AGENDA
CITY COUNCIL
TUESDAY, NOVEMBER 12, 2019
1371 WEST FM 550 - MCLENDON-CHISHOLM, TEXAS 75032
6:30 PM

Page

1. CALL TO ORDER

2. INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND TEXAS FLAGS

3. RULES OF DECORUM

4. CITIZEN COMMENTS

5. APPROVAL OF MINUTES

4 - 8 5.1. Consider approval of Minutes for the October 22, 2019 City Council Meeting.
October 22, 2019 Draft Minutes

6. ITEMS FOR CONSIDERATION

9 - 31 6.1. Discussion and action regarding consideration of an ordinance updating the Fee Schedule to reflect an increase in the monthly sewer rate fee from $55.00 to $57.75 effective January 1, 2020. (Requested by Palomba)
Staff Report - Fee Schedule Update for Wastewater Rate Increase
Proposed Ordinance
Exhibit A - Proposed Master Fee Schedule
Rate Study and Financial Forecast Presentation

32 - 34 6.2. Discussion and action regarding authorizing the City Administrator to enter into an agreement with Haws & Associates for street repair located at the intersection of Firenza Court and Bertino Way in the Sonoma

Verde Phase I subdivision in the amount of $44,700. (Requested by Palomba)
Staff Report - Street Repair
Street Repair Quote

35 6.3. Discussion and action regarding authorizing the City Administrator to enter into negotiations with Mohammed Polani representing MFS Group, LLC for a pro rata performance agreement for a wastewater line. (Requested by Palomba)
Staff Report - Pro Rata Agreement for Wastewater Line

36 - 56 6.4. Discussion and consideration regarding review of the current contract with Community Waste Disposal for solid waste removal and recycling services as related to service complaints and billing issues. (Requested by Council Member Kipphut)
CWD Contract

6.5. Discussion and action regarding the upcoming Christmas Tree Lighting Event including event date, program details and estimated costs. (Requested by Palomba)

7. EXECUTIVE SESSION

7.1. Recess into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:074(1) Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: City Administrator; City Secretary; Assistant to the City Secretary; Building Permit Technician; Fire Chief/Fire Marshal; Assistant Fire Chief and Firefighters. *(Requested by Palomba)*

7.2. Recess into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:071(2) Consultation with City Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter regarding consideration of authorizing the City Administrator to enter into negotiations with Mohammed Polani representing MFS Group, LLC, for a pro rata performance agreement for a wastewater line. (Requested by Palomba)

7.3. Recess into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:071(2) Consultation with City Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter regarding procedural requirements of various ad hoc committees and how Council liaisons interact with committees. *(Requested by Mayor*

Short)

8. RECONVENE REGULAR MEETING

9. EXECUTIVE SESSION ACTION

10. UPDATES, DISCUSSION AND DIRECTION TO STAFF INCLUDING FUTURE AGENDA ITEMS

11. MAYOR & COUNCIL MEMBER REPORTS REGARDING EVENTS AND GENERAL INFORMATION

11.1. Mayor Short's Reports

11.2. Mayor Pro Tem Bloom's Reports

11.3. Council Member Kipphut's Reports

11.4. Council Member Hodges' Reports

11.5. Council Member Woessner's Reports

11.6. Council Member Dahl's Reports

12. ADJOURN

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session in order to seek confidential legal advice from the City Attorney on any agenda item herein.

I, Lisa Palomba, do hereby certify that the above Notice of Meeting of the City Council of McLendon-Chisholm, Texas was posted or before 8:00 p.m., November 8, 2019 on the outside bulletin board at City Hall, a place convenient and readily accessible to the public at all times.

CITY COUNCIL MEETING
City of McLendon-Chisholm, Texas
Meeting Minutes
October 22, 2019

The City Council of the City of McLendon-Chisholm convened in Regular Session on Tuesday, October 22, 2019, at City Hall, 1371 West FM 550, McLendon-Chisholm, Texas, with the following members present:

ATTENDING:	Keith Short	Mayor
	Nathan Hodges	Council Member
	Lorna Kipphut	Council Member
	William Dahl	Council Member
	Jim Bloom	Mayor Pro-Tem
ABSENT:	Trudy Woessner	Council Member
Staff Present:	Lisa Palomba	City Administrator/City Secretary
	Michael Halla	City Attorney
	Jim Simmons	Fire Chief

1. CALL TO ORDER

Mayor Short called the meeting to order at 6:30 p.m.

2. INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND TEXAS FLAGS

Council Member Hodges delivered the Invocation and Mayor Short led the Pledge of Allegiance to the U.S. and Texas Flags.

3. RULES OF DECORUM

Mayor Short announced the Rules of Decorum are in place and are to be observed throughout the meeting.

4. CITIZEN COMMENTS

None

5. PRESENTATION BY NORTH TEXAS MUNICIPAL WATER DISTRICT

5.1. Representatives from North Texas Municipal Water District (NTMWD) and the City of Rockwall will brief the Council on regional infrastructure projects. Discussion between the presenters and Council may follow the presentation.

DRAFT

City Administrator Palomba introduced several representatives from North Texas Municipal Water District and the City of Rockwall who were in attendance to present information about regional infrastructure projects. Palomba commented that as discussed in past meetings, needed infrastructure improvements are a major factor when considering the need for a wastewater rate increase. Council recently received findings from a wastewater rate study. The information presented in the rate study along with the information presented this evening should provide a complete picture of why a rate increase is warranted.

Representing North Texas Municipal Water District were RJ Muraski, Assistant Deputy, Capital Improvement Program and Planning; Jenna Covington, Assistant Deputy Wastewater Operations; and Janet Rummel, Public Relations & Communication Officer. Also attending was Mary Smith from the City of Rockwall.

Mr. Muraski and Ms. Covington gave a presentation which included:

- An overview of NTMWD
- History of NTMWD
- Regional Provider: Water, Wastewater, Solid Waste
- Supplies
- Conservation
- Regional Water Awareness Campaign
- Leader in Reuse
- Future Supplies: Projects
- Bois D'Arc Lake – Key Project Serving Region
- Bois D'Arc Lake: Key Components
- Aging Infrastructure Needs Repairs, Upgrades
- Water Service Costs Going Up Across U.S.
- Drivers for FY 20 Water CIP ($392M)
- Regional Water System Cost of Service
- Water Rates Pay for #Morethanwater
- Wastewater System and Initiatives
- Regional Wastewater System
- NTMWD Wastewater Treatment Plants
- Mesquite Regional Wastewater Plant History
- NTMWD Wastewater Conveyance System
- NTMWD Buffalo Creek Interceptor System
- Future Capital Projects

No Action Taken

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6. APPROVAL OF MINUTES

6.1. October 8, 2019

MOTION: APPROVE THE MINUTES OF OCTOBER 8, 2019 AS PRESENTED.

MADE BY: Council Member Hodges
SECONDED BY: Council Member Kipphut
APPROVED: Kipphut, Dahl, Hodges (Bloom Abstained)

7. ITEMS FOR CONSIDERATION

7.1. Discussion and consideration regarding an interlocal Agreement for Fire Protection Services between Rockwall County and the City of McLendon-Chisholm.

City Administrator Palomba explained that this is the Interlocal Agreement for Fire Protection which was recently approved by Commissioners' Court. The terms of the agreement are largely the same as last year.

This agreement provides that McLendon-Chisholm Fire Rescue will provide fire protection services to unincorporated areas of the County.

This agreement is a $10,000.00 increase over last year's agreement for the same services.

MOTION: APPROVE AN INTERLOCAL AGREEMENT FOR FIRE PROTECTION SERVICES BETWEEN ROCKWALL COUNTY AND THE CITY OF MCLENDON-CHISHOLM.

APPROVED: Unanimously by Members Present

8. EXECUTIVE SESSION

8.1. Recess in Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:074(1) Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee: City Administrator; City Secretary; Assistant to the City Secretary; Building Permit Technician; Fire Chief/Fire Marshal; Assistant Fire Chief and Firefighters.

Mayor Short recessed the regular meeting into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:074(1) Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or

DRAFT

dismissal of a public officer or employee: City Administrator; City Secretary; Assistant to the City Secretary; Building Permit Technician; Fire Chief/Fire Marshal; Assistant Fire Chief and Firefighters at 7:18 p.m.

8.2. Recess into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:071(2) Consultation with City Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter regarding procedural requirements of various ad hoc committees and how Council liaisons interact with committees.

Mayor Short recessed the regular meeting into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:071(2) Consultation with City Attorney on a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter regarding procedural requirements of various ad hoc committees and how Council liaisons interact with committees at 7:18 p.m.

9. RECONVENE REGULAR MEETING

Mayor Short reconvened the regular meeting at 8:38 p.m.

10. EXECUTIVE SESSION ACTION

8.1. MOTION: APPROVE A SALARY INCREASE OF 7% FOR THE FIRE CHIEF AND A SALARY INCREASE OF 7% FOR CLERICAL STAFF AT CITY HALL AS DEEMED APPROPRIATE BY THE CITY ADMINISTRATOR.

MADE BY: Council Member Kipphut
SECONDED BY: Council Member Hodges
APPROVAL: Unanimous by Council Members Present

Action regarding a performance review of the City Administrator will be placed on the next agenda.

8.2. No Action

11. UPDATES, DISCUSSION AND DIRECTION TO STAFF

No Updates, Discussion or Direction to Staff

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12. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS

12.1. Mayor Short's Reports and announcements

Reminded everyone of the upcoming Extreme Green event on October 26, 2019 and the Veterans' Memorial on November 11, 2019. He also reminded everyone that October is Cancer Awareness Month.

Mayor Short expressed thanks to Council Member Woessner for her work on the MC50 event and they will talk more at the next meeting when she is present.

12.2. Council Member Kipphut's reports and announcements – None

12.3. Council Member Hodges' reports and announcements

Commended Council Member Woessner for her work on the MC50 event.

12.4. Council Member Woessner's reports and announcements - Absent

12.5. Mayor Pro Tem Bloom's reports and announcements - None

12.6. Council Member Dahl's reports and announcements – None

13. REPORTS

13.1. Budget Report September 2019

13.2. Building Official Report September 2019

13.3 McLendon-Chisholm Fire Rescue Report September 2019

14. ADJOURN

There being no further business to discuss, Mayor Short adjourned the meeting at 8:47 p.m.

ATTEST:

_____
Lisa Palomba, City Secretary

APPROVED:

_____
Keith Short, Mayor

DRAFT

City of McLendon-Chisholm

Staff Report

Discussion and action regarding consideration of an ordinance updating the Fee Schedule to reflect an increase in the monthly sewer rate fee from $55.00 to $57.75 effective January 1, 2020.

DATE:

November 12, 2019

BACKGROUND OF ISSUE:

During the budget preparation process, Council was informed by staff that the current sewer rate of $55 per month is inadequate to cover expenses. The City entered into an agreement with Dan Jackson, representing Wildan Financial, to provide a Wastewater Rate Analysis for the purpose of determining appropriate rates.

Mr. Jackson completed his analysis and presented his findings to Council on October 8. The model suggests rate increases over a period of time with a rate of $57.75 effective January 2020.

On October 22, representatives from North Texas Municipal Water District and the City of Rockwall presented information regarding planned infrastructure improvements and information regarding approved wastewater rates for the current budget year.

The 2020 rate is lower than assumed in the model, thus the City's net revenues may be higher in 2020. However, estimates of rates for 2021 and 2022 are higher. North Texas rates are highly variable from year to year. Mr. Jackson recommends keeping the suggested rate plan in place for 2020 and reviewing rates next year to determine if the suggested rate plan should be adjusted.

RECOMMENDATION:

Staff recommends approval of the proposed ordinance updating the fee schedule to reflect an increase in the monthly sewer rate fee from $55 to $57.75 effective January 1, 2020.

SUGGESTED MOTION: I move to approve the Ordinance updating the fee schedule to reflect an increase in the monthly sewer rate fee from $55 to $57.75 effective January 1, 2020.

Lisa Palomba, City Administrator

CITY OF MCLENDON-CHISHOLM
ORDINANCE NO. 2019-__

AN ORDINANCE OF THE CITY OF McLENDON-CHISHOLM, TEXAS, AMENDING SECTION 3.01.001 OF ARTICLE 3.01 OF CHAPTER 3, "BUILDING REGULATIONS," OF THE CODE OF ORDINANCES BY AMENDING THE FEE SCHEDULE; PROVIDING A REPEALING CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, it is the intent of the City Council of the City of McLendon-Chisholm, Texas ("**City**") to protect the public health, safety and welfare of the citizens of the City and safeguard the finances of the City; and

WHEREAS, the City is authorized to impose and collect fees relating to activities regulated by the City and the City Council may amend the related fee schedule to reflect current costs incurred by the City resulting from administering such regulations; and

WHEREAS, The City Council received information from North Texas Municipal Water District and the City of Rockwall regarding expected rate increases over the next several years; and

WHEREAS, the City entered into an agreement with Wildan Financial to provide a Wastewater Rate Analysis for the purpose of determining appropriate wastewater rates; and

WHEREAS, the City Council finds that the fee schedule attached to this Ordinance as Exhibit A and incorporated herein levies fees that have a rational and reasonable relationship to actual costs incurred by the City for the related activities and that the fees are reasonably necessary for the administration of the activity for which the fees are charged.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF McLENDON-CHISHOLM, TEXAS:

SECTION 1. The recitals set forth in the WHEREAS clauses of this Ordinance are true and correct, constitute findings and determinations by the City Council acting in its legislative capacity and are incorporated herein.

SECTION 2. That Section 3.01.001(a) of Article 3.01 "General Provisions," of Chapter 3 "Building Regulations," is hereby amended for the sole purpose of repealing the current Exhibit A fee schedule and replacing it with the Exhibit A fee schedule attached to this Ordinance, which fees shall be effective, and shall be assessed, from and after the effective date of this Ordinance.

SECTION 3. That all provisions of the ordinances of the City of McLendon-Chisholm in conflict with the provisions of this Ordinance, to the extent of such conflict, be and the same are hereby repealed and all other provisions of the ordinances of the City of McLendon-Chisholm not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION 4. That should any sentence, paragraph, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this Ordinance as a whole or any part or provision hereof other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the Code of Ordinances as a whole.

SECTION 5. It is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

SECTION 6. This Ordinance shall take effect January 1, 2020 and upon publication of the caption, as the law in such cases provides.

DULY PASSED and APPROVED by the City Council of the City of McLendon-Chisholm, Texas, on the 12th day of November 2019.

APPROVED:

_____
Keith Short, Mayor

ATTEST:

_____
Lisa Palomba, City Secretary

City of McLendon-Chisholm
Master Fee Schedule

Exhibit A
Ordinance 2019 –

Miscellaneous Fees

Fence Permit	$50
Trade Permits, Mechanical Permits	$100
Plumbing Permit	$150
Electrical Permit	$150
Commercial Certificate of Occupancy	$150
Credit Card Fee	5%
Sewer Tap Fee	$3,000
Sewer Customer Deposit	$135 ($110 Refundable)
Sewer Monthly Fee	$57.75
Contractor Registration (Other than plumbing & electrical	$100
Contractor Registration Plumbing & Electrical	$0
OSSF Permit Fee	$500
Resubmittal OSSF Fee	$100
Pool Installation OSSF Revie Fee (no inspection)	$ 50
OSSF Modification Fee	$200

Food Establishment Permit Fees

Temporary Establishment	$50
Food Establishment	$300
Catering Truck	$300
Day Care Facility	$300
Grocery Store (Per Outlet)	$300
Limited Service	$300
Additional Inspections Required	$100
Seasonal Events	$150
Prepackaged Food and Beverage	$150

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Building Permit Fees Commercial/Non-Residential
(All Building Permit Applications Subject to a Plan Review Fee)

Valuation is based on construction value of project. Permit applicant pays this fee at the time the permit is issued.

Total Valuation	Fee
$1-$5,000	Actual Inspection Charges Plus $50
$5,000 to $249,999	Actual Inspection Charges Plus 1.000% of Valuation Rounded up to Next $1,000
$250,000 to $449,999	Actual Inspection Charges Plus 1.050% of Valuation Rounded up to Next $1,000
$450,000 to $649,999	Actual Inspection Charges Plus 1.075% of Valuation Rounded up to Next $1,000
$650 to $849,999	Actual Inspection Charges Plus 1.100% of Valuation Rounded up to Next $1,000
$850,000 to $9,999,999	Actual Inspection Charges Plus 1.25% of Valuation Rounded up to Next $1,000
Over $1,000,000	Actual Inspection Charges Plus 1.150% of Valuation Rounded up to Next $1,000

Residential Building Permits
(All Building Permits subject to a Plan Review Fee)

Residential New Construction/Remodels	$1.17 Per Square Foot Plus Inspection Fees (Includes Total Square Footage living, garages, porches, etc.)
Residential Minor Construction Projects	$0.59 Per Square Foot Plus Inspection Fees (Porch Additions, Patio Covers, garages, non-habitable living space, etc.)
Swimming Pool	$500 Plus Inspection Fees

Plan Review Fees (Fees are not applied toward Building Permits)

Commercial New Construction	2% of Valuation ($500 minimum) Paid at time of submittal
Residential New Construction	$125 Paid at time of submittal
Other Residential Projects including Pools	$75

Continued on Next Page

Development Fees**
Application and Process Fees Only

Plat Fees**

ETJ Preliminary/Final Plat	Same as All City Fees. May Require review by Rockwall County and be subject to County Fees. See Interlocal Agreement January 30, 2006
Preliminary Plat	$175 per lot Plus $10 per acre (Acreage rounded to the next whole number) Plus all Consultant Costs.
Final Plat	$150 per lot Plus $10 per acre (Acreage rounded to the next whole number) Plus all Consultant Costs.
Replat/Amended Plat	$150 per lot Plus $10 per acre (Acreage rounded to the next whole number) Plus all Consultant Costs.

Zoning Related Fees**

Zoning Change Request	$600 Plus $10 Per Acre Plus all Consultant Costs
Zoning Board of Adjustment Request	$400 Plus all Consultant Costs
Special Use Permit	$400 Plus all Consultant Costs

**Please consult the City of McLendon-Chisholm Code of Ordinances for subdivision and zoning projects prior to submitting an application. All land use projects begin by contacting City Staff at 972-524-2077.

**The City recognizes that professional guidance is necessary when undertaking any land use project including platting, zoning or Board of Adjustment applications. Therefore, the City will provide a one-hour or 2 half-hour complementary professional consultations with the City Planner and/or City Engineer. The complimentary consultations will be arranged by City Staff. Limit of one complementary consultation per property.

The applicant must pay the actual fee (very small and simple projects) or deposit the estimated fee with the City prior to the consultants beginning work on an application. Should the actual consultant costs exceed the estimate, the applicant will be required to deposit additional funds with the City before work on a project continues. Unused deposit funds will be refunded to an applicant within 60 days of project end.

**All Consulting Costs include City Planner, City Engineer, Legal Fees and any other outside consultant costs incurred by the City. A request will not be scheduled for an agenda until all outstanding fees are current.

Continued on Next Page

Fire Code Plan Review Services (Fire Alarm/Sprinkler Systems)

(Commercial)

Valuation	Fee
Up to $250,000	$500
$250,000 to $500,000	$850
$501,001 to $1,000,000	$1,100
$1,000,001 to $3,000,000	$1,600
3,000,001 to $6,000,000	$2,400
$6,000,001 and up	$2,400 plus $0.35 for each additional $1,000

Fire Code Inspection Services

Residential	$25
Commercial	$50 initial inspection, reinspection $75

Approved 05/28/2019

City of McLendon-Chisholm

2019 Wastewater

Rate Study and Financial Forecast

City Council Presentation

WILLDAN

October 8 2019

Presentation Format

- Background on Rates
- Customers and Growth
- Current and Forecast Cost of Service
- Proposed Rate Plan
- Next Steps

Facts about Water and WW Rates in the 21st Century

- Average utility has been increasing rates 5-6% per year; trend expected to continue
- AWWA forecasts that water and wastewater rates across USA will triple in the next 15 years
- Rate adjustments are primarily due to reasons beyond a utility's control – inflation, system replacement, etc.
- NTMWD/Rockwall wastewater increases will have a major impact on City's long-term rate plan
- Ability to maintain forecast customer growth and related connection fees important part of Utility's financial stability

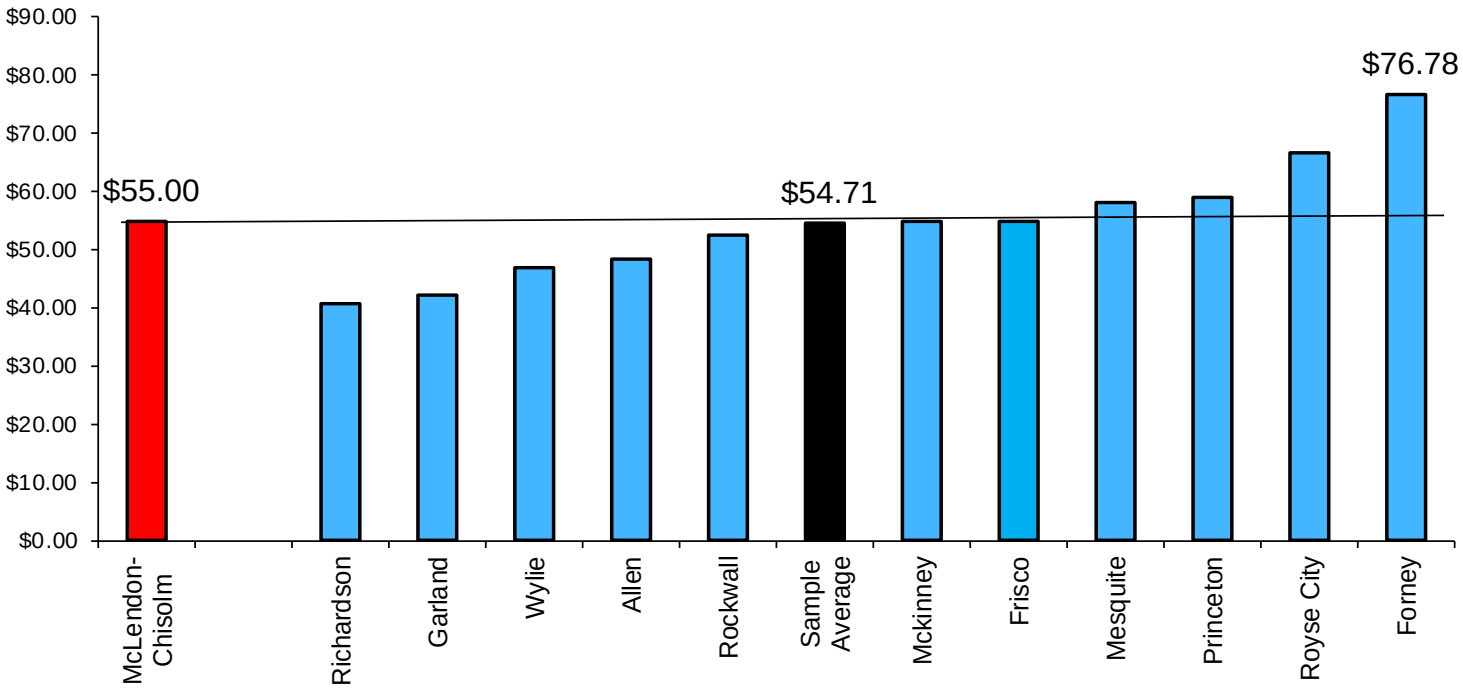
City of McLendon-Chisholm
Current Wastewater Rate Structure

Wastewater Rates

Residential Wastewater Rates

Minimum Charge	$	55.00
Volume Rate (per 1,000 Gallons)		-

Monthly Residential Charge Comparison
7,500 Gal Wastewater

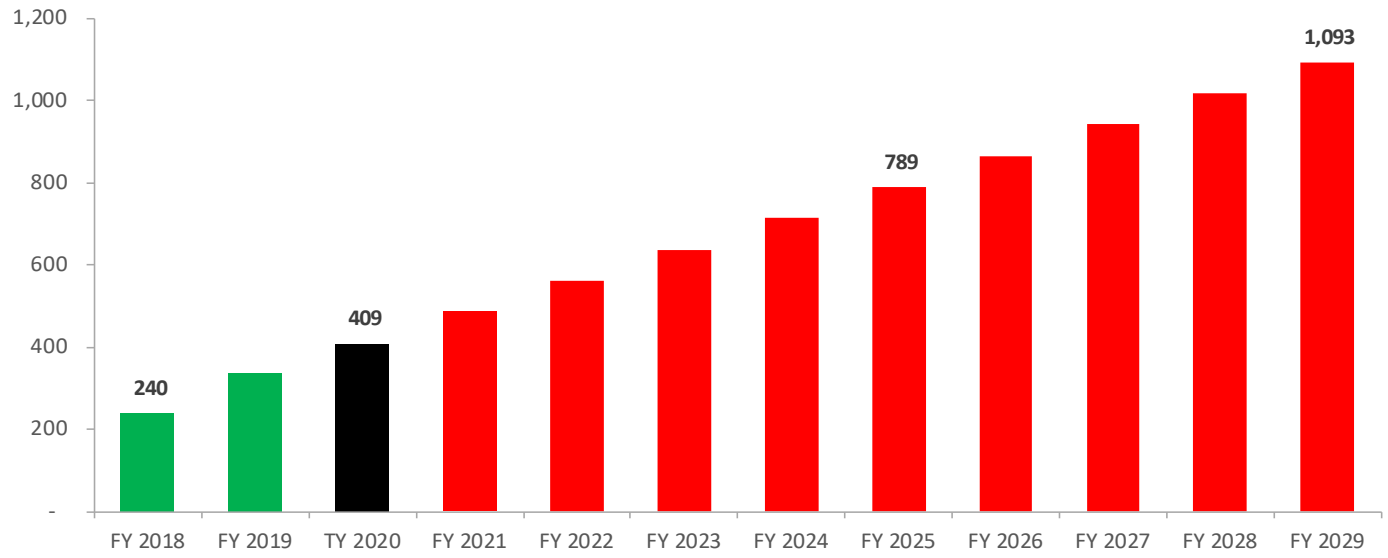


WILLDAN

Preliminary – Subject to Change

Forecast
Wastewater Accounts

Average Annual Increase = 11.5%

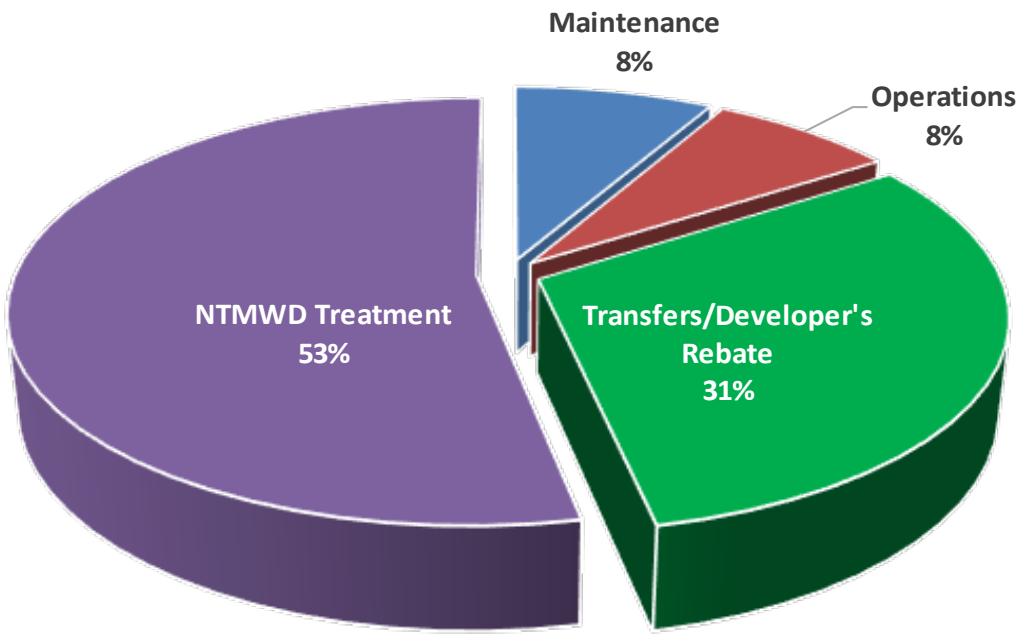


WILLDAN

Preliminary – Subject to Change

Wastewater Utility
FY 2020 Operating/Capital Outlays

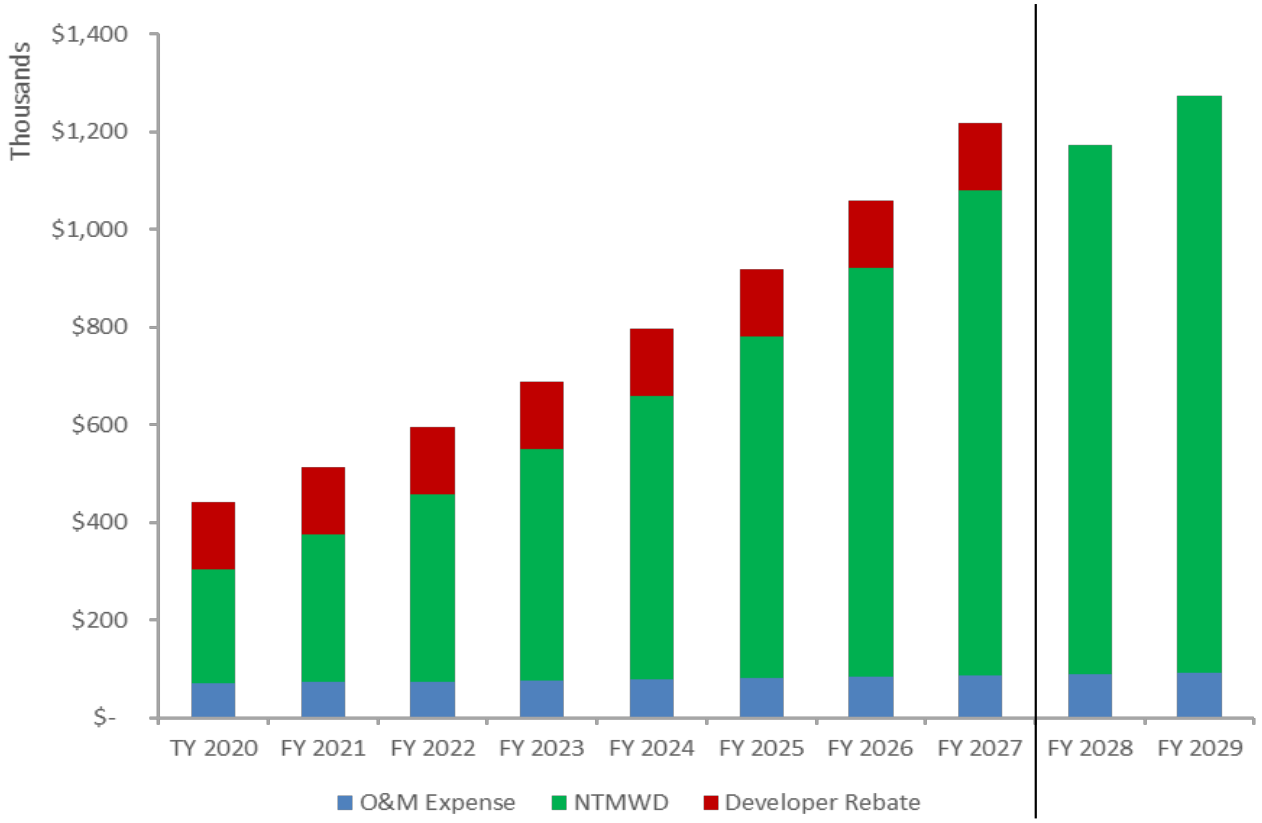
Total = $441,270



Key Assumptions Driving Forecast Financial and Rate Plan

- Contract operating expenses increase 3% per year
- Biggest impact on rate plan = NTMWD/Rockwall cost increases for wastewater treatment
  - estimated at 9.0% per year
- **Important**: Tap Fees (non-rate revenues) are 45% of total utility revenue:
  - Any slowdown in customer growth will require additional rate increases
  - Fees are expected to end after FY 2027, resulting in a revenue reduction of $91,00 in FY 2028

Forecast Cost of Service



WILLDAN

Preliminary – Subject to Change

Forecast Revenue Requirement

	Operating Expenses	NTMWD	Developer Rebates	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
WASTEWATER Revenue Requirement						
TY 2020	$ 69,570	$ 234,900	$ 136,800	$ 441,270	$ 226,900	**$ 214,370**
FY 2021	71,657	303,897	136,800	512,354	226,900	**285,454**
FY 2022	73,807	383,506	136,800	594,113	226,900	**367,213**
FY 2023	76,021	475,088	136,800	687,909	226,900	**461,009**
FY 2024	78,302	580,161	136,800	795,263	226,900	**568,363**
FY 2025	80,651	700,424	136,800	917,875	226,900	**690,975**
FY 2026	83,070	837,770	136,800	1,057,640	226,900	**830,740**
FY 2027	85,562	994,313	136,800	1,216,675	226,900	**989,775**
FY 2028	88,129	1,084,796	0	1,172,925	(1,100)	**1,174,025**
FY 2029	90,773	1,183,512	0	1,274,285	(1,100)	**1,275,385**

Notes on Rate Proposal

- Rate plan recommends 5 years of annual adjustments, effective January 1, 2020 and October 1 2020-2023
- Council has option to adopt multi-year plan or single adjustment
- Recommend rate plan be reviewed every two years given:
  - The utility's reliance on tap fee revenue connected to rapidly changing growth
  - The volatility of NTMWD charges

Wastewater Monthly Charge Required For Utility Self Sufficiency

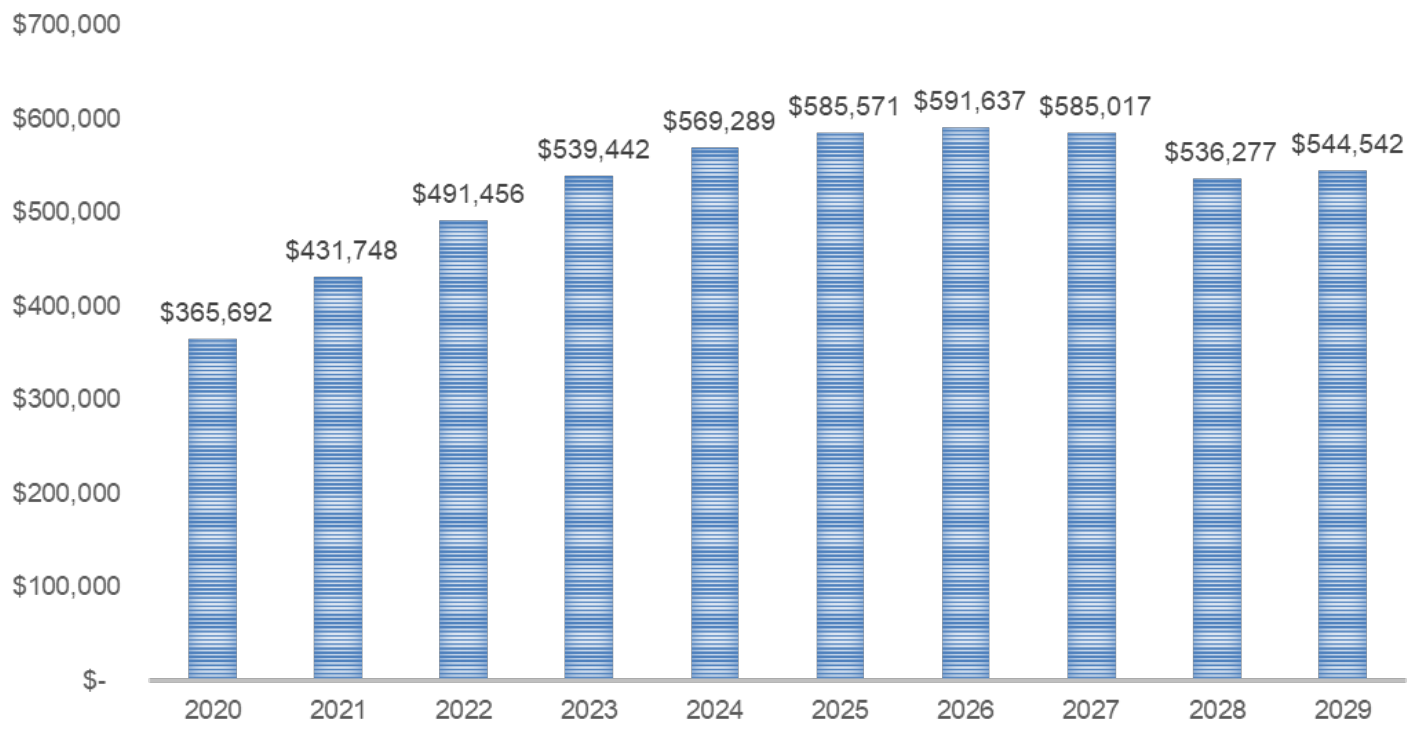
Current	Effective Jan-20	Oct-20	Oct-21	Oct-22	Oct-23
$ 55.00	**$ 57.75**	$ 60.64	$ 63.67	$ 66.85	$ 70.20
	2.75	**2.89**	**3.03**	**3.18**	**3.34**
	5.0%	5.0%	5.0%	5.0%	5.0%

Wastewater Monthly Charge Required For Utility Self Sufficiency

Effective				
Oct-24	Oct-25	Oct-26	Oct-27	Oct-28
$ 75.11	$ 81.12	$ 87.61	$ 100.75	$ 114.85
4.91	**6.01**	**6.49**	**13.14**	**14.10**
7.0%	8.0%	8.0%	15.0%	14.0%

Elimination of Connection Fee Revenue

Proposed Rate Plan
Forecast Fund Balance



WILLDAN

Preliminary – Subject to Change

Presentation Summary
Benefits of Proposed Rate Plan

- Will enable utility to operate on a stand-alone basis and independent of general fund assistance
- Will cover estimated increased cost of NTMWD Wastewater treatment
- Will result in financially-healthy utility that has ability to fund operations and immediate capital needs
- Will ensure that ratepayers paying only what it costs to provide wastewater service

Questions?

City of McLendon-Chisholm

Staff Report

Discussion and action regarding authorizing the City Administrator to enter into an agreement with Haws & Associates for street repair located at the intersection of Firenza Ct. and Bertino Way in the Sonoma Verde Phase I subdivision in the amount of $44,700.

DATE:

November 12, 2019

BACKGROUND OF ISSUE:

The pavement at the intersection of Bertino Way and Firenza Court in the Sonoma Verde subdivision failed to perform as expected, is a safety hazard and requires immediate repair. The entire intersection must be replaced. This area is part of Sonoma Verde Phase I and the warranty coverage period has expired.

The original project engineer has provided the following analysis of the pavement failure as well as a proposed solution.

The pavement failure at the above-mentioned intersection appears to have been caused by ground swelling and heaving of soil below the pavement and the lime treated sub-base. Following the removal of several of the concrete panels, it was determined that the original concrete, size and placement of the reinforcing steel, and lime treated subbase were constructed to the geotechnical engineer's recommendations, the construction plans, and the City of McLendon Chisholm's standard specifications for pavement construction. The pavement heaving at this intersection was caused by an unforeseen subsurface condition, and likely occurred due to water infiltration below the subgrade either by a natural seam or spring, or source of water during latter construction of lots or some other source of water infiltration upstream.

We believe that the heaving has reached a point of maximum swelling and have proposed a solution which will address the existing conditions and repair the intersection.

The proposed solution includes:

1. *Removal of the concrete within the entire intersection. This will be done in stages and sections to provide vehicular traffic movement.*
2. *Re-grading the subgrade to place the subgrade to the proper grades, slopes and tolerances.*
3. *Install thicker stronger reinforcing steel that would include ½" diameter rebar instead of the standard 3/8" rebar for added strength and bridging capability.*
4. *Decrease the Spacing of rebar from 18" on center to 12" on center to increase the amount of steel for added strength.*

5. *Pour 8" of concrete instead of the standard 6" thick concrete pavement for added strength.*

Following the pavement repair and replacement, require that the contractor provide a 2-year maintenance bond for the entire value of the replacement contract.

ADDITIONAL INFORMATION: The City Engineer, Doug Showers, representing Nathan Maier Consulting Engineers, Inc. was advised of the current street condition and performance and has determined the assessment provided is a reasonable solution and will likely offer the best long-term opportunity for pavement to perform well. The City Engineer has suggested the quote for repair work is also reasonable. Both the original project engineer and the City Engineer will evaluate the repair once completed prior to the City accepting the repair work.

Once approved by Council, Haws & Associates is available to begin the repair work immediately. The work is expected to take 4 weeks based on the need to complete in sections to control traffic and allow adequate cure time. Weather is also a factor in time required for street repairs.

FINANCIAL IMPACT: Each year, Sonoma residents are assessed a maintenance fee which is applied to a special reserve account for Sonoma road repairs. This account currently has $98,563.86 available for road repairs. The estimated cost of repair, including warranty bond, is $44,700.

Previously, the developer has paid for repairs beyond the warranty period but at this time, the original developer is requesting the City use funds from the Sonoma PID road maintenance fees collected to fund the needed repair.

RECOMMENDATION:

Staff recommends authorizing the City Administrator to enter into an agreement with Haws & Associates to complete the needed street repairs.

SUGGESTED MOTION: I move to authorize the City Administrator to enter into an agreement with Haws & Associates for street repair located at the intersection of Firenza Ct. and Bertino Way in the Sonoma Verde Phase I subdivision in the amount of $44,700.

Lisa Palomba, City Administrator

Haws & Associates
469-222-7557
PO Box 1055
Rockwall TX 75087

Estimate

Date	Estimate #
9/12/2019	33

Name / Address
Sonoma Street Repair

Project

Description	Qty	Rate	Total
at Bertino and firenza Ct, remove and replace street with 8" concrete #4 rebar at 12" oc CY	400	108.00	43,200.00
2 yr 100% Matainence Bond	1	1,500.00	1,500.00
		Total	$44,700.00

City of McLendon-Chisholm

Staff Report

Discussion and action regarding authorizing the City Administrator to enter into negotiations with Mohammed Polani representing MFS Group, LLC for a pro-rata performance agreement for a wastewater line.

DATE:

November 12, 2019

BACKGROUND OF ISSUE:

Staff recently received an inquiry regarding a potential commercial development project. The developer is interested in extending the sewer line to reach the development site but would like the city to share the upfront costs of extending the sewer line.

At this time staff is seeking Council authorization to enter into negotiations with Mohammed Polani representing MFS Group, LLC regarding a pro rata performance agreement for a wastewater line.

Any proposed agreement would be presented to Council for final consideration and approval.

If an agreement is later approved by Council, the developer would then move through the planning and zoning process for project consideration and approval.

RECOMMENDATION: Staff recommends authorizing the City Administrator to enter into negotiations with Mohammed Polani representing MFS Group, LLC for a pro rata performance agreement for a wastewater line and to bring forth the agreement for consideration at a future meeting in the event such agreement is reached.

FINANCIAL IMPACT: The City Attorney will need to review any potential agreements prior to bringing forward to Council for consideration. Cost for review will depend on time required but is expected to be minimal.

SUGGESTED MOTION: I move to authorize the City Administrator to enter into negotiations with Mohammed Polani representing MFS Group, LLC for a pro rata performance agreement for a wastewater line.

Lisa Palomba, City Administrator

CONTRACT WITH COMMUNITY WASTE DISPOSAL, LP
FOR COLLECTION OF SOLID WASTE AND RECYCLABLE MATERIALS

THIS CONTRACT is made and entered into by and between the City of McLendon-Chisholm, Texas, a municipal corporation located in Rockwall County, Texas, (hereinafter called "City"), and Community Waste Disposal, LP (hereinafter called "Contractor"), a Texas limited partnership.

NOW, THEREFORE, in consideration of the following mutual agreements and covenants, it is understood and agreed by and between the parties hereto as follows:

1. Grant of License

Contractor is hereby granted the sole and exclusive franchise, license and privilege collect, haul and recycle, or dispose of Municipal Solid Waste, Construction and Demolition Waste, and Recyclable Materials (as such terms are defined herein) within the City's incorporated limits; and

2. Contract

A. This Contract includes the following documents, and this Contract expressly incorporates same herein as fully as if set forth in this Contract:

1. This Contract and Contract terms and definitions (hereinafter called "Contract Documents")
2. Rate Agreement and Services Schedule (Exhibit A)
3. Any addenda or changes to the foregoing documents agreed to in writing and signed by the parties hereto.

B. Contractor shall comply with all provisions of the Contract Documents, and no amendment to this Contract shall be made except upon the written consent of the parties, which consent shall not be unreasonably withheld. No amendment shall be construed to release either party from any obligation of the Contract Documents except as specifically provided for in such written amendment.

C. This Contract constitutes the entire understanding between the parties hereto and cancels and supersedes all prior negotiations, representations, understandings and agreements, either written or oral, with respect to the subject matter hereof.

3. Definitions

The following terms, when used herein, whether capitalized or lower case shall have the respective meanings assigned thereto as follows:

Bags: Plastic sacks, designed to store refuse with sufficient wall strength to maintain physical integrity when lifted by the top. Total weight of a bag and its contents shall not exceed forty (40) pounds.

Bin (Commercial/Industrial): Metal receptacle designed to be lifted and emptied mechanically for use only at Commercial and Industrial Units, ranging in size from 2 to 42 cubic yards.

Bin (Residential Recycling): See CWD Polycart.

Brush Bundled: Tree, shrub or brush trimmings securely tied together forming an easily handled package not exceeding four (4) feet in length or fifty (50) pounds in weight.

Bulky Waste: Stoves, refrigerators which have CFC's removed by a certified technician, water tanks, washing machines, furniture, weights more than 40 pounds, and other waste materials other than Dead Animals, Hazardous Waste, or Stable Matter with weights or volumes greater than those allowed for Bags, Bins or Polycarts, as the case may be. Bulky waste does not include brush.

City: The City of McLendon-Chisholm

Commercial and Industrial Refuse: All Solid Waste, Bulky Waste, Garbage, Rubbish and Stable Matter generated by a Customer at a Commercial and Industrial Unit.

Commercial and Industrial Unit: All premises, locations or entities, public or private, requiring Refuse collection within the corporate limits of the City, not a Residential Unit.

Commercial Cart Collect Unit: A retail or light commercial type of business, which generates no more than one (1) cubic yard of Refuse per week.

Commodity: Material that can be sold in a spot or future market for processing and use or reuse.

Commodity Buyer: A buyer or processor selected by Contractor pursuant to the Contract Documents, of Recyclable Materials delivered by Contractor.

Compactable Waste: Items that can be crushed under the weight of compaction equipment.

Construction Debris: Waste building materials resulting from construction, remodeling, repair or demolition operations.

CWD Recycling Bin: A receptacle with a capacity of at least 18 - 20 gallons constructed of plastic having handles of adequate strength for lifting. The mouth of a container shall have a diameter greater than or equal to that of the base. The weight of a container and its contents shall not exceed 40 lbs.

Contract Documents: Collectively, the documents identified in Section 2A hereof.

Contractor: Community Waste Disposal, LP and its successors and permitted assigns.

Curbside: That portion of right-of-way adjacent to paved or traveled City of McLendon-Chisholm roadways (including alleys). The curbside is as close to the roadway as practicable without interfering with or endangering the movement of vehicles or pedestrians.

Customer: An occupant of a Residential Unit, Commercial or Industrial Unit of the City who generates Refuse or Recyclable Materials.

Dead Animals: Animals or portions thereof equal to or greater than ten (10) pounds in weight that have expired from any cause except those slaughtered or killed for human use.

Disposal Site: A Refuse depository including, but not limited to, sanitary landfills, transfer stations, incinerators and waste processing/separation centers licensed, permitted or approved by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits or approvals to receive for processing or final disposal of Refuse and Dead Animals.

Environmental Regulation: Any law, statute, regulation, order or rule now or hereafter promulgated by any governmental authority, whether local, state or federal, relating to air pollution, water pollution, noise control and/or transporting, storing, handling, discharge, disposal or recovery of on-site or off-site hazardous substances or materials, as same may be amended from time to time, including without limitation the following: (i) the Clean Air Act (42 U.S.C. § 7401 et seq.); (ii) Marine Protection, Research and Sanctuaries Act (33 U.S.C. § 1401-1445); (iii) the Clean Water Act (33 U.S.C. § 1251 et seq.); (iv) Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984 (42 U.S.C. § 6901 et seq.); (v) Comprehensive Environmental Response Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.); (vi) Toxic Substances Control Act (15 U.S.C. § 2601 et seq.); (vii) the Federal Insecticide, Fungicide and Rodenticide Act as amended (7 U.S.C § 135 et seq.); (viii) the Safe Drinking Water Act (42 U.S.C. § 300 (f) et seq.); (ix) Occupational Health and Safety Act (29 U.S.C. § 651 et seq.); (x) the Hazardous Liquid Pipeline Safety Act (49 U.S.C. § 2001 et seq.); (xi) the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.); (xii) the Noise Control Act of 1972 (42 U.S.C § 4901 et seq.); (xiii) Emergency Planning and Community Right to Know Act (42 U.S.C §§ 11001-11050); and (xiv) the National Environmental Policy Act (42 U.S.C §§ 4321–4347).

Garbage: Any and all dead animals of less than 10 lbs. in weight, except those slaughtered for human consumption; every accumulation of waste (animal, vegetable and/or other matter) that results from the preparation, processing, consumption, dealing in, handling, packing, canning, storage, transportation, decay or decomposition of meats, fish, fowl, birds, fruits, grains or other animal or vegetable matter (including, but not by way of limitation, used tin cans and other food containers; and all putrescible or easily decomposable waste animal or vegetable matter which is likely to attract flies or rodents); except (in all cases) any matter included in the definition of Bulky Waste, Construction Debris, Dead Animals, Hazardous Waste, Rubbish or Stable Matter.

Household Hazardous Waste: Household products that contain corrosive, toxic, ignitable, or reactive ingredients, including paints, cleaners, oils, batteries, pesticides, CFS, fluorescent batteries, etc., and consumer electronic equipment that is near or at the end of its useful life.

Hazardous Material: Any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substandard, solvent or oil as defined by any federal, state or local Environmental Regulation.

Hazardous Waste: Solid wastes regulated as hazardous under the Resource Conservation and Recovery Act, 42 U.S.C. Section 1002, et seq., or regulated as toxic under the Toxic Substances Control Act, 15 U.S.C.A. Section 2601 et seq., regulations promulgated thereunder or applicable state law concerning the regulation of hazardous or toxic wastes. Waste in any amount, which is defined, characterized or designated as hazardous by the United States Environmental Protection Agency or any appropriate state agency by or pursuant to Federal or State Law. For purpose of this Contract, the term hazardous waste shall also include motor oil, fuel, paint and paint cans.

Landfill (Sanitary): A Texas Class I municipal solid waste landfill licensed and permitted by the state of Texas, or any other alternate, duly permitted sanitary landfill as selected and approved for use by the City of McLendon-Chisholm in accordance with state law.

Loose Brush: Loose tree, shrub or brush trimmings stacked together forming an easily handled package. All limbs must be placed with trunks parallel to the street, but not blocking the sidewalk. No limbs shall be greater than six (6) inches in diameter, weigh more than 50 pounds, or be longer than four (4) feet. Brush piles must be free of all foreign debris.

Non-compactable Waste: Brick, concrete, dirt, composition shingles, ceramic tile and related like items that cannot be crushed under the weight of compaction equipment.

Overflow: All Garbage generated at a Residential Unit that does not fit inside the Residential Unit's Polycart with the lid(s) closed.

CWD Polycart: A wheeled receptacle with a maximum capacity of 95 gallons constructed of plastic, designed for waste or recycle collection systems, and having a tight-fitting lid capable of preventing entrance into the container by small animals. No more than 50 pounds of materials allowed inside Polycart.

Premises: All public and private establishments, including individual residences, all multi-family dwellings, residential care facilities, hospitals, schools, businesses, other buildings, and all vacant lots.

Recyclable Materials: Commodities collected by the Contractor from Residential Units and Commercial Units pursuant to the Contract Documents, which can be sold in a spot or future market for processing and use or reuse including, but not limited to, office paper, newsprint, magazines, plastic (PET and HDPE) bottles, glass containers (clear, brown and green), aluminum cans, metal (tin) cans, and household paper products to include junk mail, envelopes, cereal boxes, cardboard, chipboard, and telephone books.

Recycling Center: A recyclable materials depository, including but not limited to transfer stations, incinerators, and waste processing/separation center licensed, permitted or approved by all governmental bodies and agencies having jurisdiction and requiring such licensed, permits or approvals to receive recyclables for processing.

Refuse: Residential Solid Waste, Refuse and Bulky Waste, and Stable Matter generated at a Residential Unit, unless the context otherwise requires, and Commercial and Industrial Refuse.

Residential Refuse: All Solid Waste, Garbage and Rubbish generated by a Customer at a Residential Unit.

Residential Unit: A dwelling within the corporate limits of the City occupied by a person or group of persons comprising not more than four families. A Residential Unit shall be deemed occupied when either water or domestic light and power services are being supplied thereto. A residential dwelling, whether of single or multi-level construction, consisting of four or less units, shall be treated as a Residential Unit, except that each single-family dwelling within any such Residential Unit shall be billed separately as a Residential Unit.

Rubbish: All waste wood, wood products, tree trimmings, grass cuttings, dead plants, weeds, leaves, dead trees or branches thereof, chips, shavings, sawdust, printed matter, paper, pasteboard, rags, straw, used and discarded mattresses, used and discarded clothing, used and discarded shoes and boots, combustible waste pulp and other products such as are used for packaging, or wrapping crockery and glass, ashes, cinders, floor sweeping, glass mineral or metallic substances, and any and all other waste materials not included in the definition of Bulky Waste, Dead Animals, Garbage, Hazardous Waste or Stable Matter.

Solid Waste: All non-hazardous (as defined by CERCLA and other applicable State and Federal laws and regulations) and solid waste material resulting from or incidental to municipal, community, commercial, institutional, and recreational activities, and includes Garbage, Rubbish, ashes, Dead Animals, and other solid waste other than industrial solid waste.

Stable Matter: All manure and other waste matter normally accumulated in or about a stable, or any animal, livestock or poultry enclosure, and resulting from the keeping of animals, poultry, or livestock.

Unacceptable Waste: Contractor Debris, and Household Hazardous Waste.

Yard Waste: means leaves, grass clippings, yard and garden debris, and brush, including clean woody vegetative material not greater than six (6) inches in diameter, that result from landscaping maintenance and land-clearing operations. The term does not include stumps, roots, or shrubs with intact root balls.

4. Scope and Nature of Operation

A. Residential Collection: Contractor shall provide sufficient vehicles and employees to provide curbside collection service for the collection of Residential Refuse, Solid Waste, and Recyclable Materials to each Residential Unit, as outlined in Exhibit A, when placed at curbside by 7:00 a.m. on the designated collection day. Further, Contractor shall provide a copy of maps indicating the routes used in the collection of waste from all Residential Units.

B. Residential solid waste collection services: The Contractor shall pick up all Solid Waste generated from residential unit premises. At customer's request, excessive amounts of

Rubbish, brush and trees may be collected and disposed of by Contractor for a special haul fee per cubic yard mutually agreed upon by Contractor and such Customer outlined in Exhibit A.

C. Commercial and Industrial Accounts: Contractor shall provide sufficient vehicles and employees to collect and remove Solid Waste from the premises of commercial, institutional and industrial Customers that select Contractor to provide service at such frequency as shall be reasonably requested by the owner or agent. Collection service shall be a minimum of once a week or more to maintain premises free of accumulation of waste. Collection may be in bags or bins as designated by the Customer. If collection is from a container, that container should be located on a concrete pad to accommodate equipment.

D. Residential Recycling Collection:

1. The Contractor shall provide residential recycling as described in Exhibit A. Contractor will provide each Residential Unit a CWD Polycart with lid, and of a type that is generally accepted by municipalities with recycling experience.

2. Contractor will be responsible for delivering CWD Polycarts to each residential unit at the start of the contract at no additional cost. Residents will be charged $75.00 for lost or stolen carts.

3. The collection of the Recyclable Materials shall occur at the curb.

4. Contractor shall also provide the City a monthly recycling report detailing volume collected.

E. Unusual Accumulations Collection: The Contractor may reasonably charge customers for the collection of unusual accumulations.

F. Implementation Plan: The City shall work with Contractor to approve an informational brochure which Contractor delivers with each residential Polycart and to commercial and industrial customer address.

G. Holiday Schedule
(As negotiated)

H. Exception to Exclusive Franchise
Due to current road conditions, two streets (Meadowpark and Frontier Trail) are unserviceable by the Contractor, utilizing equipment included in the RFP response. The Contractor and the City agree that residents with addresses on these two streets may utilize services provided by another company other than the Contractor for the removal of their residential refuse and recycling. If the Contractor is required to service these locations, rates for this service will need to be negotiated to account for any special equipment or arrangements needed.

5. Collection Operation

A. Hours of Operation: Contactor shall collect garbage and solid waste and recyclables only between the hours of 7:00 a.m. and 7:00 p.m.

B. Hours of Disposal: Contractor shall dispose of waste within the operating hours of Disposal Site.

C. Routes of Collection: Collection routes shall be established by Contractor as approved by the City. The City shall be provided route collection maps and container locations.

D. Complaints:

1. Complaints shall be made directly to Contractor. Contractor shall promptly respond to all complaints. At a minimum, Contractor's complaint procedure shall provide that the customer complaint shall be addressed within 24 hours (business day) of receipt of such complaint and shall be promptly resolved. The Contractor shall be responsible for maintaining a log of complaints and shall promptly provide the City, upon request, copies of all complaints and Contractor's response.

2. The City shall notify Contactor of each complaint reported to the City in order for Contractor to take whatever reasonable steps are necessary to remedy the cause of the complaint.

E. Collection-Equipment:

1. Contractor, at its sole cost and expense, agrees to furnish all trucks, equipment, machines and labor which are reasonably necessary to adequately, efficiently and properly collect and transport garbage from accounts serviced by Contractor in accordance with this Contract. Collection of garbage shall be made using sealed packer-type trucks, and such equipment shall not be allowed to leak nor scatter any waste within the boundaries of the City nor while enroute to the Disposal Site, where such accumulation shall be dumped.

2. All motor vehicles used in performance of the obligations herein created shall be clearly marked with Contractor's name, telephone number and unit number legible from 150 feet. Contractor shall maintain all collection equipment in a safe and efficient working condition throughout the term of this Contract. Contractor's vehicles shall be maintained and painted as often as necessary to preserve and present a well-kept appearance, and a regular preventative maintenance program.

F. Disposal: Contractor shall deliver all Solid Waste collected to a Landfill operated in compliance with rules stipulated by the Texas Commission on Environmental Quality (TCEQ) and/or the Environmental Protection Agency (EPA). Contractor shall deliver all household hazardous waste to a Landfill legally permitted to accept such waste.

G. Spillage: Contractor shall not be responsible for scattered refuse unless the same has been caused by its equipment or its acts, omissions or those of any of its employees, in which case all scattered refuse shall be picked up immediately by Contractor. Contractor will not be required to clean up or collect loose refuse or spillage not caused by its equipment or the acts or omissions of its employees, but shall report the location of such conditions so that proper notice can be given to the Customer at the premises to properly contain Refuse.

H. Vicious Animals: Employees of Contractor shall not be required to expose themselves to the dangers of vicious animals in order to accomplish Refuse collection in any case where the owner or tenants have animals at large, but Contractor shall immediately notify the City, in writing, of such condition and of its inability to make collection.

6. Recyclable Materials

A. If Described in Exhibit A, then Contractor shall provide a single-stream recyclable collection service. Customers will not be required to separate recyclable materials by type of material.

B. Contractor shall be totally responsible for the processing and marketing of all Recyclable Materials collected pursuant to this Contract.

7. Ownership

Title to Refuse, Solid Waste, Dead Animals and Recyclable Materials shall pass to Contractor when placed in Contractor's collection vehicle, removed by Contractor from a Bin or container of any sort, or removed by Contractor from the Customer's premises, whichever last occurs.

8. Employees

A. Contractor shall employ sufficient numbers of employees to meet its obligations under this Contract and all of Contractor's employees shall be fully qualified to perform the duties assigned to them.

B. Contractor shall perform driving record checks of all drivers working within the City at least once every 12 months and shall take all reasonable steps to ensure that its drivers have safe driving records.

9. Reporting Requirements

Contractor shall provide, at a minimum, the following types of reports within the time periods specified:

A. Monthly reports, within three (3) weeks of the end of the reporting period, detailing: tonnage of recycling

B. Annual reports each January on the status of the terms and conditions of this Contract and any points that need to be addressed, including Customer complaint reports and recycling tonnage.

10. Gross Vehicle Weight Limits

Contractor specifically reserves the right to adjust the size of Commercial containers and the frequency of collections of such containers if Contractor determines that hauling an individual roll-off container will cause Contractor to exceed its maximum license limits as approved by State of Texas for gross vehicle weight ("GVW"). In such instances, Contractor shall give notice to the Customer and adjust the size of said containers and/or the frequency of service to achieve compliance with GVW limits. For all GVW pounds in excess of 54,000 pounds, Contractor may charge the Commercial Customer two and one-half (2.5) times the standard disposal fee.

11. State, Local, and Federal Regulations

Contractor agrees to comply with all of the existing laws of the United States and of this State and any further laws which may be enacted by the United States or this State, and agrees to comply with the regulations of any regulatory body or officer authorized to prescribe or enforce regulations pertaining to the subject matter of this Contract, it being expressly agreed that nothing in this Contract shall be construed in any manner to abridge the right of City to pass or enforce necessary police and health regulations for the protection of its inhabitants. The Contractor is subject to the provisions of chapters 49, 51 and 53 of the Texas Water Code, state statutes and the Texas Constitution.

12. Licenses and Taxes

Contractor shall obtain all licenses and permits (other than the license and permit granted by this Contract) and promptly pay all required taxes.

13. Vehicle Identification

All vehicles and equipment used by Contractor shall be clearly marked on each side with Contractor's name and telephone number in letters not less than two inches (2") in height.

14. Non-collection Notice and Follow-Up

A. Where the owner or occupant of any premises is maintaining improper or inadequate refuse containers, Contractor shall refrain from collecting all or a portion of such refuse and will notify the City and the owner or occupant thereof within 24 hours thereafter of the reason for such non-collection.

B. Where the City of McLendon-Chisholm is notified by a Customer occupant that Refuse has not been removed from the premises on the scheduled collection day and where no notice of non-collection or a change in collection schedule has been received from Contractor, the City will investigate the matter, and if the investigation discloses that Contractor has failed to collect refuse from the subject premises without cause as supported

by notice as described herein, Contractor shall collect the same within twenty four (24) hours after a collection order is issued by the City.

15. Remuneration - Residential

Contractor will provide direct billing to and collection from all Residential customers residing within the boundaries of the City, at rates in accordance with the "Rate Agreement Schedule" attached hereto as Exhibit A. Resident Units will be billed on a quarterly basis in advance. The rates charged by Contractor hereunder are subject to annual adjustment as set forth in Exhibit A, section D of such Rate Agreement Schedule. Contractor shall make a written request for any such adjustment no later than 30 days prior to the date on which the adjustment is intended to take effect. Such request shall be accompanied by supporting materials evidencing the basis for such adjustment. City consent to any requested annual rate adjustment shall not be unreasonably withheld or denied. Contractor shall bill all Residential Units on a quarterly basis in advance.

16. Franchise Fee

Contractor shall pay to City a franchise fee equal to ten (10%) of all amounts paid by Residential, Commercial, and Industrial Customers within the City to whom Contractor provides services pursuant to the authority granted by this Contract ("the Franchise Fee"). The Franchise Fee constitutes a payment to City for the right of Contractor to use City's streets, alleys, and rights-of-way in providing the services described in this Contract. Contractor shall have the right to pass the Franchise Fee through to Customers, provided the amount of the Franchise Fee passed through to each Customer does not exceed ten percent (10%) of the amounts billed to the Customer excluding any state and local sales and use taxes. Contractor shall pay the Franchise Fee to City as follows:

A. Franchise Fees attributable to the provision of services to Residential, Commercial and Industrial Customers shall be paid not later than the last day of the calendar month following the month for which services have been paid to Contractor, regardless of the month in which the services were actually provided. By way of example only to illustrate the intent of the previous sentence, Contractor shall pay Franchise Fees to City not later than April 30, 2019, for payments received by Contractor during the month of March 2019 for services provided to Residential, Commercial and Industrial Customers, regardless of the date the services were provided.

17. Commercial Accounts

Contractor will provide direct billing to and collection from all its commercial accounts. Contractor shall quote rates for commercial and industrial services in compliance with the rate structure set forth in this Contract. All commercial Customers that select Contractor as provider shall be billed directly by Contractor, and the City shall not be entitled to any compensation relating to such billing.

18. Books and Records

The City and Contractor agree to maintain at their respective places of business adequate books and records, including financial records, relating to the performance of their respective duties under the provisions of this Contract and such books and records shall be made available at any time during regular business hours for inspection by the other party or the party's designated representative, upon reasonable advance notice. The inspecting party shall be responsible for all of their own expenses, including travel and contractual services.

19. Contractor as Independent Contractor of City of McLendon-Chisholm

Contractor shall have control over and be solely responsible for the actions of its employees and agents during the performance of services under this Contract. Contractor assures the City that the actions of Contractor's employees shall be in the best interests of the City and its citizens. Contractor and its employees and agents are independent contractors of the City of McLendon-Chisholm and not employees or agents of the City.

20. Term

The term of this Contract shall be five (5) years beginning January 1, 2019, through midnight, December 31, 2023, with successive five (5) year renewal terms without further action of either party. Should either party desire not to renew and extend the Contract for an additional five-year period, the party shall give written notice to the other party not less than 180 days prior to the expiration of the Contract.

21. Notices

Any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed to be delivered when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the respective party of the address set forth below:

If to the City of McLendon-Chisholm, at: City of McLendon-Chisholm
Attn: City Secretary
1371 West FM 550
McLendon-Chisholm, TX 75032

If to Contractor, at: Community Waste Disposal, LP
2010 California Crossing Road
Dallas, TX 75220
ATTN: Greg Roemer, President, CWD

Or such other addresses as the parties may hereafter specify by written notice delivered in accordance herewith.

22. Force Majeure

Notwithstanding anything herein to the contrary, Contractor shall not be liable for the failure to perform its duties if such failure is caused by a catastrophe, riot, war, fire, or act of God. Contractor shall give notice to City of McLendon-Chisholm of a force majeure event within three days of the occurrence of the event, but no later than noon on a missed collection day.

23. Liability Insurance

Minimum Limits of Insurance: The Contractor shall procure and maintain the following minimum types of coverage:

Type Coverage	Per Occurrence Minimum	Aggregate Minimum
Worker's Compensation	As required by law and shall cover all employees including drivers.	As required by law.
Comprehensive & General Public Liability minimum	$1,000,000	$5,000,000
Property Damage	$1,000,000	$2,000,000
Comprehensive Auto Liability Bodily Injury $1,000,000 $1,000,000	$1,000,000	$5,000,000
Comprehensive Auto Liability-Property Damage	$500,000	$1,000,000
Environmental Impairment/ Impact-sufficiently broad to cover disposal liability on an occurrence basis.	$1,000,000	$2,000,000

The City of McLendon-Chisholm reserves the right to review the insurance requirements of this section during the effective period of the contract and any extension or renewal period. The City shall be named an additional insured on all policies. Contractor shall provide Certificates of Insurance verifying required coverage upon the City's request.

24. Performance Bond

Contractor shall deliver to the City a performance bond in the amount of $100,000.00 executed by a good and sufficient corporate surety eligible to conduct business in Texas, and conditioned that Contractor shall well, truly and faithfully perform its obligations under this Contract and shall satisfy all claims and demands of any kind incurred under the Contract, including, but not limited to, the payment of all amounts owed by Contractor to

the City or Landfills, and Contractor shall fully indemnify and save harmless the City from all costs and damage which the City may suffer by Contractor's failure to pay such amounts owed, and shall reimburse and repay the City all outlay and expense which the City may incur in making good any such payment default, then the obligation shall be void; otherwise, to remain in full force and effect. Said performance bond will be renewed annually for the term of the Contract. The performance bond shall be in a form reasonably acceptable to the City. Contractor shall pay any and all premiums for the bond. A certificate from the surety showing that the bond premiums are paid in full shall be submitted to the City on an annual basis for the Term of the Contract.

25. Severability

In the event that any provision or portion thereof of any Contract Document shall be found to be invalid or unenforceable, then such provision or portion thereof shall be performed in accordance with applicable laws. The invalidity or unenforceability of any provision or portion of any Contract Document shall not affect the validity or enforceability of any other provision or portion of any Contract Document.

26. Venue

Venue for any action arising under or pursuant to the terms of this Contract shall lie exclusively in Rockwall County, Texas.

27. INDEMNIFICATION AND HOLD HARMLESS.

CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE ACTS OR OMISSIONS OF CONTRACTOR AND AND/OR AFFILIATES PURSUANT TO THIS CONTRACT. CONTRACTOR HEREBY WAIVES ALL CLAIMS AGAINST CITY, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "CITY") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF CITY. CONTRACTOR AND EACH SUCCESSOR OR ASSIGNEE, AS APPLICABLE, DOES HEREBY INDEMNIFY AND SAVE HARMLESS CITY FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY ARISING FROM CONTRACTOR'S BREACH OF ANY OF THE TERMS AND CONDITIONS OF THIS AGREEMENT, OR BY REASON OF ANY ACT OR OMISSION ON THE PART OF CONTRACTOR (OR AFFILIATES), ITS OFFICERS, DIRECTORS, SERVANTS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, SUBCONTRACTORS, AND LICENSEES IN THE PERFORMANCE OF THIS CONTRACT (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO THE SOLE NEGLIGENCE OR WILLFUL ACT OF CITY). IN THE EVENT OF JOINT OR CONCURRENT NEGLIGENCE OF BOTH CITY AND

CONTRACTOR, THE RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. IF ANY ACTION OR PROCEEDING SHALL BE BROUGHT BY OR AGAINST CITY IN CONNECTION WITH ANY SUCH LIABILITY OR CLAIM, CONTRACTOR OR EACH SUCCESSOR OR ASSIGNEE, AS APPLICABLE, SHALL BE REQUIRED, ON NOTICE FROM CITY, TO DEFEND SUCH ACTION OR PROCEEDINGS AT CONTRACTOR'S EXPENSE, BY OR THROUGH ATTORNEYS REASONABLY SATISFACTORY TO CITY. THE PROVISIONS OF THIS SECTION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

28. Limited Waiver of Immunity

It is expressly understood and agreed that by executing this Agreement, neither party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it, against claims arising in the exercise of governmental powers and functions. By its execution of this Agreement, the City does not waive or surrender any of its governmental powers, immunities, or rights except as follows:

A. The City waives its governmental immunity from suit as to any action brought by a party to this Agreement to pursue the remedies available under this Agreement, but only to the extent necessary to pursue such remedies. Nothing in this Section 27 shall waive any claims, defenses, or immunities that the City has with respect to suits against the City by persons or entities other than a party to this Contract nor shall this Section 27 or Contract be construed to waive any immunities, whether governmental, sovereign, legislative, official, qualified or otherwise, except as clearly set forth in this section.

B. Nothing in this Contract is intended to delegate or impair the performance by the City of its governmental functions.

C. Should a court of competent jurisdiction determine the City's immunity from suit is waived is any manner other than as provided in Subchapter I of Chapter 271, TEXAS LOCAL GOVERNMENT CODE, as amended, the Parties hereby acknowledge and agree that in a suit against the City for breach of this Contract:

   i. The total amount of money awarded is limited to actual damages in an amount not to exceed the balance due and owed by City under this Contract; and

   ii. The recovery of damages against City may not include consequential damages or exemplary damages.

iii. The Parties may not recover attorney's fees.

29. Non-Waiver.

Any failure by a party to this Agreement to insist upon strict performance by another party of any material provision of this Agreement shall not be deemed a waiver thereof, and the party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

Signature Page

City of McLendon-Chisholm

By its:

ATTEST:

CITY OF McLENDON-CHISHOLM CORPORATE SEAL

COMMUNITY WASTE DISPOSAL, LP
By its: General Partner, CWD Management, Inc.

Greg Roemer, President

ATTEST:

Jason Roemer, Municipal Coordinator

Greg A. Roemer
President
CommunityWasteDisposal.com
2010 California Crossing
Dallas, Texas 75220-2310
telephone
972.392.9300 • 817.795.9300
facsimile
972.392.9301

EXHIBIT A
Rate Agreement Schedule

Contractor shall charge the following rates for services performed herein. Note: All rates and cart sizes listed below are net to Contractor and are exclusive of City's franchise fee and/or additional tax and fees.

A. RATES:

RESIDENTIAL SERVICES

Once per week collection of CWD 95-gallon solid waste polycart
Once per week collection of up to 1CY of bulk/brush
Once per week collection of CWD 95-gallon recycling polycart
One (1) Annual X-treme Green Event (Household Hazardous and Electronic Waste Dropoff)

TOTAL $ 20.48 per home per month

Additional CWD 95-gallon solid waste polycart	**$ 6.00**	per cart per month
Special Collection Rate for Collection of Unusual Accumulations	**$ 15.00**	per yard
Disaster Management Rates		
Rate per hour - Roll-off truck and container	**$ 262.00**	per haul
Rate per hour - Grapple Truck	**$ 165.00**	
Rate per hour - Rear Loader with Crew	**$ 165.00**	
Disposal fee per ton	**$ 36.21**	
Small Commercial with 95 Gallon Cart		
One Cart 1 x Week	**$ 25.00**	
Additional Cart(s) 1 x Week	**$ 20.00**	

**Rates are net to contractor and do not include Franchise Fees, Billing Fees, or Taxes*

Commercial Front Load

Front End Load Solid Waste Collection

Size	Frequency 1	2
2 yard	$ 100.45	$ 206.07
3 yard	$ 111.05	$ 226.72
4 yard	$ 118.09	$ 238.21
6 yard	$ 139.26	$ 272.24
8 yard	$ 155.09	$ 306.28
10 yard	negotiable	negotiable

Casters	$	3.75	per collection per container
Locks	$	3.75	per collection per container
Enclosure	$	3.75	per collection per container

Commercial/Industrial/Construction Roll-Off *(1)*

Size	Delivery	Weekly Rental	Haul Rate	Disposal per Ton
30 yd	$ 185.00	$ 35.00	$ 395.33	included in haul rate

- Note (1) disposal to be charged at $35.83 per ton, haul rates above include four (4) tons. Loads that exceed the D.O.T. specification of 54,000 pounds Gross Vehicle Weight (GVW), will be billed an additional $55.75 per ton for all tons in excess of 54,000 pounds.

**Rates are net to contractor and do not include Franchise Fees, Billing Fees, or Taxes*

Free City Services

RFP Reference	Location/Name	Service
Section 3.8 Non-Routine Collection	Various Roll Off Hauls	30 - 30CY Open Tops 30 Total Hauls/Year
Section 3.8 Non-Routine Collection	Educational Flyers	$1,000 per year dedicated to educational material (flyers, events, etc.)
p. 1 City Facility Containers	Various Locations	4 – 95G Trash Containers 4 – 95G Recycle Containers All Collected 1xWeek
Section 3.8 Non-Routine Collection	Christmas Tree Collection	1 - 30CY Open Tops 1 – Total Hauls/Year
p. 7 Performance Bond		$100,000

EXHIBIT D
ANNUAL ADJUSTMENT MODEL

City of McLendon-Chisholm

All rates charged by Community Waste Disposal (contractor) will be subject to an Annual CPI/Fuel/Disposal Cost Adjustment. The first annual adjustment will be effective twelve (12) months from the contract date, and subsequent adjustments will be made each year through the term of the contract. The Annual Adjustment will be applicable to all charges for Trash, Recycling, and other services for both residential and commercial services as contained in the contract. Rates and fees will be adjusted by the contractor for the second and subsequent Contract years for the term of the contract, based on the indices and methodology as described below. If any index defined herein shall not be determined and published or if any index as it is constituted on the Contract Date is thereafter substantially changed, there shall be substituted for such index another index which is determined and published on a basis substantially similar to the index being replaced as shall be mutually agreed upon by the City and the Contractor. The percentage breakdown among the three components of the annual adjustment (CPI, Fuel, Disposal) will vary based on the type of service rendered (System) and can be found on the System Chart below. If CWD is unable to find a viable market for any currently accepted recycle commodity, the System Charts will be adjusted to reflect the higher level of disposal. Annual Rate Adjustment will not be unreasonably withheld or denied.

CPI (*see System Chart for %*)

The basis for the CPI component of the annual increase will be the increase in the "Consumer Price Index – All Urban Consumers", all items (not seasonally adjusted) **less Energy**, for the Dallas-Fort Worth, TX Area as published by the U.S. Department of Labor Bureau of Labor Statistics. The contractor has designated (*see System Chart for amount*) % of fees and charges to be adjusted by the CPI index. For the Annual Cost Adjustment to be effective on the first anniversary of the contract date, the Base or previous CPI index will be the most recent index published two (2) months prior to the date of the contract, and the Current CPI Index will be the most recent Index published two (2) months prior to the current year's contract anniversary date. For subsequent years the Base CPI will be the previous year's "Current Index Value" and the Current CPI Index will be the most recently published Index two (2) months prior to the current year's contract anniversary date.

FUEL (*see System Chart for %*)

The Fuel portion of the Annual Adjustment will be determined using the increase in the Department of Energy's Weekly Retail On-Highway Diesel Prices per gallon for the Gulf Coast region as reported by the Energy Information Administration of the U.S. Department of Energy (www.eia.doe.gov). The contractor has designated (*see System Chart for amount*) % of fees and charges to be adjusted by the diesel fuel index. For the Annual Cost Adjustment to be effective on the first anniversary of the contract date, the Base or Previous Fuel Index will be the average DOE diesel fuel cost per gallon for the most recent three (3) month period ending two (2) months prior to the date of the contract. The Current Fuel Index will be the DOE average diesel fuel cost per gallon for the three (3) month period ending two (2) months prior to the contract anniversary date. For all subsequent years of the contract the Base or Previous Fuel Index will be the previous year's "Current Index Value", and the Current Fuel Index will be the average DOE

diesel fuel cost for the three-month period ending two (2) months prior to the current years contract anniversary date.

DISPOSAL (*see System Chart for %*)
The Disposal portion of the Annual Adjustment will be determined using the increase in the CWD gate rate price for the Garland Landfill. The contractor has designated (*see System Chart for amount*) % of fees and charges to be adjusted by the Disposal rate changes. For the Annual Cost Adjustment to be effective on the first anniversary of the contract date, the Base or Previous Disposal Index will be the Garland Landfill gate rate effective on the date the CWD bid was submitted. The Current Disposal Index will be the Garland Landfill gate rate in effect ten (10) months from the contract start date. For all subsequent years of the contract the Base or Previous Index value will be the previous year's "Current Index Value", and the Current Disposal Index will be the Garland Landfill gate rate in effect one month prior to the current years contract anniversary date.

SYSTEM CHART

	Front Load Trash	Roll Off Trash	Roll Off Excessive Weight	Residential Trash	Recycle
CPI	57%	37%	0%	48%	69%
Fuel	13%	13%	0%	20%	20%
Disposal	30%	50%	100%	32%	11%
Total	100%	100%	100%	100%	100%

EXAMPLE (Recycle)

Contractors Base Fee Adjustment Indices	Index Percentage	Previous (Base) Index Value	Current Index value	Change in Index Value	Index Percentage Change	% Applied to Annual Cost Adjustment
Consumer Price Index	69%	217.487	220.097	2.610	1.20%	0.83%
Fuel Cost	20%	$2.914	$2.987	$0.073	2.51%	0.50%
Disposal Cost	11%	$20.00	$20.40	$0.40	2.00%	0.22%
Annual Adjustment	100%					1.55%

EXHIBIT E

Recycle Revenue Sharing

Community Waste Disposal
McLendon-Chisholm
Recycle Revenue Sharing Calculations
Bin/Cart

Total Tons Received by CWD		137	
Per Ton Processing Fee & Transportation Fee (Note 1)		$ 76.81	Adj Annually
Total Processing Fee		$ 10,522.97	

Commodity	Note 2 Annual Adjustment Component %	Note 3 Pricing Structure	Note 4 Adjusted Monthly Published Value $ Per Ton	Total $	Tons
ONP	14.00%	PPI - #8 Southwest Hi	$ 25.00	$ 479.50	19.18
OCC	19.71%	PPI #11 Southwest Hi	$ 90.00	$ 2,430.00	27.00
Mixed Paper	9.87%	PPI Mixed Paper #2 Hi	$ 5.00	$ 67.60	13.52
Aluminum	0.77%	SMP - Region 8 Houston High	$ 600.00	$ 630.00	1.05
Steel/Tin	1.52%	SMP - Region 8 Houston High	$ 5.00	$ 10.40	2.08
PETE	3.43%	SMP - Region 8 Houston High	$ 410.00	$ 1,927.00	4.70
HDPE - Natural	1.15%	SMP - Region 8 Houston High	$ 800.00	$ 1,264.00	1.58
HDPE - Colored	0.90%	SMP - Region 8 Houston High	$ 300.00	$ 369.00	1.23
Mixed Plastic	0.19%	SMP - Region 8 Houston High	$ 40.00	$ 10.40	0.26
Mixed Glass	14.67%		$ -	$ -	20.10
Residue	33.79%		$ (24.79)	$ (1,147.78)	46.30
	100.00%		$ 44.09	$ 6,040.12	137.00

Total Gross Recycle Revenue	$ 6,040.12
Less Total Processing Fees	$ (10,522.97)
Net Revenue	$ (4,482.85)
60% City Share of Net Positive Revenue	NA
Revenue Share Per Ton	-
	Note 6

NOTE 1 Processing & Transportation Fees will be adjusted annually based on CPIU, Disposal, and Fuel increases

NOTE 2 Adjusted annually to reflect changes in commodity mix. If CWD is unable to find a viable market for any of the currently accepted commodities, the non-marketable commodity will be included in residue.

NOTE 3 SMP = Secondary Materials Pricing, PPI = Pulp & Paper Week

NOTE 4 Pricing current as of 6-30-2018

NOTE 5 City will never be required to pay contractor for negative revenue values. Any negative values will carry forward and must be brought back to zero before compensation to the city begins or resumes.

NOTE 6 Per ton rebate cannot exceed $40 per ton.