

MINUTES OF THE SPECIAL WORK SESSION MEETING OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, HELD ON DECEMBER 11, 2023 AT 6:00 P.M IN THE CIVIC CENTER, 16327 LAKEVIEW, JERSEY VILLAGE, TEXAS.

A. The meeting was called to order by Mayor Warren at 6:00 p.m. with the following present:

Mayor, Bobby Warren
Council Member, Drew Wasson
Council Member, Sheri Sheppard
Council Member, Michelle Mitcham
Council Member, James Singleton
Council Member, Jennifer McCrea

City Manager, Austin Bleess
City Secretary, Lorri Coody

Staff in attendance: Robert Basford, Assistant City Manager; Isabel Kato, Director of Finance; Danielle Cordova, Public Works Manager, and Taryn Modisette, Finance Clerk.

B. CITIZENS' COMMENTS: Citizens who have signed a card and wish to speak to the City Council will be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the comment is on the agenda, the City staff and City Council Members are prevented from discussing the subject and may respond only with statements of factual information or existing policy. Citizens are limited to five (5) minutes for their comments to the City Council.

Jack Donaho, 16118 Singapore Lane, Jersey Village, Texas (713) 416-0211 – Mr. Donaho has lived in Jersey Village for 37 years. He had comments about the water and sewer rates. He understands that we need to raise rates from time to time. However, he is concerned about the option to have a second meter to reduce rates. He also stated that the City, since January, has lost some 40% of water that has not gone through the meter. This seems like a large amount of water loss.

Dennis Peterson, 16522 Cornwall, Jersey Village, Texas (713) 412-6886 – Mr. Peterson spoke to City Council. He has lived in Jersey Village for 42 years. He is concerned about his excessive water bills. He believes that there are unnecessary costs being passed onto the residents. This is not acceptable. He is an engineer. He stated that he has reviewed the Capital Improvements Plan, the Impact Fee Study and the Utility Study. He stated that the city is looking to expand our service area to the south side of US HWY 290. He believes that the increase in rates were inflated to pay for this growth. He gave examples to support his position. He does not support the new rate increase.

Mayor Warren stated that bills have not increased because of growth on the south side of US Highway 290. The Impact Fee Study looks hypothetical growth / expansion and what the cost would be to support the infrastructure needed to support the projected growth. The impact fee is set based upon what might be needed to accommodate the growth. The Utility Study is a different type of study that sets utility rates to support the current demand. Mr. Peterson had several questions, to which the Mayor responded accordingly. There was further discussion about how our City compares to neighboring cities. After discussing same, he still believes that the rate increase is inflated.

Carlos Pereira, 80 Cherry Hills Drive, Jersey Village, Texas (281) 381-2125 – Mr. Pereira has lived in Jersey Village for 25 years. He is concerned about the accuracy of the water meters. When he compares his meter to the water bill, the bill shows that he is charged for 15,000 gallons more than what he used. The problem started about two months ago. They live

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at 80 Cherry Hills. City Finance Director Kato stated that a service order was requested. They were able to get a data log on the irrigation meter but not the house meter. In an effort to get the data log, City Staff replaced the antennas on both meters. However, given the information presented this evening by Mr. Pereira, another worker will be sent out to see about this issue in order to get the data log.

Fred Ziehe, 8409 Hawaii Lane, Jersey Village, Texas (713) 870-4162 – Mr. Ziehe questioned if the date on the bill is the date that the meter was read. It was explained that meters are read on the 25th of the month. He was concerned if a meter is not read one month and is sent out as zero due but the next month the bill is doubled to catchup, that it would put the billing in a higher billing tier. Mayor Warren told Mr. Ziehe that the usage on the second billing would be allocated across the two months evenly the higher tier billing would not come into effect.

John Hacker, 16414 Cornwall, Jersey Village, Texas – Mr. Hacker had questions about the meters. He wondered if these meters need to be calibrated as well as the equipment that is used to read the meters. Mayor Warren stated that the meter measures the flow of water through the meter. The equipment used to gather the information from the meter does not measure flow. It only gathers the information from the meter. Therefore, calibrations is not needed.

Jim Fields, 16413 Saint Helier, Jersey Village, Texas (713) 206-1184 – Mr. Fields relayed a problem wherein his meter number was actually switched with his neighbor's meter number.

Linda Lynn, 16106 Seattle Street, Jersey Village, Texas (713) 591-6399 – Ms. Lynn had questions about the sewer charge increase. She does not understand why these rates are going up. She stated that this rate is just as much as her water. She is concerned.

Nelson Farmer, 6304 Smith Street, Jersey Village, Texas – Mr. Farmer stated that he understands the new rates. However, he is in the process of getting a second meter. He lives on the other side of the street from the main water connection and is required to bore under the street to make the connection. He wants to be able to connect to the water line on his side of the street. In response, Mr. Bless told City Council that discussion is needed to speak about the Code regulating meter connections that has been in effect for the past 5 years.

C. WORK SESSION DISCUSSION

1. Discuss and take appropriate action regarding the City's utility services, utility billing, utility rates, water meters, and water meter testing fees and processes.

The item was introduced by Austin Bless, City Manager. He suggested that the easiest way to sort through the information in the memo is to have Council discussion at each topic heading throughout the memo. Accordingly, Council discussion will be italicized in order to distinguish same from the background information presented in the memo.

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Since the first special session on November 20, 2023, and the regular session on November 27, 2023, when the utility rate discussions were held, City Staff has worked to compile data requested by the Council.

On November 18, 2023, the City Council received information for all utility customers for the previous 24 months. That information provided rainfall data, house meter usage, irrigation meter usage, along with the dollar amounts billed for that usage. It provided graphs to show the trends for each individual property as well.

Since the November 20 Special Session, the Council has requested more information about various things related to the utilities discussion. Staff has compiled those requests, and the information is below.

Information requested to be added to water bills

City Council has requested the following information be added to water bills. We are working with the software company on adding the following information:

- Meter number (next to each billing line item)
 - This should match the meter in the ground
 - The irrigation meter should be explicitly indicated
- E-Coder number
- Meter number (next to the item related to sewer charges)
- The meter read date
- Calculation of the bill

We hope this information can be added to the bills that go out in January.

The Council also asked for the full usage volume reading (7 digits instead of 3), as this would allow people to compare the reading to their meter. When the software reads the meter, it takes the first 4 digits. For example, the bill would say “Current reading” 544, but if a person were to look at their meter, they may see 0,544,739.18. As we bill in 1,000 increments (which is industry standard), only the first 4 digits are read. When the bill is printed, leading zeros are omitted, and as with many of the new meters in the City, the 1st digit is a zero. Therefore, it may be only 3 digits as the leading zero is omitted. It seems like this would be a harder task to get all the numbers into the utility billing system so they can be printed on the bills. However, when the web portal goes live for people will be able to check their water usage in real time, they will see all of the numbers.

Council engaged in discussion about the new meters being installed that will allow residents to see real-time usage. City Manager Bleess stated that the new system will permit staff to read usage every 15 minutes. He also explained how residents can look at this information. This new system will allow staff to contact residents when there is a problem. With the current system, one can look back for 24 months of usage. Some members wondered if this function is available in the new system. Mr. Bleess stated that

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they are hopeful that the information can be linked into the new system. The benefits are that residents can go online and look at usage as opposed to waiting for the bill.

All changes should be implemented by the January bill (December usage) excepting the seven digits.

Hand check digital meter reads

At the time of this writing, we have hand checked some meters against the “digital” check and have found no discrepancies on those that have been sampled. Staff will continue to check these items.

Some Members wondered what causes a zero-usage bill. Mr. Bless explained that it could be that the register is not lighting up enough to be read by the handheld or that it may not be connecting to the handheld.

When there is no information, what is the next step? The City will check to see what the issue is and will work to resolve the issue. If new equipment is needed, the City does have supplies on hand, but ordering new supplies will incur a 45-day delay.

Some Members wondered what happens when a register fails. Mr. Bless stated that if a register fails, this impacts the meter number by delaying the ability to get the information. If it dies completely the information is lost, resulting in minimum billing. So, a register failing benefits the customer.

Comparison of water bought from City of Houston or pumped from Wells and what has gone through end user meters.

We have compared the data points on water purchased from Houston and pumped from the City wells for the last 24 months to what has been billed out by the City. At no point in that time frame have we billed end users for more water than what was bought from Houston or pumped from wells, which is what is expected. When there is a water main break, or issues at the water tanks, or anything that causes water to be lost in the system before the water goes through a customer meter that is water the City buys but does not resell.

A full breakdown of that information is provided in Exhibit A.

Council engaged in discussion. Common reasons for not billing all the water could be from flushing water hydrants or water main breaks. Contractors are supposed to meter water when they are filling up from the fire hydrants. Some months there are differences between what we bill and what is consumed, resulting from events that happen that account for this unmetered use. Many of the issues involve water leaks.

Anonymized Data

We have also looked at usage for people that have reached out to the City Council or Staff to express concerns about the amount of water they used. We have anonymized that data and have included that information with this packet as Exhibit B. Each address has been

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assigned a random number. That number is listed on all three pages so it can be easily determined what pages go together. It is shown as “Location Number” in the top row of data.

Each address has 3 pages. Page 1 shows the house meter usage and the rainfall amount for the given month. The data runs from November 2021 through October 2023, for a 24 month look.

There is a correlation number on each of them as well. The correlation is between the water used on the meter and the amount of rainfall that was received. The closer the number is to a -1 the higher the correlation between low rainfall and high-water usage.

The graph on page 1 visually shows this information. The bar graph shows the water that went through the meter and the line graph shows the rainfall. This helps to visualize the correlation or lack thereof.

Page 2 is for the irrigation meter. Some homes do not have an irrigation meter, and if that is the case the boxes for irrigation meter will show as #N/A. The other information on this page is the rainfall data and a graph laid out the same as page 1.

Page 3 shows how much was billed. It has the house meter, irrigation meter, and sewer amount billed. This shows how much was billed for the usage that occurred. It is important to note that the amount listed for each month would be billed in the following month. So, any amount listed as billed for October of the given year would be shown on the bill the resident receives in November.

There was discussion concerning high usage correlating with low rainfall.

How To Read Your Meter

Staff have created a PDF that is on our website, and included in this packet as Exhibit C, to show how people can read their meter, and what they can expect when they look at it. This can be found online here: <https://www.jerseyvillagetx.com/page/pw.utilityFAQ>

Volume of water treated at the WWTP

We do not have reliable information on how much wastewater has gone through the White Oak Bayou Wastewater Treatment Plant. The headworks, which includes the flow meters, at that plant regularly do not work. The city is only a partial owner of the plant, and every time (until recently) that we have tried to get the headworks project done it was voted down by the other owners. Recently all parties agreed to complete it after city staff attended MUD Board meetings to stress the importance of getting the project done.

Our Castlebridge plant averages about 120,000 gallons of non-potable water discharge a day. That plant covers mainly areas along Jones Road and west of Jones Road, along with the Wyndham Lake Subdivision and the Lakes of Jersey Village Subdivision, and everything south of US 290.

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Wastewater treated at the Castlebridge plant also has a different cost factor than water. We have to pay the North Harris County Regional Water Authority for water pumped from wells, and Houston for water purchased from them. For treating the wastewater at Castlebridge we pay for the operational costs of chemicals and the costs to run the plants. We are not paying another entity for that.

We do pay White Oak Bayou for the treatment of wastewater there. That cost is split by connections/flow, which mirrors closely our ownership percentage. That averages \$30,000 per month.

There was discussion about this process. Some felt that it has more to do with the sewer billing and the changes made by City Council regarding sewer rates. Accordingly, there was discussion about when the City is trying to allocate cost to maintain the system, how should customers be charged for this maintenance. One way would be a flat rate. While a flat rate cannot be used for water, it is something that might be considered for sewer rates. So, how does a resident's use impact the City's cost.

It was mentioned that the City used to use averaging for sewer rates, but this was recently changed in order to tie the rate to what is actually being used. So everyone does not pay an equal amount because we all do not use an equal amount. The change was made in order to pay for infrastructure needs.

This year we need \$2.1M for sewer operations. When this was discussed at budget time, it was decided that no matter how it is calculated we still need \$2.1M. At that time, it was felt that paying for your use was best.

Averaging vs. Use calculations were discussed, including introducing a flat fee for all residents. These solutions were discussed in detail. Some members felt that changing from averaging to usage was a mistake. Others did not agree. The cost of installing a second meter was discussed.

It was felt that many of the complaints for high bills is attributed to residents who are now having to pay for sewer usage where in the past they had to pay on an average basis. However, there are a few high bill outliers that are hard to explain.

The new rate structure was discussed. Council discussed the best way to apply rates in order to collect the money needed to cover costs. As a whole, we need \$5.7M for the utility system operations, which includes both water and sewer. This fund is an enterprise fund and operates like a business. We need to be careful with adjustments to the rates in that making sure there are funds to cover future expenses and emergencies.

One idea worth exploring is maximum usage for sewer rates. This option was discussed. It was felt that this option may resolve the one-off high usage / billing issues.

Cost estimates for having a utility fee study done by an outside source

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In speaking with Quiddity Engineering, that did our last rate study, they said the costs have gone up a bit, but that \$60,000 would be a safe estimate. In 2020 we paid \$50,000. The person I spoke with also said that we have all of the data that is needed in house to do a rate study. Quiddity is also currently working on a CIP plan for us for the next 5-10 years. When that is done, expected in January, we will update the study to include that plan. With all of the data being held by the city, it is easy enough for us to do the consumption analysis, forecast out our expenses, and make sure the rates generate the revenue needed to meet the expenditures. The person I spoke with did not think it would be worth our cost to outsource that.

The consensus of Council was that there is no need to outsource this study.

Breakdown of costs

Out of the Utility Operations Budget totaling \$4,889,467 for the current fiscal year, \$2,600,000 (or about 53%) is for buying water or paying for wastewater. There is \$970,000 that is for interfund activity. The other major cost center are the costs for running the water plants, water distribution system, wastewater plant, and wastewater collection system.

Capital improvements are the other major cost. We have over \$4,000,000 budgeted for capital improvement costs. This past year we have seen two sections of sewer pipes collapse. We have seen multiple water main breaks over the past two years. A large portion of our system is reaching the end of its useful life. We have seen construction costs for these items double or even triple in some cases over the past three years. Both of these things leave us in a spot where we have to spend a lot of money to keep our systems running.

While we are certainly not alone in that fact, as many other cities are in a similar or much worse position, we need to make sure we are taking care of the systems so residents can have safe drinking water and so that it flows away from them and is treated properly when they flush their toilets.

The \$970,000 interfund activity was discussed. This is a transfer to pay for things like debt services, computers, staffing, etc.

Alternative Funding

Staff continually monitors opportunities for alternative funding, such as grants, congressional funding, and other opportunities. As everyone knows, there is no guarantee of any of these types of funding. Many of these grants are also a reimbursement, meaning we have to pay for the project before we see the grant funding hit our checking account. If we are able to get them, we can offset some future costs in the utility fund as well.

Advanced Metering Infrastructure

The city has purchased Advanced Metering Infrastructure (AMI) that was installed on the 21st of November. That infrastructure was ordered early in 2023 and was originally

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scheduled for delivery in the summer of 2023 but was delayed due to the manufacturer. This infrastructure should allow residents to be able to view their near real time usage of water on their own from their phone or computer. There is a training session scheduled for staff on December 8. As of this writing we do not have a firm date for when we will be able to roll that out for all residents.

With this new infrastructure, staff can see the information real time. Staff will receive alerts for any meter that has continuous consumption for more than 3 consecutive days. That is the shortest time frame the system allows that notification to be sent by default.

This piece will be critical for residents to be able to view their own data in real time and be able to take their own action based on the data.

Water Meter Testing

In the past few months, we have had five residential water meters tested. Of that number, four of them have come back as reading accurately. One meter was reading at 87% of what it should be reading when the flow rate is slow. That caused the meter to be reading less water than it should have been. As per the city ordinance, that meter was replaced, and the resident had the meter testing fee reimbursed.

The current fee testing is \$100. The test is done by a third party that is certified in that area. Typically, the tests are done with the residents present so they can witness the test results.

Water meter accuracy was discussed. Typically, if the meter is not accurate, the resident is being billed for less water than what they are using.

Tapping for new irrigation meters was discussed. The Ordinance is that each new tap for irrigation will have its own tap to the main. Some cities have two meters off the same service line, others do not. One area of concern would be water pressure issues. That being said, this is an area where City Council can have a change in policy.

Council discussed an Ordinance change so that it is not required to have the second meter tap into the main line, rather they can “T” off the line already existing at the home. There was also discussion about not changing the Ordinance, but instead having a waiver process when a second meter requires boring under the street for the installation. Discussions concerning a change in the Ordinance will be held in January.

Sewer Averaging

The biggest change that occurred in our utility rate structure was a move away from sewer averaging. As noted on page 18 of the Rate Study (which can be found here: <https://www.jerseyvillagetx.com/page/open/1499/0/Water%20Wastewater%20Rate%20Study%202023>) the majority of cities do not have sewer averaging, although some have a maximum gallonage for sewer rates. The old ordinance used the water usage from November – February and averaged those four months to give a sewer rate for the whole year.

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The other attachments included with this information have been described above. If there is more information that needs to be provided staff can work to do that. I do not anticipate any formal action by Council tonight. If there is anything the Council would like to change in our ordinances or rate structure, we can look at that. But given the timing of this meeting and the regular meeting being in one week, depending on what is requested, we may not be able to get something ready for the agenda on December 18.

There was discussion that we have a very friendly, hands-on public works department. That being said, City Council discussed if there is a need for a best practices procedure document on how to address issues with bills with the City.

D. RECESS THE WORK SESSION

Mayor Warren recessed the Work Session at 7:57 p.m. to Convene into Executive Session pursuant to the Texas Open Meetings Act, Government Code Section 551.087 Deliberation Regarding Economic Development Negotiations and Section 551.072 – Deliberations about Real Property.

E. EXECUTIVE SESSION

1. Pursuant to the Texas Open Meeting Act Section 551.087 Deliberation Regarding Economic Development Negotiations and Section 551.072 Deliberations about Real Property, a closed meeting to deliberate economic development negotiations, including the possible purchase, exchange or value of real property, related thereto.

F. ADJOURN EXECUTIVE SESSION AND RECONVENE WORK SESSION

Mayor Warren adjourned the Executive Session at 8:32 p.m., and reconvened the Work Session, stating that no final actions, decisions, or votes were had during the Executive Session.

After adjourning the Executive Session item, Mayor Warren called item A1 from the Addendum Agenda as follows:

A1. Discussion of internal and external communication processes used by the city and potential improvements to those processes.

Council Member McCrea introduced the item. She asked that this item be placed on the agenda for discussion concerning internal and external communication processes used by the city and potential improvements to those processes. This is something that has been going on for a while. She was frustrated that she did not get an invite to the Golf Course Tour.

She feels that the information provided by Staff is so voluminous that sometimes it is overwhelming and important information is lost. She believes that sometimes some members get information that others do not.

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It was mentioned that the weekly updates are too long. Some members felt that their weekly meetings with the City Manager are helpful. However, some feel they are learning on the fly, things that are important to the City.

It was recommended that a summary should be included at the top of the weekly with important information. Perhaps a weekly phone call would be helpful. It was also mentioned that the use of acronyms without a description is hard to know what is being discussed.

It was mentioned that when a meeting is scheduled, the Council needs to know who the participants are going to be along with background information so they are better prepared to participate in discussions.

Some members were having a hard time relating to the confusion of other members given their background and familiarity with City operations.

In terms of the weekly emails, they are too detailed. Sometimes members do not know about events that they may attend. Examples were the homecoming parade, the Christmas parade, and the recent golf course tour.

In summary there seems to be two issues. Calendar invites are needed for City Council events. Secondly, there is the issue of knowledge on how Council operates in conjunction with City operations. Some stated that when they were elected, they kind of “geeked out” in trying to learn everything possible. Others needed help with this learning.

Council does like the Weekly email to residents.

There was discussion about residents calling without getting a response. It was discovered that people are not leaving messages. However, it still seems to be a problem.

G. ADJOURN

With no further discussion, the meeting was adjourned at 9:14 p.m.

Lorri Coody, City Secretary

