do, which is deny regular discharge. He said no one has denied that there is a discharge permit that would allow discharge in emergency situations. He cited a scientist's previous remarks to Council, which said if such an emergency discharge occurred, the water coming from the plant would be cleaner than the water it is going into and would be so diluted it would not matter. Mr. Parks asked if Council was willing to take the word of Aqua Texas and said Mr. Laughman had indicated that he didn't want this whole situation with the sewer system, but said he had to because his corporate bosses told him to. Mr. Parks asked if Council was willing to say that it trusts him (Mr. Laughman) and his corporate bosses to promise that they will never ask for a discharge permit or any of the other things Mr. Laughman has promised he won't do, yet is not willing to trust people you elect in the future and are under your control. Councilmember Barchfeld asked Mr. Parks to state his question. Mr. Parks asked whether Council trusts Aqua America more than it trusts its own City Council, which is governed by the people here in Wimberley. A female voice replied "yes." Councilmember Barchfeld replied he does not know who will be elected in the future and said we are looking at contingency plans, so we can make good and educated decisions. Mr. Parks said the City has a contingency plan that very much protects against anything but emergency discharges of relatively clean water. He asked why Council cannot bring itself to say that when people express concerns about regular discharge. Mayor McCullough said he can say that, as mayor. Councilmember Trapp said she cannot say that. She said any discharge is a discharge and did not understand why we feel if we treat it to Type I and is as clean as to be able to drink it, yet it smells to high heaven, then it's okay to dump in our waterways. She asked why we are advocating a discharge permit. Mr. Parks stated we are not advocating a discharge permit, but noted discharge is very strictly governed by TCEQ regulations to prevent it from happening, except in emergencies. Multiple voices said "not true." Councilmember Barchfeld asked Mr. Parks for his question and reminded this is supposed to be a friendly environment.

Councilmember White spoke on the issue of trust of future Councils and noted it has been said over and over again that we have taken every precaution that we can possibly take to limit future discharge and we have written in provisions with TWPD and TCEQ. He said the trust issue is not this Council about future Councils, but is coming from this audience to the Council that doesn't trust us or future Councils. He said you need to sit on this side of the table and listen to the people who have gotten up here and said "you're going to discharge 75,000 gallons of water a day into the Blanco." He stressed "it's not going to happen." Mayor McCullough stated with Council you have got recourse. Mr. Parks asked who would pay if there were a pipeline run under the bridge and it needed repair. Councilmember Trapp asked "under what scenario?" Under a wholesale program Councilmember Barchfeld said we have not completely negotiated everything with Aqua Texas at this point and said there is no reason to get into those kinds of

things until we make a decision to go with Aqua Texas or not. City Administrator Ferguson said if the construction of that line is funded with public money, then it is a public line, and the public would be responsible. Mr. Parks asked Council if it doubted whether it would contract to buy excess effluent that might come out of the storage tank if after many days of rain or frozen ground. He asked if Council would be willing to do that. Councilmember Barchfeld recounted a conversation with Robert Laughman of Aqua Texas that indicated Aqua Texas would be willing to buy excess effluent from the City. He said the option to truck excess effluent came out of negotiations with Aqua Texas. Referring to Councilmember White's earlier remarks, Mayor McCullough said we have never wavered from wanting no discharge and did not see a new Council forgetting that. He said the public holds us accountable. Mr. Parks said he trusts the Council to do the right thing in most situations.

Susan Zimmerman stated her understanding of the 2015 settlement agreement that includes permanent protections against discharge tied to the City's TCEQ permit. She asked if those permanent protections would prevent a future City Council from deciding on its own that it could now begin discharge. City Administrator Ferguson stated the City has a discharge permit giving it the legal right to discharge, but as the City does not wish to discharge, a negotiated settlement as part of the permit has been built in the framework to discourage discharge. He said if the City reaches a point where discharge is likely, there are certain triggers such as expanding irrigation areas. He said that negotiated settlement agreement is not changed by City Council, but by all of those parties who entered into the agreement, and he felt that possibility is very unlikely. Mayor McCullough told Ms. Zimmerman that Council would listen to groups who make their positions known. Ms. Zimmerman asked if the settlement agreement contained remedies if Council decided to act on its own to begin discharge. City Administrator Ferguson replied affirmatively and said the parties in the agreement could claim breach of contract. Ms. Zimmerman said there is a way for citizens to hold future City Councils accountable and this Council does know to a great extent what future City Councils may or may not do and asked if this is true. Mayor McCullough replied affirmatively. Ms. Zimmerman asked if the pipe goes under the creek and broke, is it possible raw sewage could be dispersed into the aquifer, in addition to going into the creek, at the location where Wimberley Water Supply Corporation has their well. City Administrator Ferguson said he would refer that question to a scientist and noted that was one of the concerns brought up in the contested case hearing. Councilmember White asked "Where do you think all the septic tank waste is going?" Ms. Zimmerman said her reason for raising this question, was the possibility of sewage from a leaking pipeline discharging into the creek, then into the aquifer. Councilmember White spoke of natural filters over the aquifer and said the question poses "what ifs" that cannot be answered, as he does not know how much limestone is under the creek.

Councilmember Barchfeld called a brief recess.

Susan Zimmerman continued by asking what kind of assurances Council can give Wimberley residents that leaks in the pipeline will not occur. Councilmember Barchfeld said we can probably give the same assurances as we do that no leaks will occur in any of the collection system. City Administrator Ferguson stated no one will say a line is leak-proof, but in the construction process, you place the line to mitigate that risk, and you sleeve that line, if it runs underneath the creek. Ms. Zimmerman asked what steps the City would take if a leak happened.

City Administrator Ferguson said if there was a leak in the line over the creek, you would start pumping the lift station and get bigger users to reduce their loads, until the line is fixed. Ms. Zimmerman said it seemed fair to her that any of the Aqua Texas options that require piping of raw sewage across the creek should list the risk of raw sewage leaking into the creek as a “con” under “Pros and Cons” section of the spreadsheet distributed at tonight’s meeting. Mayor McCullough said there is a history of leaks at the high school, but Aqua Texas has fixed them. Councilmember Trapp said when the spreadsheet was designed, the risk of effluent discharge was listed due to the type of TCEQ permit issued, which is a discharge permit. In addition, City Administrator Ferguson pointed out that effluent discharge is not the same as raw sewage discharge. He also noted that there is a risk of raw sewage discharge (for example, if a sewer main broke) in every option on the spreadsheet.

Bert Ray, who resides at 115 Sky Ranch Circle (outside city limits) and owns property inside city limits, referred Council’s attention to his handout which includes an additional option (#1A) that removes the “purple pipe” listed in Option #1 at a savings of \$900,000. (*attached to these minutes.*) He explained the reasoning behind his revisions, which he said shows Option #1A, without the “purple pipe,” as the cheapest option and described it as a “win-win.” Mr. Ray felt this option would work and make everybody happy and asked Council to approve it and “move on.” Councilmember Barchfeld stressed that the City is waiting approval from TWDB to go out for bids and told Mr. Ray that as an architect he should know that you can’t do anything until you go out for bids. He stated Council has looked at removing “purple pipe” from the project for a long time and said in principle Mr. Ray and Councilmember Dussler’s observations are correct that such removal greatly reduces the cost. City Administrator Ferguson advised that the TWDB has indicated that if the “purple pipe” is removed from the project, it is highly likely that the City will lose its green subsidy. Councilmember Barchfeld said we would do well to eliminate the “purple pipe” as it would result in a net savings of about \$550,000.

Roberta Shoemaker Beal, who resides in the City’s ETJ, spoke as a grandmother who expressed appreciation for Council’s service. She was glad for Councilmember Fore’s idea to use a more attractive detention pond versus a storage tank and asked if Council was still open for suggestions. She also asked “Where can we look at the plan for Option #1?” Councilmember Fore said Council would take anyone’s suggestions. Ms. Beal offered an idea from Susan Cook to have a non-profit board (like Wimberley Water Supply Corporation) oversee the wastewater system, which she described as more effective and less expensive, and would free Council for other business. She cited Wimberley Water Supply Corporation (WWSC) as an example that has worked well for a long time. Councilmember Barchfeld said Council has talked about having a project engineer that will be responsible for building the system, which he felt is more efficient than relying on volunteers. Ms. Beal spoke of WWSC’s paid/unpaid staff and Board members, who provide a lot of good information. She said the building is the first phase and then there is managing it over 30 years. Councilmember Trapp said this is similar to the City’s wastewater advisory committee, which is a group of volunteers who report to Council. Ms. Beal said they could work with paid staff and she thanked Council for being open to ideas.

Business owner Teresa Shaw spoke of her experience dealing with utilities, particularly negotiating with private CCN holders. She asked if the end users who are connecting take into consideration the LUE capacity for what is proposed behind Brookshire Brothers.

Councilmember Barchfeld said that area is Aqua Texas's CCN and we are not speaking for Aqua Texas tonight. Mayor McCullough said the area north of Cypress Creek is in Aqua Texas's sewer service area, but WWSC provides water. Ms. Shaw asked if there is any capacity for future growth in the service system for commercial and multi-family development. City Administrator Ferguson stated the rates that are on the spreadsheet are based on the existing customer base as it would be turned on today. He said as customers come onto the system, obviously rates would be updated and would fluctuate based on that additional growth. He stated the growth capacity that is taken into account in this system is in the plant and line capacities. He noted the plant capacity is capped at 75,000 gallons, but we are very far from that 75,000 figure at this point. Ms. Shaw felt it important to look at additional revenue to pay for the system and said from a developer's perspective a privately held CCN is easier to deal with. Councilmember White asked what Ms. Shaw considered a privately held CCN – the City or Aqua Texas. Ms. Shaw replied Aqua Texas is privately owned, although it is publicly traded. Councilmember White was sure Aqua Texas would be easier to deal with because they will want as many customers online as they can get. Ms. Shaw concurred.

Susan Nenny of 820 Red Hawk Road, speaking as Executive Director of Friends of Blue Hole, appreciated Council's concern and compassion for internationally recognized Blue Hole Park, as it is an \$8,000,000 facility that brings in huge economic benefits. She said playable soccer fields require an average of about 17,000 gallons of water per day and Deer Creek only produces about 10,000 gallons of water per day that can be used in the Park. She said none of the four Aqua Texas options provide effluent water for the Park. She stated that in two of the four options, aquifer water would be pumped to the Park, which she felt would be unacceptable to Council if it cares about drinking water and our springs. She said the other two Aqua Texas plans leave the Park dependent on what is obviously an insufficient supply of water for the Park. She questioned where adequate water would come from asked how we could justify choosing any of the four Aqua Texas options, which would harm the Park, deplete the aquifer, or both. She asked how the math works for watering the Park. Councilmember Barchfeld said the number he has per soccer field is 125,000 gallons per month compared to Ms. Nenny's number of 510,000 gallons per month. Councilmember Barchfeld asked Ms. Nenny if she was going to apply that much water to each soccer field every day. Ms. Nenny said the Board's research shows each soccer field needs about 17,000 gallons per day to stay in playable condition and could take more. Councilmember Barchfeld said his numbers came from the soccer association in San Marcos, which uses fields at Five-Mile Dam and said they buy groundwater to water their fields. He cited his numbers as one-fourth of Ms. Nenny's calculations. Ms. Nenny pointed out that she was only talking about soccer fields, but reminded there is the rest of the Park to take care of, including about 300 trees that need to be planted and maintained. She said the only system that will meet the Park's needs is Option #1 and urged Council to look very hard at how it is going to support this Park, if there is not enough water to bring all those kids and activities to the Park. Ms. Nenny and Councilmember Barchfeld both welcomed the idea of further going over their respective figures on needed water for the Park.

Property owner Alice Wightman suggested a possible short-term solution would be to provide pay public toilets without the spectre of a wastewater system to build for future growth and development and change downtown. She said building these public toilets and connecting to Aqua Texas via a pipe under the bridge could be done attractively. She stated shop owners could

pay to connect and be given a deadline to connect, without asking anyone else to pay. She said a poster could be put up saying “your quarter helps us protect the clean waters of Cypress Creek and the Blanco River for future families to come here as they have come here for 150 years.” She said you could turn a negative into a positive by solving the problem and reducing the cost. Councilmember Barchfeld told Ms. Wightman it was a good idea.

Gary Weeks asked “What are the costs and implications of transferring the CCN to Aqua Texas?” Councilmember Trapp said she got the information from the City’s legal counsel this afternoon. Mr. Weeks again asked what it means if Aqua Texas has the CCN. He said no dollar value is given and it has some value. City Administrator Ferguson asked Mr. Weeks if his question relates to the potential fiscal impact on the City if the CCN transfers to Aqua Texas. Mr. Weeks replied affirmatively. City Administrator Ferguson offered as an example, if Aqua Texas has unlimited capacity that could potentially trigger new subdivisions and development, the City would incur additional associated costs for things such as roadways, maintenance, schools, etc. Mr. Weeks asked “If Aqua Texas has the CCN, are we faced with dense development along Ranch Road 12 and FM 3237? Councilmember Trapp said zoning regulations control growth and development and cited Tractor Supply’s proposed store as an example. She cited her faith in our Planning and Zoning Commission and our regulations to protect us. Councilmember White said once Aqua Texas has the CCN and the pipe is run, he saw development from the Blanco River to the Junction and questioned how the City is going to pick and choose which property owners are allowed to develop their properties without exposing the City to lawsuits. He said once the pipe is in, it will allow for dense growth and Planning and Zoning will not be able to legally stop it. He stated they could put road blocks in the way, but if they go too far, property owners can challenge why they are not allowed to develop commercially zoned property. Discussion recognized divergent opinions, including who might be likely to win – a group of landowners backed by Aqua Texas and their lawyers or the City. Mayor McCullough felt that once the door is opened, we cannot shut it and said Aqua Texas would not want the CCN if it did not envision that it would allow them to welcome growth and we will not be able to stop it. Mr. Weeks said you may not be able to price the cost of the CCN but you can envision the impact on the lives of everyone who lives here and it needs to be included in the spreadsheet. Mayor McCullough noted “sprawl” he observed in numerous surrounding towns, including commercialization that he does not want to see here. Mr. Weeks asked if anyone in this room wants dense development along our entry corridors. (Multiple voices replied “no.”) He asked that this be expressed in the spreadsheet, which he said is nice on price, but not good on cost.

Greg Douglas of 513 Summit Loop asked if Tractor Supply is proposing to a septic tank system. Relating to possible development of a Tractor Supply here, he asked if it is correct that the ownership of the CCN is relevant. Councilmember Trapp said that is correct. Referring to Option #3, Mr. Douglas asked if it is feasible that the collection system could be divided where 10,000 gallons a day goes to the refurbished to Type I standards Deer Creek facility and the rest would go to Aqua Texas. Mayor McCullough said it has been brought up. Mr. Douglas said if that were to happen, you would have additional Type I effluent for the Park and you would have a reduced cost going to Aqua Texas due to reduced volume. Mayor McCullough said the physical processing part is not the bulk of the cost. Councilmember Barchfeld said we do have plans that have Aqua Texas as a wholesale unit, but it keeps Deer Creek nursing home in the

system, which goes to upgrading the existing plant, and providing water for Blue Hole. He said Deer Creek would provide about 42 percent of the effluent that we would have to be processing. Councilmember Trapp stated her understanding of Mr. Douglas's question as "Could you install this same option, but yet divert part of the effluent, in addition to the Deer Creek plant, to Blue Hole, so Blue Hole could get 30,000 gallons per day (or something) and the rest goes to Aqua Texas." Mr. Douglas replied "pretty much." Mayor McCullough paraphrased Mr. Douglas's scenario as operating the existing plant at its maximum capacity and sending the difference to Aqua Texas. Mr. Douglas stated that paraphrasing is correct, with Deer Creek producing approximately 10,000 gallons per day as proposed in Option #3. City Administrator Ferguson clarified that under Option #3's smaller system the capacity is 15,000 gallons per day, not 30,000 gallons per day, and the customer base is smaller. Mr. Douglas stated his understanding of Option #3 as follows: "Under Option #3, we keep the CCN, as proposed, and we pay Aqua Texas about \$4,500 per month." Councilmember Barchfeld said we have not looked at that option yet and it would be hard to give that information today. After multiple calculations by various parties, City Administrator Ferguson offered an estimated figure of about \$5,000 per month. John Urban said to be fair on what Mr. Douglas is asking, it is feasible, but you would have to figure in slightly higher yet-to-be determined construction costs. Mr. Douglas asked if Options #2-4 are "no discharge" options. Multiple individuals answered affirmatively.

No further speakers were heard. Councilmember Barchfeld thanked everyone for attending.

Adjourn

The meeting adjourned at 7:45 p.m.

Recorded by:


Cara McPartland

These minutes approved on the 16th of February, 2017.

APPROVED:



Mac McCullough, Mayor

