

AGENDA – WORKSHOP OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, TO BE HELD ON MONDAY, SEPTEMBER 23, 2013, AT 6:30 P.M., IN THE COUNCIL CHAMBERS, CITY HALL, 3519 LIBERTY DRIVE, PEARLAND, TEXAS.

I. CALL TO ORDER

II. PURPOSE OF THE WORKSHOP:

- 1. COUNCIL INPUT AND DISCUSSION:** REGARDING THE REQUEST BY THE CITY OF ARCOLA TO PROVIDE UTILITY SERVICE IN THE CITY OF PEARLAND'S EXTRA TERRITORIAL JURISDICTION. *Mr. Mike Hodge, Assistant City Manager.*

III. ADJOURNMENT

This site is accessible to disabled individuals. For special assistance, please call Young Lorfing at 281-652-1840 prior to the meeting so that appropriate arrangements can be made.

Workshop Item No. 1

1. **COUNCIL INPUT AND DISCUSSION:** REGARDING THE REQUEST BY THE CITY OF ARCOLA TO PROVIDE UTILITY SERVICE IN THE CITY OF PEARLAND'S EXTRA TERRITORIAL JURISDICTION.
Mr. Mike Hodge, Assistant City Manager.

**AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS**

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|---|--|
| AGENDA OF: September 23, 2013 | ITEM NO.: Workshop Item No. 1 |
| DATE SUBMITTED: September 18, 2013 | DEPARTMENT OF ORIGIN: Admin |
| PREPARED BY: Mike Hodge | PRESENTOR: Mike Hodge |
| REVIEWED BY: Mike Hodge | REVIEW DATE: September 18, 2013 |
| SUBJECT: Request by Arcola to provide Utility Service in Pearland's ETJ. | |
| EXHIBITS: August 15 th Letter, September 19 th Letter | |
| EXPENDITURE REQUIRED: None AMOUNT AVAILABLE: NA ACCOUNT NO.: NA | AMOUNT BUDGETED: NA PROJECT NO.: NA |
| ADDITIONAL APPROPRIATION REQUIRED: None ACCOUNT NO.: PROJECT NO.: | |
| To be completed by Department: <input type="checkbox"/> Finance <input type="checkbox"/> Legal <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution | |

EXECUTIVE SUMMARY

The City of Arcola has requested that the City of Pearland consent to them providing service to the development proposed by the Miller Vallentine Group. You will recall that this matter has previously come before you and was unsuccessful.

It appears that the developer has offered to build the needed facilities for Arcola in exchange for securing Pearland's participation. They are requesting that an interlocal agreement be prepared between the two cities. Given the recent history on this matter, we have offered to conduct this workshop so that the Council can discuss the issue with the Arcola representatives and provide direction to the staff.

RECOMMENDED ACTION

Conduct workshop.



CITY OF ARCOLA

13222 HIGHWAY 6
ARCOLA, TEXAS 77583
281-431-0606
FAX 281-431-1523

August 15, 2013

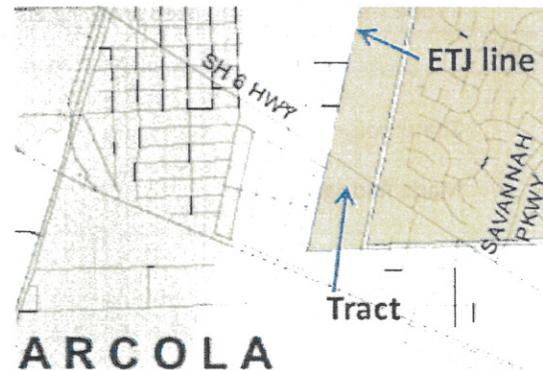
Mr. Bill Eisen
City Manager, City of Pearland
3519 Liberty Drive
Pearland, Texas 77581

Subject: Water and sewer service for a tract on SH 6 (ETJ)

Dear Mr. Eisen:

We have been contacted by Mr. Chris Applequist of the Miller Vallentine Group about the possibility of receiving water and sewer service from the City of Arcola for a tract on SH 6. His firm is planning a multi-family development to be known as the Reserve at Rosharon, with 120 units.

Although the tract is close to Arcola, it appears to be within the ETJ of the City of Pearland. An excerpt from the Pearland ETJ map, marked to show the location of the tract, is shown in the margin. Because of the location, we believe there would have to be an intergovernmental agreement between our two cities before the City of Arcola could provide service. An intergovernmental agreement could provide for the City of Pearland to purchase water and sewer service from the City of Arcola on a "wholesale" basis and use it to provide "retail" service in areas subject to Pearland's jurisdiction. Under such an agreement, all of the costs of providing the wholesale service would have to be paid for by the City of Pearland (or developer).



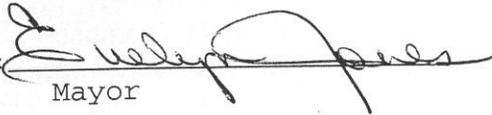
If you could let us know if your City would be interested in discussing such an intergovernmental agreement, we would be most appreciative. (Of course, any interlocal agreement that might be discussed would have to be brought back to our Council for its consideration.) For additional information, feel free to call Mr. Llarance Turner at 281-341-0808 or Mr. Deck Shaver at 281-431-0606. In addition, Mr. Applequist can be reached at 817-501-9577.

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Water and sewer services for a tract on SH6 (ETJ)

Thank you for your attention to this matter.

CITY OF ARCOLA, TEXAS

By: 
Mayor



CITY OF ARCOLA

13222 HIGHWAY 6
ARCOLA, TEXAS 77583
281-431-0606
FAX 281-431-1523

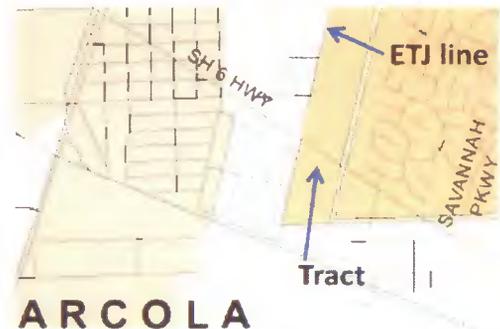
September 17, 2013

Mr. Bill Eisen
City Manager, City of Pearland
3519 Liberty Drive
Pearland, Texas 77581

Subject: Water and sewer service for a tract on SH 6 (ETJ)

Dear Mr. Eisen:

This is a follow-up to our letter of August 15, 2013 on the same subject. Last week, Mr. Chris Appeluquist of the Miller Valentine Group attended the Arcola City Council meeting and offered to provide a new water well (and other facilities) if the City of Arcola would extend water and sewer service to a tract on SH 6. The tract is very close to Arcola, but we understand it lies within the ETJ of the City of Pearland. See the excerpt from the Pearland ETJ to the right.

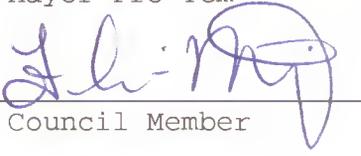


A new water well would be of great benefit to the City of Arcola, so our City Council has authorized us to pursue the offer from Miller Valentine and has expressed a willingness to extend service to the tract, with the consent of the City of Pearland.

If the Pearland City Council desires to grant consent, the simplest approach would be a consent allowing Arcola to make direct, two-party arrangements with Miller Valentine. Another approach would be to make an interlocal agreement as suggested in our letter of August 15. That would require three-party arrangements for utility services, with the City of Pearland as the "middleman." A chart showing both approaches is attached.

We respectfully ask for Pearland's consent to serve the tract, following whichever approach would be best for the City of Pearland.

CITY OF ARCOLA, TEXAS

By:  Mayor
 Mayor Pro Tem
 Council Member
 Council Member
 Council Member
 Council Member

**Alternate approaches for extending water and sewer services
for the Miller Valentine tract on SH 6 (Pearland ETJ)**

| Item | Two-party approach (direct service) | Three-party approach (interlocal agreement between Arcola and Pearland) |
|--|---|---|
| Tract | Approximately 10.400 acres described in the attached survey drawing. | (same) |
| Contracts | One: Arcola-MVR | Two: (1) Arcola-Pearland (2) Pearland-MVR |
| New facilities needed | Water plant, water line and sewer line. | (same) |
| Source of funds for new facilities | MVR | Pearland/MVR (as they may agree) |
| Basic approach | Arcola provides water and sewer services directly to the tract (subject to future option noted below) | Arcola provides "wholesale" service to Pearland at the ETJ line. Pearland provides "retail" service to the tract. |
| Ownership/maintenance of new facilities | Arcola | Arcola (up to the ETJ line) and Pearland (for lines in its ETJ). |
| Monthly rates | Arcola retail rates (paid by MVR) | Arcola "wholesale" rates (paid by Pearland). Pearland "retail" rates (paid by MVR). |
| Future option | Allow Pearland, at its option, to take over facilities in its jurisdiction (at no cost) and provide services. | Allow Pearland to terminate the "wholesale" agreement, at its option. |

