MINUTES REGULAR MEETING
MINERAL WELLS CITY COUNCIL
CITY HALL ANNEX
October 6, 2025 – 6:00 pm

Mayor Pro-Tem Watson called the meeting to order at 6:00 p.m. Reverend Jeff Logan of St. Luke's Anglican Church led the invocation, which included the recitation of the Pledge of Allegiance to the U.S. and Texas flags.

Councilmembers present were Mayor Pro-Tem Beth Watson, Jonathon Rusher, Charles Ramsay, Kyle Kelley, Glenn Mitchell, and Mike Rankin. Mayor Regan Johnson was absent. A quorum of City Councilmembers was present. Mayor Regan Johnson was absent.

Staff members present were City Manager Jason Weeks, Fire Chief Ryan Dunn, Finance Director/Assistant City Manager Aaron Bovos, Director of Community Development Nate Dyhre, Assistant Police Chief Jeremy Hamscher, Building Inspector Michael Dunn, Public Works Director Scott McKennon, Public Works Administration Dakota York, Public Works Staff Member Jetti Brokaw, Airport Manager Haley Cuevas, Community Services Manager Carrie Stevenson, Administrative Assistant Fern FreemanPratt, City Clerk Sharon McFadden, and City Attorney Eileen Hayman.

PRESENTATION: Mayor Pro-Tem Watson introduced Honorary Councilmember Violet Tipton. Ms. Tipton is a student of Community Christian School in Mineral Wells.

PUBLIC COMMENT: No one had signed up to speak.

STAFF REPORTS:

1. Introduction of new City employees.

   Community Services Manager Carrie Stevenson introduced Chance Clark, who is a Park Maintenance Technician.

2. Recognition for City employees' years of service.

   None.

CONSENT AGENDA: Following a motion by Mr. Kelley and seconded by Mr. Rankin, the Consent Agenda was approved by a vote of 6-0.

3. Consider and take appropriate action on the minutes of the special meeting held on September 15, 2025.

4. Consider and take appropriate action on the minutes of the regular meeting held on September 16, 2025.

5. Consider and take appropriate action on the Financial Reports for August 2025.

6. Consider and take appropriate action on Pay Application No. 5 from Peachtree Construction LTD in the amount of $63,380.65 for the MH379 West Reconstruction Project.

7. Consider and take appropriate action on a contract with Tyler Technologies, Inc. to upgrade Incode from version 9 to version 10; and approve a change order in the amount of $70,000.00 to fund the upgrade, bringing the total approved spend with Tyler Technologies, Inc. in Fiscal Year 2026 to $150,000.00.

8. Consider and take appropriate action for acceptance of the T-Mobile Hometown Grant of $50,000.

9. Consider and take appropriate action to approve expenditures to the Texas Municipal Retirement System in an amount not to exceed $2,150,000.00 for the fiscal year 2026 to fund employee retirement contributions, and take appropriate action for acceptance of the T-Mobile Hometown Grant of $50,000.

10. Consider and take appropriate action to approve expenditures to the Palo Pinto County Municipal Water District No. 1 in an amount not to exceed $8,131,176.00 for the fiscal year 2026 to fund the purchase of water as outlined under the 1991 agreement.

11. Consider and take appropriate action on a tower site lease agreement and access easement for AMG Technology Investment Group, LLC, d/b/a Nextlink.

12. Consider and take appropriate action on a non-financial professional service contract amendment between the City of Mineral Wells, Texas, and Branded CS, for construction management services for TIRZ #2 Parks Plaza Project.

13. Consider and take appropriate action to approve expenditures to Constellation NewEnergy in an amount not to exceed $915,000.00 for the fiscal year 2026 to provide electric services to the City of Mineral Wells facilities.

14. Consider and take appropriate action to approve expenditures to Texas Gas Service in an amount not to exceed $86,250.00 for the fiscal year 2026 to provide gas service to the City of Mineral Wells facilities.

15. Consider and take appropriate action to approve expenditures for the Voyager Fuel Card in an amount not to exceed $250,000.00 for the fiscal year 2026 to provide fuel to vehicles and machinery owned by the City of Mineral Wells.

16. Consider and take appropriate action to approve expenditures to Lloyd Gosselink Rochelle & Townsend, PC, a law firm, in an amount not to exceed $125,000.00 for the fiscal year 2026.

17. Consider and take appropriate action to approve expenditures to United Cooperative Services in an amount not to exceed $176,500.00 for the fiscal year 2026 to provide electrical services to the City of Mineral Wells facilities.

ITEMS FOR INDIVIDUAL CONSIDERATION

18. Receive a presentation on Impact Fees.

    Earlier this year, the City Council requested that the City Manager bring forward an agenda item about Impact Fees. Since the Mineral Wells City Council has had three new members since the last time impact fees were discussed, the Mineral Wells EDC Executive Director introduced Mr. Pete Kelley and Ms. Jennifer Tatum. Mr. Kelley provided the presentation to the City Council, which provided Impact Fee Basics, Impact Fees Frequently Asked Questions, New State Legislation Changes, And Keys to a Successful Project. At the conclusion of the presentation, the staff requested that the City Council provide direction on next steps.

    No action was taken. Mr. Weeks stated that the staff will research the cost of an impact fee study and will present the findings at a future Council meeting.

19. Consider and take appropriate action on a resolution, making nomination(s) to the Palo Pinto Appraisal District Board of Directors.

    Mrs. McFadden said that each taxing jurisdiction in the Palo Pinto Appraisal District is allowed to nominate and cast votes for candidates for its Board of Directors. The function of the Board of Directors is to hire the chief appraiser, set the budget, and appoint the Appraisal Review Board members. They have no authority to set values or appraisal methods. The chief appraiser carries out the appraisal district's legal duties, hires the staff, makes the appraisals, and operates the appraisal office.

    Mr. Ramsay made a motion to approve the resolution nominating the following individuals:

    Bill Arneson
    George Geldard
    Rowdy Glover
    Marty Logan
    Clint Myrick

    Mr. Mitchell seconded the nominations, and the motion carried 6-0.

20. Consider and take appropriate action on a resolution, making nomination(s) to the Parker County Appraisal District Board of Directors.
Mr. Kelley made a motion to approve the resolution nominating the following individuals:

Richard Barret
Jerry Durant

Mr. Mitchell made the second motion, and the motion carried 6-0.

21. Consider and take appropriate action on an ordinance amending the water and sewer rates beginning November 1, 2025.

Mr. Bovos said the updated comprehensive utility rate study was completed by NewGen Strategies and Solutions recommended that the City make a few adjustments to utility rates for the fiscal year 2026. Those adjustments include:

Water
Increasing the base meter charge for a 1” meter from $108.42 to $109.18.
Increasing the base meter charge for a 1.5” meter from $213.64 to $216.75.
Sewer
Increase in the monthly base charge from $15.00 to $15.77.
Increase in the volumetric rate from $8.02 to $8.43 per 1,000 gallons of water consumed.

These rate adjustments provide the ability for the City to adhere to key financial strategies, including:
1.25X debt service coverage ratio on projected future debt;
Funds to cover needed pay-as-you-go capital improvement projects; and
Support the City’s operating costs and long-term financial strategy to maintain a 25% Fund balance reserve.

The average customer impact will be $2.74 per month, all attributed to sewer rates. As of August 31, 2025, the City had 382 customers utilizing a 1” water meter and 21 utilizing a 1.5” water meter. State law does require the City to notify customers on our utility system who are not within the City limits of the rate change. If approved, the attached insert will be included in all mailings with the bills.

Mr. Kelley made the first motion, and Mr. Mitchell seconded. The approval of the ordinance carried 6-0.

22. Consider and take appropriate action on a resolution declaring the City of Mineral Wells official intent to reimburse costs of water system improvements, including the reverse osmosis treatment facility.

Mr. Bovos said that this resolution allows the City to use future bond financing to reimburse itself for costs already incurred on water system projects. Federal law, specifically, Section 1.150-2 of the U.S. Treasury Regulations (which permits local governments to reimburse certain expenditures once the debt is issued), provides this authority. Adoption of this resolution does not authorize new spending, but preserves the City's ability to recover eligible costs. On January 7, 2025, the City adopted a resolution authorizing the application for financial assistance from the Texas Water Development Board. That action also declared the City's intent to reimburse eligible costs incurred before debt issuance for:

- Water treatment plant
- Pump stations
- Intake structures
- Transmission lines

As part of the fiscal year 2026 budget process, and based on the study completed by NewGen Strategies and Solutions, the City requested that the $8 million in cash funding previously provided to the Palo Pinto County Municipal Water District #1 be returned. In exchange, the reverse osmosis treatment facility will be financed through debt. Both the City and the District have approved related resolutions. The resolution before you expand the City's declaration and intent to include the reverse osmosis treatment facility. After adoption, any costs incurred for the City's future debt-funded water projects—including the water treatment plant, pump stations, intake structures, transmission lines, and a reverse osmosis treatment facility—will be eligible for reimbursement under federal law.

Mr. Kelley made the first motion, and Mr. Mitchell seconded the resolution. The motion carried 6-0.

23. Consider and take appropriate action on an ordinance authorizing the defeasance and redemption of a portion of the City of Mineral Wells, Texas, General Obligation Bonds, Series 2018, using funds on hand; approving an escrow agreement to effect said defeasance; and enacting all matters incident or related thereto.

Mr. Bovos said that on November 7, 2017, City voters approved two ballot propositions authorizing the issuance of General Obligation Bonds. Bonds totaling $11,228,525.20 were issued on March 8, 2018.

- **Proposition A** – $7,500,000 in tax bonds for street and road improvements, Including replacement of water and sewer lines associated with those projects.
- **Proposition C** – $3,960,000 in tax bonds for the construction and installation of a water line along U.S. Highway 180 West.

All projects authorized under these propositions have been completed. Following completion, $1,986,569.22 in bond proceeds remain unspent. Normally, staff would consider reallocating unspent proceeds to other eligible projects.
However:

- Proposition C's ballot language is too narrow to permit reallocation.
- Proposition A is broad enough for additional work, but federal IRS requirements

for tax-exempt bonds stipulate that:

- o At least 85% of proceeds must be spent within 3 years, and
- o 100% of proceeds must be spent within 5 years.

More than seven years have now passed since issuance, and the City does not meet these spend-down requirements. As a result, the staff recommends applying the unspent proceeds to a defeasance of outstanding debt. Exhibit A identified the specific bond payments (coupons) to be redeemed and the associated defeasance amounts. The defeasance has been structured across the remaining debt service schedule to create additional capacity in both the Water Fund and the Debt Service Fund

Mr. Ramsay motioned to approve the ordinance as presented. Mr. Kelley seconded, and the motion carried 6-0.

24. Consider and take appropriate action on an ordinance adopting the Master Fee Schedule with the fiscal year 2025-2026 budget.

Mr. Bovos said an update to the master fee schedule was completed in conjunction with the development of the fiscal year 2025-2026 budget. If approved, the fee schedule will become effective November 1, 2025. Each of the fees mentioned herein will increase the associated revenue the City will receive, which has been forecasted in the fiscal year 2025-2026 budget.

Mr. Kelley made the first motion, and Mr. Ramsay seconded. Motion carried to adopt the ordinance by a vote of 5-0-1.

25. Consider and take appropriate action on a resolution adopting the City of Mineral Wells Donation Policy and Procedures, providing for a repealing clause; providing a severability clause; and providing an effective date.

Mr. Bovos said that as part of the City's ongoing efforts to improve operational efficiency and ensure responsible stewardship of public resources, the staff have developed a Donation Policy and Procedures document. This policy establishes a consistent and transparent framework for receiving, reviewing, and accepting donations made to the City.

Mr. Rankin motioned to approve the resolution as presented. Mr. Mitchell seconded, and the motion carried 6-0.

26. Consider and take appropriate action on an ordinance adopting a three percent (3%) convenience fee for credit card payments to the City of Mineral Wells.

Mr. Bovos said that the City of Mineral Wells accepts credit card payments for utilities, permits, fines, recreation, and other municipal charges. While this payment method is convenient for customers, the City incurs processing fees from merchant service providers each time a credit card is used. At present, these costs are absorbed by the City, resulting in an ongoing expense that reduces funds available for essential services. Many municipalities and businesses address this issue by adopting a credit card convenience fee policy to recover merchant processing costs directly from the customer who chooses to use this payment method. Adoption of the ordinance will reduce the City's annual expenditures related to credit card processing fees and ensure these costs are borne by the user, rather than the general taxpayer base or general utility base.

Mr. Kelley made the first motion, and Mr. Rankin seconded. The motion carried, 6-0.

27. Future Agenda Items/Requests by Councilmembers to be on the next agenda.

    No items were requested.

28. **EXECUTIVE SESSION:** In accordance with the Texas Government Code, Section 551.001, et seq., the City Council recessed into Executive Session (closed meeting) at 7:20 p.m. to discuss the following:

    a. § 551.071(1): Consultation with Attorney to discuss pending or contemplated litigation or a settlement offer, regarding: (i) Terrell Saltarelli v. City of Mineral Wells; Cause No. CV25-1335 in the 415th District Court of Parker County.

    b. §551.071(1) Consultation with Attorney to discuss pending or contemplated litigation or a settlement offer, regarding: (i) QAR Industries v. City of Mineral Wells (Cause No. CV24-0480 in the 415th District Court of Parker County).

29. **RECONVENE INTO OPEN SESSION:** In accordance with the Texas Government Code, Chapter 551, the City Council reconvened into Regular Session at 7:52 p.m. to consider action, if any, on matters discussed in the Executive Session.

    No action was taken.

30. There was no further business, and the meeting was adjourned at 7:52 p.m.

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Regan Johnson, Mayor

ATTEST:

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Sharon McFadden, City Clerk

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APPROVED