

December 9, 2021	MINUTES OF THE TOWN HALL MEETING AND THE CITY COUNCIL OF THE CITY OF OLNEY, TEXAS	6:00 P.M.
<p>The City Council of the City of Olney, Texas conducted a Town Hall Meeting on Thursday, December 9, 2021 at 6:00 P.M. at the Olney Civic Center located at 210 South Grand Avenue, Olney, Texas. Those present were: Mayor Rue Rogers, Mayor Pro-Tem Tom Parker, Councilmembers Terri Wipperman, Brad Simmons, Harrison Wellman and Chuck Stennett. Staff Present: Interim City Administrator Arpegea Pagsuberon, Chief Dan Birbeck, Officer Dustin Hudson, City Secretary Tammy Hourigan, Public Works Director K.C. Blassingame, John Schneider Wastewater Supervisor, City Attorney Bill Myers and Attorney Daniel Branum. D’Anne Carson with Government Capital Securities, Rudy Segura (Bond Counsel) with McCall, Parkhurst & Horton and Dean Hinton with Corlett, Probst and Boyd were also present for presentations and to answer questions. All agenda items were subject to action. Meeting was broadcast and recorded online using GoToMeeting.com in accordance with Open Meetings Laws guidance during COVID-19 Pandemic Disaster.</p>		
Mayor Rogers called the meeting to order at 6:00 P.M.		CALL TO ORDER
Mayor Rogers gave the invocation.		INVOCATION
<p>Mayor Rogers welcomed everyone and stated that the Town Hall Meeting would be handled as a City Council Meeting would, since there was a quorum present. He introduced Mayor Pro-Tem Parker, D’Anne Carson with Government Capital Securities, Rudy Segura, Bond Counsel, with McCall, Parkhurst and Horton and Dean Hinton, Lead Engineer with Corlett, Probst and Boyd. Mayor Rogers then stated that after the presentation, those in attendance that wished to comment or ask questions would come to the podium, state their name and have three minutes to speak.</p>		EXPLANATION OF MEETING STRUCTURE BY MAYOR ROGERS
<p>Mayor Pro-Tem gave another overview of what would be discussed and introduced Dean Hinton, lead engineer with Corlett, Probst and Boyd who began the presentation with slides of the Water Treatment Plant and showed slides of the major areas of concern and deterioration. He gave a short explanation of the purpose of the Water Treatment Plant and what was involved in the day- to -day workings. Mayor Pro-Tem Parker then addressed the timeline of the process, to ensure that it was made clear that the Water Treatment Plant Project was not something that was decided on quickly and without due diligence by the Council, Finance Committee and all parties involved. Requests for Qualifications were initiated in January 2020 and posted in regional newspapers and on the City of Olney website. A site visit to the Water Treatment Plant was held February 5, 2020 with ten engineering firms in attendance. He then explained the history of the scoring process and how the interested engineering firms are vetted. There are five separate individuals that score the firms on different areas. After tabulation, the top four</p>		PRESENTATION

engineering firms were: Corlett, Probst and Boyd, eHT, Pacheco Koch and Freese and Nichols (in that order). Freese and Nichols decided not to participate, so there were ultimately three firms that made presentations to the Council, in fact Pacheco and Koch didn't even actually make a presentation when they attended the meeting, they presented their credentials. Corlett, Probst and Boyd and eHT came back with information and costs projections. . The Corlett, Probst and Boyd proposal was to actually remodel/construct a new Water Treatment Plant, using the same area, never taking the Plant offline and constructing in phases. Once completed in approximately 24 months, the footprint would be slightly moved. The other presentation involved a package plant with an estimated cost of nine million, it would only produce half of the water needed daily and the life expectancy of the plant is 15 years. This information meant that there would need to be two package plants to meet the current needs, resulting in more costs and the life expectancy was much less than what Corlett, Probst and Boyd were proposing. After meeting with the firms and considering their proposals, the City Council decided there were many reasons that Corlett, Probst and Boyd should be the engineers. They also had performed previous updates and remodels on the Water Treatment Plant and are familiar with the facility. It was explained by Mayor Pro-Tem Parker that after many months of discussing the project the City Council decided that a Financial Advisory Committee would be formed as a way to have the community involved, get their input and they could make recommendations to the City Council as to what way to proceed with the Water Treatment Plant project. This was strictly an advisory committee that had no vote in the final decision. There was an ad placed in the newspaper and on social media. There were several that showed interest and all that said they were interested in serving were placed on the committee. No one was excluded. Those serving on the Financial Advisory Committee were: Tommy Kimbro, Dylan Ballard, Bob McQuerry, Sonja Gray, Phil Jeske, Clancy Myers, Jackie Griffith, Megan Widner and Oscar Munoz. The Financial Advisory Committee met twice a month prior to the regularly scheduled Council Meetings. They were given all the information, divided into Sub-Committees to research different topics and at the conclusion of the exercise, the Financial Advisory Committee recommended to the Council that Certificates of Obligation were the way to proceed with the Water Treatment Plant Project.

D'Anne Carson then addressed the group and explained the current situation as related to interest rates. She explained that any small amount of movement in interest rates would adversely affect the rate that they would be able to get the City of Olney on the Certificates of Obligation. She explained that no one can "see into the future" but that the rates are expected to rise. Being able to proceed with the sale of bonds in January vs selling bonds in July, if the Certificates of Obligation was petitioned and had to be placed on the May ballot would most definitely affect the interest rate and therefore the amount of money that would have to be paid back by the City of Olney. She also explained that it was their job at Government Capital Securities to get the City of Olney the best rate possible.

Rudy Segura (Bond Counsel) with McCall, Parkhurst & Horton then explained that Certificates of Obligation are the more common way that municipalities fund large projects such as the Water Treatment Plant Project. He explained that bonds are sold to the highest bidders and that is how the CO is funded. He also mentioned that this was the course of action that had been taken in the past by the City of Olney when there were large expenditures that were required for the running of the City. Mayor Pro-Tem Parker then gave information as to what would most likely happen to the water bills. He explained that there is a base rate for every customer, then other rates that are based on consumption. He stated that the increase that had been mentioned on social media in the amount of 116% would more likely be 100%, but only to the base rate, not the entire bill. Currently the base rate is \$27.50. The increase would be based on the amount of the C.O. and the results of the rate study that would be performed by New Gen. The Council had received the results earlier in the day from a rate study performed for another City in the process of a bond sale. It showed that the City of Olney was at the bottom of the scale with their water rates when compared to other cities in the area. There were thirteen cities listed on the scale and the City of Olney was number thirteen. Mayor Pro-Tem stated that the City of Olney residents had enjoyed low water rates for quite a long time, even though the costs were rising. He explained that waiting was ultimately going to cost more in the long run. He summarized by saying that the City Council had been working on the Water Treatment Plant Project for two years. That they wanted to be proactive not reactive. The engineers and bond counsel had stated the need and it was time to get the process started. Mayor Rogers then reiterated the importance of the project and how it was imperative that it be addressed now and not later. Delaying was only going to create possible problems that would result in larger expense and the risk of having no water. The Plant was built in 1928, refurbished in 1954, some remodeling was done in 1988 with maintenance and upkeep continuing. He said that he hoped the presentation had helped the attendees to understand the importance of the project and the thought process and work that had gone into the planning.

Oscar Munoz was the first to speak during the Questions and Answers Session. He stated that he had been asked by a citizen of Olney to ask, "What happened to the pipe that was donated to the City of Olney. He also stated that people are seeing that people are not being 100% honest. 20% of the population of Olney live check to check and cannot afford an increase. He then asked where all the other City Council members were if the Certificates of Obligation were so important? He was answered by Mayor Rogers that they were all present and sitting in the audience. He then asked why there is no industrial rate for Tower specifically? He then stated that he was told by City Hall that Tower was out of the City. He then stated that they are not paying sales tax to the City of Olney. He stated that Tower is using half of the water processed by the Water Treatment Plant and paying the same as everyone else. Mayor Pro-Tem Parker then told Mr. Munoz that they are paying for the water they use. Mr. Munoz stated that they were not being charged an

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industrial rate. He said he called Wichita Falls, Dallas, Fort Worth and that they all had industrial rates. Everyone except Olney. Mayor Pro-Tem Parker then stated that there is an inside and an outside City Limits rate. Mr. Munoz again stated there should be an industrial rate that is charged to Tower and then money could have already been set aside for expenses. He then asked why didn't the Council fix the Water Treatment Plant instead of replace it? Repair the concrete for an amount of Five Million then work on the water infrastructure? He then asked why was Tower Extrusions the last "person" to get a water main? What do they do for the City and why are they "babied" so much? Mayor Rogers then informed him that his three minutes had expired.

Lorena Plant came to the podium. She stated that she understood that City employees and Council Members do not pay for water. Mayor Rogers stated that Council Members do pay for water and that it's part of the compensation package for City employees. She stated that she, as a senior citizen would be receiving an increase that would go everywhere except her pocket and wanted to know why everyone was not required to pay the \$27.50. Mayor Pro-Tem Parker then stated that there was nothing off of the table. Everything would be considered when determining how to raise the money. Part of that process will be on the next City Council meeting agenda. (parts inaudible)

Lonnie Hope came to the podium. He stated that he'd lived in Olney all his life, through the droughts and that the City of Olney had the opportunity to have the Lake dug out by the windfarm free of charge, but that the City Administrator at that time, Danny Parker wanted to be paid for the dirt that was removed. That was an opportunity that would not be presented again and that the lake was full of mud and that it needed to be cleaned out. He stated that the lake needed to be dug deep so that the mud didn't have to be fought. He stated to get clean water that it needed to start with clean water. He stated that he's fixed plants all over the world and that it can be fixed. He said the electrical system needed to be brought up to date and that it would not cost \$13.5 Million.

Mayor Pro-Tem Parker stated (parts inaudible) that the State hand performed an analysis a few years prior when the lake was low. It was determined that dredging the lake would not increase the amount of water substantially. Dean Hinton, Corlett, Probst and Boyd engineer stated that he had seen the report, but it was not available at the present time. (inaudible). He then asked Mr. Munoz what his question was at the beginning of his address? The question was about the pipe. Phil Jeske answered that the pipeline was built in 1978 and that the pipe was returned (inaudible). Mr. Munoz then stated that the people of Olney should have been asked about the Certificates of Obligation and had a part in the decision prior to everything. Mayor Pro-Tem stated that they could attend the Council Meetings. Someone in the audience stated that they would if they weren't locked out (did not identify himself). Mayor Pro-Tem Parker then asked if the next Council Meeting could be held at the Civic Center. Interim City Administrator Pagsuberon stated "yes".

Phil Jeske came to the podium and stated that when half- truths and untruths are told, it's bothering and he addressed the group. He stated that he had lived in Olney since 1974. He had no ties to Tower Extrusions but during the meeting had looked up tax information on the Young County Tax Appraisal. Mr. Munoz tried to interrupt and talk over Mr. Jeske and was reminded he had his time to speak earlier in the meeting. Mr. Jeske stated that Tower Extrusions had \$30 Million in assets listed. That equates to \$400-500 Thousand Dollars in taxes to the City and equates to \$900 Thousand in taxes to the County and School. Mr. Jeske said that he didn't want his water bill to go up either, but that he enjoyed having clean water available. He then made comparisons of the cost of water purchased vs water paid for on the utility bills. He stated that it was \$0.08 cents a gallon vs. purchasing a half liter for \$ 1.59 which equates to \$8.33 a gallon.

Chance Fite came to the podium. He stated that there had been money spent on all kinds of improvements to make the City of Olney better for generations to come. He mentioned the Schools and the Hospital, where millions had been spent to improve the City of Olney, not only now, but for future generations. He also stated that he appreciated the fact that the Mayor and City Council had the forethought not only for the Water Treatment Plant but for the future generations that will live, grow and thrive in the City of Olney.

Sonja Gray came to the podium and introduced herself. She stated that she was a volunteer on the Financial Advisory Committee. She felt that it was important and appreciated the fact that the Mayor and City Council met with them, explaining the process of what needed to be done. The tour of the Water Treatment Plant was an eye opener for her. It was discussed what the short term and long- term solutions were. The processes discussed and the majority of the Financial Advisory Committee came back with a recommendation to the City Council to proceed with the long- term remodel and construction of the Water Treatment Plant. The sub-committee, of which Ms. Gray was a part of looked for different ways of funding. They searched for Grants to find that there were none available. The sub-committee studied what was available and spoke with representatives about the risks involved. After studying the information, they decided that Certificates of Obligation were the preferred way to proceed and made that recommendation to the City Council. Ms. Gray stated that she herself was concerned with the expense that would be added to the utility bills, especially those on a fixed income. She also realizes how important clean water is for drinking, cooking and bathing. If the Water Treatment Plant goes down and there is no plan in place, it will affect all aspects of the City of Olney. The hospital, schools, etc. Water will have to be hauled and that will be an added expense in itself. Ms. Gray asked those present to support the Mayor and Council in their efforts to have a plan in place

Chief Birbeck came to the podium and asked those in attendance to take into consideration the things that would happen should the Water Treatment Plant go down. It would affect the Hospital, the Schools and

all businesses requiring water to remain opened. Emergency Operations have to be in effect in case this does happen. If the City of Olney loses water, the sustainability plans are put into effect. The Hospital can remain open 72 hours, the nursing home would have to evacuate, the schools would have to evacuate, businesses would have to close and be unable to open. Homeowners would be affected. If you can't get water to your house, it loses value and you're unable to sell. If the City of Olney loses water, it shuts down. Chief Birbeck urged residents to be informed and ask questions. Not to make a knee jerk decision over \$27.50. That's the cost of eating a meal out and he stated that he hoped everyone would try to investigate the facts.

Someone asked questions from the crowd. They did not identify themselves and did not come to the podium as previously instructed. They asked if the Certificates of Obligation were petitioned and were placed on the ballot and failed, would the City of Olney not be able to do anything for three years? Also, if it fails does this mean that the Certificates of Obligation cannot be used at all for three years? Rudy Segura (bond counsel) answered these questions. He stated that there would be a three- year moratorium if it's voted down. At that point, Certificates of Obligation cannot be used for the next three years for anything resembling the Project. He also stated that the costs of elections had skyrocketed. He stated that twelve years ago, there was no charge for his work on an election. They became more complicated and initially started charging \$5,000., then \$8,000. This year the fee was increased to a minimum of \$25,000. Just to handle elections. Mr. Segura then stated that it was always their advice to not place anything to do with water, sewer and (inaudible) on the ballot because if they were voted down, not a dollar could be borrowed involving those things should something happen.

Paul Schneider came to the podium and asked if he was correct in understanding that it would be a thirty- year loan? Mayor Rogers stated that currently what's being presented it was a twenty-year loan. He then asked if the water rates would be "doubled" during the entire life of the loan? (inaudible). Mayor Pro-Tem Parker stated that there was a surcharge that was going to be implemented and that it would be on the agenda of the upcoming Council Meeting. Mr. Schneider stated that none of this could come at a worse time with the costs of goods rising and that the infrastructure was in need of repair. Mayor Pro-Tem Parker explained that K.C. Blassingame and his department had worked diligently to locate valves and to determine ways to be able to work on the lines without cutting off water to multiple locations but that there were times that it could not be helped. He also mentioned that the continual changing of the roads due to the elements would continue to result in those things happening, but that the public works department was doing a good job of keeping those things to a minimum (inaudible). He explained that the City of Olney was currently in the process of having the City split up into zones in order to address issues. The question was asked what would happen if the Water Treatment Plant was built and the Lake dried up? Mayor Pro-Tem Parker stated that the water would then

<p>come from Wichita Falls. The question was asked how long would the Project take to finish, start to finish? Dean Hinton answered 2 years. Engineering will take eight months (inaudible). Mayor Pro-Tem Parker stated that the Certificates of Obligation do not have to happen for the rates to increase. Water rates will increase no matter what. New meters being installed, infrastructure worked/repaired. All of this involves expense and the money has to be raised to cover those costs. The question was asked in an industrial rate was going to be imposed? Mayor Pro-Tem Parker stated that there was nothing off of the table. Mr. Segura (bond counsel) then gave some information. He stated that most towns that do not have a large industry inside the city limits don't have industrial rates. He also stated that most industries do set up outside the city limits but close to town in order to have an employee base to pull from but also allowing them to not have to pay certain taxes. Mark McClellan of Tower Extrusions then stated that they were located inside the City Limits and they paid property tax and sales tax on products sold to customers that were not tax-exempt. Whether or not tax was charged depends on the status of the customer.</p> <p>There was a question from someone as to the location of the next City Council Meeting and if it could be held at the Civic Center. Mayor Rogers stated that the charter would be reviewed, but if it was possible, the meeting could be held there. He reminded everyone in attendance that the City Council Meetings were and had always been open to the Public except for special circumstances during the pandemic. The Meetings are held online and able to be viewed through the City of Olney website and that previous meetings are on the website as well, along with minutes from the Meetings. He stated that everyone was welcome and that they all served at the pleasure of the City of Olney. He stated that there were tough decisions to be made and that the City Council has to look at all things, short-term and long-term to decide what is best for the City of Olney. Mayor Rogers thanked everyone for their attendance.</p>	
<p>There being no further business to come before the Council, the Council adjourned at 7:20 P.M.</p> <p>ATTEST:</p> <p>_____</p> <p>Tammy Hourigan, City Secretary</p>	<p>ADJOURNMENT</p>