

City of Hays

City Council, Special called Workshop Meeting City and Milestone Discussion
Minutes of The City of Hays with Milestone Builders
October 20, 2022
Hays Hills Church Meeting Room

The meeting was called to order at 5:43. In attendance: Mayor Billy Maphies, Mayor Pro Tem Roxanne O'Neal, Candace Blake, Hannah Ballou, Glennell Strawn, Tony Valdez, City Attorney Veronica Rivera, City Engineer Don Rauschuber.

Attending from Milestone Builders were Jeff Howard, Andrew Cortez and Shani Armbruster.
The Pledge of Allegiance was recited.

Comments from the public were taken in order of the workshop session topics, before the discussion between the two parties.

- a. Receive update and discuss the Development Agreement with Hays Commons Land Investments, LP.
- b. Receive update and discuss the Petition from Hays Commons Land Development, LP for creation of a Municipal Utility District.
- c. Receive update and discuss the Deposit Agreement with the Hays Commons Land Investments, LP.

Comments Item a:

David Patterson, who filmed the meeting for his company, spoke of some of the history of the location and his desires to keep the water source clean and available for the thousands of people.

Carol Pennington spoke about building development with the property, not against it, expressing concerns about the water usage.

Jeff Kaufmann discussed protecting the land and water through careful growth.

Debbie Bates reminded participants of the many wells in and near the property, including ones in her Hays Country Oaks neighborhood.

Brian Zabcik, advocacy director of the Save Barton Creek Association, spoke of the effects of a TLAP on the sensitive land.

David Vanhuizen, P.E., presented questions to the developers about water use and alternative systems.

Kathryn Nichols spoke of the many wells in Chaparral Park and the effects of residential density upon them.

Jeanine Tinsley spoke of sustained development and the developmental regulations of Hays County.

Theresa Lemman, City of Hays resident, spoke of fair and ethical trade, the effects of development on the water source, and past experience with Milestone.

Mike Clifford, director of the Greater Edwards Aquifer Alliance, discussed effects of lot size, impervious cover and wastewater treatment on the recharge zone.

Darlene Starr read a letter from Bill Bunch, director of Save Our Springs Alliance regarding water concerns and the Development Agreement.

City Engineer Don Rauschuber discussed history and terms of the Walters SW agreement of 2013, as well as the proposed Milestone agreement. In the original 2013 agreement Walters SW required 22%

impervious cover and did not request sewage treatment. Large lots for homes would use septic systems. Over 100 acres were designated for commercial and retail buildings. At this time the City of Austin (COA) provides no water service west of SH45 SW. Milestone has expressed interest in asking the COA for sewage treatment. At this time the new Milestone Agreement proposes sewage treatment and release on site. The 2013 agreement expires in September of that year if a preliminary plat has not been filed.

City Engineer Don Rauschuber discussed the 2013 Walters SW agreement as well as the proposed Milestone agreement. Obtaining water and sewage treatment, percentage of impervious cover, and lot sizes are current issues. The 2013 agreement expires in September of that year if a preliminary plat has not been filed.

Milestone attorney Jeff Howard and Milestone manager Andrew Cortez discussed their efforts to obtain water from the City of Hays (COH). They have not yet met with them. Also, at this time they are proposing homes on quarter acre lots and apartments and condos as well. He said no development on parkland and agreed to 22%- acre impervious cover excluding the vet tract which is not over the aquifer.

City of Hays attorney Veronica Rivera discussed the proposed development agreement and City Council demands. No multi-family buildings, density at 1/2-1 acre per home, 22 % impervious cover, relocation of the TLAP (sewage treatment and disposal) from the property, no discharge into or boring under Little Bear Creek; storm water runoff through on-site storage are some of the demands. The COH is willing to work together with Milestone to approach the COA for sewage treatment. Also, they seek transparency on offset costs on reimbursements, an amended concept plan showing Milestone's actual proposals for the property; specifics on the parkland and trail access which has been promised to the COH.

Mayor Billy Maphies asked about condo and townhome height limitations and if they propose stand alone or apartment type condos. Andrew Cortez said 35 feet high, row-type detached homes on sites designated for single families. Roxanne O'Neal said the concept map is now misleading; and the COH code does not provide for multi-family homes. Tony Valdez asked that the map be updated to reflect what Milestone plans to build before the Development Agreement is brought for vote. Jeff Howard would want assurances that we would not reject once they make changes. Some Councilmembers expressed the opinion about no sewage discharge into or boring under Little Bear Creek.

Discussion was held on utility crossing lines under the creek; Mayor Maphies asked about responsibilities for those lines in case of a break; Milestone's answer was that the MUD would accept that responsibility . Jeff Howard said if the application is made before the parkland is dedicated to the COH we would not be an applicant for a TLAP. Once dedicated we would have to be a co-applicant. The developer would pay all costs.

Discussion was held on on-site stormwater runoff storage which Milestone proposes as a water quality pond in the floodplain. Tony Valdez objected and said that is not a good place for it.

Item b. Receive updates and discuss Petition from Hays Commons Land Investments, LP for creation of a Municipal Utility District (MUD).

Public Comments

Carol Pennington said no MUD would be needed if there were a decentralized septic system, possible with one acre lots, or 3/4 quarter lots as required by the Hays County development regulations. She wants to see land as a nature preserve for birds and wildlife.

Brian Zabcik questioned the MUD application. Has Milestone already filed with TCEQ for a TLAP? If we fail to get agreement for sewage treatment from the COA but get a MUD agreement can they apply for a TLAP?

Jim Camp pointed out that two former City of Hays mayors now say that the 2013 agreement was bad for the COH and asked if we can just walk away from the development agreement. Also, does a MUD have condemnation powers? Could they condemn the land of homeowners? Can the City Council not conduct these meetings in executive sessions? Why can't the 2013 agreement be shared with the public?

Theresa Lemman asked how would the COH handle flooding from stormwater run-off? And who will be reviewing the site plan?

Councilmember Tony Valdez answered that City Engineer Don Rauschuber could review the site plan and maybe have it peer reviewed.

Bill Bunch opposed getting water and wastewater from the COA because of cost, and says the Walters Agreement would not meet SOS standards for impervious cover. He said the wastewater pumping should not be part of the MUD because it cannot be done safely on porous land. He also said the conceptual map is not what is in the new development agreement; there is less commercial, no multi-family, and way more development.

Lydia Bryan Valdez asked where is CEO Garrett Martin? She expects him to speak for them as well. She believes we have spent too much money over the years on negotiations.

City and Milestone Discussion

Jeff Howard discussed the purpose of the MUD, to finance construction and maintenance. Once they file the petition the COH has 90 days to consent or not. If the COH does not consent the city has 120 days to provide the service. Then they will ask the TCEQ to provide services without our consent. He doesn't think they would use eminent domain. They already submitted in case we don't agree. He says the conceptual plan is valid.

Veronica Rivera said the clock is ticking now. We have 90 days, until December 1, and then till January 1 to provide services.

Jeff Howard said they have been talking to us for a year with no action. Tony Valdez said they have changed things and given us inaccurate information. Roxanne O'Neal asked if we need a public hearing before the MUD vote, and Veronica Rivera said no. She then asked if it takes a simple majority to agree or disagree and Veronica Rivera said yes, a simple majority. More discussion was held over differences with the 2013 agreement and inaccurate maps. Roxanne O'Neal said Garrett Martin previously said he would go back to the 2013 agreement. Don Rauschuber said the language is broad on the commercial and multi-family homes and the 2013 agreement is predicated on a different plan.

Roxanne O'Neal said we can negotiate if they will move the TLAP. Also in contention is the small amount of commercial property from which the COH can receive tax money. Mayor Maphies said the council needs to talk about the MUD petition

will do so in the next council meeting, as well as the amended development agreement. Items will be scheduled on the agenda.

Item c. Receive update and discuss the Deposit Agreement with Hays Commons Land Investments, LP

Public Comments

COH Treasurer Harvey Davis commented that the deposit agreement is important because we are incurring money that we are not getting reimbursed for.

Michelle Camp asked why we have not involved the COA in this process, so that Austin would be more involved.

Greg Demmerle commented about a large tree on Milestone property within the new COH well area boundaries. He encouraged Milestone to protect trees and the natural area on the property and make that the appeal for marketing.

Lydia Bryant Valdez asked how much has been paid to the Knight Law Firm and the City Engineer, and if that is a conflict of interest for them. She wants an independent environmental lawyer and says our lawyers should welcome a second opinion.

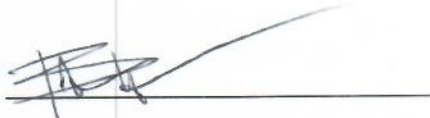
City and Milestone Discussion

Veronica Rivera has provided red lined changes to the Development Agreement.

Jeff Howard said every city requires developers to deposit money to pay attorneys. Tony Valdez questioned the balance of the account. Harvey Davis said of the \$25,000 deposit we are down to \$2,000 and it needs to be replenished. Tony Valdez asked that funds for a second opinion lawyer that were deleted be undeleted in the agreement.

Mayor Maphies said the Deposit Agreement will also be on the agenda for the next regular City Council Meeting.

The meeting was adjourned at 8:30 p.m.



Billy Maphies, Mayor

