

**CITY OF INGLESIDE ON THE BAY
SPECIAL CITY COUNCIL MEETING
WORKSHOP WITH THE CITY OF INGLESIDE
March 6, 2008**

I. City Council Workshop was called to order by Mayor Kemp, City of Ingleside at 6:00 p.m.

II. Mayor Kemp gave the invocation

III. Mayor Kemp led the Pledge of Allegiance

IV. Workshop with the City of Ingleside Mayor and City Council regarding Wastewater rates.

Jim Gray reviewed the time line of the past letters between the two Cities concerning the wastewater rate increase, the ordinance passed by Ingleside on the Bay (IOB) concerning the charges of IOB wastewater and the fact of proportional costs considered as per the contract. If the Cities can not come to an agreement the next step would be arbitration or the Court system.

Clarifications of what rates were currently being billed by both cities were discussed. Alderman Gillespie stated after thinking things through he does not agree with the one to one rate in the IOB Ordinance for Ingleside. IOB should pay a fair portion of the operating and maintenance (O&M) of the Ingleside system. He would like the cities to consider a percentage system for the billing.

Mayor Foster clarified sections of the contract concerning arbitration, time lines for notifications and percentage of costs. IOB does not wish to go beyond the two cities to come to an agreement. The initial payment for the capital buy-in was never discussed or the over payment of that amount and how it would be addressed. The contract covered the additional hook-ups on the IOB system. A proportional usage of the system by the contract is currently being paid. The rate set in the contract is a rate to use as a beginning figure.

Discussion of Ingleside buying into IOB was held.

Mr. Gray stated Ingleside's current bill for the wastewater is \$28.20 for its residents, since IOB uses approximately 10% of sewer, IOB's cost should be 10% of their resident's cost, or approximately \$2.82. The rate study report from Naismith was discussed. Paul Baen explained how the rate study came about; the rate analysis is by Naismith standards.

Mayor Foster explained her views of the rate study and her past questions concerning the rate study costs, particularly the salary amount charged to the utility cost.

Discussion occurred concerning how Ingleside figures their finances concerning their costs, whether IOB should pay 100% of Ingleside's costs, IOB's own O&M, IOB employees to pay, costs of processing the waste, the current costs and possible new rates from Ingleside in the near future.

Leona Robbins stated her views of the history of when IOB incorporated and when the system was installed in IOB. Willie Vaden stated his views of the same time frame.

Mr. Gray stated costs have gone up.

Mayor Foster stated that with the information now provided as to how the \$2.82 charges were arrived at, it made sense. She further stated that the 10% charge seemed to follow the intent and language of the contract between the cities that spoke of allowances for future increases. Mr. Gray asked that IOB reconsider our ordinance charging out of city residents the same as our residences, and in his opinion we should charge the same \$2.82 for the wastewater charge, and that amount would be credited on the bill for IOB.

March 6, 2008

Steve Diehl stated the contract cost of \$1.40 should have been increased annually and was not. He further stated that it was apparent that during the meeting Mr. Gray and Mayor Foster had come together in their understanding of each cities position and were having a meaningful exchange and dialogue and that in light of that, he suggested that the meeting be adjourned and that Mayor Foster and City Manager Jim Gray continue the discussions at a later date. All agreed the information shared between the cities will work for both cities. Mayor Kemp stated she would like to see a representative from IOB at their Council meetings. Mayor Foster stated she would like to see more workshops between the cities.

V. Mayor Kemp adjourned the workshop at 7:02 p.m.

Respectfully submitted & attested:

Approved:

Diane Hosea
City Secretary

Cynthia B. Foster
Mayor