

PALM VALLEY CITY COUNCIL
MINUTES
REGULAR MEETING
March 21, 2017

The City Council of the City of Palm Valley met in a Regular Meeting on the 21st day of March 2017 at 6:00 p.m. at 1313 N. Stuart Place Road, Palm Valley, Texas. The meeting was attended by the following persons:

Mayor George Rivera

Council members: John Widger, Debe Wright, Cynthia Thompson, Joe Jones
Julie Martin

City Attorney: Jason Mann
City Secretary: Sylvia R. Trevino

Staff Present: A. R. Garcia, Police Chief
Rosendo Flores, Waterworks Supervisor

- 1) **CALL TO ORDER** – Mayor Rivera called the meeting to order.
- 2) **PLEDGE OF ALLEGIANCE** – Mayor Rivera led the Pledge of Allegiance.
(Mayor River announced he would take items out of order)
- 4) **2015-16 AUDIT PRESENTED AND ACCEPTED**

Robert Rodriguez, auditor with Carr Riggs & Ingram (formerly Long Chilton) presented the audit and briefed the Council on its contents. He explained that the audit was conducted in accordance with accounting principles generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*. Mr. Rodriguez went over the financial highlights and noted the following:

- The assets of the governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$2,237,227 (net position) compared to \$2,128,592 in the prior year. Of this amount, \$456,350 and \$349,665 (unrestricted net position) for 2016 and 2015, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.
- The assets of the City Water Service exceeded its liabilities at the close of the most recent fiscal year by \$2,533,389 (net position) and \$2,519,961 (net position) in the prior year. Of this amount, \$782,453 and \$732,851 (unrestricted net position) for 2016 and 2015, respectively, may be used to meet the Water Service ongoing obligations to citizens and creditors.

- As of the close of the current fiscal year, the City's governmental fund reported ending fund balance of \$442,916 and \$337,076 for 2016 and 2015, respectfully.
- The City's governmental fund reported unrestricted cash of \$522,214 at the end of the fiscal year, which amounts to an increase of \$104,594 over the prior year.
- The City's enterprise fund reported unrestricted cash of \$515,855 at the end of the fiscal year, which amounts to an increase of \$44,963 over the prior year.

Mr. Rodriguez went over several pages in the audit and noted that there were no significant audit findings and few corrections. The results of their tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Mr. Rodriguez explained three comments and observations which were:

- Accounting for additions to enterprise fund assets – Asset additions in the Water Department were charged to capital outlay accounts in error. These should have been capitalized.
- long outstanding receivable – Every effort shall be made to try and collect these long outstanding accounts by City staff or consideration should be given to establish an allowance for estimated uncollectible amounts. Amounts deemed uncollectible should be written off.
- controls over cutoff. Recommendation was made that the City implement controls to closely monitor transactions that occur after year end in order to determine that transactions are recorded in the correct period.

Mayor Rivera commented that he, Councilman Widger and the City Secretary met with the auditors and the audit came out very well. The numbers have not changed much and very little was added to the bottom line in both the City and Water funds. Sales tax is at \$55,000 which is only 1% that comes to the City. There will be a special election in May to increase this revenue by 1% just as the rest of the cities are doing.

There being no further discussion or comments, Councilwoman Thompson made a motion to accept the audit for fiscal year ending September 30, 2016.

Councilwoman Martin seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

(Mayor Rivera went on to Item No. 3 on the agenda)

3) PUBLIC COMMENTS

Aida Garcia, 5216 Guava, expressed concern over tickets that her friends had received for parking facing traffic. She explained a couple of the instances when these tickets were issued. She explained that the tickets were issued to two ladies who deliver meals to the elderly in the apartments where she lives. She stated that she personally has seen other types of vehicles such as the cable company, the electric company and the Water Department park facing traffic and asked if they have been issued citations. Ms. Garcia stated that the majority of the residents do not know the laws of the City and there are no signs that would have been indicative of prohibiting parking facing traffic. She asked if there was a possibility of such signage. She indicated that she would be speaking to the Judge on her court date.

5) DISCUSSION HELD ON THE CITY'S BACKFLOW PREVENTION PROGRAM

Rosendo Flores, Waterworks Supervisor, explained the implementation of the City's backflow program. He stated that it is a mandate by the Texas Commission on Environmental Quality adopted by the City through an ordinance in 2011. Staff has been sending letters out to all residents of the community advising them of what is necessary to prevent potential contamination into the City's water supply. Mr. Flores commented that for the most part most of the residents that have received their letter, thus far, have complied. He indicated he is running into opposition from those that have water wells. All he is doing is enforcing the provisions of the City's ordinance. He added that 396 letters have been sent out and about 185 have complied. Others are pending compliance or were not required to install any backflow assemblies. Mr. Flores added that the City could discontinue water service to those that do not comply within the allotted time. When asked what the consequences to the City are if the City does not enforce the program, Mr. Flores responded that TCEQ would impose a hefty fine on the City.

Councilman Widger added that water wells could overwhelm the City's water pressure and it is unknown what is underneath the ground so even those with wells have to comply by installing a backflow assembly. He stated that one option would be to cap the well and start utilizing the city's water source.

Mayor Rivera stated that this program would apply to those that have swimming pools, sprinkler systems and water wells.

Dick Faxon, 5008 Sumatra Circle, stated that he was on the Council back when the ordinance was adopted in 2011. He recommended that everyone look up the TCEQ ruling and suggested that everyone contact the federal legislators who put this ruling into place. The cost associated with the program outweighs the benefit. If the pressure drops below 20 PSI, the City has to flush and if the pressure drops below 'zero', the entire water system has to be sanitized.

Ed Knetig commented that the residents do not cause contamination and every city has had its problems with the program. He stated that he had reviewed all of the regulations and in his case, having lived at his residence for 35 years, at no point has he ever connected to the city's water. He has a pump and 54 water heads and the water meter is straight to his house and he has two double valves. This is for the sprinkler system and the well is not connected to the City's water. Mr. Knetig was of the opinion that, by law, he is not required to implement any backflow assembly. There is no possibility of even a 1% potential cross connection.

Mayor Rivera commented that the laws come from the federal government and stated that the City is not deriving any revenue from the program.

Mrs. Knetig stated that other cities allow exceptions to be made and suggested that the ordinance be amended to have exceptions.

John Graver commented that if the well is independent of the water system there is no possibility of contamination.

Councilman Jones asked if there is not a connection is a backflow assembly still being required. Councilman Widger replied yes between the water supply and the house.

Mr. Knetig suggested that the item be tabled for further review of the ordinance because it does not cover a lot of the cases here in Palm Valley.

Mayor Rivera stated that 'our hands are tied'. But, he would consider appointing a committee of Council members to see about any possible options.

Jim Thompson commented on the Customer Service Inspection. He felt this should have been done first to investigate if there was a cross connection that would cause a public safety hazard. He added that he has a sprinkler system that uses irrigation water where there is no cross connection and he did not see how the necessity for a backflow would apply to him.

Mayor Rivera explained that there is always a 'potential'---a possibility where a plumber could choose the wrong pipe to tie into. The 'potential' is always there.

Mr. Knetig made reference to a customer service inspection report where the inspector goes out and has the property owner sign it if the backflow is required or not and he had never seen an inspector conduct such an inspection.

Mayor Rivera stated that the ordinance was adopted in 2011 and the City has just recently started enforcing it due to pressure from the State. He stated he had asked the City Attorney to review the ordinance. The City of Palm Valley has to abide by what TCEQ is mandating or else the City will get fined. Jim Thompson commented that the

Customer Service Inspection part of the ordinance should also be reviewed by the City Attorney.

(no action was taken on this item as it was only a discussion).

6) MINUTES FOR APPROVAL – FEBRUARY 21, 2017

There being no corrections to the minutes, Councilman Widger made a motion to approve the minutes. Councilwoman Thompson seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

7) OFFER MADE BY THE TOWN OF INDIAN LAKE FOR THE PURCHASE OF THE POLICE DEPARTMENT'S 2011 CHEVROLET SILVERADO TRUCK REJECTED

Chief Garcia explained that he received a bid from the Town of Indian Lake in the amount of \$5,000. The Kelley Blue Book value is \$6600-\$7500. The vehicle is being sold with all of the equipment. The equipment, brand new, six years ago was valued at \$8,000. Everything works well in the vehicle.

Councilman Widger asked if any interest has been expressed by private individuals. Chief Garcia explained that the vehicle would need to be stripped of all of the equipment and then what would the City do with it? He added that he had not done any advertising of the vehicle 'for sale'.

Dick Faxon suggested that the City continue to use it so as to keep the mileage low on the other newer vehicles.

Chief Garcia stated that he was not happy with the offer as it is too low and commented that he could approach the Town of Indian Lake for a better offer.

Councilwoman Thompson suggested offering the vehicle to other governmental entities. Chief Garcia stated that there is a website available: GovDeals.com
Councilwoman Thompson stated that she would like to see the vehicle advertised in the GovDeals before responding to the Town of Indian Lake.

Councilwoman Thompson made a motion authorizing the Chief to advertise the vehicle on the GovDeals website

Councilman Jones seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

8) CONSENT AGENDA:

- A. Police Monthly Report – February 2017**
- B. Municipal Court Monthly Report – February 2017**
- C. Monthly Check Listing – February 2017**
- D. Monthly Financial Report – February 2017**
- E. Investment Report – February 2017**
- F. Council/staff liaison reports**

Chief Garcia presented his report. Councilman Widger asked about a citation on the Court report and wondered whether court costs had been assessed. This citation was for parking facing traffic. Councilman Widger was of the opinion that the officers should be giving at least a warning for a first time violation.

Chief Garcia explained that the Police Department receives calls daily regarding improperly parked vehicles so that is why the officer started issuing citations but they could go back to issuing warnings.

A comment was made that people are still violating the 'pooper scooper' ordinance. In some cities if a person is walking without anything in hand, they get issued a citation.

Aida Garcia commented that Palm Valley is not a high traffic area. She added that several months ago there were cars in the alley on Guava with their tails out and wondered if they were issued a citation. Chief Garcia replied that if the vehicles are blocking a garage or blocking a thoroughfare where an emergency vehicle cannot go in, yes, they do issue citations.

Councilwoman Thompson made a motion to approve the consent agenda.
Councilman Jones seconded the motion.

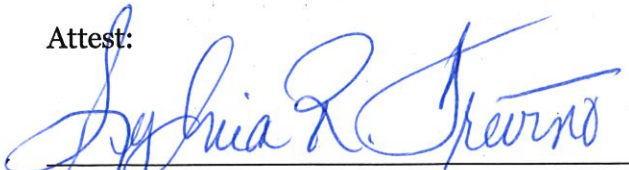
Mayor Rivera took the votes and the motion carried unanimously by those present.

There being no further business the meeting adjourned at 7:06 p.m.



George Rivera, Mayor

Attest:



Sylvia R. Trevino, City Secretary