

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN that the City Council of the City of Lake Jackson met on Monday, June 5, 2023, at 6:30 p.m. in Regular Session at 25 Oak Drive, Lake Jackson, Texas, Lake Jackson City Hall in the Alice Rodgers Council Chambers with the following in attendance:

Gerald Roznovsky, Mayor
Chase Blanchard, Mayor Pro-Tem
Jon "J.B" Baker, Councilmember
Matt Broaddus, Councilmember
Vinay Singhania, Councilmember
Rhonda Seth, Councilmember

Modesto Mundo, City Manager
Riazul Mia, Assistant City Manager
Sherri Russell, City Attorney
Sally Villarreal, City Secretary
James Bryson, Finance Director
Robin Hyden, Parks Director
Sal Aguirre, City Engineer
Sabrina England, PW Director
Milford John-Williams, Asst. to the CM
Paul Kibodeaux, Police Chief

PLEDGE OF ALLEGIANCE

Councilmember Seth led the pledges.

INVOCATION

Deacon Roger Nichols led the invocation.

VISITOR COMMENTS

Ms. Baker announced Councilmember Baker's birthday.

PRESENTATIONS

Update of current and future area surface water supply and storage.

Ronnie Woodruff, the Brazosport Water Authority (BWA) General Manager and Tim Finley with Dow Chemical were present for this item.

Mr. Woodruff and Mr. Finley went over the following data:

- BWA, Dow and Local Industrial Users in the Brazosport area only have two months of local storage.
 - The State of Texas models & Dow modeling both indicate we need at least six months of storage.
 - TCEQ requires all surface water users to maintain a minimum of 120 days of storage.
 - In 2022, BWA's 1960 water rights were curtailed for 5 months.
 - In 2022, BWA surface pumping curtailment forced BWA reliance on Dow obtained "short term contract."

- Dow’s stored water need has been managed by short-term Brazosport River Authority (BRA) contracts. These contracts have become increasingly unreliable. They will at some point be unavailable in the very near future. Dow was only able to obtain half the volume in 2023 than was obtained in 2022.
- Completion of BWA’s two phase Brackish Desal Project and acquisition of Rosenberg’s BRA contract helps secure some of the current demand but fails to meet full need in a repeat of the 2011 drought.
- BWA capability with brackish desal and the Rosenberg BRA water, falls significantly short of meeting local municipal growth needs and/or the needs projected to result from eventual subsidence pumping constraints.
- Industrial users like BWA need action to assure the ability to produce and sustain the local economy.
- Dow reliability modeling indicates that without a one-year contract with BWA and industry.
- Since 1989, BWA has been buying “spot water.” This is water that BRA has sold to other people.

Harris Reservoir Expansion Project:

- GOAL: Increase the current/future water supply security for municipal potable water in the BWA service area and industrial users in southern Brazoria County.
 - The project adds 50,000 acres of local storage to improve local supply reliability.
 - Dow and BWA are looking into this project as a joint venture. Dow will have 85% ownership and BWA will have 15% ownership. It will be a private partnership.
 - Project Cost Estimate - \$650 million Capex (\$750 MM TWDB Program Lending)
 - Target Operational Date – October 2028
 - Projected BWA Water Rates Impacts:
 - Debt Service increase of \$0.15 for the next four years, \$0.16 for three years and \$0.09 at the end. This covers the debt service payment for the period. At the end the debt service will increase by \$1.17 for 30 years. When it is all paid, Dow will retain 85% ownership and BWA will retain 15%.

Mr. Woodruff noted this is a project that needs to be completed for secure water needs. This is not a project that BWA nor DOW can do on their own.

Councilmember Singhania asked if the “spot water” was priced higher. Mr. Finley mentioned there is a risk that you buy it and may not get it. The price is generally the same.

Mr. Finley stated BWA has the support of DOW. This public private partnership is a better financial deal to complete the project. The economic fallout of this project would be devastating to the area.

Councilmember Baker referenced a lake that DOW was building. Mr. Finley replied there is a lake that holds a little bit of water. It helps with delivery of water, but it does not do much for storage.

Mr. Finley and Mr. Woodruff went over the following project schedule:

Current Project Schedule

Project Schedule	Date
FEL3 Project Kickoff	Nov. 2017
USACE 404 Permit Submittal	Feb. 2018
SWIFT Fund Pre-application	Feb. 2023
Complete Detailed Design	March 2023
Construction Contracting Procurement Process Kick-off	April 2023
TCEQ Dam Safety Permit	July 2023
USACE 404 Anticipated Approval	July 2023
D-Fund Full Application (Vet Deal w/ TWDB and/or Enable Acquisition, Planning and Early Funds)	Summer 2023
Start Construction – Site Development & Temporary Facilities	TBD
Anticipate SWIFT Fund Pre-Application/ Full Application	Jan. 2024/ May 2024
Anticipated Receipt of SWIFT Construction Funds	Jan. 2025
Start Major Project Construction	Mar. 2025
Construction Complete	Feb. 2028
Reservoir Start-up and Commissioning Complete	May 2028
Reservoir First Filling Complete	Sept. 2028

Mr. Finley stated this project is roughly a 35’ tall levee around 3 square miles. It will be 8 miles long with a 4’ concrete wave wall on top. It holds 4 months’ worth of water and is roughly the same as the Harris reservoir. It is not lined and will be a clay levee engineered to control the integrity of the levee.

Councilmember Seth asked who will be responsible for maintaining the levee. Mr. Finley said the intent is to have the BWA be the owner or BWSC (the partnership) and then DOW would operate and maintain it.

Mayor Roznovsky asked if the BWSC has been created. Mr. Woodruff said the three BWA members are himself as president, the Clute representative and the Freeport representative. On the DOW side it is Mr. Finley and Andy Wagner.

Mayor Roznovsky mentioned the evaporation and plastic balls to control it. Mr. Finley said it is a very hard problem to control, that is why they are planning on going deep.

Councilmember Singhania inquired about the conservation. Mr. Finley touched on conservation to enable growth.

Assistant City Manager, Riazul Mia Introduction

Mr. Mundo introduced Mr. Mia and highlighted his education and experience. Mr. Mundo noted the city will benefit from his public works experience.

Recognition for public works crew winners at APWA picnic.

Ms. England announced the awards received by the Lake Jackson public works crew.

Art contest: 1st place - Clinton Walker and his crew did an outstanding job on this year’s project and won first place.

The cooking contest: Manny and his crew win 1st place in the dessert with a brownie cookie and 3rd place in Chicken. They also won 4th in ribs, 5th in brisket and 7th in open protein.

Lake Jackson won 3rd place overall.

DECLARATION OF CONFLICTS OF INTEREST

There were none.

CONSENT AGENDA

1. Approval of minutes – May 15, 2023 & May 22, 2023 (Workshop)
2. Accept Board and Commission minutes:
 - a. Library - 111522
 - b. HOT Committee – 030723
 - c. KLJB – 041823 & 042523
3. Authorize the city manager to execute an interlocal agreement with the City of Richwood for police and fire dispatch services.
4. Award a one-year contract extension to Thompson Consulting Services for disaster debris management and monitoring services with a price adjustment of 2.21%.
5. Approve a contract amendment with Recana to allow temporary employees to operate city vehicles and motorized mobile equipment.
6. Resolution No. 921 amending Policy No. 703 Tuition Reimbursement to include when employees must reimburse the city and maintain a minimum Personal Leave.

On motion by Councilmember Singhania, seconded by Councilmember Seth with all present members voting "aye," the consent agenda was approved as follows:

1. Approval of minutes – May 15, 2023 & May 22, 2023 (Workshop) - **Approved**
2. Accept Board and Commission minutes: **Accepted**
 - a. Library - 111522
 - b. HOT Committee – 030723
 - c. KLJB – 041823 & 042523
3. Authorize the city manager to execute an interlocal agreement with the City of Richwood for police and fire dispatch services. – **Approved**
4. Award a one-year contract extension to Thompson Consulting Services for disaster debris management and monitoring services with a price adjustment of 2.21%. – **Approved**
5. Approve a contract amendment with Recana to allow temporary employees to operate city vehicles and motorized mobile equipment. – **Approved**
6. Resolution No. 921 amending Policy No. 703 Tuition Reimbursement to include when employees must reimburse the city and maintain a minimum Personal Leave. – **Adopted**

DISCUSS RFP RESULTS AND AWARD CONTRACT FOR HEALTH INSURANCE TO TML HEALTH

Mr. Sanchez noted only one RFP was received and it was from the city's current carrier. He noted after negotiations the rate went up 11.37 percent from the current rate.

The current rate is \$649.18 per employee, and it went up to \$722.96 per employee.

This rate is what the city pays for health insurance per employee, per month. The increase is based on City Council Minutes

previous claims.

Councilmember Blanchard expressed his concerns about the unaffordable rates for city employees. Councilmember Seth noted that she works in the health industry and these rates are very common.

Mr. Mundo stated it had been a while since the city went out for an RFP and noted the city can go out every year to see if it receives something better. He also explained there was an increased number of claims the past two years that affected the city's rate. Mr. Mundo also mentioned that Mr. Sanchez was instrumental in contracting with the county for the clinic. Employees can take their dependents even if they are not carried on their insurance to the clinic. The clinic will not take children under the age of two.

The current monthly rates that employees are paying now without the increase are as follows:

- Spouse - \$668.66
- Children - \$493.40
- Family - \$1265.88

This is on top of what the city pays at \$649.18 per employee.

Mr. Mundo noted the employees can pay up to \$15 a month and as low as \$5 per month if they do a Health Risk Assessment (HRA). Mr. Sanchez noted 92% of employees take advantage of the HRA.

Mayor Roznovsky asked if it was beneficial to go through TML for insurance because it sounds like they are negotiating the rates at our employee levels rather than all employees from cities in the health pool. Mr. Sanchez stated it works out better because there is negotiating power.

Mr. Sanchez restated this year it came down to the number of claims in the past 18 – 24 months. Mr. Sanchez noted the health insurance is a nationwide problem.

Councilmember Seth asked if employees had flexible account options. Mr. Sanchez said they do.

Councilmember Blanchard asked how the RFPs are sent out. Mr. Sanchez stated the RFP goes into a database that insurance companies see. This is a database that a lot of employer's use. He shared that he had a company come up to him while at a conference. They told him they saw the RFP but did not apply for it.

Mayor Roznovsky asked Mr. Sanchez to think outside of the box and look for solutions that may be more manageable for city employees and their families.

Mr. Sanchez noted when the city entered an agreement with the county clinic, it was the only entity that allows employees to take their dependents to the clinic even if they are not on the employees' insurance.

Mayor Roznovsky noted a need to find a solution for coverage for children under the age of two.

Councilmember Blanchard asked if the city is buying down any of the dependent money. Mr. Mundo replied, no. Mayor Roznovsky stated that buydowns will run up against salaries. It's a give or take, the dollars wanted in salaries or lower insurance. Mr. Sanchez noted when employees were asked, they all

wanted the money in their checks.

Mr. Sanchez stated currently the total dependent coverage is 35 people. There are 21 individuals with child coverage, three with family coverage and 11 with spouse coverage out of 220 employees.

Councilmember Blanchard noted his disapproval. Councilmember Seth stated these rates are not uncommon, and until you deal with insurance lobbyists at the state and federal level, we don't control them, they control us.

Councilmember Seth asked if there was any way to contract with local medical facilities for wellness visits or ER visits. Mr. Sanchez stated the cost that the city pays for the clinic is the better deal.

Councilmember Blanchard would like to see this as a priority to obtain the best deal for employees.

DISCUSS RFP RESULTS AND AWARD CONTRACT FOR ANNUAL AUDIT SERVICES TO BELT HARRIS PECHACEK, LLLP.

Mr. Bryson stated there were three RFP submissions for the audit.

Mr. Bryson informed the city council that according to the GFOA, this is something that should go out every five years. After the bids were received, staff reviewed them and put together the matrix. Based on the qualifications and the presentations that were received, the decision of staff is to recommend Belt Harris Pechacek, LLLP.

The cost difference is not much, they were all about \$55,000 for the audit. There is a single audit cost and the ACFR that are put together. The cost differential between the current provider and Belt Harris Pechacek is about \$10,000. Mr. Bryson stated the cost is approximately \$65,000, which is about normal.

Mayor Roznovsky asked if the \$10,000 difference is worth bringing in a new firm. Mr. Bryson noted that having a firm for 32 years allows a level of complacency to sneak in. If it does not work out, the city could always go back to a previous firm. Mr. Bryson noted the current firm is going through changes.

Mr. Mundo noted the audit is for the city council. Councilmember Singhania stated he is in favor of switching to a new company and putting a fresh set of eyes on the books.

Councilmember Singhania motioned to accept the recommendation from Mr. Bryson to award the contract for annual audit services to Belt Harris Pechacek, LLLP, seconded by Councilmember Baker with all present members voting "aye," motion carried.

DISCUSS CAPITAL IMPROVEMENT PROJECTS

Mr. Mundo stated the only thing noted from the workshop was confirming the number for the Mulberry ditch improvements. Mr. Aguirre confirmed to stay with the \$250,000 that has been budgeted. With Mr. Mia on board, staff will look at the utility fund projects to see if there is anything that needs to be added.

Mayor Roznovsky asked if there is something that comes up that needs a lot of discussion, that it be done before the July workshop.

DISCUSS AND CONSIDER THE APPOINTMENT OF CANDIDATES TO THE VARIOUS BOARDS AND COMMISSIONS

Mayor Roznovsky noted the BWA Representative will be handled later in an interview.

On motion by Councilmember Seth, seconded by Councilmember Singhania with all present members voting “aye,” the following reappointments were made:

KLJB	Celeste Rogers, Darren Merritt and Stacey Lewis
Planners	Locke Sanders and Kay Aplin
Parks & Recreation	Debra Perry, Elaine Conley and Nicole Larson
Traffic	Doug Smith, Jay Foster and Shannon Biar
LJDC	Ariel Lara and David Bacica
Library	Mary Meyers

On motion by Councilmember Seth, seconded by Councilmember Broaddus with all present members voting “aye,” the following new appointments were made:

ZBA	Kacey Roman and David Coburn
KLJB	Ande Larsen, Jeri Yenne, Hali McCurry and Michelle Wetzel
Library	Shon Baker
Planners	Cotton Tyler
LJDC	Gerald Roznovsky and Jon Baker (actual members)
Charter Review	Bill Yenne, Amy Tasto, Will Brooks, Lisa Pauls and Mark Swirsky

APPOINT CITY COUNCIL MEMBERS TO SERVE AS COUNCIL LIAISONS TO THE VARIOUS BOARDS AND COMMISSIONS

Mayor Roznovsky stated the council liaisons will remain the same with adding Councilmember Seth to the Charter Review Commission for 2023. Below is a list of the appointments.

BOARD	COUNCIL LIAISON
Library	Vinay Singhania
Board of Health	Rhonda Seth
Museum Board	Mayor Roznovsky and Matt Broaddus
YAC	Matt Broaddus
ZBA	Jon Baker
Parks	Chase Blanchard
Traffic	Matt Broaddus
KLJB	Rhonda Seth
Planners	Vinay Singhania
DSDB	Mayor Roznovsky
Charter Review	Rhonda Seth
EMS	Rhonda Seth
Animal Shelter	Mayor Roznovsky
HOT	Mayor Roznovsky

HGAC	Mayor Roznovsky and Vinay Singhania (Council approved on 9/22 for 2023)
LJDC	Mayor Roznovsky and Jon Baker

NEW BUSINESS UPDATES

Mr. Walton went over the new business update list and noted that Home2 Suites is under construction. He also noted that the actual tenant improvement for Cavender's is almost ready for permitting. The Villa's apartments behind Buc-ee's will start construction up again. Mr. Walton did not know exactly what the difficulties are, but he knows there were delays in financing and material.

Mr. Walton noted a permit can be revoked if there is an error in the issuance or if the project has been suspended for a period of 180 days.

Councilmember Singhania inquired how an item ends up on the list provided. Mr. Walton stated it is usually commercial projects that the community is interested in.

CITY MANAGER UPDATES

a. Free Chlorine Conversion – June 6 to June 27.

Deb Webb gave an update on the conversion. This is done semi-annually in December and June. This conversion will be longer than the December one. It will be a three-week conversion starting tomorrow, June 7. The conversion will start on the north side of Oyster Creek Drive for three nights, then the south side of Oyster Creek Drive will start for three nights.

Mayor Roznovsky asked if the conversions can be changed to different times. Ms. Webb said this year it was moved back about a week and a half to accommodate for the holidays. BWA applies for the permit from TCEQ, and the city follows along. It was noted that families are home for the holidays and people want to be home for the holidays.

Councilmember Singhania stated these paints a bad picture when families come to visit LJ and notice the quality of water.

b. Council meeting action item summary.

1. Notify all board members of reappointments and new appointments.
2. Follow up with Free Chlorine dates.

CONSTRUCTION UPDATES

Mr. Aguirre gave an update and noted the downtown construction has now been pushed to July for a completion date. Mr. Aguirre noted that staff is in communication with the contractor.

Councilmember Seth asked why the city could not apply pressure to the contractor. Mr. Aguirre stated the contractor does not have enough personnel. Staff have been calling the contractors, but there is no financial pressure to apply.

Councilmember Singhania noted the construction is looking good, but there is a large truck blocking an entrance at the old First National Bank. Mr. Aguirre stated there shouldn't be any parking there and it will be marked off.

Councilmember Broaddus asked about the convenience center. Mr. Aguirre stated it should be open by Thursday or Friday if everything goes as planned.

Councilmember Blanchard asked if there is anything that can be written in the contracts that there could be a financial burden if a project is not completed by a certain date. Councilmember Broaddus noted what usually ends up happening is the contractor will work that into the price. It's best to try to work with them.

Ms. Hyden gave an update on recreation projects.

ITEMS OF COMMUNITY INTEREST

- Councilmember Blanchard thanked the city council for the grace allowing him to attend a funeral for a close friend.
- Councilmember Seth noted the KLJB cleanup is scheduled for Saturday at 8:00 a.m.
- Councilmember Broaddus congratulated his parents on their 50th Wedding Anniversary.

EXECUTIVE SESSION – Mayor Roznovsky adjourned into executive session at 8:11 p.m.

RECONVENE TO OPEN SESSION – Mayor Roznovsky reconvened to open session at 8:25 p.m.

ADJOURNMENT

There being no further business, this meeting adjourned at 8:25 p.m.

These minutes read and approved this 19 day of June 2023.

Sally Villarreal, City Secretary

Gerald Roznovsky, Mayor