

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION  
REGULAR MEETING**

**June 23, 2014**

On Monday, June 23, 2014, the regular meeting of the directors of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by Kenneth Early, Vice President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas. The invocation was offered by Mr. Cochrane.

**Members Present:**

David Wampler, President (arrived at 4:03 p.m.)  
Kenneth Early, Vice President  
Gary Cochrane  
Larry Howard  
Stacie Keeble  
Polly Rickert  
Sheri Pattillo

**Members Absent:** None

**City Executive Staff Present:**

Kristine Ondrias, Deputy City Manager  
Mike Hayes, City Attorney  
Brenda G. Craig, City Secretary  
Ashlea Boyle, Special Projects Manager  
Kim Meismer, Director of General Operations  
Sandra Yarbrough, Director of Finance  
Malcolm Matthews, Director of Parks and Recreation  
Brian Crenwelge, Project Manager

**Visitors Present:** Visitor list available in the City Secretary's Office for the required retention period.

1. **VISITORS/CITIZENS FORUM:** No one spoke.

2. **ELECTION OF OFFICERS:**

**President:** Mr. Early moved to elect David Wampler to serve as president; Mr. Howard seconded the motion and it passed 7-0.

**Vice President:** Mr. Howard moved to elect Kenneth Early to serve as vice president; Ms. Keeble seconded the motion and it passed 7-0.

**Secretary:** Ms. Keeble moved to elect Polly Rickert to serve as secretary; Mr. Cochrane seconded the motion and it passed 7-0.

3. **APPROVAL OF THE MINUTES:**

3A. Mr. Howard moved to approve the minutes for the regular meeting held May 19, 2014. Mr. Early seconded the motion, and it passed 7-0.

#### **4. MONTHLY REPORTS:**

##### **4A. Monthly financials for May 2014**

Ms. Yarbrough reported \$269,092 revenue, and \$47,500.00 expenditures; leaving an ending cash balance on May 31, 2014 of \$3,080,304. She reviewed the capital projects status summary and the cash and investments fund.

##### **4B. Capital projects update:**

River trail and parks projects: Mr. Crenwelge reported:

River Trail Package B: pouring concrete at west end of LHP; setting rocks at G Street area; Kraftsman received notice to proceed with the spray feature; paving of parking lots to begin July 21 on the west end; park improvement buildings were scheduled to be awarded to JM Lowe and Company by city council on June 24.

Package F from G Street to Kerrville-Schreiner Park: setting forms in center and will work toward both ends; site work completed to Camp Meeting Creek; survey complete this week; working on trail node this week; concrete work to begin after that from Camp Meeting Creek to KSP; submittals were received and approved for concrete, steel, restroom and shade structure.

##### **Cailloux Theater Interior Lighting Project**

Ms. Boyle reported the dimmer rack replacement would be completed this week; the city did issue a change order for an extension.

##### **Cailloux Theater Expansion**

Ms. Boyle reported Playhouse 2000 received three grants and had met their goal to fund construction of the support facility. The professional services agreement for design services was scheduled to be awarded by city council on June 24.

##### **Schreiner University Athletic and Event Center**

Mark Tuschak, Schreiner University, noted this \$11.1 million project began construction January 6, 2014; he anticipated occupancy in December 2014 with dedication of the facility and the first home conference game in January 2015.

##### **Update regarding "GO Team" activities**

Ms. Boyle reported an application was received from the Hill Country District Junior Livestock Show Association for \$250,000 for construction of the exhibition center, and an additional \$35,000 for lamb, goat, and cattle arenas. The applicant was asked to provide further detail and to resubmit the application for the exhibition center in the name of the property owner, Kerr County.

##### **Update on water reuse feasibility study completed by Freese and Nichols, Inc. (FNI)**

Ms. Ondrias noted that all treated effluent produced in the summer went to current irrigation customers; however in the winter, 2 mgd of treated effluent went into the river because the city did not have the ability to store additional effluent. FNI presented the water reuse feasibility study to city council on June 10 and recommended the south pond as the most feasible option, which would provide 125 mg of storage with berms 26 ft. high and 10-15 ft. deep at an estimated cost of \$16-17 million. Effluent would gravity flow from the WWTP to the south pond, and in the future if the city needed additional water supply,

the city could build a water plant at the WWTP and treat the effluent to drinking water standards and construct a reuse pump station to pump the treated water into the city's potable water supply. She noted that currently there were no standards for effluent water being stored in aquifer storage recovery wells; however, the city would not pump effluent directly into an ASR without first treating it to drinking water standards. The city's existing effluent pond complied with current standards to capture water without going through additional TCEQ permitting. A north pond could be developed in the future that would provide an additional 100 mg storage.

The city also asked LNV Engineering to look at potential alternatives to expand the landfill, and LNV recommended landfill expansion on the east side of the south pond.

The city currently treated an average of 350 mg of effluent per year and returned it to the river, and with the south pond the city could capture one-third of that water. At this time, the state did not control how much water the city put back into the river but regulations could be established in the future, or the state may cut back on the amount of water the city could take out of the river if the city decreased the amount it was putting back in. Ms. Ondrias noted the state was looking at curtailing water rights, and the city was also subject to groundwater pumping regulations; the only water that the city had full control of was at the WWTP.

The city council accepted the plan and asked staff to prepare a finance plan for future consideration.

## **5. DISCUSSION AND POSSIBLE ACTION:**

### **5A. Kerrville Economic Development Corporation (KEDC) Fiscal Year 2015 funding request in the amount of \$166,250.00**

Jonas Titas, executive director of KEDC, reviewed KEDC's activities the past year: created a 380 business incentive policy that was approved by city council and working on a 381 with Kerr County; updated demographics report; codified target markets: airport and aviation prospects, energy companies, small light manufacturing, craft agriculture, and hotel conference center; adopted a new mission statement; prepared a new labor study; and was in the process of updating bylaws and ethics policies. A tax abatement was approved with Kerr County for a grant to construct a manufacturing and distribution facility and tasting room for a winery, a \$3.6 million project. KEDC was also working on two other projects: a natural gas station, and Mooney International renovation of buildings and roofs at the airport.

Mr. Titas presented the FY2015 budget as approved by KEDC and noted the following: the budget projected a FY2014 year end balance of about \$60,000, and FY2015 at \$30,000. Mr. Wampler noted the cash balance occurred when the director's position was vacant in the past. Mr. Titas noted KEDC asked stakeholders to under fund the operating budget for a few years in order to decrease that cash balance. The FY2015 budget was a 5% decrease in the base line funding level, and the city, county, and KPUB were being asked to contribute \$16,250 each, down from \$17,500; and EIC was asked to contribute \$166,250; resulting in the FY2015 budget being under funded by \$27,100 to lower the fund balance.

The board asked Mr. Titas to make a footnote in the budget to clarify and detail the line items “business expenses other” and “uncategorized business expense.” Also, Mr. Titas was asked to provide information to the board on the line item “payroll expenses other.” Mr. Wampler noted the former director failed to file paperwork for the 501c3 non-profit status, and some of the expense was the result of KEDC having to hire legal and finance advisers to rectify that issue.

5B. Approval of allocation of River Trail bond funds to the Louise Hays Park Improvement project to cover construction costs.

Item was deferred to the special joint meeting with city council on June 24.

**EXECUTIVE SESSION:** There was no executive session.

**ANNOUNCEMENTS:** None

The meeting was adjourned at 4:35 p.m.

APPROVED: \_\_\_\_\_

\_\_\_\_\_  
David Wampler, President

ATTEST:

\_\_\_\_\_  
Brenda G. Craig  
City Secretary