

A meeting of the Groves City Council was held June 17, 2024, in the Groves City Council Chamber with Mayor Chris Borne, Mayor Pro Tem Mark McAdams, Councilmember Rhonda Dugas, and Councilmember Pete Konidis in attendance. Councilmember Paul Oliver was not present. Mayor Borne called the meeting to order and welcomed the attendees. Mayor Pro Tem McAdams led the prayer and pledge of allegiance.

DELIBERATE AND ACT TO APPROVE THE MINUTES OF THE JUNE 3, 2024, CITY COUNCIL MEETING AND JOINT PUBLIC HEARING: Councilmember Konidis moved to deliberate and act to approve the minutes of the June 3, 2024 City Council Meeting and Joint Public Hearing as written and Mayor Pro Tem McAdams seconded. Mayor Borne asked for discussion and there was none. Motion passed unanimously.

RECEIVE THE MINUTES OF THE JUNE 3, 2024 PLANNING AND ZONING MEETING: Mayor Borne asked Council if everyone had received a copy of the June 3, 2024 Planning and Zoning Meeting and everyone stated they had.

HEAR AND DELIBERATE ON A PROCLAMATION DECLARING JUNE 17, 2024, AS NATIONAL WASTE WORKERS DAY: Mayor Borne then presented a proclamation to one of the five City of Groves Waste Workers; Mathew McKinney. The City of Groves also recognized those that were not able to attend: Mark Bullock, Brandan Charles, Wayne Pate, and Clint Woods.

Mayor Borne asked for reports and there were none. He then asked for citizen comments. Jerry Hebert of 4801 Pure Atlantic Road stated that he had received a relatively high bill and was told that his bill had been estimated since last October. Mr. Hebert stated that 9 months of estimating is too long. Mr. Hebert then stated he just wanted Council to know what has been happening. Mayor Borne thanked everyone for their comments.

DELIBERATE AND ACT ON ORDINANCE 2024-07 SUSPENDING THE RATES PROPOSED BY TEXAS GAS SERVICE COMPANY'S RATE INCREASE FILING OF June 3, 2024: Mayor Pro Tem Mark McAdams made a motion to deliberate and act on Ordinance 2024-07 suspending the rates proposed by Texas Gas Service Company's rate increase filing of June 3, 2024. Councilmember Dugas seconded. City attorney Brandon P. Monk then read the caption as follows: "Ordinance of the City of Groves, Texas authorizing the suspension of the effective date for an additional ninety (90) days beyond the effective date proposed by Texas Gas Service Company, a division of One Gas, Inc. in connection with its statement of intent to increase rates within the incorporated areas of the Central – Gulf Service Area, filed

on June 3, 2024; authorizing the hiring of lawyers and rate experts; authorizing the City's participation to the full extent permitted by law at the railroad commission of Texas; requiring reimbursement of municipal rate case expenses; finding that the meeting complies with the open meetings act; making other findings and provisions related to the subject; and declaring an effective date." Councilmember Dugas asked City Attorney Brandon P. Monk if we do this every year and Mr. Monk stated that we do. City Manager Kevin Carruth stated that anytime Texas Gas Service applies for a rate increase or a GRIP increase, we go through this exercise where we contest it. The City also participates in a committee with other cities where we all hire rate counsel. Mr. Carruth also stated that all of those fees are reimbursable by the gas company. Mr. Carruth informed Council that it always results in a reduction of whatever the gas company asks for and if we do not contest this rate increase then the average residential bill will go up by \$6.26. Mr. Carruth then reiterated that every time we contest the rate increase it always results in a reduction and it is no cost to the city because of the reimbursement by the gas company. Councilmember Dugas asked if Mr. Carruth means a reduction of the rate of what the gas company is wanting and he stated that is correct. There were no further questions and the motion passed unanimously.

DELIBERATE AND ACT ON ORDINANCE 2024-08, AUTHORIZING A SPECIFIC USE PERMIT FOR GAMING MACHINES & GAME ROOMS AT 5235 39TH ST:
Councilmember Dugas made a motion to deliberate and act on Ordinance 2024-08, authorizing a specific use permit for Gaming Machines & Game Rooms at 5235 39th St. and Councilmember Konidis seconded. City Attorney Brandon P. Monk then read the caption as follows: "The remaining caption providing that no other portions of the zoning ordinance shall be affected hereby; providing for publication by publishing the caption only; and providing an effective date." Councilmember Dugas stated that the applicant for this has done everything that P&Z has asked of them and has followed all of the rules. Councilmember Dugas asked if Building Official Don Pedraza has anything to add and Mr. Pedraza stated he does not. There were no further questions and the motion passed unanimously.

INVOICES: City Manager Kevin Carruth presented invoices for payment totaling \$75,921.51 as follows:

1. City of Port Arthur	Landfill fees 4/26/24 - 5/24/24.	\$15,645.00
2. LED Lighting Solutions	Flashing perimeter LED "Stop" signs.	\$5,550.11

3. Lower Neches Valley Authority	Raw water purchased.	\$25,867.60
4. Pump Solutions, Inc.	Replacement waste basin pump.	\$6,564.00
5. PVS DX, INC	CL ² and SO ² for Waste Water Plant.	\$12,861.60
6. Univar Solutions	Sodium hydroxide for PH adjustments.	\$9,433.20

Councilmember Konidis made a motion to deliberate and act on the June 17, 2024, invoice list and Mayor Pro Tem McAdams seconded. Councilmember Dugas asked about the total for the Lower Neches Valley Authority because when she adds the pricing up it does not match and she was shown that the other prices were for different invoices. Mayor Borne asked if the replacement of the waste basin pump was planned or an emergency and Public Works Director Troy Foxworth stated it was an emergency. There were no further questions and the motion passed unanimously.

Council then took a small recess at 5:22 p.m. and returned at 5:37 p.m.

HEAR AND DELIBERATE ON PRESENTATION OF FY 2024 – 2025 WATER AND WASTEWATER RATE STUDY: City Manager Kevin Carruth introduced Matthew Garrett from NewGen Strategies and Solutions and informed Council that he will be presenting the presentation tonight. Mr. Garrett then went over the key objectives of FY 2024- 2025 study, key assumptions, projected revenue requirement, financial outcomes under current structure rates and proposed rates, impact on bills, and next steps. (See attached).

Mayor Borne then asked for clarification regarding the tiered plan approach and will it help capture more of a market for people who use water excessively and Mr. Garrett responded yes it would be more revenue per unit for those households. Mayor Borne then stated so by doing that then your projected revenues are going to go down because then they are using less water which would affect the proposed income from the rate change. Mayor Borne then asked if we would see the savings from that from the water purchased and City Manager Kevin Carruth stated that would go back to our infrastructure needs with what the state requires on the plant side. Mr. Carruth then explained that means if they reduce their consumption because they don't want to pay the higher rate then we would not have to spend more on the infrastructure

side. Mr. Carruth also explained that if they want to continue to use a lot of water then that's ok too because we could take that money to increase the infrastructure. Mr. Garrett also stated that NewGen did assume some elasticity of demand so for every 10% change in our rates that the customers may reduce consumption by 2 ½%. Councilmember Dugas stated that we could see a fluctuation in all of the tiers not just the high consumption one.

Mayor Pro Tem McAdams asked how often we needed to reevaluate the rates and Mr. Carruth stated that he would recommend every year. Mayor Borne asked if we charge the same minimum for residential and commercial customers and Mr. Garrett stated that we do. Mayor Borne then asked if there is a reason that can't be changed because most utilities don't. Mr. Garrett replied that there is nothing compelling the city to maintain that but right now that's the current practice and we have this plus some other recommendations probably in the future, but we are currently taking it one step at a time.

Mayor Pro Tem McAdams asked what Mr. Garrett sees in other cities concerning business accounts versus residential accounts. Mr. Garrett stated he has seen some cities that charge more for the business accounts and that would be at the discretion of Council. City Manager Kevin Carruth then informed Council that we have approximately 7,200 water customers and of that about 385 of those are commercial. Mr. Carruth also stated that of those 385 commercial accounts almost all of them are retail.

Mayor Borne asked Mr. Garrett when he would need to hear back from us to be able to put the plan in place and Mr. Carruth stated that would come down to the budget process. Mayor Borne stated that he would be willing to sit through a workshop to be able to discuss this a little further. There were no further questions.

Mayor Borne asked for Councilmember Comments and there were none.

There was no further business and the meeting was adjourned at 6:27 p.m.



Mayor

ATTEST:



City Clerk

