



# Corpus Christi

1201 Leopard Street  
Corpus Christi, TX 78401  
cctexas.com

## Meeting Minutes

### City Council Workshop Session

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Wednesday, April 5, 2017

3:00 PM

1201 Leopard Street  
Basement Training Room

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**Public Notice - - ITEMS ON THIS AGENDA ARE FOR COUNCIL'S INFORMATIONAL PURPOSES ONLY. COUNCIL MAY GIVE DIRECTION TO THE CITY MANAGER, BUT NO OTHER ACTION WILL BE TAKEN AND NO PUBLIC COMMENT WILL BE SOLICITED.**

**THE USE OF CELLULAR PHONES AND SOUND ACTIVATED PAGERS ARE PROHIBITED IN THE TRAINING ROOM DURING MEETINGS OF THE CITY COUNCIL.**

**A. Mayor Pro Tem Lucy Rubio to call the meeting to order.**

Mayor Pro Tem Lucy Rubio called the meeting to order at 3:02 p.m.

**B. City Secretary Rebecca Huerta to call the roll of the required Charter Officers.**

City Secretary Rebecca Huerta called the roll and verified that a quorum of the City Council and the required Charter Officers were present to conduct the meeting.

**Charter Officers:**

**City Manager Margie C. Rose, City Attorney Miles K. Risley, and City Secretary Rebecca Huerta.**

**Present** 8 - Council Member Carolyn Vaughn, Council Member Lucy Rubio, Council Member Rudy Garza Jr., Council Member Michael Hunter, Council Member Greg Smith, Council Member Paulette Guajardo, Council Member Joe McComb, and Council Member Ben Molina

**Note: Council Member Carolyn Vaughn arrived at 3:08 p.m. and Council Member Michael Hunter arrived at 3:35 p.m.**

**C. BRIEFINGS TO CITY COUNCIL:**

**1. Water Utility Rates, Drought Contingency Plan and Winter Quarter Averaging**

Mayor Pro Tem Lucy Rubio referred to Item 1. City Manager Margie C. Rose provided opening remarks regarding Water Utility Rates, the City's Drought Contingency Plan and Winter Quarter Averaging and introduced Assistant City Manager Mark Van Vleck who announced that the City is not proposing any

new rates at this time.

Assistant City Manager Van Vleck presented the following information relating to the City's Water Utility Rates: system components; utility rate breakdown; unit cost breakdown; expenditures and revenues; calculation of unit cost; unit cost inputs; and that costs are comprised of debt and operations and maintenance (O&M).

Assistant City Manager Van Vleck provided information on the following components of water operations and maintenance expenses (O&M): assumptions; cost control measures; salary-related expenses; materials and supplies for crews; vehicle replacement; services from other departments; contracted services; purchase of Lake Texana water; purification chemicals; light and power; storm water system O&M; ditch maintenance; and storm water quality monitoring.

Council members and staff discussed the following topics: Take-or-pay water contracts; the City's various sources of water; the priority in which the City's water sources are used; and interruptable water supply and its cost.

Assistant City Manager Van Vleck presented the following information on Capital Improvement Program (CIP) Debt Service: assumptions; existing and projected water fund debt without stormwater; raw water CIP and demand; treatment CIP; transmission CIP; distribution CIP; and the storm water CIP, which includes costs in conjunction with street improvements.

Council members and staff discussed the following topics: when to replace / not to replace storm water infrastructure when making street improvements; standards for road building; and when to / when not to construct curb-and-gutter.

Assistant City Manager Van Vleck went on to provide information on water-related adjustments and Choke Canyon Reserve adjustments.

Council members and staff discussed the following topics: the current debt owed on Choke Canyon Reserve; pursuing forgiveness of Choke Canyon Reserve debt and that time is of the essence in doing so given the potential for rising interest rates and the debt refunding program recently approved by city council.

#### **MOTION OF DIRECTION**

Council Member Greg Smith made a motion of direction directing the City Manager to contact federal authorities regarding the Bureau of Reclamation forgiving debt related to Choke Canyon Reserve, as expeditiously as possible, seconded by Council Member Vaughn and approved unanimously.

Assistant City Manager Van Vleck presented information on water-related true-ups and water loss.

Council members and staff discussed the following topics: flushing dead-end mains; flushing from fire hydrants versus use by residents; Uniform Development Code (UDC) requirements regarding developers not building dead end mains; the quantity of water used per year for flushing; total gallons of water produced annually; public perception of the City's flushing program;

water loss due to main breaks and leaks; the potential benefits of using chlorine dioxide; the Texas Commission on Environmental Quality's (TCEQ) interpretation, application and enforcement of state regulations related to recent boil-water notices; the economic impact of boil-water notices; and federal versus state water quality requirements.

Assistant City Manager Van Vleck went on to present information on the following topics: residential, commercial and large-volume inside-city-limits minimums; non-operating revenue; debt coverage; water supply development reserve; Water Fund costs; water volume; and assumptions in the water rate model.

Water Resource Manager Steve Ramos presented the following information related to the City's Drought Contingency Plan (DCP): history; purpose; state requirements; elements; and the five drought stages.

Council members and staff discussed the following topics: the city is currently in stage 2 of 5; why the city is in stage 2 given the City's various water sources; that the City's current DCP is based on the water supplies in Lake Corpus Christi and Choke Canyon Reservoirs; that a more gradual transition from one stage to the next is made possible due to the City's use of water from Lake Texana and Mary Rhodes Phase II; whether the DCP should be updated to reflect the water from Lake Texana and Mary Rhodes Phase II; water-related expenses versus revenues; updating the DCP to reflect the City's current water situation, to include considering changes in supply levels and new industrial customer usage since the DCP was last updated; past city council direction regarding the DCP; how the DCP affects the City's revenues; and Corpus Christi's water rates compared to water rates in other Texas cities.

#### **MOTION OF DIRECTION**

Council Member Vaughn made a motion of direction directing the City Manager to review the City's Drought Contingency Plan and rates, based on current consumption and supply, and bring recommended changes to city council, seconded by Council Member Smith, and approved unanimously.

Water Resource Manager Steve Ramos completed his portion of the presentation by presenting information on key stage water use restrictions.

Assistant City Manager Van Vleck presented details on the following additional information: raw water, treatment, transmission, distribution and storm water; in-city-limits residential trend; rate structure methodologies; and calculating block rates.

Interim Assistant Director of Support Services for Utilities Treatment Reba George presented: a sample utility bill and information on utility bill calculations.

Assistant City Manager Van Vleck provided information on winter quarter averaging of waste water rates and discussed various methods of waste water rate calculations that could be presented to city council for consideration before the next budget cycle.

#### **MOTION OF DIRECTION**

Council Member Smith made a motion of direction directing the City Manager

to re-evaluate the billing rate structure for the City's waste water system, seconded by Council Member Molina, and approved unanimously.

**D. ADJOURNMENT**

The meeting was adjourned at at 5:20 p.m.