

*SPECIAL MEETING  
LONE STAR CITY COUNCIL  
FIRE HALL – 201 WEST INDUSTRIAL  
February 27, 2023, at 6:00 p.m.*

*We reserve the right to enter into Executive Session on any Agenda item pertaining to  
TEX. GOV'T CODE ANN. Sections 551.071-551.078, 551.087-551.089*

In compliance with the Texas Open Meetings Act, Chapter 551, of the Texas Government Code, the City of Lone Star issues this public notice. If, during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the board will convene in such executive or closed session in accordance with Section 551 of the Texas Government Code, Et Seq. The City Council will consider and act on the following items:

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on the meeting notice.

**MINUTES**

Present were – Mayor Randy Hodges, Mayor Pro-Tem Jerri Chism, Alderwoman Mona Brown, Aldermen Rudy Dudley, Tony Johnson, Cody Wommack, and City Secretary Tina Love

**1. CALL TO ORDER – Mayor Randy Hodges at 6:02 P.M.**

**2. CITIZEN COMMENTS:** *At this time, anyone will be allowed to speak on any matter for a length of time not to exceed **three minutes**. No Council/Board discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with law.*

**Citizen Keith Reiter wanted to remind the Council these are open meetings for a reason and that all the items on the agenda should be in the open unless they are specifically interacting with the lawyers. If we the citizens are going to pay for any lawsuits, we need to know what they are.**

**Mayor Hodges indicated citizens would be made aware after discussions with the lawyer. Items are not discussed until the Council comes out of Executive session. The Mayor asked Council to strike items 3-4 and 4-1 from the agenda due to the unavailability of legal counsel. Legal counsel will be consulted at a future meeting during Executive Session.**

**Mayor Hodges briefly addressed Council and attendees about calls he has received about information posted on the internet. He described several items as “false narratives”. The Counsel has been berated for “rubber stamping” items. Meetings with staff have been commented about. The Mayor referenced having meetings with several individuals including the City Secretary, City Staff, Police, FBI, Texas Rangers, the County Judge, and Congressional representatives. He referenced some information being communicated about Serenity Subdivision water rates is a false narrative and discussed the rates. The Mayor encouraged individuals to contact him directly if they have any questions or concerns.**

**3. ACTION ITEMS**

3-1: Review, Discussion, and Possible actions for the EDC to present to the City Council the consideration of legal action against Lone Star Concrete Technologies for work performed on the City Park basketball court.

**EDC Chairman, Rudy Dudley described the steps taken for the park project which included repairs to the City basketball court. In 2021 bids were obtained to rework the basketball court at City Park. The project was postponed due to funding, park grant**

disposition, and the timing. The park grant was not approved because of the cost. The EDC decided to do a park project. It was presented to City Council and waited the 60 days as required before proceeding. Due to fluctuating prices, the project was broken down into phases.

In 2021, Lone Star Concrete Technologies bid on the basketball court project at \$20,660. Heartland also bid on the basketball court project at \$40K.

In 2022, Lone Star Concrete Technologies was approached again to rebid the project and make necessary price adjustments. The price remained the same at \$20,660. Half payment was required up front to purchase material and the remaining balance paid upon satisfactory completion of the project. The bid was awarded to Lone Star Concrete Technologies because of price, they seemed to be a reputable local business, and it was a minority owned business.

The EDC developed a contract, and it was signed by Mr. Garrett Williamson, of Lone Star Concrete Technologies.

Issues encountered with the project:

- 1) Project was not done on time.
- 2) Project was done on a Sunday and EDC wasn't notified work was being performed.
- 3) The completed work was unsatisfactory.

The morning after project completion, the City Secretary received an invoice requesting final payment of \$10,330 within five days, which was not in the contract.

EDC Chairman Rudy Dudley contacted Mr. Williamson to meet and discuss the project. Several things were identified that were not in line with the contract. Mr. Williamson became very upset. The work was not done properly. The basketball court was supposed to have a 1/8" overlay. The surface was supposed to be cleaned. The product had epoxy in it which was communicated would have a like new finish and would be durable as concrete. Pictures taken after the project was finished showed red paint from the old basketball court showing through the new paint (blue). There are multiple discoloration spots. There is no sheen to the finished surface as originally told. Mayor Hodges asked how much had been paid for the project. \$10,330 was communicated. The EDC decided to not do anything until they were contacted by Lone Star Concrete Technologies.

Mrs. Keiner, majority owner of Lone Star Concrete Technologies, met with Rudy Dudley to discuss the issues. Mrs. Keiner met with the EDC in December, 2022 and offered to do repairs and touch-up paint, but would not redo the basketball court. There was a half-moon discoloration on the basketball court where a young person bounced a basketball while the court was being painted. No attempts were made to stop the occurrence. No flagging tape was placed around the court during repairs to prevent anyone from getting on it until paint cured. It rained the night the job was completed. The EDC was told the rain effected the paint.

The EDC discussed the repairs and paint touch-ups would be discolored from other areas of the court. A couple of EDC member wanted to give Lone Star Concrete Technologies an opportunity to come back and fix the basketball court. Mrs. Keiner sent a new contract to redo the surface but was requesting additional money to purchase more materials. The EDC offered Lone Star Concrete Technologies \$2,000 to walk away and consider the contract final. The EDC received a counter offer from a legal firm representing Lone Star Concrete Technologies. They did not want to agree to \$2,000; instead, were requesting \$6,000. The EDC would not agree to this amount. The counteroffer identified the EDC as being in breach of contract. The EDC believes Lone Star Concrete Technologies is in breach of the contract for not delivering what was identified in the contract. The EDC wants to turn the information over to our lawyer to determine how to proceed. The mayor asked if the Council wants to turn over to the lawyer. Cody asked what are the risk associated with contacting our attorney? Do

**we have an idea, or an estimate of what our lawyer will charge? If it is fought in court it could cost up to \$20K.**

**A motion was made by Tony Johnson to turn it over to the City attorney with a second from Jerri Chism. All present voted Aye.**

**3-2: Review, Discussion, and Possible Action for the consideration to execute the LS Subdivision Contract for the Serenity Development subdivision between the City of Lone Star and Northeast Texas Municipal Water District (NETMWD).**

**Cody Wommack discussed if Serenity Subdivision was annexed into the City, we would continue to be charged the \$3.25 per 1,000 gallons by NETMWD. The city is currently paying a \$1.48 per 1,000 gallons. Cody asked if we could charge a different rate to a different party inside the city limits? If not, this could raise the expense for everyone. A counteroffer to the contract should be considered. Water rates for Diana were discussed and compared to the Serenity Subdivision rate, which is higher.**

**The City of Lone Star was previously asked to provide an estimated cost to supply water to the Serenity Subdivision. The estimate provided was prior to the completion of the Engineering Study and included cost for flushing lines at the increased rate of \$3.25 per 1,000 gallons.**

**Dusty Ansley, Serenity Subdivision developer, referenced conversations with representatives from NETMWD. It was communicated the City can't charge a different rate for being outside the city limits. It must be the same rate. The City can charge for the cost of water, additional repair cost, operating expenses, infrastructure, repair cost, and material expenses.**

**Mr. Ansley stated he began purchasing pipe in November 2021 after the city approved to supply water and construction on the roads was started in February 2022. In May, a phone call was received from the Morris County Judge and asked for work to be stopped to get some items resolved. A document was found that required a 30-year agreement with the City to ensure the City could supply water to the homeowners. The City contacted NETMWD to discuss. Walt Sears, of NETMWD contacted Mr. Ansley and notified him the City had no authority to sell him water. The City needed to verify they could supply the water. The City's calculations indicated they could supply water, but the City was waiting on an Engineering study to confirm. The Engineering study was completed in November, 2022. Mayor Hodges referenced one of the issues was the 30-year guarantee for water. It's almost irrelevant it being in the contract. Force Majeure added to the contract would nullify that contract if something occurred and the City does not sign a 30-year guarantee with any property owners. We sign a contract indicating we will supply you with water and you pay the City for the water. There is no 30-year limitation on it. The City Attorney has never seen this put place. anything like this put in place for 30-years. As long as you pay for your water you have a contract.**

**Keith Reiter referenced the contract should separate what the new homeowners pays for the water from what the City pays for water. The contract is what the City pays for water and not what the customer pays. Concerns were expressed if Serenity was annexed the City would be paying double for the water and not Serenity because they are now annexed and can't bae treated differently. The City would have to pay the extra cost or raise water rates for everyone. In his opinion, at most they pay Diana rates unless they are annexed, then they pay the City rates at \$1.48.**

**It was discussed to consider putting this item on the next agenda. Mayor Hodges asked if the Council wanted to table.**

Dusty Ansley referenced item 10D (termination-cost of providing potable water) and item 6 (price) of the contract. It's understandable to increase a water rate but not to cancel. The other items have been resolved with the County. The water contract is detrimental to Serenity. Dusty referenced the daily cost. Mayor Hodges stated our legal counsel has an issue with the 30-year guarantee. Mayor doesn't like the delay that has occurred, he thinks it is great for the county, but there have been questions about this from day one.

Cary McCoy, Commissioner, Precinct 2 of Morris County, stated he was not aware of any legal issues being cleared through Morris County. He is responsible for signing off on the roads, cul-de-sacs, and he hasn't been approached other than the judge stating we would sign waiver. He is not going to sign waivers because you can't get fire truck, ambulances, or turn a four-door pickup truck around on the cul-de-sacs. The waterlines lying in the county ditch must be moved over onto his property. A private entity cannot use a county ditch for pipelines. Mayor Hodges asked if we were waiting on the County and not the City? Mr. McCoy has not been included in heard anything, and he must sign off on it. If Judge Reeder changes it to where the commissioners court overrides him, they can do it, but it has not been resolved. Mayor Hodges asked Mr. McCoy to get with the Judge and arrange a meeting this week with the Judge, County Commissioners, and Water Board. He wants everyone to get on the same page. Dusty Ansley has been meeting with the Judge. Mayor Hodges

A motion to table 3-2 was made by Mona Brown, with a second from Jerri Chism. All present voted Aye.

3-3: Review, Discussion, and Possible Action for the Mayor or Legal Counsel to contact the Morris County Judge for the consideration of a waiver or variance to the Morris County Subdivision and Plat Regulation which references a 30-year minimum agreement for water supply to a subdivision, e.g., Serenity Development subdivision.

**Pending additional information from legal counsel.**

A motion to table item 3-3 was made by Mona Brown, with a second from Jerri Chism. All present voted Aye.

3-4: Review, Discussion, and Possible Action in how the City wants to proceed with the sewage backup and overflow at 511 Wildrose.

**Item 3-4 was not discussed due to unavailability of legal counsel.**

#### **4. EXECUTIVE SESSION**

4-1: To seek the advice of legal counsel for contemplated litigation and other considerations for sewage backup and overflow at 511 Wildrose. (TEX. GOV'T CODE ANN. § 551.071).

**Council did not go into executive session due to unavailability of legal counsel.**

#### **5. ADJOURN**

A motion to adjourn was made by Mona Brown, with a second from Cody Wommack. All present voted AYE.

/s/ Randy Hodges  
Randy Hodges, Mayor

/s/ Tina Love  
Tina Love, City Secretary