

STATE OF TEXAS §
March 17, 2008
COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on March 17, 2008.

MEMBERS PRESENT: MAYOR BILL MAGERS; DEPUTY MAYOR CHIP ADAMI.
COUNCIL MEMBERS SMITH, T. STEELE, W. STEELE,
WACKER.

MEMBERS ABSENT: COUNCIL MEMBER HUGHES.

CALL TO ORDER

Mayor Bill Magers called the meeting to order at 5:00 p.m. The Pledge of Allegiance and the Invocation were given by Deputy Mayor Adami.

CALL TO ORDER

APPROVE MINUTES

The Council reviewed the Minutes of the Called City Council Meeting of February 29, 2008 and the Regular City Council Meeting of March 3, 2008. Council Member Terrence Steele moved to approve the Minutes as presented; Second by Council Member Wacker. All present voted AYE.
MOTION CARRIED.

APPROVE MINUTES

RESOLUTION NO. 5181 – APPROVING THE FORM OF RESOLUTION OF THE TEXOMA AREA SOLID WASTE AUTHORITY AUTHORIZING THE ISSUANCE OF REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS; SERIES 2008, APPROVING THE PRIVATE PLACEMENT OF SUCH BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

RES 5181
TASWA BONDS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE FORM OF RESOLUTION OF THE TEXOMA AREA SOLID WASTE AUTHORITY AUTHORIZING THE ISSUANCE OF REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2008; APPROVING THE PRIVATE PLACEMENT OF SUCH BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

Dale Sissney, Executive Director of the Texoma Area Solid Waste Authority, represented their request for approval of the issuance of Regional Solid Waste Disposal Contract Revenue Bonds, Series, 2008, for the expansion and improvement of the TASWA Landfill.

Since the opening of the Landfill, Cell 1 is approaching capacity, and necessitates the need to begin construction of Cell 2. Construction of the cell is expected to be complete in early 2009. Each cell has an estimated life or capacity of four to five years.

COUNCIL MINUTES – MARCH 17, 2008

There has been no rate increase since the Landfill was open and the prices were set in 2004. It is estimated that the interest rate of the debt will be between 4% and 4.5%.

Mayor Magers said TASWA is looking at a rate increase this year, estimated at an additional \$4 per ton. No final decision has been made yet but he did expect it to happen. The money is necessary for Cell 2.

Deputy Mayor Adami asked if the staff had “run the numbers” to see what effect the rate increase will have on the City. Robby Hefton, Assistant City Manager/CFO, said they have not done that yet. The current rate is \$24 per ton.

Council Member Willie Steele asked about the lifespan of a cell and if Cell 1 had the expected lifespan. Mr. Sissney said they originally expected Cell 1 to last four to five years, and it did.

ACTION TAKEN.

Motion by Council Member Wacker to approve Resolution No. 5181, as presented. Second by Council Member Terrence Steele.

VOTING AYE: Adami, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

Mayor Magers introduced Ordinance 5523 and called for a public hearing:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13 OF THE CODE OF ORDINANCES, “UTILITIES,” ARTICLE 13.07, “WATER, SEWERS, AND SEWAGE DISPOSAL,” AT DIVISION 3, “SEWERS AND SEWAGE DISPOSAL,” AND ADDING DIVISION 6, “FATS, OIL, GREASE AND SEDIMENT CONTROL.” PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES. PROVIDING FOR A REPEALER CLAUSE.

**ORD 5523
GREASE TRAPS**

Wayne Kuse, Wastewater Superintendent, briefed the City Council on the proposed ordinance dealing with fats, oil and grease (FOG) in local businesses. He presented slides outlining problems faced from the disposal of this type of sewage, which is a major cause of sewer line blockages and can cause sanitary sewer overflows.

These overflows violate the City’s wastewater discharge permit. He added that over 36% of overflows are FOG related and can cause backups into citizen’s homes and businesses.

During a recent rain event in February, employees filled four dumpsters with grease in six hours at the Wastewater Treatment Plant. They normally fill two to four of the dumpsters in a week.

COUNCIL MINUTES – MARCH 17, 2008

Mr. Kuse said the best way to control the problem is to control it at the source and keep it out of the system. The proposed ordinance coordinates and updates many features in the existing code. It also addresses new businesses entering Sherman and grandfathers existing businesses until they are found to be causing a problem downstream.

The proposed ordinance incorporates model standards required by the State for all systems in Texas. Mr. Kuse said the program is necessary to comply with Federal, State, and Local laws.

Mayor Magers asked if the City was in compliance today. Mr. Kuse said the City is complying but does not have a very efficient ordinance. He said if the City is in compliance today then it is a misstatement to say the ordinance is “necessary to comply with the law.” Mr. Kuse said the City is basically in compliance, but not in “full compliance” because the enforcement language is not included in the present ordinance.

Mayor Magers said everyone wants a clean sewer, but he felt a 50 page ordinance was excessive. The City is in compliance today. He asked if the slides shown were people that were following the rules or people that were not following the rules. Mr. Kuse said the slides were facilities that would not meet the present rules. Mayor Magers confirmed that the slides shown were facilities that were not following the current rules.

Mayor Magers said he assumed Mr. Kuse meant that the program is cost effective from the City’s standpoint. Mr. Kuse said it can be cost effective for businesses too if they’re doing what they should be doing.

Mayor Magers asked what the cost would be to businesses to comply with the proposed ordinance. He felt the ordinance should be more specific as to what is required. Mr. Kuse said the cost would depend on the business.

Mark Gibson, Director of Utilities, said the ordinance could not address the cost unless it contains rigid specifications of what would be required. The staff proposed a “flexible” ordinance so they could “work with” the individual owners and impose requirements that everyone could live with.

George Olson, City Manager, said the ordinance was a combination of a current ordinance and updates, that would comply with the sanitary sewer overflow initiatives that were adopted several years ago.

Mayor Magers expressed concern that the Council was addressing a 50 page ordinance about a problem that the City is already in compliance on. He asked what the changes would mean to a business person. Mr. Kuse said for most businesses it means whether or not they have a grease trap.

COUNCIL MINUTES – MARCH 17, 2008

Many facilities still do not have a grease trap. With the proposed ordinance, all new restaurants would have a grease trap. Existing businesses would receive some protection until they are creating a problem downstream.

Mr. Olson verified that the staff works with any current restaurant that does not have a grease trap. Mr. Kuse said there are provisions if it is absolutely impossible for a restaurant to add a grease trap, they could use a collection device or be charged a fee.

Mayor Magers asked if the ordinance was raising the standards. Mr. Gibson said the ordinance brings the City into compliance with what the State will require. The State provides a model ordinance and if all items aren't covered, the City has a liability. The State requires Cities to "work on" their grease problems but they don't give specific requirements. This ordinance puts the cost on the people that produce the problem.

Mayor Magers verified that the proposed ordinance is designed to better address the businesses that aren't controlling grease properly. Council Member Wacker added that it supplies the enforcement tools and gives specific definitions for the City to use. Deputy Mayor Adami verified that the current ordinance is missing the enforcement tools.

Council Members verified that the proposed ordinance would grandfather the businesses that are in place now, until they actually cause a problem. When they do cause a problem, the proposed ordinance would require them to correct that problem.

Mayor Magers felt there was a lot of ambiguity in the proposed ordinance. He felt the City appeared to be going way beyond where they are today. If the City is in compliance today, why would it be needed? Mr. Kuse said the entire City is not in compliance. The City's program probably meets some minimum level of compliance except there are no enforcement provisions.

He added that the proposed ordinance allows the staff to communicate to the customer what the requirements are and the consequences if they don't meet these requirements. Mayor Magers wanted specific examples of "if you're doing this today, then under the new ordinance you have to do this." He did not want generalities.

Mr. Kuse said there are approximately 250 existing restaurants in Sherman now, and many do not have grease traps. That is gradually being corrected, but the ordinance is inefficient. Mayor Magers asked specifically what items in the ordinance would make it more efficient.

Council Member Wacker said this ordinance is similar to the substandard building ordinance which was "tightened up"

COUNCIL MINUTES – MARCH 17, 2008

because it's not the City's job to make sure a system is working properly. The City does have to inspect the system but the restaurant must take responsibility for how they discharge waste into the system, because it creates extra cost and health issues. Mayor Magers said the substandard building ordinance cited specific things that would be addressed.

Council Member Wacker added that the proposed ordinance lets the staff and the restaurant owner decide on a solution that puts them in compliance on the discharge. There are no specifics in the ordinance so it can be tailored for each restaurant to reach a solution that works for them and for the City, even if it's by different means. The parameters are on the discharge not on how you get there.

Mr. Olson verified that in many cases the City can pinpoint where a problem is coming from in the sanitary sewer system. This is a way to control the problems. He suggested tabling the ordinance until more information could be presented to the City Council.

Mayor Magers was concerned about the ambiguity of a 50 page ordinance and the cost to the business owner that will need to comply. He felt when the staff says they "will work" with a business owner, power is taken away from the small business owner.

Council Member Terrence Steele verified that, at this point, there is not a large penalty to a business owner if they put grease into the system and the City must abate the problem. Mr. Kuse added that many people don't know what they should and should not put into a drain. There is also a large turn-over at restaurants. Mayor Magers did not feel that the ordinance would address this problem.

Deputy Mayor Adami suggested bringing the original ordinance back and highlighting the items that have changed. Mr. Olson said the staff would provide a summary of the benefits of this ordinance for the Council to discuss and the ordinance can be brought back after that discussion.

Deputy Mayor Adami asked if the City had the staff to enforce the proposed ordinance or if additional personnel would need to be hired. He also referred to the slides presented and wanted to see alternatives and costs to fix those problems. Mayor Magers wanted to see what the changes will mean to the small business owner and the cost they will incur.

Council Member Smith asked that the information be presented to the Council earlier so they will have time to review it thoroughly before the meeting.

Traci Carlson, President of the Sherman Chamber of Commerce, said the ordinance needs to include a standard

COUNCIL MINUTES – MARCH 17, 2008

to meet so the businesses will know what is expected to be in compliance. She felt it would be hard for existing businesses to meet a minimum standard if they didn't know what that standard was. Mrs. Carlson asked about "grandfathering" and would those restaurants be addressed on a case-by-case basis.

Doreen McGookey, City Attorney, explained that the term grandfather is misleading. The intent of the ordinance is that as long as a business is not committing an unlawful discharge, which is regulated under this ordinance, then the business would be in compliance because they would not be causing a problem. Once there is a problem, the staff wants to have the ability to take action at that point.

Mrs. Carlson said the ordinance must include a minimum standard for the businesses to meet. She also expressed concern about the cost.

Mr. Kuse said the concern seems to be that there is no standard. The staff is proposing that, instead of including it in the ordinance, there is a "management guide" that includes standards. If standards are included in the ordinance, Mr. Kuse said he would have to cover the "worse case scenario" and it will scare people away. This would allow no flexibility to the program.

Mayor Magers said the ordinance was not clear as to "now we are here and if you make these changes you will be here" and these are the benefits to the citizens and to the City. He asked for a point-by-point outline of these items.

No citizens appeared before the City Council to discuss Ordinance 5523.

Mayor Magers introduced Ordinance 5524 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR A PERMANENT "STOP" SIGN AT THE INTERSECTION OF KNOLLWOOD DRIVE AND NORTH CREEK DRIVE, STOPPING WESTBOUND TRAFFIC ON NORTH CREEK DRIVE WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR A PENALTY PROVISION. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

**ORD 5524
STOP SIGN**

No citizens appeared before the City Council to discuss Ordinance 5524.

Mayor Magers introduced Ordinance 5525 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR TWO (2) PERMANENT "YIELD" SIGNS AT THE INTERSECTION OF CRESTVIEW DRIVE AND WEST COLLEGE STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR A

**ORD 5525
YIELD SIGN**

COUNCIL MINUTES – MARCH 17, 2008

**PENALTY PROVISION. PROVIDING FOR A REPEALER.
PROVIDING FOR SEVERABILITY.**

No citizens appeared before the City Council to discuss Ordinance 5525.

The Ordinances were introduced and the Public Hearing was closed.

CLOSE PUBLIC HEARING

ADOPTION OF ORDINANCES

Ordinance 5523

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 13 OF THE CODE OF ORDINANCES, "UTILITIES," ARTICLE 13.07, "WATER, SEWERS, AND SEWAGE DISPOSAL," AT DIVISION 3, "SEWERS AND SEWAGE DISPOSAL," AND ADDING DIVISION 6, "FATS, OIL, GREASE AND SEDIMENT CONTROL." PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES. PROVIDING FOR A REPEALER CLAUSE.

**ORD 5523
GREASE TRAPS
(TABLED)**

ACTION TAKEN.

Motion by Deputy Mayor Adami to table Ordinance No. 5523, until further information is presented. Second by Council Member Wacker.

VOTING AYE: Adami, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED TO TABLE.

Ordinance 5524

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR A PERMANENT "STOP" SIGN AT THE INTERSECTION OF KNOLLWOOD DRIVE AND NORTH CREEK DRIVE, STOPPING WESTBOUND TRAFFIC ON NORTH CREEK DRIVE WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR A PENALTY PROVISION. PROVIDING FOR SEVERABILITY. PROVIDING FOR A REPEALER.

**ORD 5524
STOP SIGN**

Ordinance 5525

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR TWO (2) PERMANENT "YIELD" SIGNS AT THE INTERSECTION OF CRESTVIEW DRIVE AND WEST COLLEGE STREET WITHIN THE CITY LIMITS OF THE CITY OF SHERMAN. PROVIDING FOR A PENALTY PROVISION. PROVIDING FOR A REPEALER. PROVIDING FOR SEVERABILITY.

**ORD 5525
YIELD SIGN**

ACTION TAKEN.

Motion by Deputy Mayor Adami to approve Ordinance Nos. 5524 and 5525, as presented. Second by Council Member Terrence Steele.

VOTING AYE: Adami, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

CONSENT AGENDA

The Council reviewed the Consent Agenda. Mayor Magers removed Item C-4 entitled “Resolution 5183 – Authorizing Execution of a Contract with Lone Tree Resources and Consulting, Inc. for the Installation of a 6,000 Gallon Fuel Tank at the Sherman Municipal Airport” from the Consent Agenda for consideration in its regular order of business.

Deputy Mayor Adami moved to approve the Consent Agenda, with the exception if Item C-4, which will be considered in its regular order of business. Second by Council Member Willie Steele. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 5180 – AUTHORIZING THE EXECUTION OF A DEPOSITORY CONTRACT WITH LANDMARK BANK
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF A DEPOSITORY CONTRACT WITH LANDMARK BANK.

Mr. Hefton said the City is at the end of a five-year contract with Chase Bank, who has done a good job. The City went out for bid for the depository contract and the staff is recommending Landmark Bank.

He felt Landmark Bank could provide the needed services and save the City an estimated \$25,000 annually. The contract is a one-year contract with annual renewals available.

He introduced Sam Henry and Randy Hensarling of Landmark Bank.

ACTION TAKEN.

Motion by Council Member Wacker to approve Resolution No. 5180, as presented. Second by Deputy Mayor Adami.

VOTING AYE: Adami, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5182 – AUTHORIZING EXECUTION OF AN AMENDMENT TO THE PROFESSIONAL ENGINEERING DESIGN SERVICES CONTRACT WITH BUCHER, WILLIS & RATLIFF FOR THE RECONSTRUCTION OF BROCKETT STREET FROM TRAVIS STREET TO GRAND AVENUE

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THE PROFESSIONAL ENGINEERING DESIGN SERVICES CONTRACT WITH BUCHER, WILLIS & RATLIFF FOR THE RECONSTRUCTION OF BROCKETT STREET FROM TRAVIS STREET TO GRAND AVENUE.

CONSENT AGENDA

**RES 5180
DEPOSITORY
CONTRACT**

**RES 5182
BROCKETT ST.
RECONSTRUCTION**

COUNCIL MINUTES – MARCH 17, 2008

Mayor Magers recognized George Rowland, formerly Vice President of Business Affairs at Austin College, who has worked diligently on the Brockett Street reconstruction project.

Mr. Olson said the timeframe on the project is for completion by the first part of 2009. Construction should begin in July 2008.

ACTION TAKEN.

Motion by Council Member Wacker to approve Resolution No. 5182, as presented. Second by Council Member Terrence Steele.

VOTING AYE: Adami, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5183 – AUTHORIZING THE EXECUTION OF A CONTRACT WITH LONE TREE RESOURCES AND CONSULTING, INC. FOR THE INSTALLATION OF A 6,000 GALLON FUEL TANK AT THE SHERMAN MUNICIPAL AIRPORT

**RES 5183
AIRPORT FUEL
TANK**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING EXECUTION OF A CONTRACT WITH LONE TREE RESOURCES AND CONSULTING, INC. FOR THE INSTALLATION OF A 6,000 GALLON FUEL TANK AT THE SHERMAN MUNICIPAL AIRPORT.

Mayor Magers removed Item C-4 from the Consent Agenda for consideration in its regular order of business.

Mayor Magers said financing for the fuel tank installation project is exclusively from the Airport funds. No General Fund money is being used. No taxpayer dollars will fund the project.

He also asked about the timeframe for construction of the new hangars. Jeff Miller, Director of Public Works, said in June 2007 the City went out for requests for proposals and received two responses from private investors. After the investors considered the project and reviewed the financial situation, they both withdrew their offers to construct hangars.

Mayor Magers asked if other options had been considered. Mr. Miller said he and Mr. Hefton have been discussing other options that might be pursued or another way to structure the project.

Council Member Smith said that if the private sector has decided not to build additional hangars, that just confirms the City's decision not to fund the construction through the public sector.

COUNCIL MINUTES – MARCH 17, 2008

ACTION TAKEN.

Motion by Council Member Wacker to approve Resolution No. 5183, as presented. Second by Council Member Terrence Steele.

VOTING AYE: Adami, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

RESOLUTION NO. 5184 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH TOM HERNANDEZ, INDIVIDUALLY AND DOING BUSINESS AS MARTIN ASPHALT COMPANY, FOR THE PURCHASE OF AN ANNUAL SUPPLY OF EMULSIFIED ASPHALT OIL FOR THE 2008 SEAL COAT PROGRAM

RES 5184
SEALCOAT PROGRAM

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH TOM HERNANDEZ, INDIVIDUALLY AND DOING BUSINESS AS MARTIN ASPHALT COMPANY, FOR THE PURCHASE OF AN ANNUAL SUPPLY OF EMULSIFIED ASPHALT OIL FOR THE 2008 SEAL COAT PROGRAM.

CONSENT AGENDA.

RESOLUTION NO. 5185 – AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH JAMES THORPE, INDIVIDUALLY AND DOING BUSINESS AS THORPE TRUCKING, FOR THE PURCHASE OF AN ANNUAL SUPPLY OF COVER STONE FOR THE 2008 SEAL COAT PROGRAM

RES 5185
SEALCOAT PROGRAM

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AWARDING A BID TO AND AUTHORIZING EXECUTION OF A CONTRACT WITH JAMES THORPE, INDIVIDUALLY AND DOING BUSINESS AS THORPE TRUCKING, FOR THE PURCHASE OF AN ANNUAL SUPPLY OF COVER STONE FOR THE 2008 SEAL COAT PROGRAM.

CONSENT AGENDA.

RESOLUTION NO. 5186 – AUTHORIZING THE PURCHASE OF ONE (1) ¾ TON PICKUP TRUCK THROUGH THE HOUSTON-GALVESTON AREA COUNCIL OF GOVERNMENTS (H-GAC) FOR THE STREET SERVICES DEPARTMENT

RES 5186
STREET DEPT. FLEET

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF ONE (1) ¾ TON PICKUP TRUCK THROUGH THE HOUSTON-GALVESTON AREA COUNCIL OF GOVERNMENTS (H-GAC) FOR THE STREET SERVICES DEPARTMENT.

CONSENT AGENDA.

RESOLUTION NO. 5187 – AUTHORIZING THE PURCHASE OF TWO (2) 2-1/2 TON DUMP TRUCKS THROUGH THE HOUSTON-GALVESTON AREA COUNCIL OF GOVERNMENTS (H-GAC) FOR THE STREET SERVICES DEPARTMENT

RES 5187
STREET DEPT. FLEET

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE PURCHASE OF TWO

(2) 2-1/2 TON DUMP TRUCKS THROUGH THE HOUSTON-GALVESTON AREA COUNCIL OF GOVERNMENTS (H-GAC) FOR THE STREET SERVICES DEPARTMENT.
CONSENT AGENDA.

CHANGE ORDER NO. 2
LOCKHART STREET WATER MAIN REPLACEMENT;
\$10,002.61, DECREASE

The City Council approved Change Order No. 2, which is a final reconciliatory change order to adjust final project quantities for the Lockhart Street Water Main Replacement Project. The change order results in a decrease of \$10,002.61 to the original contract, yielding a final contract price of \$178,739.28.
CONSENT AGENDA.

CHANGE ORDER
LOCKHART ST.
WATER MAIN

REQUEST TO ADVERTISE
SALE OF PROPERTY LOCATED AT 1624 EAST KING
STREET, BEING LOT 1, BLOCK 1 OF THE REPLAT OF LOT
19, BLOCK 3, AND A PORTION OF HARRISON STREET
BETWEEN BLOCK 3 AND 4 OF THE J.C. LINNSTAEDT'S
ADDITION

The City Council approved a request to advertise the sale of a platted lot located at 1624 East King Street, which contains a portion of the Harrison Street right-of-way that will not be built and a residential lot that was combined into one tract for development.

REQ TO ADVERTISE
SALE OF PROPERTY
KING ST.

The City received title to the residential lot in lieu of delinquent taxes and in consideration of removing a substandard house at that location. A creek prevents this portion of the street from being developed.
CONSENT AGENDA.

SALE OF PROPERTY LOCATED AT 800 NORTH BRENTS,
BEING A 60' X 150' TRACT OF LAND (A CLOSED AND
ABANDONED PORTION OF CARTER STREET) LYING
BETWEEN LOT 12 IN BLOCK 1 AND LOT 7 IN BLOCK 2 OF
THE KELIEHOR'S FOURTH ADDITION

The City Council approved a request to advertise the sale of excess street right-of-way at 800 North Brents Street, which is a portion of the Carter Street right-of-way that was closed and abandoned as being unessential.
CONSENT AGENDA.

SALE OF PROPERTY
BRENTS ST.

SALE OF PROPERTY LOCATED IN THE 500 BLOCK OF
EAST LAKE STREET BEING 4.024 ACRES IN THE PRESTON
KITCHENS SURVEY, ABSTRACT NO. 667, AND THE SAMUEL
BLAGG SURVEY, ABSTRACT NO. 56, AND OF THE SPRING
GLEN PARK ADDITION, BLOCK 9 AND PART OF BLOCKS 3
AND 4, AND A PART OF ADJACENT STREETS

The City Council approved a request to advertise the sale of an unplatted tract of land located in the 500 block of East Lake Street, which contains 4.024 acres of land that was

SALE OF PROPERTY
LAKE ST.

donated to the City by Earl B. Tomlin, Trustee for the Martha B. Tomlin Trust. The property was donated for the purpose of installing a permanent sanitary sewer easement.

Since this property has floodplain across the eastern portion, it is unlikely that the property will be developed by the City.

CONSENT AGENDA.

OTHER BUSINESS

RECEIVE GTUA GENERAL MANAGER JERRY CHAPMAN'S UPDATE ON THE PROPOSED MANDATED GROUNDWATER CONSERVATION DISTRICT TO INCLUDE GRAYSON COUNTY

**GROUNDWATER
CONSERVATION
DISTRICT**

Jerry Chapman, Greater Texoma Utility Authority General Manager, updated the Council on the proposed mandated Groundwater Conservation District.

On December 21, 2006 the Texas Commission on Environmental Quality released a Preliminary Report on Groundwater in North Central Texas, which recommended one or more Groundwater Conservation Districts in thirteen North Texas counties.

After studies, comments, and hearings, TCEQ provided an alternate recommendation which considered the Groundwater Conservation District for Tarrant County and the District that includes Montague, Cooke, Wise, Parker, and Hood Counties. They also recommended that Grayson, Fannin, Denton and Collin Counties be included in a District.

Twenty eight groundwater providers in Cooke, Fannin, and Grayson Counties contested the plan and a contested hearing was scheduled for May 12, 2008 in Austin. Several other water providers in other Counties are also contesting the plan. A final decision is expected in November or December 2008.

Mr. Chapman outlined the laws governing groundwater in the State of Texas, including the "rule of capture" which says if someone owns the surface rights, they can take as much water as they can as long as it's not wasted. In 2003 Ozarka Spring Water leased property instead of purchasing it and pumped groundwater. After legal proceedings, the Court upheld the "rule of capture" but said this needs to be fixed or we might not uphold the decision next time.

The Legislature's preferred method to control groundwater is Groundwater Districts and there are approximately 90 Groundwater Districts currently in Texas. He outlined methods for creating Groundwater Conservation Districts. The Districts may have taxing power on property and can set a maximum fee of \$0.17 per 1,000 gallons. The fee must be confirmed by a vote of the citizens impacted, however TCEQ has the authority to include a County in an adjacent District.

COUNCIL MINUTES – MARCH 17, 2008

Mr. Chapman emphasized that the governance of the Board is very important. He felt the best option was to influence the development of a customized District that will fit the needs of the participating Counties. The bill would need to be pre-filed by November 2008.

Mr. Chapman recommended that the City Council continue to support the legal effort to oppose the formation of a Groundwater District, realizing that the opposition will probably not win. It will however, give the City a stronger influence on what happens between now and December. It will also show the ratepayers that the Council tried to keep a Groundwater District out.

Mayor Magers recently spoke with Senator Craig Estes and he understood the challenges of including Fannin, Collin, and Grayson Counties in the same District and seemed amenable to separating the northern Counties from the southern Counties.

He added that water is critical to a City's wellbeing and he felt it would be better to have Grayson and Fannin Counties, and possibly Cooke County in the same District. He urged the Council to support the "fight" even though they probably wouldn't win.

Deputy Mayor Adami verified that the legal counsel chosen was Jim Matthews, an attorney familiar with this type of situation that helped Gainesville draft their response a year ago.

Mr. Chapman encouraged the City to participate in a meeting in Grayson County to get all the players on board.

Mayor Magers said Sherman is using less groundwater than in the past and is doing everything they are asking these Groundwater Districts to do but it doesn't seem to matter. This is mandated and there is a real risk for Sherman's groundwater.

ACTION TAKEN.

Motion by Council Member Smith to authorize the City Manager to contract for legal services and to move forward with the process of forming a Groundwater Conservation District. Second by Council Member Willie Steele.

VOTING AYE: Adami, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

ACCEPT ANNUAL AUDIT REPORT FOR YEAR ENDED SEPTEMBER 30, 2007 FROM PATILLO, BROWN & HILL, LLP
John Manning, Partner with Patillo, Brown & Hill, LLP., presented the Annual Audit Report for the year ended September 30, 2007.

ANNUAL AUDIT REPORT

COUNCIL MINUTES – MARCH 17, 2008

The Auditors gave an “unqualified” opinion on the financial statements, which is the highest level of assurance they can offer. The Audit is completed under governmental auditing standards and Patillo, Brown & Hill did not have any findings from an internal control or compliance standpoint. There were also no findings under the Single Audit Act.

Deputy Mayor Adami said the Council Audit Committee reviewed the Audit and were pleased with the Audit Report and the recommendations. Council Member Wacker thanked the City staff and the Auditors for their hard work.

ACTION TAKEN.

Motion by Deputy Mayor Adami to accept the Annual Audit Report for the year ended September 30, 2007, as presented. Second by Council Member Terrence Steele.

VOTING AYE: Adami, Smith, T. Steele, W. Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

RECEIVE QUARTERLY REPORT FROM TOURISM DIRECTOR SHAWNDA RAINS

Mayor Magers said the Quarterly Report from the Tourism Director had been postponed.

**TOURISM UPDATE
(POSTPONED)**

CONSIDER BID REJECTION FOR THE SHERMAN POLICE DEPARTMENT’S DATA COLLECTION EQUIPMENT

The City Council approved the rejection of three bids received for the purchase of data collection equipment for the Sherman Police Department, that will be funded through a State Homeland Security Grant.

**REJECT BID
POLICE DATA
COLLECTION EQUIP.**

These grant funds are directed for three projects, one of which is to enhance the data collection ability of the Police Department. None of the three bids received met the specifications or legal requirements of the initial bid process.

CONSENT AGENDA.

CITIZENS REQUESTS

There were no citizen’s requests.

CITIZENS REQUESTS

INTRODUCTION OF COUNCIL CANDIDATES

Mayor Magers introduced the candidates for the City Council Election on May 10, 2008. Candidates are Council Member Joe Smith for District 1; Robert Softly for District 2; Pam Howeth and Joe Hakert for District 3; and Deputy Mayor Chip Adami for District 4.

**INTRODUCTION OF
COUNCIL CANDIDATES**

Council Member Terrence Steele has reached his term limit and is not eligible for re-election. Mayor Magers said he would be greatly missed.

MEDIA QUESTIONS

PANDA ENERGY

Kathy Williams, Herald Democrat Reporter, said a discussion

COUNCIL MINUTES – MARCH 17, 2008

about Panda Energy is scheduled for the Executive Session, and she knew the Sherman Economic Development Corporation has given incentives to bring them to Sherman.

She asked if the Council had considered asking if Panda Energy would agree to not be grandfathered, once they have been permitted, if there is new technology to control their emissions. She asked that Panda adopt the new technology without asking for an exemption. She added that this is the cleanest type of plant, but it does still emit smog components.

Mayor Magers said the deal is being negotiated but no action will be taken tonight.

COUNCIL COMMENTS

LOSS OF BEN USELTON

Council Member Smith said the City of Sherman lost a great and valued employee last week with the passing of Ben Uselton. He has spent 25 years at the City and it will be hard to replace him. Council Member Smith said he was a personal friend of his and he will be missed.

**LOSS OF
BEN USELTON**

LOSS OF BEN USELTON

Deputy Mayor Adami also said he was very sorry to lose Ben Uselton.

**LOSS OF
BEN USELTON**

HAPPY EASTER

Deputy Mayor Adami wished everyone a Happy Easter.

HAPPY EASTER

LOSS OF BEN USELTON

Mayor Magers added that at Ben Uselton's funeral, the church was filled with Tennessee Volunteer orange. That speaks a lot for Ben and for the City of Sherman.

**LOSS OF
BEN USELTON**

HAPPY EASTER

Mayor Magers wished everyone a safe, Happy Easter.

HAPPY EASTER

FATS, OIL AND GREASE ORDINANCE

Mayor Magers thanked the staff for their hard work on the proposed ordinance controlling fats, oil and grease. He said the Council just needs more information on the item.

**FATS, OILS &
GREASE ORD**

EXECUTIVE SESSION – IN ACCORDANCE WITH CHAPTER 551, GOVT. CODE, V.T.C.S., (OPEN MEETINGS LAW)

THE CITY COUNCIL WILL NOW HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETINGS LAW, CHAPTER 551, GOVERNMENT CODE, VERNONS TEXAS CODES ANNOTATED, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN THE FOLLOWING SECTIONS.

EXECUTIVE SESSION

**SECTION 551.072 -- DELIBERATIONS REGARDING
REAL PROPERTY**

**DELIBERATE REGARDING THE
POTENTIAL PURCHASE OF A
PIECE OF REAL PROPERTY**

SECTION 551.087 --

**DELIBERATIONS REGARDING
ECONOMIC DEVELOPMENT
NEGOTIATIONS:
DELIBERATE REGARDING
COMMERCIAL OR FINANCIAL
INFORMATION THAT THE CITY
HAS RECEIVED FROM BUSINESS
PROSPECTS AND DELIBERATE
ANY OFFERS OR INCENTIVES TO
THE BUSINESS PROSPECTS,
INCLUDING THE FOLLOWING:
PANDA ENERGY**

On Motion duly made and carried, the Open Meeting recessed and reconvened in Executive Session at 6:38 p.m.

On Motion duly made and carried, the Executive Session recessed at 6:46 p.m. and reconvened in Open Meeting.

OPEN MEETING

Reconvene into Open Meeting and take action, if any, on items discussed in Executive Session.

OPEN MEETING

ADJOURNMENT

On Motion duly made and carried, the meeting adjourned at 6:47 p.m.

ADJOURNMENT

MAYOR

CITY CLERK