



**CITY OF FAIR OAKS RANCH
AGENDA – CITY COUNCIL REGULAR MEETING**

October 18, 2018, 6:30 PM
City Hall Council Chambers
7286 Dietz Elkhorn, Fair Oaks Ranch

I. OPEN MEETING

- A. Roll Call – Declaration of a Quorum
- B. Pledge of Allegiance.

II. CITIZENS and GUEST FORUM / PRESENTATIONS

To address the Council, please sign the Attendance Roster located on the table at the entrance of the Council Chamber. In accordance with the Open Meetings Act, Council may not discuss or take action on any item which has not been posted on the agenda.

- A. Presentation of Employee Service Award.
- B. Award presentation to the winners of the Wildlife Education Committee Photo Contest. Pg. 3
- C. Citizens to be heard.

III. CONSENT AGENDA

All of the following items are considered to be routine by the City Council, there will be no separate discussion on these items and will be enacted with one motion. Items may be removed by any Council Member by making such request prior to a motion and vote.

- A. Approval of October 4, 2018 at 6:30 PM Regular City Council Meeting Minutes. Pgs. 4-5
- B. Approval of a Resolution authorizing the City Manager to execute Internal Revenue Service Form 2848 "Power of Attorney and Declaration of Representative". Pgs. 6-8
- C. Approval of Resolution re-affirming the City's Investment Policy. Pgs. 9-14
- D. Approval of gift/donations associated with the 30th Anniversary City Celebration Sponsorships. Pg. 15

IV. DISCUSSION/CONSIDERATION ITEMS

- A. Discussion and possible action authorizing the City manager to sign a professional services agreement with Patti Engineering.
Julio Colunga, Public Works Superintendent Pgs.16-30
- B. Discussion and possible action on the First Reading of an Ordinance amending Chapter 3, Building Regulations, Article 3.16 Board of Appeals, Section 3.16.005 providing for an extension of the time between filing of an appeal to the building Codes and the hearing; and Article 3.01, General Provisions, Sections 3.01.002 and 3.01.006 clarifying the administrative review process.
Jim Earl, Building Official Pgs. 31-36
- C. Discussion and presentation regarding the creation of a Cross Connection Control and Backflow Prevention Program. Adrian Garcia, P.E., Mgr. of Engineering Services,
Melissa Castro, Environmental Compliance Manager Pgs. 37-53

D. Discussion regarding easement negotiations within the Arbors development.

Pg. 54

Tobin Maples, City Manager

V. REPORTS FROM STAFF / COMMITTEES / COUNCIL

A. Quarterly Investment Report

Pgs. 55-58

VI. CONVENE INTO EXECUTIVE SESSION

Pursuant to Section 551.101 of the Open Meetings Act, Texas Gov't Code, a quorum of the governing body hereby convenes into closed session:

A. 551.071 (Consultation with Attorney) - Cause No. 2018-CI-00202; the City of Fair Oaks Ranch, Texas vs Edward I. Hill, Robert E. Heckendorn, Craig M. Luitjen, Roger Fuentes, Wesley A. Pieper, Esther W. Hicks, William A. McDowell, Yolanda D. Ayala, PG Pfeiffer Ranches LLC, Maureen Pfeiffer Stevenson Family Trust.

VII. RECONVENE INTO OPEN SESSION

VIII. ADJOURNMENT

Requests for City topic needing additional information/research; or, potential consideration for a future agenda.

Signature of Agenda Approval: _____



I, Christina Picioccio, City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the city's website www.fairoaksranchtx.org, both places being convenient and readily accessible to the general public at all times. Said Notice was posted by 5:00 PM, October 15, 2018 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Fair Oaks Ranch City Hall is wheelchair accessible at the side entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary's office at (210) 698-0900. Braille is not available. The City Council reserves the right to convene into Executive Session at any time regarding an issue on the agenda for which it is legally permissible; pursuant to *Texas Government Code* Chapter 551. Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).



CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
October 18, 2018

AGENDA TOPIC: Award Presentation to the Winners of the Wildlife Education Committee Photo Contest

DATE: October 18, 2018

DEPARTMENT: Administration

PRESENTED BY: Wildlife Education Committee

INTRODUCTION/BACKGROUND:

The Wildlife Education Committee, in their continued efforts to increase citizen awareness of wildlife in Fair Oaks Ranch, hosted a Wildlife Photography Contest. The contest opened in August 2018 to all residents of the City and, was promoted through various mediums. Submitted photographs had to have been taken in Fair Oaks Ranch and had to illustrate living with wildlife.

Of the twenty-six photographs submitted, the following are the winners:

1 st Place	Skip Shumpes
2 nd Place	Al Koppen
3 rd Place	Brent Holmes

Honorable Mentions: Dale Schweers, Natalie Mathes and Julie Rey

Announcement of the winners, along with a display of canvas prints of their winning photographs, was made at the City's 30th Anniversary Celebration. Tonight, the Committee is here to honor the awardees with a gift and also to present a gift of appreciation to the City Council.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

1. An education opportunity on coexisting with nature
2. Citizen understanding and appreciation for the rich wildlife enjoyed in Fair Oaks Ranch
3. Citizen participation in a city-sponsored event

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

N/A

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

N/A

**CITY OF FAIR OAKS RANCH
CITY COUNCIL MEETING MINUTES
October 4, 2018
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015**

I. OPEN MEETING

A. Roll Call – Declaration of a Quorum

Present: Mayor Manitzas, Mayor Pro Tem Havard
Council Members: Elizondo, Koerner, Maxton, and Patel

Absent: Council Member: Hartpence

With a quorum present, Mayor Manitzas called the regular City Council meeting to order at 9:30 AM.

B. The Pledge of Allegiance was led by Police Chief Rubin.

II. CITIZENS and GUEST FORUM / PRESENTATIONS

A. Mayor Manitzas presented the Employee of the Quarter Award to Director of Human Resources and Communications, Kim Stahr.

B. Mayor Garry Manitzas presented Certificates of Appreciation to the following city employees in the Public Works Department: Jim Aguilar, Bill Champion, Matt Davila, Mike Davis, Steven Fried, Brandon Garretson, William Poole, and Juan Vasquez for their outstanding performance and dedication to the citizens of Fair Oaks Ranch.

C. There were no citizens to be heard.

III. CONSENT AGENDA

A. Approval of September 13, 2018 at 6:30 PM Special City Council Meeting Minutes.

B. Approval of September 20, 2018 Regular City Council Meeting Minutes.

C. Approval of September 24, 2018 Special City council Meeting Minutes.

D. Approval of Mayor Pro Tem Havard's absence for the September 20, 2018 City Council Meeting.

E. Approval of a Resolution authorizing the City Manager to execute Internal Revenue Service Form 2848 "Power of Attorney and Declaration of Representative".

F. Approval of a Resolution amending the authorized representatives to the City's safe deposit box.

Council Member Elizondo requested that Item E be deferred to the next meeting.

The Mayor presented the remaining items in the Consent Agenda and with no discussion, the Consent Agenda was approved by unanimous consent.

IV. DISCUSSION/CONSIDERATION ITEMS

A. Discussion and possible action authorizing the City Manager to sign a Memorandum of Understanding to evaluate Regional Wastewater Treatment Options between the City of Boerne, the City of Fair Oaks Ranch, and the Guadalupe-Blanco River Authority.

MOTION: Made by Council Member Elizondo, seconded by Council Member Patel to authorize the City Manager to sign the Memorandum of Understanding to Evaluate Regional Wastewater Treatment Options between the City of Boerne, The City of Fair Oaks Ranch, and the Guadalupe-Blanco River Authority.

VOTE: 6-0; Motion Passed.

B. Discussion and possible action on approving Tree Preservation Plan for Comal County Unit 15 (River Valley Unit 2).

MOTION: Made by Mayor Pro Tem Havard, seconded by Council Member Elizondo to approve the Tree Preservation Plan for the proposed subdivision Comal County Unit 15 (River Valley, Unit 2).

VOTE: 6-0; Motion Passed.

V. REPORTS FROM STAFF / COMMITTEES / COUNCIL

- A. Council Member Patel provided an overview of the Texas Environmental Superconference she attended.
- B. Kim Stahr, Director of Human Resources and Communications, provided a recap of the City's 30th Anniversary Celebration.

VI. CONVENE INTO EXECUTIVE SESSION

City Council did not convene into closed session regarding:

- A. Cause No. 2018-CI-00202; the City of Fair Oaks Ranch, Texas vs Edward I. Hill, Robert E. Heckendorn, Craig M. Luitjen, Roger Fuentes, Wesley A. Pieper, Esther W. Hicks, William A. McDowell, Yolanda D. Ayala, PG Pfeiffer Ranches LLC, Maureen Pfeiffer Stevenson Family Trust.

VII. RECONVENE INTO OPEN SESSION

Not applicable.

VIII. ADJOURNMENT

Council Member Patel requested an update from staff regarding future placement of a water tower.

Mayor adjourned the City Council meeting at 10:20 AM.

ATTEST:

Garry Manitzas, Mayor

Christina Picioccio, City Secretary



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

October 18, 2018

AGENDA TOPIC: Consideration and possible action authorizing the City Manager to execute Internal Revenue Services Form 2848 "Power of Attorney and Declaration of Representative"

DATE: October 18, 2018

DEPARTMENT: Finance

PRESENTED BY: Sarah Buckelew, Finance Director (Consent Agenda)

INTRODUCTION/BACKGROUND:

IRS Form 2848 "Power of Attorney and Declaration of Representative" is used to authorize an individual to represent a tax payer before the IRS.

Explicitly, the IRS will generally not discuss tax matters specific to an individual filing over the phone unless there is a Form 2848 on file with the IRS, even if the individual is an employee of the taxpayer. Form 2848 also gives authority for an individual employee or paid tax preparer to sign a tax return on behalf of the taxpayer. The Finance Director is not currently legally authorized to execute legal agreements or legal documents on behalf of the City. This authorization would give the Finance Director the authority to sign specified tax returns and communicate with the IRS on behalf of the City.

The executed Form 2848 would give the Finance Director, currently Sarah Buckelew, the following authorities:

1. To perform acts the City can perform with respect to the following explicitly stated tax matters for tax years 2015-2021:
 - a. Form 941 Employers Quarterly Federal Tax Return
 - b. Form W-2 Wage and Tax Statement
 - c. Form W-3 Transmittal of Wage and Tax Statements
 - d. Form 1099 Reportings
 - e. Form 1096 Transmittals
2. To access City and Fair Oaks Ranch IRS records via intermediate service providers, authorize disclosure to third parties, substitute or add representatives, sign a tax return, and file all tax returns, financial documents, and payroll documents.
3. To receive copies of all notices and communications sent to the City by the IRS.

The IRS form 2848 only gives authorization for explicitly stated tax matters or returns for specified years. The form only allows authorization to be granted for a maximum of 3 years into the future from the current tax year. Therefore, the form must be renewed and refiled with the IRS every 3 years. The attached resolution would give the City Manager the authority to renew the Form 2848 every 3 years, and/or as warranted.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Giving the Finance Director responsible for tax preparations the authority to speak directly with the IRS regarding filings is the most expeditious way of handling any issues that may arise.

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

None

LEGAL ANALYSIS:

The proposed Form 2848 has been reviewed by the City Attorney's office. The form has not been attached to the agenda item as it contains taxpayer identifying information.

RECOMMENDATION/PROPOSED MOTION:

Approval (Consent Agenda)

A RESOLUTION

OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE INTERNAL REVENUE SERVICES FORM 2848 "POWER OF ATTORNEY AND DECLARATION OF REPRESENTATIVE"

Whereas, the Internal Revenue Service requires Form 2848, "Power of Attorney and Declaration of Representative" to be submitted authorizing an individual to represent the City of Fair Oaks Ranch before the IRS; and,

Whereas, the City Council of the City of Fair Oaks Ranch desires to authorize the city's Finance Director as its representative to the Internal Revenue Service.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Manager is hereby authorized to execute, on behalf of the City, IRS Form 2848, "Power of Attorney and Declaration of Representative" in favor of Sarah Buckelew, Finance Director of the City of Fair Oaks Ranch, granting articulated power and authorities as per Form 2848 on behalf of the City.

Section 3. The City Manager is authorized to renew the Power of Attorney every 3 years and/or as warranted.

Section 4. The City's representative is not authorized to endorse or otherwise negotiate any check issued for refund by the federal government.

Section 5. This Resolution shall be effective upon its passage and approval.

PASSED and APPROVED on this 18th day of October, 2018.

Garry Manitzas, Mayor

ATTEST:

Christina Picioccio, City Secretary



CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
October 18, 2018

AGENDA TOPIC: Approval of Resolution re-affirming the City's Investment Policy
START/END DATE: October 18, 2018 – September 30, 2019
DEPARTMENT: Finance
PRESENTED BY: Sarah Buckelew, Finance Director

INTRODUCTION/BACKGROUND:

Pursuant to Government Code §2256.005, City Council shall adopt, annually, a resolution stating the Investment Policy has been reviewed to ensure the highest return and maximum security of the investments of government funds and, record any changes made thereof. At this time, no changes to the Investment Policy are being recommended.

At this time, no changes are recommended to the overall Financial Management Policy. The purpose of this resolution is to comply with Government Code §2256.005 by reaffirming the Investment Policy only.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

1. Complies with Government Code and requirements under the Public Fund Investment Act.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

None

LEGAL ANALYSIS:

None required

RECOMMENDATION/PROPOSED MOTION:

Approval (Consent Agenda)

A RESOLUTION

REAFFIRMING THE CITY OF FAIR OAKS RANCH INVESTMENT POLICY FOR THE INVESTMENT OF PUBLIC FUNDS, PROVIDING FOR THE HIGHEST INVESTMENT RETURN, MAXIMUM SECURITY, AND CONFORMING TO ALL STATE/LOCAL STATUTES GOVERNING THE INVESTMENT OF PUBLIC FUNDS

WHEREAS, to ensure the highest investment return, maximum security, and to conform to all state and local statutes governing the investment of public funds, the City Council of the City of Fair Oaks Ranch, Texas adopted a written Investment Policy (“Policy”); and,

WHEREAS, said Policy is Appendix A of the city’s Financial Management Policy; and,

WHEREAS, said Policy was adopted by the Fair Oaks Ranch City Council, with amendments, August 2011 and reaffirmed in 2015; and,

WHEREAS, pursuant to Local Government Code §2256.005, the Fair Oaks Ranch City Council shall adopt, annually, a resolution stating the city’s Investment Policy has been reviewed and, record any changes made thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF FAIR OAKS RANCH, TEXAS, THAT:

After review of the city’s Investment Policy by the Fair Oaks Ranch City Council, as required by Local Government Code §2256.005, no changes to the Investment Policy are made.

PASSED and APPROVED by the City Council of the City of Fair Oaks Ranch, Texas on this 18th day of October, 2018.

Garry Manitzas, Mayor

ATTEST:

Christina Picioccio, City Secretary

	CITY OF FAIR OAKS RANCH POLICY/ADMINISTRATIVE PROCEDURE/ADMINISTRATIVE DIRECTIVE
	Financial Management Policy Appendix A: Investment Policy

It is the policy of the City to invest public funds in a manner which will provide the highest, reasonable investment return with the maximum security of principal while meeting the daily cash flow demands of the City and conforming to all federal, state, and local statutes governing the investment of public funds. It is also the policy of the City that the administration of its funds and the investment of those funds shall be handled as its highest public trust.

The Investment Policy shall be adopted by Resolution as part of the Financial Management Policies. The policy shall be reviewed and adopted by Resolution annually by the City Council.

II. Purpose

The purpose of this policy is to comply with Chapters 2256 and 2257 of the Texas Government Code, which requires City Council to adopt a written investment policy regarding the investment of its funds and funds under its control. The investment policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds.

III. Scope

This investment policy applies to all financial assets and funds of the City. Funds are defined in the City's audited Annual Financial Report. Funds are created by the City unless specifically exempted by the City Council and this policy.

IV. General Objectives

The primary objectives, in priority order, of the City's investment activities shall be safety, liquidity, diversification, and yield.

Safety - Safety of the principal is the foremost objective of the city. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Liquidity - The investment portfolio will remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated.

Diversification - Diversification of the portfolio will include diversification by maturity and market sector.

Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return, taking into account the investment risk constraints and liquidity needs. Market rate of return may be defined as the average yield of the current six month US Treasury Bill. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

Effective cash management is recognized as essential to good fiscal management. Cash Management is defined as process of managing monies in order to ensure maximum cash availability. The City will effectively collect account receivables, practice prudent investment of its available cash, disburse payments in accordance with invoice terms and manage banking services.

V. Prudence

The standard of prudence to be used by investing officials shall be the "prudent person" rule and shall be applied in the context of managing an overall portfolio. This rule states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived."

Limitation of Personal Liability - Investment officials acting in accordance with this policy and in accord with the Prudent Person Rule, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change is reported in a timely fashion and the appropriate action is taken to control unfavorable developments.

Ethics and Conflicts of Interest - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material interests in financial institutions that conduct business with the City. An investment official who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An investment official who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing the relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and City Council.

VI. Delegation of Authority

The city's Finance Officer, acting on behalf of the city, is designated as the Investment Officer of the city. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established procedures and internal controls for the operation of the investment program consistent with this investment policy. The Investment Officer shall be responsible for all investment transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. No person may engage in an investment transaction except as provided under the terms of this policy and established written procedures.

Training - Investment officials must complete at least 10 hours of investment training within 12 months of taking office or assuming duties, and shall attend an investment training session not less than once in a two-year period and receive not less than 10 hours of instruction relating to investment responsibilities.

VII. Internal Controls

The City Manager and Investment Officer are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived and (b) the valuation of costs and benefits requires estimates and judgments by management.

VIII. Safekeeping and Custody

Authorized Financial Dealers and Institutions - The Investment Officer will maintain a list of financial institutions and security broker/dealers authorized to provide investment/depository services.

Those firms that request to become qualified bidders for securities transactions must provide one or more of the following as applicable: audited financial statements, proof of National Association of Security Dealers certification, trading resolution, proof of state registrations, certification of having read the entity's investment policy and depository contracts.

Depository Agreement - The City shall follow Section 105 of the Local Government Code when entering into a depository agreement for normal banking services including disbursements, collections, and safekeeping. Other banking institutions from which the City may purchase certificates of deposit will also be designated as a depository.

Delivery vs Payment - All trades with the exception of investment pools and mutual funds will be executed by delivery vs payment to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities and collateral will be held in the City's name by a third-party custodian as evidenced by safekeeping receipts of the institution with which the securities are deposited.

IX. Authorized and Suitable Investments

Eligible Investments - Assets of the City may be invested in the following instruments as authorized by the Public Funds Investment Act (Section 2256). Only those instruments listed in this section are authorized and will be used as needed to maintain an appropriate diversified portfolio:

1. Local Government Investment Pools which meets the requirements of Chapters 2256.016-2256.019 of the Public Funds Act and are rated no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service.
2. Obligations of the United States or its agencies and instrumentalities.
3. Certificates of Deposit issued by a depository institution that has its main office or a branch in Texas. The CD must be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor and secured by obligations in a manner and amount as provided by law.
4. No-load Money Market Mutual Funds that 1) are registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or fewer, 3) seek to maintain a net asset value of \$1 for share, and 4) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. The City may not invest in money market mutual funds in the aggregate more than 80 percent of its monthly average fund balance.

Collateralization - Collateralization will be required on all funds on deposits with a depository bank, other than investments. In order to anticipate market changes and provide a level of security, the collateralization level will be one hundred two percent (102%) of market value of principal and accrued interest.

X. Investment Parameters

Diversification - See Section IV; General Objectives

Maximum Maturities - To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than 13 months from the date of purchase. Reserve funds may be invested

in securities up to 2 years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

XI. Investment Strategies

The City maintains separate portfolios for individual funds that are managed according to the terms of this Policy. The investment strategy for portfolios established after the annual Investment Policy review and adoption will be managed to ensure that it will meet all the requirements established by the City's investment policy and the Public Funds Investment Act.

The City maintains a pooled fund group that is an aggregation of the majority of City funds including tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, and grants. This portfolio is maintained to meet anticipated daily cash needs for City operations, capital projects and debt service. In order to ensure the ability of the City to meet obligations and to minimize potential liquidation losses, the dollar-weighted average stated maturity of the investment portfolio shall not exceed one (1) year. The objectives of this portfolio are to ensure safety of principal; ensure adequate investment liquidity; limit market and credit risk through diversification; and attain the best feasible yield in accordance with the objectives and restrictions set for in this Policy.

XII. Reporting

Methods - As required by Government Code 2256.023, on a quarterly basis, the Investment Officer shall prepare and submit to the City Council, a written report of investment transactions that have occurred since the previous report and, the market value of current investments.

Performance Standards - The investment portfolio shall be managed in accordance with the objectives specified in this policy (safety, liquidity, diversification, and yield). The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The investment officer shall determine whether market yields are being achieved by comparing the portfolio market yield to the three (3) month U.S. Treasury Bill, the six (6) month U.S. Treasury Bill and the two (2) year U.S. Treasury Note.



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

October 18, 2018

AGENDA TOPIC: Consideration and approval of gift/donations associated with the 30th Anniversary City Celebration Sponsorships.

DATE: October 18, 2018

DEPARTMENT: HR & Communications

PRESENTED BY: Kim Stahr, Director of HR & Communications

INTRODUCTION/BACKGROUND:

The City held its 30th Anniversary City Celebration on September 29, 2018, and received \$17,000 in sponsorships from local businesses including the following:

GVTC	\$5,000	Stone & Soil	\$250
Pape-Dawson	\$2,500	Bolin Plumbing	\$250
Rotary Club	\$2,500	Annie's Apothecary	\$250
AAM	\$1,000	Oak Hills Pest Control	\$250
HEB	\$1,000	AAA Auger Plumbing	\$250
CDM Smith	\$1,000	Fyzical Therapy & Balance Centers	\$250
Freese & Nichols	\$500	Bergheim Pet Hospital & Clinic	\$250
Penguin Suits	\$250	Leon Springs Family Dental	\$250
FOR Living Magazine	\$250	Vintage Reconstruction	\$250
Nurse Next Door	\$250	Frало's	\$250
Rudy's BBQ	\$250		

Section 2.06 of the City of Fair Oaks Ranch Employee Personnel Manual states "employees will not accept gifts or gratuities, except generic gifts given to all for special events, from contractors, vendors, or other persons." Accordingly, City Council consideration and action is required for the acceptance of such gifts.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

The acceptance of these sponsorships provides the City with funds to off-set expenditures for the City Celebration, such as signage, fireworks display and musical talent. The sponsors received name recognition on the City Celebration advertising, signage and/or Fun Run and volunteer shirts.

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

No long-term financial or budgetary impact.

LEGAL ANALYSIS:

City Council has the authority to accept a gift/donation of this nature.

RECOMMENDATION/PROPOSED MOTION:

Approval (Consent Agenda)



CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
October 18, 2018

AGENDA TOPIC: Award Patti Engineering the 2018-2019 Supervising control and data acquisition (SCADA) contracted services

START/END DATE: October 1st, 2018 to September 30th, 2019

DEPARTMENT: Public Works Fair Oaks Ranch Utility

PRESENTED BY: Julio Colunga, Public Works Superintendent

INTRODUCTION/BACKGROUND:

In 2014, the City of Fair Oaks Ranch entered into a performance contract with Siemens Industries to upgrade to an automatic water reading system, updated billing system, and water and wastewater plant upgrades. One of the key upgrades included redesigning the operations of the Utilities Supervising Control and Data Acquisition (SCADA) system, which greatly improved the utilities monitoring and operation capabilities. Since these upgrades were implemented the utility has retained Patti Engineering on an annual contract to provide the utility with 24-hour assistance in the event of a technical emergency and routine maintenance.

This year the proposed contract has been priced at \$26,580.00 to be paid in monthly installments of \$2,215.00. The contract includes 60 hours of Remote services, 24 hours on call hotline with a response time of 1 to 4 hours, and 35 hours of on-site assistance. The proposed agreement is for services in fiscal year 2018-2019, which began October 1, 2018.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Retaining Patti Engineering as the utility's SCADA contractor has proven to be beneficial when issues have occurred that are out of scope of the utility operator's technical skills. This past year they have assisted with several issues at the water and wastewater plants such as VFD controls, Pump issues, Generator issues and worked with RRGP during network upgrades.

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

The utility budgets \$26,580.00 under contract services to cover the cost of such contract.

LEGAL ANALYSIS:

Contractor will be required to sign and adhere the City's Standard Construction Agreement prior to the commencement of work.

RECOMMENDATION/PROPOSED MOTION:

I move to authorize the City Manager to sign a Professional Service Agreement with Patti Engineering for SCADA servicing in the amount of \$26,580.00

CITY OF FAIR OAKS RANCH
STANDARD PROFESSIONAL SERVICES AGREEMENT

THE STATE OF TEXAS §
 §
BEXAR COUNTY §

This Professional Services Agreement (“Agreement”) is made and entered by and between the City of Fair Oaks Ranch, Texas, (the “City”) a Texas municipality, and Patti Engineering, Inc (“Professional”).

Section 1. Duration. This Agreement shall become effective upon execution by the City and shall remain in effect until satisfactory completion of the Scope of Work unless terminated as provided for in this Agreement.

Section 2. Scope of Work.

(A) Professional shall perform the Services as more particularly described in the Scope of Work attached hereto as Exhibit “A”. The work as described in the Scope of Work constitutes the “Project”. Unless otherwise provided in the Scope of Work, the anticipated submittal of all Project deliverables is immediately upon completion of the Project.

(B) The Quality of Services provided under this Agreement shall be performed with the professional skill and care ordinarily provided by competent Professionals practicing in the same or similar locality and under the same or similar circumstances and professional license, and as expeditiously as is prudent considering the ordinary professional skill and care of a competent Professional holding the same professional license.

(C) The Professional shall perform its Services for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.

(D) The Professional may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.

Section 3. Compensation.

(A) The Professional shall be paid in the manner set forth in Exhibit “B” and as provided herein.

(B) *Billing Period:* The Professional may submit monthly, or less frequently, an invoice for payment based on the estimated completion of the described tasks and approved work schedule. Subject to Chapter 2251, Texas Government Code (the “Prompt Payment Act”), payment is due within thirty (30) days of the City’s receipt of the Professional’s invoice. Interest on overdue payments shall be calculated in accordance with the Prompt Payment Act.

(C) *Reimbursable Expenses:* Any and all reimbursable expenses related to the Project shall be included in the scope of services (Exhibit A) and accounted for in the total contract amount in Exhibit “B”. If these items are not specifically accounted for in Exhibit A they shall be considered subsidiary to the total contract amount.

Section 4. Changes to the Project Work; Additional Work.

(A) *Changes to Work:* Professional shall make such revisions to any work that has been completed as are necessary to correct any errors or omissions as may appear in such work. If the City finds it necessary to make changes to previously satisfactorily completed work or parts thereof, the Professional shall make such revisions if requested and as directed by the City and such services will be considered as additional work and paid for as specified under following paragraph.

(B) *Additional Work:* The City retains the right to make changes to the Scope of Work at any time by a written order. Work that is clearly not within the general description of the Scope of Work and does not otherwise constitute special services under this Agreement must be approved in writing by the City by supplemental agreement before the additional work is undertaken by the Professional. If the Professional is of the opinion that any work is beyond that contemplated in this Agreement and the Scope of Work governing the project and therefore constitutes additional work, the Professional shall promptly notify the City of that opinion, in writing. If the City agrees that such work does constitute additional work, then the City and the Professional shall execute a supplemental agreement for the additional work and the City shall compensate the Professional for the additional work on the basis of the rates contained in the Scope of Work. If the changes deduct from the extent of the Scope of Work, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement. Any work undertaken by Professional not previously approved as additional work shall be at risk of the Professional.

Section 5. Time of Completion.

The prompt completion of the services under the Scope of Work is critical to the City. Unnecessary delays in providing services under a Scope of Work shall be grounds for dismissal of the Professional and termination of this Agreement without any or further liability to the City other than a prorated payment for necessary, timely, and conforming work done by Professional prior to the time of termination. The Scope of Work shall provide, in either calendar days or by providing a final date, a time of completion prior to which the Professional shall have completed all tasks and services described in the Scope of Work.

Section 6. Insurance.

Before commencing work under this Agreement, Professional shall obtain and maintain the liability insurance provided for in attached Exhibit C throughout the term of this Agreement and thereafter as required herein.

In addition to the insurance provided for in Exhibit C, Professional shall maintain the following limits and types of insurance:

Professional Liability Insurance: professional errors and omissions liability insurance with limits of liability not less than \$1,000,000 per occurrence covering all work performed by the Professional, its employees, sub-contractors, or independent contractors. If this coverage can only be obtained on a "claims made" basis, the certificate of insurance must clearly state coverage is on a "claims made" basis and coverage must remain in effect for at least two years after final payment with the Professional continuing to furnish the City certificates of insurance.

Workers Compensation Insurance: The Professional shall carry and maintain during the term of this Agreement, workers compensation and employers liability insurance meeting the requirements of the State of Texas on all the Professional's employees carrying out the work involved in this contract.

General Liability Insurance: The Professional shall carry and maintain during the term of this Agreement, general liability insurance on a per occurrence basis with limits of liability not less than \$1,000,000 for each occurrence and for fire damage. For Bodily Injury and Property Damage, coverage shall be no less than \$1,000,000. As a minimum, coverage for Premises, Operations, Products and Completed Operations shall be \$2,000,000. This coverage shall protect the public or any person from injury or property damages sustained

by reason of the Professional or its employees carrying out the work involved in this Agreement. The general aggregate shall be no less than \$2,000,000.

Automobile Liability Insurance: Professional shall carry and maintain during the term of this Agreement, automobile liability insurance with either a combined limit of at least \$1,000,000 per occurrence for bodily injury and property damage or split limits of at least \$1,000,000 for bodily injury per person per occurrence and \$1,000,000 for property damage per occurrence. Coverage shall include all owned, hired, and non-owned motor vehicles used in the performance of this contract by the Professional or its employees.

Subcontractor: In the case of any work sublet, the Professional shall require subcontractor and independent contractors working under the direction of either the Professional or a subcontractor to carry and maintain the same workers compensation and liability insurance required of the Professional.

Qualifying Insurance: The insurance required by this Agreement shall be written by non-assessable insurance company licensed to do business in the State of Texas and currently rated "B+" or better by the A.M. Best Companies. All policies shall be written on a "per occurrence basis" and not a "claims made" form.

Evidence of such insurance shall be attached as Exhibit "C".

Section 7. Miscellaneous Provisions.

(A) *Subletting.* The Professional shall not sublet or transfer any portion of the work under this Agreement or any Scope of Work issued pursuant to this Agreement unless specifically approved in writing by the City, which approval shall not be unreasonably withheld. Subcontractors shall comply with all provisions of this Agreement and the applicable Scope of Work. The approval or acquiescence of the City in the subletting of any work shall not relieve the Professional of any responsibility for work done by such subcontractor.

(B) *Ownership of Documents.* Upon completion or termination of this Agreement, all documents prepared by the Professional or furnished to the Professional by the City shall be delivered to and become the property of the City. All drawings, charts, calculations, plans, specifications and other data, including electronic files and raw data, prepared under or pursuant to this Agreement shall be made available, upon request, to the City without restriction or limitation on the further use of such materials PROVIDED, HOWEVER, THAT SUCH MATERIALS ARE NOT INTENDED OR REPRESENTED TO BE SUITABLE FOR REUSE BY THE CITY OR OTHERS. ANY REUSE WITHOUT PRIOR VERIFICATION OR ADAPTATION BY THE PROFESSIONAL FOR THE SPECIFIC PURPOSE INTENDED

WILL BE AT THE CITY'S SOLE RISK AND WITHOUT LIABILITY TO THE PROFESSIONAL. Where applicable, Professional shall retain all pre-existing proprietary rights in the materials provided to the City but shall grant to the City a non-exclusive, perpetual, royalty-free license to use such proprietary information solely for the purposes for which the information was provided. The Professional may, at Professional's expense, have copies made of the documents or any other data furnished to the City under or pursuant to this Agreement.

(C) *Professional's Seal.* To the extent that the Professional has a professional seal it shall placed on all documents and data furnished by the Professional to the City. All work and services provided under this Agreement will be performed in a good and workmanlike fashion and shall conform to the accepted standards and practices of the Professional's industry. The plans, specifications and data provided by Professional shall be adequate and sufficient to enable those performing the actual work to perform the work as and within the time contemplated by the City and Professional. The City acknowledges that Professional has no control over the methods or means of work nor the costs of labor, materials or equipment. Unless otherwise agreed in writing, any estimates of costs by the Professional are for informational purposes only and are not guarantees.

(D) *Compliance with Laws.* The Professional shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Professional shall furnish the City with satisfactory proof of compliance.

(E) *Independent Contractor.* Professional acknowledges that Professional is an independent contractor of the City and is not an employee, agent, official or representative of the City. Professional shall not represent, either expressly or through implication, that Professional is an employee, agent, official or representative of the City. Income taxes, self-employment taxes, social security taxes and the like are the sole responsibility of the Professional.

(F) *Non-Collusion.* Professional represents and warrants that Professional has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to the City under this Agreement. Professional further agrees that Professional shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from the City pursuant to this Agreement) for any of the services performed by Professional under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to

Professional, Professional shall immediately report that fact to the City and, at the sole option of the City, the City may elect to accept the consideration for itself or to take the value of such consideration as a credit against the compensation otherwise owing to Professional under or pursuant to this Agreement.

(G) *Force Majeure*. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances which are beyond the reasonable control of such party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados] labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

(H) In the case of any conflicts between the terms of this Agreement and wording contained within the Scope of Services, this Agreement shall govern. The Scope of Services is intended to detail the technical scope of services, fee schedule, and contract time only and shall not dictate Agreement terms.

Section 8. Termination.

(A) This Agreement may be terminated:

- (1) By the mutual agreement and consent of both Professional and City;
- (2) By either party, upon the failure of the other party to fulfill its obligations as set forth in either this Agreement or a Scope of Work issued under this Agreement;
- (3) By the City, immediately upon notice in writing to the Professional, as consequence of the failure of Professional to perform the services contemplated by this Agreement in a timely or satisfactory manner;
- (4) By the City, at will and without cause upon not less than thirty (30) days written notice to the Professional.

(B) If the City terminates this Agreement pursuant to Section 5 or subsection 8(A)(2) or (3), above, the Professional shall not be entitled to any fees or reimbursable expenses other than the fees and reimbursable expenses then due and payable as of the time of termination and only then for those services that have been timely and adequately performed by the Professional considering the actual costs incurred by the Professional in performing work to date of termination, the value of the work that is nonetheless usable to the City, the cost to the City of employing another Professional to complete the work required and the time required to do so, and other factors that affect the value to the City of the work performed at time of termination. In the event of termination that is not the fault of the Professional, the Professional shall be compensated for all basic, special, and additional services actually performed prior to termination, together with any reimbursable expenses then due.

Section 9. Indemnification. Professional shall indemnify, defend and hold harmless the City of Fair Oaks Ranch, Texas and its officials, employees and agents (collectively referred to as “Indemnitees”) and each of them from and against all loss, costs, penalties, fines, damages, claims, expenses (including reasonable attorney’s fees) or liabilities (collectively referred to as “Liabilities”) by reason of any injury to or death of any person or damage to or destruction or loss of any property arising out of, resulting from, or in connection with (i) the performance or non-performance of Services contemplated by this Agreement but only to the extent caused by the negligent acts, errors or omissions, intentional torts, intellectual property infringement, or a failure to pay a sub-contractor or supplier committed by Professional or Professional’s agent, consultant under contract, or another entity over which Professional exercises control (whether active or passive) of Professional or its employees, agents or sub-contractors (collectively referred to as “Professional”) (ii) the failure of Professional to comply with any of the paragraphs herein or the failure of Professional to conform to statutes, ordinances, or other regulations or requirements of any governmental authority, federal, state or local, in connection with the performance of this Agreement. Professional expressly agrees to indemnify and hold harmless the Indemnitees, or any one of them, from and against all liabilities which may be asserted by an employee or former employee of Professional, or any of its sub-contractors, as provided above, for which Professional’s liability to such employee or former employee would otherwise be limited to payments under State Workers’ Compensation or similar laws. Nothing herein shall require Professional to indemnify, defend, or hold harmless any Indemnatee for the Indemnatee’s own negligence or willful misconduct. Any and all indemnity provided for in this Agreement shall survive the expiration of this Agreement and the discharge of all other obligations owed by the parties to each other hereunder and shall apply prospectively not only during the term of this Agreement but thereafter so long as any liability could be asserted in regard to any

acts or omissions of Professional in performing Services under this Agreement.

For Professional Liability Claims, Professional shall be liable for reasonable defense costs incurred by Indemnitees but only after final adjudication and to the extent and percent that Professional or Professional's agents are found negligent or otherwise at fault. As used in this Agreement, final adjudication includes any negotiated settlement and release of claims, without limitation as to when a negotiated settlement and release of claims occurs.

Section 10. Notices. Any notice required or desired to be given from one party to the other party to this Agreement shall be in writing and shall be given and shall be deemed to have been served and received (whether actually received or not) if (i) delivered in person to the address set forth below; (ii) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America and sent by certified mail, return receipt requested, and addressed to such party at the address hereinafter specified; or (iii) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.

Section 11. No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party.

Section 12. Severability. If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable.

Section 13. Waiver. Either City or the Professional shall have the right to waive any requirement contained in this Agreement that is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation.

Section 14. Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Bexar County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Bexar County, Texas.

Section 15. Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

Section 16. Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

Section 17. Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

Section 18. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 19. Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Section 20. Entire Agreement. It is understood and agreed that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements or understandings between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally.

Section 21. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

Section 22. Right To Audit. City shall have the right to examine and audit the books and records of Professional with regards to the work described in Exhibit A, or any subsequent changes, at any reasonable time. Such books and records will be maintained in accordance with generally accepted principles of accounting and will be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

23. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271, TEX. LOCAL GOV'T CODE, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties will first attempt to resolve the dispute by taking the following steps: (1) A written notice substantially describing the nature of the dispute shall be delivered by the dissatisfied party to the other party, which notice shall request a written response to be delivered to the dissatisfied party not less than 5 days after receipt of the notice of dispute. (2) If the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. (3) If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

24. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. Professional represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code.

EXECUTED, by the City on this the _____ day of _____, 20____.

CITY:

By: _____
Name: _____
Title: _____

PROFESSIONAL:

By: Patti Engineering, Inc.
Name: Steven Palmgren, PE
Title: VP of Sales & Marketing

ADDRESS FOR NOTICE:

CITY

City of Fair Oaks Ranch
Attn: _____
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

PROFESSIONAL

Patti Engineering, Inc.
Steven Palmgren, PE
3601 S. Congress Ave.
Suite G100
Austin, TX 78704

with a copy to:

City Attorney
City of Fair Oaks Ranch, Texas
Attn: Charles E. Zech
2517 N. Main Avenue
San Antonio, Texas 78212

Exhibit "A"

SCOPE OF WORK

Professional's Responsibilities:

1. Provide up to 60 hours (10/1/2018 thru 9/30/2019) of remote connection service (*VPN connection preferred*) from the Professional's Austin, TX facility (*Customer to supply internet/VPN connection on-site*):
 - a. **24 Hour Hotline: 512-355-4199 (hit "0")**
 - b. Within (1) hour of receiving a phone call from a representative of the purchaser or the customer during normal business hours (9:00-5:00 PM Central Time), Professional will respond and be ready to remotely troubleshoot the problem
 - c. Within (4) hours of receiving a phone call from a representative of the purchaser or the customer during non-business hours, Professional will respond and be ready to remotely troubleshoot the problem.
2. The phone support hours and all other engineering support provided locally from the Professional facility is included under this contract without additional charges. *This contract includes support for keeping the supported system in working order per the applicable Functional Specification, or the project proposal document. Software development for new functionality is not included under this service contract.* (Please contact Ian Mogab, for any additional functionality needed at 512-787-8328 or imogab@pattieng.com).
3. A representative of the purchaser or the customer will be able to contact the Professional business development manager, vice-president of engineering, and vice-president of operations, as well as the on-call engineer via the Professional 24-hour hotline.
4. Provide up to 35 hours of onsite engineering support during contract period with 4 trips to the installation site. Any Onsite Engineering Support required at the customer's facility in excess of the above listed hours will be billed at Professional's standard rates as provided for herein.
 - a. The customer will never pay Professional's Emergency service rate. When applicable, Professional will submit monthly invoices to the customer at the discounted rates for the additional materials or onsite services.
 - b. If the above on-site time and trip allocation is not utilized by the end of the current year service contract, Professional will send an engineer to the facility for a single day to evaluate any non-reported issues and overall system performance.
5. Professional will keep a log of the service reports for all reported incidents at the customer's facility. The log will be available for review when requested by a representative of the purchaser or the customer.

Exhibit "B"

COMPENSATION

Professional shall be paid an amount of **\$26,580** for the services provided (10/1/2018 thru 9/30/2019). Said amount to be paid by City in 12 equal monthly payments of **\$2,215**. Please reference our project 218170b and provide an email address to which we may send invoices on your PO.

Standard Rates for Professional

Standard Scheduled Services:

Standard Engineering Time	\$150/hr
Senior Engineering Time	\$170/hr
Principal Engineering Time	\$200/hr

Off-Shift & Weekend Services:

Standard Engineering Time	\$210/hr
Senior Engineering Time	\$240/hr
Principal Engineering Time	\$275/hr

Emergency Services (Less than 48 hours' notice):	\$350/hr
Professional Engineering (PE) Services:	\$400/hr

*** Important Notes:**

1. Off-Shift Services include all scheduled services that occur predominately after 5pm or before 8am Monday to Friday or any work on Saturday and Sunday.
2. \$2,000 minimum charge for any Time and Material Purchase Orders or Service calls.
3. The Emergency Service rate applies to any and all work (CAD, In-house Engineering, Onsite Engineering, and Travel Time) for any work scheduled within 2 standard business days of official request.
4. All services provided under a Time and Expense Purchase Order or a Service Contract to be charged in minimum one-half hour increments.
5. 10% premium will be added to the Onsite Startup/Installation Support that is required in foreign nations outside of North America.
6. Material Procurement markup of 75%
7. 9.5% administration fee will be added to all expenses including Mileage and other expenses.
8. Mileage to be billed per the current IRS Standard Mileage Rates:
<http://www.irs.gov/taxpros/article/0,,id=156624,00.html>
9. Patti Engineering reserves the right to modify this rate schedule based on project requirements and/or market conditions - For latest update please contact Patti Engineering directly.

Exhibit "C"

EVIDENCE OF INSURANCE



CERTIFICATE OF LIABILITY INSURANCE

PATTI-1 OP ID: JA

DATE (MM/DD/YYYY)
10/30/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CIA Financial Group 45600 Village Blvd. Shelby Twp, MI 48315 Sophia Najjar		CONTACT NAME: CIA Insurance-Risk Management PHONE (A/C, No, Ext): 888-226-7730 FAX (A/C, No): 586-532-8300 E-MAIL ADDRESS: certificates@ciafg.com															
INSURED Patti Engineering Inc. 2110 E. Walton Blvd, Suite A Auburn Hills, MI 48326		<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Hartford Insurance Companies</td> <td>22357</td> </tr> <tr> <td>INSURER B : Atain Insurance Company</td> <td></td> </tr> <tr> <td>INSURER C : Evanston Insurance Company</td> <td></td> </tr> <tr> <td>INSURER D : Accident Fund Insurance Co.</td> <td>10166</td> </tr> <tr> <td>INSURER E : Miller</td> <td></td> </tr> <tr> <td>INSURER F : ACE American Insurance Company</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Hartford Insurance Companies	22357	INSURER B : Atain Insurance Company		INSURER C : Evanston Insurance Company		INSURER D : Accident Fund Insurance Co.	10166	INSURER E : Miller		INSURER F : ACE American Insurance Company	
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COVERAGES		CERTIFICATE NUMBER:		REVISION NUMBER:		
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ Foreign Liab GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:		CIP258383 PHFD38292547003	11/01/2017 11/01/2017	11/01/2018 11/01/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPIOP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☒ SCHEDULED AUTOS ☒ NON-OWNED AUTOS		35UECBK9751	11/01/2017	11/01/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	☐ UMBRELLA LIAB ☒ OCCUR ☒ EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$		XOBW6232415	11/01/2017	11/01/2018	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	WV2465875	11/01/2017	11/01/2018	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
E	Professional Liab		B0621PPATT000716	11/01/2017	11/01/2018	Per Claim 1,000,000 Aggregate 2,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) General Liability coverage includes Contractual Liability as broad as ISO Form CG0001.						

CERTIFICATE HOLDER	CANCELLATION
City of Fair Oaks Ranch Marcus Jahns Interim City Manager 7286 Dietz Elkhorn Fair Oaks Ranch, TX 78015	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

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ACORD 25 (2014/01)

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CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

Oct. 18, 2018

AGENDA TOPIC: Discussion and possible action on the first reading of an Ordinance amending Chapter 3, Building Regulations, Article 3.16, Board of Appeals, Section 3.16.005 providing for an extension of the time between filing of an appeal to the Building Codes and the hearing; and Article 3.01, General Provisions, Sections 3.01.002 and 3.01.006 clarifying the Administration Review process.

DATE: Oct. 18, 2018

DEPARTMENT: Building Codes

PRESENTED BY: Jim Earl, Building Official

INTRODUCTION/BACKGROUND:

- 1) The City of Fair Oaks Ranch operates under the International Building Codes 2015 ed.
- 2) Chapter 3, Article 3.16 of the Code of Ordinances, establishes a Board of Appeals to address appeals to the Building Codes.
- 3) In adopting rules and procedures the Board of Appeals determined that the 10(ten) day maximum period between filing for an appeal and the hearing as prescribed by Chapter 3, Article 3.16 is insufficient for notification of the board, scheduling, research, possible field visits if applicable and giving public notice.
- 4) The Board therefore proposes that the ten day period between filing an appeal and the hearing be extended to 30(thirty) days.
- 5) Staff has further recognized the need to amend Chapter 3, Article 3.01, Section 3.01.02, Compliance; Penalty, and Section 3.01006(d), Notice of Violations; Administrative review, in order to clarify the Administrative Review process which if requested reviews penalties assessed for violations of Chapter 3.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

By extending the time allowed between an appeal and the meeting held to hear said appeal, the process of hearing and rendering rulings will be more orderly and reasoned than would be with the shorter time frame, thus better serving the citizens of Fair Oaks Ranch.

Further, by modifying the administrative review process, the procedure by which reviews are conducted will be rendered more efficient thus better serving the citizens of Fair Oaks Ranch.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

None

LEGAL ANALYSIS:

The ten day period delineated in Ordinance 2015-11 originated from the International Building Code 2015 ed., Appendix B which is “not mandatory unless specifically referenced in the adopting ordinance.” It can therefore be modified by amendment.

The administrative review process may be modified as deemed necessary by amendment.

RECOMMENDATION/PROPOSED MOTION:

I move to approve the first reading of an ordinance providing for an extension of the time between the filing of an appeal to the Building Codes and the appeal from ten to thirty days; and clarifying the Administrative Review process.

AN ORDINANCE

OF THE CITY OF FAIR OAKS RANCH AMENDING THE FAIR OAKS RANCH CODE OF ORDINANCES CHAPTER 3 BUILDING REGULATIONS, ARTICLE 3.01 GENERAL PROVISIONS, SECTION 3.01.002 - COMPLIANCE; PENALTY, SECTION 3.01.005(f) - APPROVAL OR DISAPPROVAL; ADMINISTRATIVE REVIEW, SECTION 3.01.006(d) - NOTICE OF VIOLATION; ADMINISTRATIVE REVIEW AND ARTICLE 3.16 BOARD OF APPEALS, SECTION 3.16.005 - NOTICE OF MEETING; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in August 2005 under Ordinance 75.16, the Building Regulations relating to construction and maintenance of buildings within the corporate limits of the City of Fair Oaks Ranch was adopted; and,

WHEREAS, city staff, after reviewing building permits and inspections compliance, penalty, administrative review and notice of violation standards in said ordinance codified in Chapter 3 Article 3.01 General Provisions of the Fair Oaks Ranch Code of Ordinances, finds, for clarity purposes, appropriate amendments needed; and,

WHEREAS, in November 2015 under Ordinance 2015-11, the Fair Oaks Ranch Board of Appeals was created; and,

WHEREAS, the Board of Appeals hears and decides appeals of orders, decisions, or determinations made by the Building Official relative to the application and interpretations of the International Building Code, International Residential Code, International Energy Code, International Mechanical Code, International Fuel Gas Code, International Fire Code, International Energy Conservation Code, International Plumbing Code and the National Electric Code; and,

WHEREAS, the city staff and the Board of Appeals, after reviewing the notice of meetings standards in said ordinance codified in Article 3.16 Board of Appeals of the Fair Oaks Ranch Code of Ordinances, find 10 days is insufficient time to schedule appeal meetings, allow for research of an appeal, and coordinate field visits of the relevant property; and,

WHEREAS, the City Council of the City of Fair Oaks Ranch deems it necessary to amend sections of the City of Fair Oaks Ranch Code of Ordinances Chapter 3 Building Regulations Article 3.01 General Provisions and Article 3.16 Board of Appeals.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

Part 1: The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

Part 2: That the City of Fair Oaks Ranch Code of Ordinances Chapter 3 Building Regulations, Article 3.01 General Provisions and Article 3.16 Board of Appeals are hereby amended as set forth in the attached Exhibit A.

Part 3: The provisions of this ordinance are declared to be severable. If any section, subsection, sentence, clause, phrase, or portion of this ordinance shall for any reason is found to be held invalid or unconstitutional by any court of competent jurisdiction, such decisions shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this ordinance, but they shall remain in effect; it being the legislative intent that this ordinance shall remain in effect notwithstanding the validity of any part.

- Part 4 All ordinances and codes, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.
- Part 5 This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Part 6 If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Ordinance would have been enacted without such invalid provision.
- Part 7 It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Part 8 This ordinance shall take effect November 7, 2018 and after publication as required by law.

PASSED AND APPROVED on the first reading, this 18th day of October, 2018.

PASSED, APPROVED, AND ADOPTED on the second reading, this 1st day of November, 2018.

Garry Manitzas, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, City Secretary

Denton Navarro Rocha Bernal & Zech, P.C.,
City Attorney

Exhibit A

- I. The City of Fair Oaks Ranch Code of Ordinances Chapter 3 Building Regulations, Article 3.01 General Provisions is hereby amended by moving Section 3.01.006 (d) with amendments to Section 3.01.002 - Compliance; Penalty as follows:

Notice of violation; administrative review.

- (1) Upon determination that a violation of this chapter has occurred, a written notice of violation shall be sent to the responsible party. This notice shall contain the nature of the violation, the section of this chapter that was violated, and the penalty imposed by this chapter for such violation.
- (2) Upon receipt, the responsible party will have 15 calendar days from the date of the notice to pay the penalty and provide other documents as required or requested, *in writing*, an administrative review *of the alleged violation and imposed penalty*.
- (3) The request for an administrative review *shall be submitted to the Building Official and should shall* contain the reason(s) *why the violation and/or a penalty are/is not applicable why a penalty does not apply*.
- (4) The administrative review will be conducted within 10 business days of receipt by the building official, the city ~~administrator~~ *manager*, and, *at least*, one at-large city staff member.
- (5) The findings of the administrative review will be provided, *in writing*, to the responsible party named in the violation notice within 5 business days following the *administrative* review.
- (6) The responsible party has 31 calendar days to comply with the findings of the administrative review or file a written appeal with the municipal court for resolution before the 31st day after the *administrative* review findings are filed.

- II. The City of Fair Oaks Ranch Code of Ordinances Chapter 3 Building Regulations, Article 3.01 General Provisions Section 3.01.005 (f) is hereby amended as follows:

(f) Approval or disapproval; administrative review and appeal

- (1) The city reserves the right to refuse a permit if, in the city's judgment, the provisions of this chapter have not been complied with.
- (2) Written requests for an administrative review, *for refusal of a permit issuance*, shall be sent to the building official *within 15 calendar days from the date of the refusal. The request shall contain the reason(s) why the permit should be issued.* ~~along with the appropriate appeal fee as listed in the fee schedule in appendix A to this code. The responsible party may appeal the administrative review's findings by filing a petition in municipal court for resolution.~~
- (3) *The administrative review will be conducted by the building official, city manager, and, at least, one at-large city staff member, within 10 business days of receipt by the request.*

- (4) The findings of the administrative review will be provided, in writing, to the requestor within 5 business days following the review.*
- (5) The requestor may appeal the administrative review's findings by filing a petition with the City Council for resolution, before the 31st day after the administrative review findings are filed.*

III. The City of Fair Oaks Ranch Code of Ordinances Chapter 3 Building Regulations, Article 3.16 Board of Appeals, Section 3.16.005 is hereby amended as follows:

Sec 3.16.005 Notice of Meeting

The board shall meet upon notice from the chairperson, within ~~10~~ *30 calendar* days from the filing of an appeal or at stated periodic meetings. Notice of the meetings to the public must comply with the requirements of the Texas Open Meetings Act.



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

October 18, 2018

AGENDA TOPIC: Discussion and Presentation regarding the creation of a Cross-Connection Control and Backflow Prevention Program

DATE: October 18, 2018

DEPARTMENT: Public Works

PRESENTED BY: Adrian Garcia, P.E., Manager of Engineering Services
Melissa Castro, Environmental Compliance Manager

INTRODUCTION/BACKGROUND:

Backflow is defined as the undesirable reversal of flow of water or mixtures of water and other liquids, gases or other substances into the City's water system. A cross-connection is defined as an actual or potential connection between a potable water supply and any non-potable substance or source. These situations can introduce pollutants and contaminants into a public or private water supply when a change in pressure is experienced. These pollutants and contaminants can present health hazards to the residents that utilize the potable water supply.

The City of Fair Oaks Ranch currently relies on the City Council adopted International Plumbing Code as the primary means of cross-connection control and backflow prevention. In an effort to formalize the City's program, the Public Works Department delivered a presentation to City Council on August 2, 2018 that covered an introduction to backflow, backflow prevention assemblies, current practices associated with cross-connection control, state regulations / testing requirements, and highlights of the proposed program.

Noted topics to be discussed on October 18, 2018 include the implementation process; access of private properties by a qualified City employee or qualified professional to complete required testing; inclusion of private water sources (private wells), San Antonio Water System connections, and Enchanted Oaks connections in the program; justification of enforcement process / potential fine amounts; and proposed annual testing requirements for all backflow assemblies.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

The Texas Commission on Environmental Quality requires all public water systems to maintain a cross-connection control program that protects the distribution system delivering drinking water to homes or businesses.

The proposed Cross-Connection Control and Backflow Prevention Program will take a unique approach by proactively protecting all potable water supplies within the City.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

Current city staff will be capable of delivering this program with the help of a third-party company that will handle the administrative tasks.

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

Subsequent to the presentation, provide staff with insight and general direction. No formal action is required.

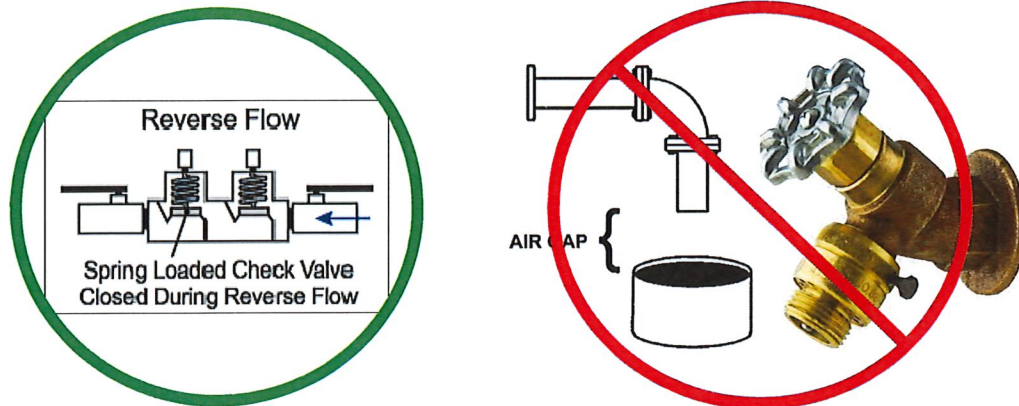
Cross-Connection Control and Backflow Prevention Program Overview of Questions and Concerns



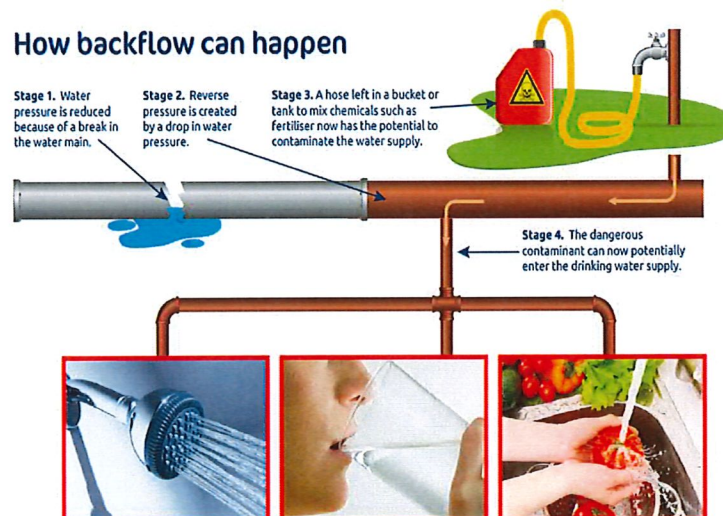
Contents

1. Recap of August 2, 2018 Discussion
 - Principles
 - Current Program
 - Proposed Program
2. Concerns from August 2, 2018 Discussion
3. Additional Questions/ Concerns

Backflow Prevention Assembly



How backflow can happen



Bo

No

TCEQ may fine Corpus Christi \$12K for multiple violations in water system

Julie Garcia, Corpus Christi Caller-Times

Published 6:10 p.m. CT May 1, 2018

Sprinkler system backflow suspected in E-coli contamination

Posted: Jul 27, 2015 9:20 PM CDT

Updated: Aug 06, 2015 9:20 PM CDT

Water softener could be to blame for Palmetto's pink water

Posted: Apr 29, 2015 5:42 PM CDT

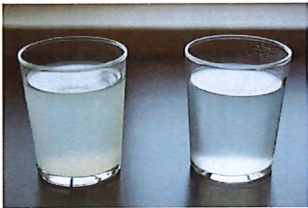
Updated: Apr 29, 2015 5:42 PM CDT

E. coli traced to an apartment, testing continues

Non-health Hazard vs. Health Hazard

Non-health hazard: An actual or potential threat of pollution to the potable water system by an aesthetically objectionable but non-toxic substance.

Health hazard: An actual or potential threat of contamination to the potable water system that would present a threat to the health of the consumer.




Is Your Water Safe?

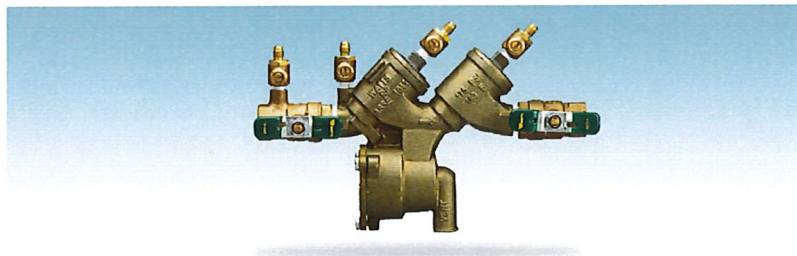


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Highlights of Proposed Program

- Protection of potable water supplies
- Annual testing for ALL backflow prevention assemblies – commercial and residential
- Includes all water systems within the City – FORU, SAWS, Enchanted Oaks, and private water sources (private wells)
- Formalized enforcement procedures
- Data Management System – Vepo, LLC

CONCERNS FROM AUGUST 2, 2018 DISCUSSION

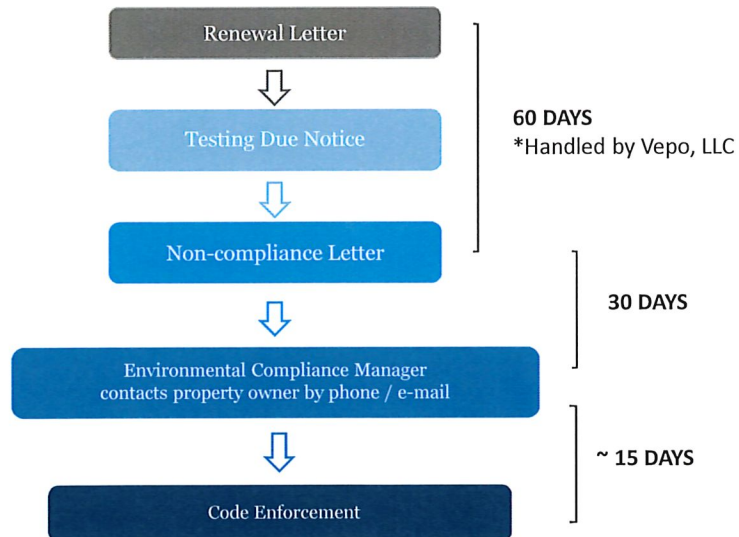


Concern: Implementation

(p) Effective date. This Ordinance shall take effect **January 1, 2019** and after publication as required by law and City Charter.

- January 1, 2019 – ALL assemblies will be considered compliant
- Property owners will have till **December 31, 2019** to have their assembly or assemblies tested by a recognized backflow prevention assembly tester.
- Allows time to collect data without delaying compliance

Backflow Prevention Program



Concern: Entering a resident's property to complete required testing

(g) Backflow prevention assembly installation, testing, and maintenance.

(9) In the event a property owner fails to complete the required backflow testing within 30 days after receipt of notice from the City that the testing is past due, the City shall have the right to enter the property and complete the required backflow testing and maintenance through a qualified City employee or a qualified professional.



(9) In the event a property owner fails to complete the required backflow testing within 30 days after receipt of notice from the City that the testing is past due, the City shall have the right to enter the property and complete the required backflow testing and maintenance through a qualified City employee or a qualified professional, **as noted in the original notice.**

Concern: Inclusion of SAWS and Enchanted Oaks

WHEREAS, the City seeks to protect the residents of Fair Oaks Ranch from contamination or pollution due to the backflow of contaminants or pollutants through water provided by private water supplies or other public water systems servicing residents within the corporate limits and extraterritorial jurisdiction of the City; and

- The City has the responsibility to protect ALL residents, regardless of their source of drinking water.
- SAWS and Enchanted Oaks customers – backflow event can occur and affect multiple properties (multiple Fair Oaks residents) within the same system.
- Current cross-connection control and backflow prevention programs for the two public water systems may not be holding property owner to required testing.

Concern: Inclusion of private water sources (private wells)

WHEREAS, the City seeks to protect the residents of Fair Oaks Ranch from contamination or pollution due to the backflow of contaminants or pollutants through water provided by private water supplies or other public water systems servicing residents within the corporate limits and extraterritorial jurisdiction of the City; and

- The City has the responsibility to protect ALL residents, regardless of their source of drinking water
- Backflow event can occur and affect all individuals on-site (i.e. family, friends, and guests)
- Presence of septic tank elevates the classification of the irrigation system to a health hazard
- Potential contamination of the aquifer (groundwater supply)

Concern: Annual testing requirement

(g) Backflow prevention assembly installation, testing, and maintenance.

(2) All backflow prevention assemblies shall be tested and certified to be operating within specifications upon installation and annually thereafter by a recognized backflow prevention assembly tester. Test and maintenance reports shall be submitted, through the city-approved method, within ten (10) working days of the test.

- Possible reclassification of irrigation systems from non-health hazard to health hazard by the TCEQ – requires annual testing
- Required by adopted plumbing code (International Plumbing Code)
- Different testing requirements among assemblies may cause confusion among residents / business owners

Concern: Enforcement procedure / fine amount

(o) Enforcement.

- (1) A violation of this Ordinance is a misdemeanor and, upon conviction, any person who violated this Ordinance shall be punished by a fine of not less than two hundred dollars (\$200) and not more than two thousand dollars (\$2,000). Each day that one or more of the provisions in this Ordinance is violated shall constitute a separate offense.



- (1) A violation of this Ordinance is a misdemeanor and, upon conviction, any person who violated this Ordinance shall be punished by a fine not exceeding two thousand dollars (\$2,000). Each day that one or more of the provisions in this Ordinance is violated shall constitute a separate offense.

The fine amount is consistent with current ordinances –

“...a violation that relates to fire safety, zoning, or public health and sanitation may not exceed \$2,000.00. Each day that a provision of this chapter is violated shall constitute a separate offense.”

Questions?

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH ESTABLISHING A CROSS-CONNECTON CONTROL AND BACKFLOW PREVENTION PROGRAM FOR THE CITY OF FAIR OAKS RANCH; PROVIDING FOR SEVERABILITY AND REPEAL CLAUSES; PROVIDING FOR A PENALTY NOT EXCEEDING \$2000 PER VIOLATION PER DAY FOR NONCOMPLIANCE; AND PROVIDING FOR AN EFFECTIVE DATE OF JANUARY 1, 2019.

WHEREAS, the City of Fair Oaks Ranch (the “City”) seeks to protect the public potable water supply from contamination or pollution due to the backflow of contaminants or pollutants through water service connections provided by Fair Oaks Ranch Utilities;

WHEREAS, the City seeks to protect the residents of Fair Oaks Ranch from contamination or pollution due to the backflow of contaminants or pollutants through water provided by private water supplies or other public water systems servicing residents within the corporate limits and extraterritorial jurisdiction of the City; and

WHEREAS, in accordance with requirements of the Texas Commission on Environmental Quality’s Rules and Regulations of Public Water Systems, Title 30 of the Texas Administrative Code, Chapter 290, prohibits public water systems from connecting to an actual or potential contamination hazard without first protecting the potable water supply.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

That the City Council hereby adopts a Cross-Connection Control and Backflow Prevention Program for the City of Fair Oaks Ranch, Texas.

(a) Purpose.

- (1) Protect ~~the public potable~~ all public water systems and private water ~~supplies supply~~ of within the City from the possibility of contamination or pollution by isolating contaminants or pollutants that could backflow into the ~~public water systems~~.
- (2) Provide for the maintenance of a continuing program of cross-connection control and backflow prevention which will systematically and effectively prevent the contamination or pollution of all potable water supplies within the City. ~~the City’s potable water supply.~~
- (3) Comply with Title 30 of the Texas Administrative Code, Chapter 290, Subchapter D: Rules and Regulations for Public Water Systems.

(b) Definitions.

For the purposes of this program, the following definitions shall apply unless the context of their usage clearly indicates otherwise:

Air gap. A physical separation between the free-flowing discharge end of a potable water supply pipeline and an open or non-pressure receiving vessel. An “approved air gap” shall be at least twice the diameter of the supply pipe measured vertically above the overflow rim of the receiving vessel; in no case less than 3 inches.

Backflow. The undesirable reversal of flow of water or mixtures of water and other liquids, gases or other substances into any potable water supply within the City’s ~~water system~~.

Backflow prevention assembly or assembly. Any effective assembly used to prevent backflow into a potable water system. The type of assembly used shall be based on the existing or potential degree of hazard and backflow condition.

City. City of Fair Oaks Ranch, Texas

Contamination. The presence in or entry into a ~~public~~potable water supply ~~system~~ of any physical, chemical, biological, or toxic substance that would present an unreasonable risk to health.

Cross-connection. An actual or potential connection between a potable water supply and any non-potable substance or source.

Customer service inspection. An inspection designed to detect any actual or potential cross-connection hazards and/or other contaminant hazards.

Pollution. An impairment of the quality of water to a degree which does not create a hazard to public health.

Potable water. Any water supply intended or used for human consumption or other domestic use.

Premises. Any real property to which water is provided, including all improvements, buildings, and other structures located on it.

Private water supply. A water supply on or available to the premises other than the Fair Oaks Ranch Utilities’ water supply. These auxiliary waters may include water from natural sources such as a well, river, canal, pond, etc.

Public water system. A system for the provision of water to the public as defined in Title 30 of the Texas Administrative Code, Chapter 290.

Recognized backflow prevention assembly tester. A person who is licensed by the Texas Commission on Environmental Quality to test backflow prevention assemblies and registered with the City through the approved method.

Service connection. The point of delivery up to and including water meters through which the public water system or private water supply provides water to the user.

(c) General.

- (1) No water service connection shall be made to any establishment where a potential or actual contamination hazard exists unless the water supply is protected in accordance with the Texas Commission on Environmental Quality Rules and Regulations for Public Water Systems and this section.
- (2) The Texas Commission on Environmental Quality Rules and Regulations referred to herein shall mean those in effect at the effective date of this Ordinance and any other subsequent approved amendments, or those made effective by any successor regulatory agency of the state.

(d) Designation of program coordinator. The program coordinator shall be designated by the City Manager or his/her designee. The coordinator shall be responsible for implementing the provisions of this Ordinance and other appropriate sections pertaining to cross-connection control and backflow prevention.

(e) Right-of-way encroachment.

- (1) No person shall install or maintain a backflow prevention assembly or device upon or within any City right-of-way unless authorized by the City Manager or his/her designee, provided as follows:
 - (A) The City retains the right to approve the location, height, depth of enclosure, and other requisites of the assembly prior to its installation.
 - (B) All permits and inspections required by the City shall be obtained.
 - (C) The assembly shall be installed in accordance with the manufacturer's instructions and the American Water Works Association's Recommended Practice for Backflow Prevention and Cross-Connection Control ("Manual M14"). Any assembly or portion of an assembly that extends above ground shall be located no closer than eighteen (18) inches to the face of the curb or edge of pavement.
 - (D) The City shall not be liable for any damage done to or caused by an assembly installed in a right-of-way.
 - (E) A property owner shall, at the request of the City and at the owner's expense, relocate a backflow prevention assembly which encroaches upon any City right-of-way when such relocation is necessary for street or utility construction or repairs for purposes of public safety.
 - (F) A person commits an offense if, after receiving a written order from the City, he or she fails to relocate a backflow prevention assembly located in or upon any City right-of-way.

(f) Multiple connections. Any ~~premises property~~ requiring multiple service connections for adequacy of supply and/or fire protection will be required the property owner to install a

backflow prevention assembly on each of the service lines where a cross-connection hazard exists. The type of assembly will be determined by the degree of hazard that could occur in the event of an interconnection between any of the water systems on the premises.

(g) Backflow prevention assembly installation, testing, and maintenance.

- (1) All backflow prevention assemblies shall be tested upon installation, repair, relocation, or replacement, at the expense of the property owner-customer, by a recognized backflow prevention assembly tester and certified to be operating within specifications.
- (2) All backflow prevention assemblies shall be tested and certified to be operating within specifications upon installation and annually thereafter by a recognized backflow prevention assembly tester. Test and maintenance reports shall be submitted, through the city-approved method, within ten (10) working days of the test.
- (3) All backflow prevention assemblies shall be installed and tested in accordance with the manufacturer's instructions, Manual M14, or the University of Southern California's Manual of Cross-Connection Control.
- (4) The City shall not be liable for damage to a backflow prevention assembly that occurs during testing.
- (5) No backflow prevention assembly or device shall be removed from use, relocated, or other assembly or device substituted without the approval of the City. Whenever the existing assembly or device is moved from the present location or cannot be repaired, the backflow prevention assembly or device shall be replaced with an assembly or device that complies with this section.
- (6) Test gauges used for backflow prevention assembly testing shall be calibrated on an annual-basis in accordance with Manual M14, current edition, or the University of Southern California's Manual of Cross-Connection Control, current edition.
- (7) All backflow prevention assembly testers operating within the City shall be licensed in accordance with all applicable regulations of the TCEQ, and registered with the City through the approved method. To complete registration, the backflow prevention assembly tester shall provide proof of the following items:
 - (A) TCEQ license;
 - (B) Calibration of testing equipment; and
 - (C) General liability insurance policy in the amount of at least \$300,000.
- (8) The City will maintain a current list of recognized backflow prevention assembly testers, which will be made available upon request.
- (9) In the event a property owner fails to complete the required backflow testing within

30 days after receipt of notice from the City that the testing is past due, the City shall have the right to enter the property and complete the required backflow testing and maintenance through a qualified City employee or a qualified professional, as noted in the original notice. The City shall charge the property owner the actual costs for the required testing, maintenance, and/or replacement of the assembly plus twenty-five percent (25%).

- (10) All backflow prevention assemblies installed after the effective date of this Ordinance shall be installed in a manner designed to facilitate ease of inspection, testing, and records examination by the City. Any currently installed backflow prevention assemblies, which are located in inaccessible locations or where the tester is subject to physical danger, shall be relocated at the expense of the property owner.
- (h) Cost of compliance. The cost of complying with these regulations shall be the responsibility of the property owner ~~and their lessees~~. These costs include but are not limited to purchasing, installation, testing, and repair of the assembly. Any cost incurred by the City to enforce this Ordinance is the responsibility of the property owner ~~and their lessees~~.
- (i) Lawn irrigation systems.
 - (1) A permit issued by the City's Building Codes Department shall be required for all landscape irrigation system installations. Installation requirements must comply with the City's current plumbing code and water conservation plan.
 - (2) Any irrigation system that is connected to a public or private potable water supply shall be connected through a backflow prevention assembly approved by the City or the appropriate regulatory authority and the Texas Commission on Environmental Quality.
 - (3) All backflow prevention assemblies which are installed on irrigation systems shall be tested and certified to be operating within specifications upon installation and annually thereafter by a recognized backflow prevention assembly tester. Test and maintenance reports shall be submitted, through the city-approved method, within ten (10) working days of the test.
- (j) Rainwater harvesting. An approved air gap assembly shall be installed to prevent non-potable water from entering the potable water system. All piping that contains non-potable water shall be clearly labeled ("NON-POTABLE WATER").
- (k) Plumbing code. As a condition of water service, a customer shall install, maintain, and operate the customer's piping and plumbing systems in accordance with the plumbing code provision adopted by the City.
- (l) Customer service inspections.
 - (1) A customer service inspection shall be completed prior to the service provider providing continuous water service to all new construction, on any existing service when the City has reason to believe that cross-connections or other contaminant hazards exist, or after any material improvement, correction, or addition to the private

water distribution facilities.

- (2) In the event a property owner fails to complete the required inspection within 30 days after receipt of notice from the City that the inspection is past due, the City shall have the right to enter the property and complete the inspection through a qualified City employee or a qualified professional, as noted in the original notice. The City shall charge the property owner the actual cost for the required inspection plus twenty-five percent (25%).
- (3) Only individuals with the following credentials shall be recognized as capable of conducting a customer service inspection:
 - (A) Plumbing inspectors and water-supply-protection specialists that have been licensed by the Texas State Board of Plumbing Examiners.
 - (B) Customer service inspectors that hold a current license issued from the Texas Commission on Environmental Quality.
- (4) The customer service inspection must certify that:
 - (A) No direct connection between the ~~public drinking-potable~~ water supply and a potential source of contamination exists. Potential sources of contamination shall be isolated from the ~~public-potable~~ water ~~system-supply~~ by a properly installed air gap or an appropriate backflow prevention assembly.
 - (B) No cross-connection between the public water supply and a private water source exists. A properly installed air gap shall be maintained between the public water supply and a private water supply.
 - (C) No connection exists which allows water to be returned to the ~~potable public drinking-~~ water supply.
- (m) Repeal. All ordinances that are in conflict with the provisions of this Ordinance are hereby repealed, and all other ordinances of the City not in conflict with the provisions of this Ordinance shall remain in full force and effect.
- (n) Severability. The phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable and, if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.
- (o) Enforcement.
 - (1) A violation of this Ordinance is a misdemeanor and, upon conviction, any person who violated this Ordinance shall be punished by a fine ~~of not less than two hundred dollars (\$200) and not exceeding~~ more than two thousand dollars (\$2,000). Each day that one or more of the provisions in this section is violated shall constitute a separate offense.

- (2) If a person is convicted of violation(s) of this section, the City may, upon due notice to the customer, discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon compliance with this section, payment of disconnection and reconnection charges, as set forth in Appendix A of the Code of Ordinances, and any other costs incurred by the City in discontinuing service.
- (3) Compliance with this section may also be sought through injunctive relief in District Court.
- (p) Effective date. This Ordinance shall take effect **January 1, 2019** and after publication as required by law and City Charter.

PASSED and APPROVED on first reading this the **15th day of November, 2018.**

PASSED, APPROVED and ADOPTED on second reading this the **6th day of December, 2018.**

Garry Manitzas, Mayor

Attest:

Christina Picioccio, City Secretary

Approved as to Form:

Denton, Navarro, Rocha, Bernal and Zech, City Attorney



CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
October 18, 2018

AGENDA TOPIC: Discussion regarding easement negotiations within the Arbors development.
DATE: October 18, 2018
DEPARTMENT: Administration
PRESENTED BY: Tobin Maples, City Manager

INTRODUCTION/BACKGROUND:

Councilman Hartpence requested this agenda item at the September 24, 2018 Council meeting. The purpose of the discussion is to provide Council with an update regarding ongoing easement negotiations and to receive general insight and direction from City Council.

By way of background, the development agreement obligates the owner to dedicate separate easements to the City and FORHA for the purposes of accessing land conveyed to each entity.

To date, negotiations are ongoing and staff does not anticipate any problems with finalizing applicable details.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Allows continuation of discussion toward the goal of FORHA accepting conveyance of property and solidification of prescribed access easements.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

FORHA's acceptance of the property would allow continuation of current business model to which FORHA owns the parks and trails system.

LEGAL ANALYSIS:

The City Attorney and City Manager are working with the Developer/Owner's Counsel to frame and define the instruments needed to convey and record the easements.

RECOMMENDATION/PROPOSED MOTION:

Subsequent to receiving an update, provide Staff with insight and general direction. No formal action is required.



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

October 18, 2018

AGENDA TOPIC: Presentation of Quarterly Investment Report - Q3 2018
DATE: October 18, 2018
DEPARTMENT: Finance
PRESENTED BY: Sarah Buckelew, Finance Director

INTRODUCTION/BACKGROUND:

Pursuant to Texas Government Code Section 2256.023 and the City's Investment Policy Section 12, the Finance Director is required, on a quarterly basis, to prepare and submit to City Council a written report of investment transactions that have occurred since the previous report, and the market value of the current investments.

The attached presentation is being made to comply with the Q3 2018 reporting requirements.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Frequent review and reporting of the city's assets and investment vehicles is both prudent and necessary to verify that the city's investment portfolio is being managed according to the investment policy.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The investment portfolio shall be managed in accordance with the objectives specified in the investment policy (safety, liquidity, diversification, and yield). The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates.

LEGAL ANALYSIS:

Not applicable at this time.

RECOMMENDATION/PROPOSED MOTION:

This presentation is for informational purposes only and to comply with requirements under Texas Government Code Section 2256.023 and the City's Investment Policy.

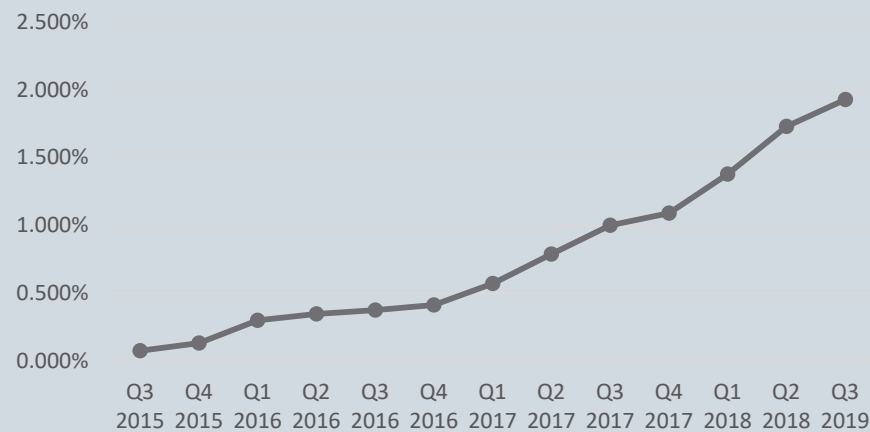
Q3 2018

QUARTERLY INVESTMENT REPORT

Key Points

- Interest earned on investments during Q3 2018 was \$46,936.
- Average Yield for Q3 2018 was 1.93% on our TexPool investments, which is trending in-line with increases in the 90-day T-bill for the same period. The increase in yield is expected given the climate for increased rates.
- The expectation is that interest rates and yields on the City’s investments will continue to rise in line with anticipated increases to the interest rate. As a public entity, the City is subject to investment activity regulation under the Public Funds Investment Act. These regulations restrict the City’s ability to invest in highly speculative or risky investments. The City’s portfolio is legally restricted to highly liquid and safe investments that protect the public’s funds.
- The Fed took no rate action in July or August, but did raise the rate on September 26 by 25 basis points to 2.25%. The Fed indicated that the economy is “strong”. There are indications of a fourth rate hike in December.

TexPool Quarterly Average Yields



Q3 2018 Investment Inventory

City of Fair Oaks Ranch Investment Inventory Report 07/01/2018 - 09/30/2018									
Governmental Fund Investments									
Security	Yield	Beg Bal	Transfers In/Out	Interest Earnings	Ending Bal	Ending Market	Weighted Avg Maturity	Maturity Date	Notes
Pool (Texpool 004) General	1.930%	7,374,602	(729,903)	33,688	6,678,387	6,678,387	27 days	-	
Pool (Texpool 006) 2015 CIP Bonds	1.930%	1,569,976	(616,293)	5,502	959,185	959,185	27 days	-	
Pool (Texpool 007) Debt Service	1.930%	70,036	(62,982)	147	7,201	7,201	27 days	-	
Certificate of Deposit (711) Gen	0.55%	62,507			62,507	62,507	-	10/9/2018	Interest is earned annually
Certificate of Deposit (254) Gen	0.55%	65,162			65,162	65,162	-	10/9/2018	Interest is earned annually
TOTAL		9,142,282	(1,409,177)	39,337	7,772,442	7,772,442	-		
Utility Fund Investments									
Security	Yield	Beg Bal	Transfers In/Out	Interest Earnings	Ending Bal	Ending Market	Weighted Avg Maturity	Maturity Date	Notes
Pool (Texpool 001) Utility	1.930%	1,086,124		5,304	1,091,429	1,091,429	27 days	-	
Pool (Texpool 002) Water Cap	1.930%	379,417	(203,964)	1,170	176,623	176,623	27 days	-	
Pool (Texpool 003) Sewer Cap	1.930%	229,728	(19,716)	1,088	211,100	211,100	27 days	-	
Pool (Texpool 005) 1997 CO	1.930%	7,696		38	7,733	7,733	27 days	-	
TOTAL		1,702,965	(223,680)	7,599	1,486,884	1,486,884	-		
This report is in compliance with the City's Investment Policy Section 9 and 11 and Texas Government Code Section 2256.023.									
*Weighted Average Maturity									
Per the city's investment policy, the city will not directly invest in securities maturing more than 13 months from the date of purchase. Reserve funds may be invested in securities up to 2 years. The Weighted Average Maturity of these investments is in compliance with the city's policy.									
* Transfers out of Texpool accounts represent vendor payments made, or funding of city operations by transferring funds into our city operating cash account.									
Transfers into Texpool accounts represent deposits of property tax revenue.									