

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Tuesday, July 15, 2025 at 6:00 PM at the Freeport Council Chamber located at 430 North Brazosport Blvd., Freeport Texas for the purpose of considering the following agenda items:

City Council: Mayor Jerry Cain
Councilman Jeff Pena
Councilman Jarvis Davis
Councilman George Matamoros
Councilman Winston Rossow

Staff: Clarisa Fernandez, City Secretary
Ashlee Hurst, Finance Director
Toby Cohen, IT Director
Donna Fisher, Human Resource Director
Rudy Ragle, Public Work Director
Nick Meeks, Public Works Department

Visitors:	David McGinty	Melanie Oldham
	Nicole Mireles	Julio Aluiso
	Sam Reyna	Pamela Dancy
	Mark Parker	Con McCleester
	Carol Parker	Diane McCleester

Call to Order:

Call to Order - Jerry Cain, Mayor

Mayor Cain called the meeting to order at 6:00P.M.

Invocation - Councilman

Councilman Rossow led the Invocation.

Pledges - Pledge of Allegiance to the United States; Pledge of Allegiance to the State of Texas.

Councilman Rossow led the Pledge of Allegiance to the United States and the Pledge of Allegiance to the State of Texas.

Audience Participation – Anyone who has registered to speak prior to the meeting being called to order and desires to address the City Council will be heard at this time, or during the discussion of an item listed on the agenda. These forms are located by the City Secretary. After completing the form, give it to the City Secretary. She will give it to the Mayor. The Mayor will call on you when that item is presented, once a motion has been made by Council then public participation will not be allowed. You will have four (4) minutes to make your comments regardless of the number of agenda items to be addressed.

Mayor Cain said there are empty seats on both sides of him tonight. He said Chief Howell is feeling under the weather tonight, and he expressed in today's world it is best to stay home instead of sharing it with fellow citizens, and so she elected to do just that and hopes she gets well soon but it is not going to stop

them from doing what they need to do.

Sam Reyna resides at 2002 North Avenue G. He said he wanted to thank Councilman Winston Rossow, Councilman George Matamoros, and Mayor Jerry Cain for keeping the Charter Review Commission intact. He said they have worked real hard the last five months, and it will take maybe two more meetings to finish their work. He said they have discussed adopting new ordinances, amendments and modifications of some, and appointing a new member to the Charter Review Committee at this point would have been a disaster. He said after the next two meetings, they will submit it to legal their recommendations for proper wording and make sure they are not above State and Federal laws. He said then submit recommendations to the Council for adoption or to place on the ballot for citizens' approval, appointing new members who would have forced them to review articles one, two, three, four and five again and are at the point of no return they do not have that much time. Mr. Reyna thanked the Council. He presented photos that show the corroded drain line between the handicapped and ladies restroom. He said it does not include the men's restroom and upstairs shower. He said that building is located at 1309 Brazosport Boulevard future truck stop, restaurant, or gas station. He said the draining pipes run from the front of the building all the way to the back so do the running water pipes. Mr. Reyna said he replaced the water line from the sidewalk to the meter but all drain line and running water pipes under the foundation are corroded he said plus the building needs a sprinkler system and needs another fire exit door from the dining room. He said Dino the owner of the building is not going to spend money to bring it up to code. He said the building is not safe for occupancy.

Melanie Oldham resides at 1206 West Broad Street. She said she was at the last City Council and Councilman Matamoros made a motion of four people to stay on the Charter Review and they are all concerned citizens of Freeport that is led by Ms. Nicole Mireles that may not be a good thing. She said she has been on that committee, and she knows what they want to do. Ms. Oldham said she was there to speak about Veolia. Ms. Oldham said she read all 86 pages of the supporting documents and thanked the Mayor, for putting those in there because she knows he is big on supporting documents. Ms. Oldham said she read the quote charges that Mr. former City Manager Petty and Mr. Olson came up with charges they are listed and to her they are trivial, but they got fixed some of them and they got a lawyer they explain if read step by step what they corrected and to her it is just like when Olson and Petty sat down and came up with all these silly reasons to fire or put on leave Ms. Chief Howell, trivial, trivial things they must have spent hours figuring out what to put down to get rid of her. Ms. Oldham said she knows there have been issues a few in the past with Veolia, but she would say at this late date that the Council all would be wise to keep them and work with them. Ms. Oldham said she is glad that the Mayor Cain and the Interim City Manager set up a meeting it was held because they had never sat down and talked but my God. She said to read what Petty and Olson claim they did, they did not. She said to the Council to just read it before making a decision tonight it is pretty clear that they tried really hard to get rid of Veolia and wanted to bring it in-house. Ms. Oldham said even though Rudy is really good, it would be tough to do it right Veolia has been with the City for 20 years and the last contract was signed ten years ago it is up in September. Ms. Oldham said she remembers when Mr. Meeks senior worked for them she lived in Ward A one time she had a sewer water leak and he went out there and they he had his guys dig it up and said those pipes are so old he looked it up and down and there were people that had breaks and said the City Manager negotiates every so many years with the head of Veolia, and they get a set amount of money that is all they get even if they want to fix the full pipe, they have to patch it. Ms. Oldham said a lot of it comes down to the City Manager negotiating with the head of Veolia, their hands are tied somewhat, but again, please, if the Council has not look at the supporting documents, read through what she calls bogus charges that Petty and Olson sat down and came up with and the company answers them very well she knows some of the Council have probably taken the time to read them, and she knows there are certain people that want to get rid of you Veolia any way they can but appreciates the Council listening and the people that are on the Council and the public that took the time to read through 86 pages of supporting documents, but it will tell the truth.

Proclamations - Presentations and Updates

Presentation by Veolia for Water and Wastewater Services.- Matthew Johnson

Regional Vice President Matthew Johnson, Regional Leader James Carter, President- Central Region Michael Munns and Communications Manager Central-South David Heinzmann presented the attached presentation titled "Exhibit A" to the Council.

Jerry Meeks said he was part of Veolia. He said he came here in '96, and he has been there since '21. He said one thing is that if the Council does stay with them do not give them a ten-year contract. He said they want to write a ten-year contract. He said he had been there and done this and they want to tell you what they are going to do and have to watch out on all the additional costs that are going to occur from them all, they need a backup, a backhoe it is being done for the City of Freeport and they need to pay for it. Mr. Meeks said do not get him wrong all the chemical stuff all that sounds great. He said they said they are going to incur the cost, make them stick to it but in the long run they are going to have you in the agreement they make for ten years; they are going to have you paying for all the chemicals, paying for the lights and everything else. He said there is no incentive for them to save power because you know what the City is going to be paying that is what it is because this is the City of Freeport, their vehicles, the same way they might be charging now for vehicles. Mr. Meeks said all this extra help they are going to bring in there is going to be a charge to it. He said they are not going to suck it up. He said to the Council they are being charged right now right at \$3 million a year for their thing and it is not just a year and a half, he is talking four years. Mr. Meeks said they did not really have a project manager there, they came and they went. He said they said they called him and he was in Oklahoma. He said there is nobody here running the show. He said if you want a meeting, call up and say you want a meeting at 2:30 can you be here and they say oh no, I am out of town right now, can we do it tomorrow, the next day? Mr. Meeks said because they are not going to be on site. He said you need somebody to run the show on site if you are going to give three years and then look at it again. Mr. Meeks asked why not give it to the for three years? He said and see what the City can do. He said they can even do it for two. He said the thing was for an RFQ (Request for Qualifications), there are other companies out there. You can ask. Mr. Meeks said for budget reasons he does not know what the City has for the budget but use the number they gave last year. He said yes, R&M is going to be out of sight it is going to be. He said he saw the City's slide show and are going to show you the stations 1 to 17- it is a small little thing has one two inch grinder pump in it give or take eight houses. He said if you look at that picture close, there is a goddam two inch trash pup sitting outside the doorway. He said you know what you go out in the morning, fill it up with gas, crank it up do not come back to the next morning he asked where is the pump? He said the pump might have been \$1,500 and is sure it is going to be billed to the City, but it is \$1,500 sure all the other stuff is high-dollar, but they are not doing the little things they are showing a picture of a leak right there in the wastewater plant coming off the trickling filter side. He said look at the cattails the cattails do not jump overnight been there a long time they had not fixed the leak. He said look at the R&M list that they give the Council if they do not see them the accounting department does. He said look at that list and asked how many contractors they called in? He said they called in contractors to repair water leaks sometimes it was like a daily charge or something. He said how much do you charge me for a crew for a day of two days. He said \$8000- \$10,000. He said okay here is a list of leaks. He said the crew was supposed to be doing that it is what the crew does. Mr. Meeks said it is the same way with electrician. He said you do not see a bunch in the past electrician part. Mr. Meeks said he did a lot of it. He said he admits that he did a lot of it and when he got in a tight spot, he would call an electrician up and said, hey, what do I do here, before he got him out and that was taken care of. Mr. Meeks said Veolia does not have that relationship, but the City does and some of the City people do. Mr. Meeks said and you are going to get the same employees that are out there now and Veolia is going to say they are their employees. He said he promised nobody wants to go to New Jersey and pay their own way to get there. He said the representatives from Veolia know nothing and none have been around Freeport and they are not even from Texas.

Mathew Johnson said there was a lot of passion there and appreciated that. He said for clarity and to let him know if he missed anything. He said regarding the third party contractors that come up over and over and over again in the last year and a half, especially the last six months they have lost a few employees to the

City for reasons that are unclear to them and doing so they still have commitments to the City as well as the City Council there to provide the service that they signed up for. He said they had engaged third party contractors at zero additional cost to the City to meet the obligations of their contract. Mr. Johnson said he financially it has always been a hard time and destroyed financially here for the last six to seven months because of the needs he has had to rely on third party contractors, because he cannot keep losing employees over some challenges that are happening within the City that is unfounded. He said he is welcome to review the financials accordingly and wants transparency and want to show everything. Mr. Johnson said he has been hopefully consistent showing seeing that. He said as for the cost and the other items there, the investments that we want to make in Freeport is for Freeport in the end Freeport owns these assets and they do not own it, they are just an operator looking to invest into the assets that are kept afterwards. Mr. Johnson said if the City wants to go to a different vendor at some point, take it back in-house and these are all assets that the City now owns that allow to operate more effectively and cheaper. He said so first off, there is no additional cost to do the upgrades they are talking about and secondly, the City keeps the upgrades to run the plant more effectively and more efficiently down the road to a lower cost for the City in the long term.

James Carter said he was here personally for 21 months after him, Joe Thaxton was here for roughly 13 months and after Joe, Brandon was here and has been gone roughly ten to eleven months, and Don Martin has filled in his vacancy whenever he can at times but there is not a project manager on site, but there are operations supervisors here on site. Matthew Johnson said they have lots of experience with the system and also as the Council saw in the chart from a few slides ago they have an 8 PM figure moving forward and have not had a person actually named that they want to bring down here but given the thing it is called for the hostility that is occurring here currently they were a bit hesitant to bring in more bodies to be then stolen to the City. Mr. Johnson said they had been waiting and wanted to have this meeting, this discussion, to be able to discuss a path forward to work together and invest their personnel in.

Julio Aluiso resides at 826 Slaughter Road. He said he has been in Freeport for a long time, and he thinks it is time for change. He said they see their charts and stuff they put on there, but he does not think the improvements come in fast enough for the amount of time they have been here. Mr. Aluiso said when managing anything, you do need someone in-house to take care of issues that do arise. He said there are issues all the time with the water on the street where he lives. He said they make repairs and do certain things, but it is just like an ongoing thing, it is time for a change. He said to the Council to not be afraid to let someone else or let the City take over and see what they can do it might surprise them. He said they have a 20-year contract that they have gone through, and they have been here for a while, but he has not seen any improvements it is time for Freeport to improve with the water system.

James Carter said the pumps that they originally were removed out of 15 were given to a vendor, and they found them. He said he can not remember 16 or 18 months later in storage at Angleton after they were tracked down.

Nicole Mireles resides at 2002 North Avenue G. She said she hears all these comments. She said she works for Dow and has been at Dow for 47 years and she deals with projects and they bring vendors and contractors in, and you have to be very specific on what you are going to offer and not just say they are partners and can do this. She said to the Veolia staff they are the professionals and the experts. Ms. Mireles said for us to be having this kind of issue for years, back in the day it is not for anything but when Jerry was here, Jerry would not even hesitate to give you his number if you stopped him on the road he was always there bringing his backhoe or whatever the case may be it got done and it got fixed. She said talking about the pumps that have been over there for 18 months or whatever, she asked Veolia staff where the supervisor on site? She said that should never have happened then the City had to foot the bill. Ms. Mireles said we need to pay attention to what we are doing it is kind of like Mr. Aluiso said to the Council to not be afraid to venture out somewhere else there might be something else out there that is just her personal opinion. She

said she sees it and she deals with it at the plant and this would never happen but that is her take on it.

James Carter said just to answer about the 18 months on the pumps he was the supervisor on site and they were given to the City. He said he gave the pumps to the City as per direction from the City and they were going to take them and rebuild them and they never got them back from the company they took them to then they were tracked down. Matthew Johnson said Mr. Carter asked for backup and for clarification the slide there speaks for it and those are the receipts, those are the work orders and it is the actual backup showing and proving everything they are saying if anything this was circulated ahead of time this was circulated back on Thursday and this is something that has not changed and knew this was going to be a topic for discussion hence why this slide was prepared. Mr. Johnson said they can review it more detail and the promises were having are detailed and looking to putting in a new SCADA system putting in a new disinfection system these are all systems that we have experience with and can do a lot cheaper because of our size and buying power. He said a great example is INC on the SCADA work and the agreements with Allen Bradley allow him to buy gear at 30 on the dollar and these are savings he said he can push down too on to the City to do more to make that dollar stretch. Mr. Johnson said this is where they want to do more for the City this is where their frustration or confusion lies is that they understand the idea to try to take on more in house but unfortunately, in this last year-and-a-half project after project, it has not gone well that is why they have been wanting to get the attention of the City Council there for such a long time to raise this red flag or raise this concern, because right now they recognize the financial constraints and seeing these mistakes occurring over and over again.

Councilman Rossow said Mr. Meeks is saying that there were not any supervisors and Veolia staff was saying that there was he asked which one is it? James Carter said Eddie Ruiz is operations supervisor on record, and he has been here for 30 years. Matthew Johnson said he was given the promotion title he is not sure exactly when but he has been a 30 year plus guy who has been through the systems and knows the systems very well here. He said he is the name supervisor for the project and they have a named PM ready it is just with the struggles that have been incurring here in the personnel challenges with the City have been hesitant to having a person that they see as valuable coming down here and then walk into a hostile situation and frankly, that is not fair to them it is not fair to the project. Councilman Rossow said asked if he had said Eddie has been the supervisor for a year and a half? Mr. Carter said at least a year. Councilman Rossow asked how long has it been since Mr. Meeks has been gone? Mr. Carter said four years then he was here a month after that for the next 21 months himself and followed by two PMS after him. Mr. Johnson said going back to communication, one of the things that Lance mentioned a year ago to this point was that the PM down here Ian Brennan was not working out about a month went by 30 days later parted ways with Ian because that was communicated to them that was not the right dynamic and were listening and made changes, same thing with our another crew they also recognized and heard what the City was saying and made changes. He said that the requester wanted them to have this engagement came when the City was not listening to them, and they were listening but were not being listened to and that is the challenge and that is the issue they have there.

Councilman Matamoros presented the attached presentation titled "Exhibit B".

Matthew Johnson said what they are looking for is communication. He said they appreciated Councilman Matamoros' enthusiasm towards this and passion and ask that perhaps they can explore that and use it together in a more fruitful way. He said he does appreciate and sees the passion and he does think there is opportunity here for them to use that for the better of the taxpayer and for the City here and so forth. He said this slideshow that was presented by Councilman Matamoros they had no vision of and asked if that was typical? He said he knows they had some of their stuff in by Thursday and was surprised to see this document made it prior without them even seeing it. He said he was just kind of just wondering why or how that happened. He said one of the things that he wanted to do is last week, over a week ago and said there were some comments about things that they are failing to do, things that were concerning and one of the

slides he wanted to actually bring this up. He said one of the comments that were made last week was Veolia fails to own a camera truck, fails to have a push camera, has no means to TV anything. He said their camera truck is right there and said to Councilman Matamoros if he wanted to tomorrow they could get coffee tomorrow in the camera truck and could show how the little thing works and how they use it in the system. He said the challenge they are having is that he knows he is very excited on this, and wants to see change for the residents and appreciated that, but wants him to be able to work with the facts of what is actually happening and that is where it is very challenging for them to be the best partner for you when working with misinformation like this. He said like he said to go to the records of last week's meeting they reviewed the whole video, the whole meeting they had last week on Monday and the statement was, there is no camera truck, there is no pushrod, there is no way for them to see what is hidden inside that line and, well, it is right there and said he welcomed Councilman Matamoros and asked him if he wanted to see it tomorrow they can get coffee and spend time in that camera truck but that is the part that he wants to work with and be aligned to share that passion together on the right items. He said another item that was mentioned last week, generators. He said Councilman Matamoros just brought up again the generators, and last week the criticism was that they were not maintaining these generators. James Carter said he talked to an operator at Slaughter Road and did not know how to operate the generator and well there is no generator on site and there has never been a generator on site at Slaughter Road. Councilman Matamoros said he did not say that there was not a generator he said that whenever they lose power there is no way to have water he said there was a generator that was there because that is what he had been told and seen that has not been on in years. Mr. Johnson said what he was trying to highlight and show here is that he wants to work with you and give you the information to share the passion together to do the best for the citizens and for the residents. He said what he is here is a systematic pattern of information that are probably not seeing the full picture on, and want to work with you and share that with you to make the right decisions and work with the City as a singular unit. He said he can dive into one by one of all the comments were made but does not think it is beneficial but he is here at Council's disposal. He said he does not fly out till midday tomorrow, and they can go through one by one, spend time together and in person to show you what they are actually encountering and how they can work better together. He said that is all he had been asking. He said he has asked these last seven months, and it was not allowed and were not able to do this, so try not to make this a back and forth. He asked Councilman Matamoros to take his passion and enthusiasm he has which is very agreeable, and work with them towards a solution that is the best for these people here in the room. James Carter said he would just like to make a comment on 2012 he believed is what Councilman Matamoros said the SCADA system that City purchased. Mr. Carter said he arrived here in October of 21 and the SCADA system that was installed in 2012 he walked in and looked at the screen it is that same screen today. He said he knows for a fact that Lance, Mr. Kelty, people before them have been working with whomever the vendor was that the City paid for this they never came and got it right it has never been right since he got here it might have been purchased in 2012 that is the first he knew that is when it was purchased, but it has never been online and everything appears to be full, the pumps seem to be running or this one off, but it does not work. Mr. Johnson said it is kind of like the meter project it is not about the actual compare as the software it is kind of like your phone, Apple it seems like every three or four years the out date phone he said his phone nothing was wrong with it but they change the software's and makes it antiquated that way. He said this system from 2012 is two iterations of anything so passes a useful life. He said he wants to make this fruitful, engaging to answer the questions the Council has and when they have a lot of false information being passed their way as accusatory they do not want to go one by one, they want to find a way to work together to the solution that makes sense that is helpful for moving forward. Mr. Johnson said he does not know what is best how to best addressing these comments and want to give the opportunity to do as the Council see fit. Mr. Carter said to the Council they are going through the budget right now and have been through it with each department. He said he knows for a fact since February of 2022, February 2023, 2024 and 2025 he himself along with some of the team that they have all around, work together to give the City a strategic plan or an ACP, an annual capital plan of things that they say needs to be fixed and they put all of the lift stations in and categorize them 1 to 30 and say this is worse, and the only thing in four years that he knows of that the City has taken out the manuals is the three lift stations a year plus ago, they took them out

of there and fixed them other than that Mayor Cain used to receive the manuals every February. Mr. Carter said they have done their homework and have said what does not work. Councilman Matamoros asked Veolia staff to answer why the SCADA system they have been in charge of the system since for 20 years, and that system since 2012 when it was purchased brand new, has never worked and asked why? Mr. Carter said he does not know about 2012 he was only here in 2021. Councilman Matamoros said that is the company. Mr. Carter said the previous management City Manager and Mayor told them they are handling it that the City actually hired and brought somebody in and paid and they never came back and finished wiring it up and all that and that is on the City and knows that for a fact. Councilman Matamoros asked how does Mr. Carter know for a fact if he was not here? Mr. Carter said when he got here in 21, when the City, Lance and Mr. Kelty then move forward with a contractor to get the new system the City had paid for them they came down and worked two or three days would come back and then they never came back and finished it. Councilman Matamoros said so between 2012 to 2021, Veolia has been in charge of the system and asked how come they have not gotten it working? Councilman Matamoros said that is on Veolia. He said they have given them control of the system. Michael Munns said they do not have an answer none of them were here so an apology is in order, it is not operated. He said Matt had spoke to a solution for that out of their pocket to make things right and to move forward so that is an alternative there and what he thinks James was trying to stress is it is not just Veolia and not just the City, it is a partnership they operate the system and do not own the assets they operate them, advise on repairs and maintenance. He said he does know there is a discussion about the overage on the repairs and maintenance that happens when assets are not capitalized they have ran past their useful life then submitted on a capital plan to be replaced, not replaced and they do their best to continue to keep them running because he promise every one of those guys that come out and gals with their Veolia on their shirt, are there to support these folks here in the room they are doing their best every day with one hand tied behind their back, trying to use R&M funds to keep a system operating. Mr. Munns said they are still as committed today as they were yesterday, or any other day and need a partnership, and as the owner of the assets, those plans come forward to say this needs to be replaced but it is not exactly fair to tell them they owe a brand new system when the City has not financed to recapitalize it for several years. He said they can maintain it they have been doing that and keeping things operating but it results in a lot of problems by boil water orders from water main breaks, those pipes are passed their used for life. He said they need to partner with the Council and replace them, add valves, broken valves beyond their useful life, these are not things they do as an operator of the system, but they advise they can do it but over the past 18 months under the administration before now, they took that away from them and so now their other hand is tied behind their back and promises that this team he has talked with them on the phone and has been involved when these emergencies occur because these messages come all the way up the ladder. He said they have a team that helps to handle those situations, ensures that the Department of Environmental Quality is notified, that those boiling waters are going out a boil water order issued is a warning to the citizens out of care to say there is an issue and need to be aware of it and take action to prevent illness, it is not always a bad thing you have system pressure loss and so they are adequately educating the community to say, hey, the water needs to be tested, do not consume it, boil it, and when they have confirmed those results and the water is safe, you may resume drinking water so it is not always a bad thing but he understand they are a nuisance and believe him they will do everything they can to avoid them that is a normal mode of operation when operating water systems, when you lose system pressure. Councilman Matamoros said correct and Mr. Munns just made another point that he was going to also talk about—valve maintenance. He said we have so many valves throughout the City that are seized up because there is lack of maintenance and again, that falls on Veolia because we say, hey, here is our system, they seize up and asked where is the maintenance? Mr. Carter said again in that ACP or strategic plan, there is a program in there for replacing the valves to be able, like Councilman Matamoros mentioned earlier, isolate the system and he is correct there are some places in this town you cannot isolate and might have to go three or four blocks down this way, three or four this way but if they have a leak now in a certain area they are putting a valve in as they fix the leak, put the pipe back in or have valves but there is in that ACP and again was told to hold off on that but when we have leaks or breaks we are installing a valve back now. Councilman Matamoros said what he was trying to say is how come they have not been doing the

maintenance, that is the biggest thing, is the maintenance it has not been done. Mr. Johnson said two and a half years ago the City sent a letter of nonperformance from Olson and Olson and believes one of them was talking about maintenance and did reply and showed that they have been meeting the needs of maintenance for the City and have actually yet to receive a response from the City from said letter which requested about seven months ago a response a bunch of accusatory items, things that they had concerns that were being set against them and clarified, asking for them to discuss it, go through it more that has been silent since and still have not seen anything so it goes back to and he is not trying to be repetitive but it is about the communication and them wanting to work together has been very challenging in the last iteration here with within the restructure there within the City to have that and this is an example here where you want results, want to know things, and want to have information that is what they want to be able to share with the Council but there has been restrictions put on them that do not give them the ability to do so, because it is not being shared within the Council.

Councilman Davis thanked Veolia staff for the presentation, for the transparency. Councilman Davis said to Councilman Matamoros that was a good presentation he had but that was not even in the packet and just bring that out and not put that in the packet and not give people the chance to answer to have answers to his questions. Councilman Davis said that is our problem here in Freeport. Councilman Davis said to Councilman Matamoros he is always laughing over there, because it is funny to him because he has been one of the ones sitting up there lying to him about what they are doing. Councilman Matamoros said to Councilman Davis he was attacking him over issues, and he is showing the deficiencies. Councilman Davis said he has been trying to get a meeting over nine months or so and get the whole Council, the City Manager to meet with Veolia and if this was so much of a problem they have been sitting there and he has been there over a year and they have not met with these people and sat down and tried to come to a conclusion to this problem how can they fix this problem. He said they have not sat back and seen that it has been no communication there. He said he has been there a little over a year and now they are up there all aggressive and look at this problem and look at this problem. He said they had plenty of time to come there and meet behind closed doors over there and address these problems. He said he has asked and the Council knows he has asked about it. He said the Council gave him the input on what they thought about the situation and nobody wants to meet with them. Councilman Davis said this is how you solve a problem if there is a problem, you call, if you got a problem at your job, because Councilman Matamoros made it a point in his presentation if you do not do your job, then you get in trouble not a supervisor, well, if there is a problem, the Council is the supervisors, call the employee in and say, hey, look, this is getting out of hand. Councilman Davis said he is in a position now they voted on some meters don't nobody want to talk about all that but they voted on the meters and were only told there was only one bid, now they voted on \$3 million meters so that is on him he takes accountability for that, if that is wrong. Councilman Davis said every time if you go back to look at meetings, there are a lot of bids that come in, and it is said that it is only one bid and now these people come in there and say they presented a bid for \$2 million and 100 free installs to see how it work and heard nothing about that and are not taking no accountability in-house and that is what has got to stop. He said some of this stuff, and it is right they got to clean up better and they got to do better on some of the slides Councilman Matamoros had but that is not all facts. He said it was not all facts and that is what confuses everybody when they are throwing stuff in and they are not facts. He said that is because there is no communication with that side and their side. He said they know they have not had any communication with the City Manager part so that is why they have all this information, and nobody wants to get both sides of the story that is what has to stop there. He said the pump situation every time he brought this up to have a meeting that is the first thing they talk about some pumps 15 over there by McDonald's every last one of the Council, that was their main thing: these pumps. He said well come to find out, they were not even in charge of fixing the pumps the pumps got taken from them by the City, taken somewhere else which they had even suggested that they be taken to somebody else and let somebody else fix it and pumps disappeared so they have bypass pumps that the City is paying for but that is their fault, the pumps come back not fixed, spent hundreds of thousands of dollars buying some more, and pumps are still not put in but say that is their fault. He said the pumps still over there, sitting there he said that is taxpayers' money

just sitting there because they are not being transparent. Councilman Davis said all of these pipes and these leaks up underground how old are these pipes under the ground? How long does it take us? He said it is going to take time to replace these pipes and they are going to leak but asked if it is Veolia's responsibility to buy new pipes. He said just a lot of this stuff could have been avoided and could have been worked out and now, you are at crunch time, and they are sitting there trying to point the finger at everybody and same back and forth everybody has got to point the finger now it is crunch time. He said the Veolia staff got to point the finger at the City and the City has got to point the finger at them. He said Councilman Matamoros got to put out what he saw wrong and Veolia staff put their presentation out there for everybody to see, and if you had any questions, then you could see it and be ready for the meeting and they come in there with a surprise slideshow still trying to do some slick move. He said they got to be transparent and have to do better. He said they wasted a lot of money and nobody wants to be held accountable for it. He said he just wonders what he hears they both have made some mistakes and but if you are not communicating and you are not working on, how to fix the problem, then that is how all the grass and the weeds grow because they do not sit down. He said they got same thing in house and have to fix our own house and they are out there trying to take over something else and it got too much going on.

Councilman Pena said there are so many different ways they can slice this. He said he does not know how many people are online there tonight watching this, but this is probably one of the most important decisions for the City so he wants to thank everybody that came out and showed their concern but he knows there are a lot of businesses that are hurting and there are a lot of families that are hurting, and obviously it is costing the City a lot of money and he thinks he always hear the phrase mistakes were made and the question he has is could they have been avoided? Were they on purpose? Councilman Pena said quite frankly, tonight was not even supposed to be about this so originally a couple of weeks ago, they had a budget meeting and it was himself and Councilman Davis and all the directors, and that was one of the most positive meetings, constructive meetings, all the directors were there. He said he wished the cameras were rolling then, because then you guys could see what real dialog is versus finger pointing and blaming, big difference but instead tonight they are set up in this particular forum where it is just finger pointing and blaming and it just brings him back to what he always said it starts at the top. He said so he wants to make sure that he play a little, he did not get his PowerPoint presentation into Mr. Cohen, but he did have it on his phone, so he wanted to show his slide but he wanted to make sure that you guys heard his slide because this is really where it starts. Councilman Pena played an audio. Mayor Cain said to Councilman Pena the difference between his slide and Councilman Matamoros was on topic the entire time. Councilman Pena said this is entirely on topic and said to Mayor Cain to let him make his point. Councilman Pena said to Mayor Cain he wanted to dictate his narrative and so just tell him not to speak then, because that is what Bass did and it is understanding that is what Bass does he tell him what to do. Councilman Pena said to Mayor Cain to stand on his own feet, and allow him to speak and that is what he got elected to do. Mayor Cain said to Councilman Pena he was going to allow him to speak, but he want him to keep it on topic. Councilman Pena said this is completely on topic, just the same way, last week when they talked about the budget, when Councilman Davis said, hey, we are talking about the budget, of course this is relevant. Councilman Pena said this is about leadership and this is about accountability, this is about mistakes, whether they were purposeful or not. Mayor Cain said this is about Veolia. Councilman Pena said yes and this is the point. Councilman Pena played an audio. Mayor Cain said that is not on point. Councilman Pena said he hope they started enough exposure there in transparency to figure out one thing it starts at the top and what that audio proved is that Lance Petty collaborated with Jerry Cain to shut down the City's businesses, to shut down the City's budgets and projects and departments. Councilman Pena said to Mayor Cain if he wanted to gavel somebody down, gavel the audience, so that he can speak respectfully and said if you do not like what he has to say, you do not have to be there and can watch it at home, but you are going to sit there respectfully, just the same way they sit there respectfully with you guys. He said they are supposed to be trying to do this together. Councilman Pena said his point to this all is that here is the ugly, dirty truth, you heard there was an agenda request on December 31st by Councilman Davis and Councilman Rossow, because they got notified that there was a letter that went out to Veolia, which Veolia staff just came out tonight to say they have never received a response, that

is true but let's talk about the dirty truths beforehand and he mentioned this briefly at the last meeting this all got started in August because basically the City did not want to take responsibility for that pump station at 15 they did not want to talk about how the money that was needed to pay for those pumps were at the fault of the City and what Lance's role was and he sent that off to another contractor when in fact the contractor they should have been fixing it was in fact supposed to be Veolia so then Veolia contacted the Council in August of 2024 for about ten months ago or eleven months ago now and that is where all of this began. He said this became just a big personal vendetta by Lance Petty against Veolia for speaking up and defending themselves to clarify the record that in fact, they were not at fault on this one issue, on this one issue where there is smoke, there is fire, they did this. He said the sad truth of the matter is that there was so much more going on that was wrong and so what happened was, is that out of revenge, Lance decides he is no longer going to talk to Veolia and guess who he was talking to at the time? He said every time they have been made aware of any communications that Lance had with Council, it was with Jerry Cain and Jerry Cain knew about the modus and the planning and the non-communication with Veolia, because Veolia then reached out to every Council saying, hey, they are trying to get a meeting, they are trying to get a meeting and would like to communicate and would like to solve this problem. Councilman Pena asked how can you solve a problem when two people are not talking? He said when one person resigns or one side decides to refuse to communicate, but instead sends illegal threatening letters and pretending that the City Council actually approved that letter to terminate the agreement with Veolia and that was completely untrue and it was illegal, in fact, by Petty to do that. He said what ended up happening was and the Mayor was cc'd on that, and he said he was sorry he did not get to put together a nice little wonderful PowerPoint presentation here because he did not think they were going to get into all this, but he has those receipts to those emails where the Mayor is, in fact, cc'd where all of Council is cc'd and Olson and Olson. He asked guess who is not there? He said Olson and Olson and Lance Petty. Councilman Pena said they want to clean house, want to get rid of Veolia, no, that is not where it starts. He said on our side. He said he knows you might have personal relationships with these folks, but you do not have the exposure to them that he does. He said you do not have the exposure to them that the rest of the Council has, because they see the dirty underbelly of mischievous and illegal deeds and so he tries to make it transparent so that everybody sees it. He asked and what does he get for it? He said he gets attacked, he tries to get silenced. He said they got the Pena rules and the agenda rules. He said it gets worse than that though he gets attacked and assaulted. He said the former Mayor tried to assault him, Councilman Matamoros short tempered tried to attack him too. Councilman Matamoros said lies. Mayor Cain said to Councilman Pena to keep it on topic. Councilman Pena said it is entirely on topic. Mayor Cain said to Councilman Pena he was way off at this point. Councilman Pena said it is so bad that Councilman Matamoros has such a bad temper that people basically tell. Councilman Matamoros said pure lies. Councilman Pena said that the sun is up in the morning, and that comes from pure light. Councilman Pena said to let him finish. Councilman Pena said to Councilman Matamoros, they have a group of professional men there tonight saying, hey, let's work this out. Councilman Pena said they have been trying to do that for nine months before that, they were actually looking for the Council for help they just wanted to set the record straight but because you refuse because somebody tells you who to hate and who to attack and your mind is made up. Councilman Pena said there are residents there who have been victims of that, not just him and in fact one of the executives from Veolia was verbally attacked outside these chambers earlier this year. He said he had left, but there were witnesses and one of them was an officer and he does not see that officer there tonight, but they reached out to him and confirmed that it happened. Councilman Pena said Veolia executives were too polite tonight to point that out tonight. He asked why? He said because they are not trying to place blame, they are not trying to just muddy up the waters, they are trying to be constructive and that is what they need to be. He said they need to be constructive and honest with themselves and with the public. He said something else that happened along the way in these nine months and wants to go back to 2022 and 2021. He said you may have heard the very polite way of saying there was issues that kept coming up and that is how Veolia was bringing it up and they were being polite and he appreciated their professionalism and their courtesy and their politeness, but needs to make sure that the public knows and understands what the truth is and that is when you are over here trying to say, hey, we are going to bring this in-house because you guys can not handle this but in the same breath you are stealing

their staff, you are poaching their employees, that is pretty crazy. He said if you do not know what you are doing, you should not be poaching the team that you are accusing of not knowing what to do, should probably go get some other people, but no so it is kind of hypocritical, it is dishonest and it is very revealing on really what those individuals know. He said to let him go back to 2020. He got elected in 2020, December of 2020, on a runoff in 2021 he sat there, and said he was just curious to see who was still in the audience. He said there was one Councilman there who, for whatever reason, actually, he does know because residents from the Concerned Citizens gave him a whole bunch of evidence to investigate him and so he also then decided not to like him and attack him and disparage him but what is crazy about that that Councilman was Troy Brimage and you guys know him he ended up owing the city over \$200,000 and his point is and asked do you know that as much as Troy Brimage did not want to work with him, they actually agreed on one thing in the two years that he and himself were on Council together. Councilman Pena asked Mayor Cain if he could gavel the comments in the audience he has been hearing comments. Mayor Cain said he has been listening to comments for the last ten minutes that are not on topic. Councilman Pena said they are entirely on topic. He said his point was that in 2021, Troy Brimage and him agreed on one thing, and that is that the City was completely unqualified to bring it in-house to bring in the water system, the wastewater system, the sewer system, none of it and at that point, everybody was pointing at getting rid of Veolia and so the conversation was had well, what is going on here? Who is in charge? He said so the Council decided then they met with Veolia and they said, hey, listen, we do not like who you have here, your boots on the ground and so they got their lead person out of here so that they could stay here with the agreement then that they would give a list, fresh faces and, they would start addressing all the issues well, so that happened and he thinks that is they got Mr. James Carter and so that happened until 2023 and there was another conversation they had they had it up there and unlike this meeting, they talked about Veolia's contract in executive session and was not sure that that was even legal, but Olson and Olson said they could do it, so it has got to be legal, right? Councilman Pena said no, but they are there on the second floor of the police station and what happens they decide well he actually said they should get rid of them if they do not start fixing all the items and if they had a list of all the items and said to get a list and if they want to cooperate, then they will keep them on their contract because they had two years left on the contract and the issues were addressed and the plan was they do not want to eat the last two years of their contract because they did not have anybody to replace them in-house and so they said, well, let's at least try to see if they are going to work with us and they did, now, he is not there to say that there were not other problems, obviously, there are a whole bunch of photos of a lot of mud, a lot of swampy water, a lot of tall grass, a lot of machinery it can mean whatever they want it to mean but could just tell you this is that what bothers him the most is that this is the dishonest dialog coming from the City. Councilman Pena said he is just a resident there that wears a funny hat and the only reason he wears this hat is because it gets cold in there, and sometimes it keeps him warm. Councilman Matamoros said that also does not pay his Hoel Occupancy Taxes. Councilman Pena said the thing about it is that his point is they have a lot of work ahead of us, and they could not have any results without transparency and you can not have any real transparency unless you are being honest and the City is not being honest right now and so he goes back to saying, look, he is just a volunteer. He said he is just a resident under this hat he is just your neighbor and he is telling you, if he was buying a TV at Rent-A-Center or a used car he would be asking the same questions and knowing who is lying and he does not think anybody is fooled like, they can go into all of these details of, hey, listen, what about pump 15 and pump seven and pump four and what about that, and what about this? He said he thinks the real solution there is and the real obvious answer is that, hey, they are between a rock and a hard place, so they do not have time and still do not have the people to do this job, we do not and if they think that they are going to hire those people, that expense has not been outlined and the machinery, that expense has not been outlined and they are going to try to fast track this, not no, hell no. Councilman Pena said he said this at the last meeting they are not bringing this in-house that is just ridiculous they do not have the team and do not have the time to try to build a team and have Veolia there, and they have been trying to speak with the Council for the last nine, ten, 11 months, nothing, radio silence, radio silence. He said so when you are quick to criticize the third party contractor, let's see what they have actually done if they had not even tried to communicate with the City he would be singing a different tune tonight but they had been and they were asking Council over and

over, you know what is a funny story is, well, he better not tell you that story because there is a lot of funny ones but then he will probably get gaveled on those. He said all he can say is that you know, he does not want to attack Councilman Matamoros in his presentation there are a lot of flaws and have a lot of questions but he could tell you, you know, Veolia has been here 20 years and talked about they have known all these problems for 20 years and he got on the scene in 2021, trying to make the best decisions for the City and he thinks they have been up until this last nine months and these last nine months you cannot solve any of these problems with no communication and when that communication, that non communication is greenlighted by Jerry Cain and George Matamoros that is a problem and so do not expect those two to change their mind. He said he hoped they will, he hopes they will put their pride aside and just say you know what let me do what is best for the City of Freeport and not what is best for my ego, because I would hate to look like I was wrong this whole time, or that Pena exposed me yet again. He said they just got to put on our big boy pants and do the right thing for this City and he knows that they are going to hear the City's part but he is going to tell you guys he appreciated your concern for the City, but it has not been lost on any of them that the City is ill prepared to do it and if he thought they actually had the staff and that there was a way forward in the next two and a half months, or even for that matter, let's just say there was another year he would say let's look at that but they do not and do not have a year, and barely have two and a half months and he hates this whole well they got to make a decision right away, that is not his fault, that is not Veolia's fault. He said that is Jerry Cain's fault and that is George Matamoros fault but he is not trying to place blame here. Councilman Pena said he just wanted you guys to know. Let's move forward. Like he said, this whole conversation was supposed to be in the second floor or at the new city hall on Avenue H. He said he doesn't even call it the new city offices. The building we're using on Avenue H, there's a conference room. We had a really lovely meeting a couple of weeks ago with the board of directors because it was very intimate setting and everybody was not combative. Everybody was trying to be constructive. Yeah, believe it or not, that happens. It can happen. We could have had that tonight. We can still have it tonight by just saying, hey, you know, let's wrap this up. Let's all admit that, you know, we have good people on our city staff, but they're not equipped. The city has good intentions to try to save money. Right now. Well, we're in this pickle for a reason. There's enough blame to go around. But as he has said, we can get this contract right. Keep it with Veolia, but make sure the contract has teeth. They want a ten year contract. I say we go with a five year contract. They want to look at renewing every three years. I want to look at renewing every two years. Councilman Pensa said those are just his starters. If there are some other issues where we're bleeding water, and we're bleeding money, we got to address those immediately. Not two years from now. There were quotes here earlier and he always hated it when people are sensationalizing numbers. The sensationalism of the numbers was we're losing 2 million gallons of water last month. We didn't lose two million gallons of water this last month of May? The city buys 2 million. Apparently we went over that 2 million, usually use somewhere between 1.5 to 1.7 million. So there's a 300,000 overage, not a \$2 million overage. Councilman Pena said he wanted to make sure that that's clearly stated, unless somebody else here can say that. In fact, it was 2.3 million. No. So let's not sensationalize with false information. That's not the case. He asked the city staff to work with Veolia. He would also like to ask the rest of the council to be honest. Councilman Pensa said he came here tonight. He knows he had already seen enough math to know enough numbers and enough problems from the city side, from the council side, to know that we had to keep it, stay the course with Veolia, and we couldn't bring it in-house. Councilman Pena said he left an open mind. Unless there's just something really crazy and there hasn't been, it's just been a finger pointing all the same. There's going to be some more information that comes out. He said he just hoped that between all of this other mess that's going to be coming out, that those folks that are still here continue to try to work together, Councilman Pensa said that was all he had

Mayor Cain said he had a couple questions for the Veolia folks. First off, a comment was made that, you all send monthly reports, Mayor Cain said he didn't catch it. Was it? You are currently doing that or is it something that is going to start? Okay. Mayor Cain also said Matthew and he had spoken a few weeks. You and I spoke a few weeks back and one of the questions he had with Matthew at that time. Mayor Cain said he still has this concern, is we're just now planning on bringing a mechanic and an electrician on board.

Okay. Other cities in the surrounding area. They have taken the water and wastewater in-house, and they have their own mechanics, and they do regular preventive maintenance on the equipment. Mayor Cain said he has a bit of concern that for 20 years we've been doing this without a mechanic or electrician. He said he honestly feels like now it is a case where, oh, my God, we're fixing to lose this contract. We're going to have to step up our game. Okay, Mr. Carter, you're shaking your head. No, that's not the way it is. But I'm telling you, that's the feeling that we're getting up here. You had mentioned that the cost of the contractors that have been used, you did not mark up the cost that they charged you to bill us. You have a confused look on your face. Mathew said Yeah. Mayor Cain asked Matthew to give him some clarification on that. Mayor Cain said the lift station he thinks it is 27. The one out at bridge Harbor. The pump that's out there has been on a ramp for 19 months. Mathew said That's correct. Mayor Cain said he would like to know what the plan is. What's going on with that? Why is it 19 months later and it's still sitting there? Mayor Cain said he is in agreement with Councilman Pena. If we decide to continue with Veolia, then a ten-year contract is, as far as he is concerned, out of the question. So if you could answer those questions for me, I'd appreciate it.

Monthly operations report? James Carter said the MOR is what we call it. The monthly operating report has been sent to the city manager and the mayor. Mayor Cain said he has been the mayor for over a year and he has never seen one. James Carter said for up to three years until, mayor, before Mr. Bass said he didn't need to send it to him. So we were sending it to Kelty and Lance at that time. We have, even up to last month, he believe we start sending it to Jennifer and, he believe, Rudy. We added Rudy to the list. So there is a MOR that shows exactly how many worker orders, what we do, and it is presented. If you want to add it to that list, we can add you to that list Matthew said to add to it to our conversation. What I showed to you in the slide deck was more of an enhanced version. Frankly, the memo was good, but it's not great. That's where he want to spend time with you to build a document that is useful for this council to share information on both sides to be productive. One of the examples Matthew gave was where he went ahead versus what we have.

James Carter said to the pump station 27. That issue, he was going to say two years, but you said 19 months. That issue was brought to city, in reference to the amount of silt and sand that comes into that lift station, the way it was designed, that the pumps that are currently in that can could not get it out. It was causing all kinds of issues plugging it, everything. James Carter said they have the backup pump there, the bypass pump hooked it up. Since then, he knows of 3 or 4 times within the last year has been brought up. Supposedly what he was told last time was your engineers, the city engineers was looking into this to possibly build some kind of sand filter in between Surfside and that can where it comes in and feature that can is there was going to be some kind of sand filter that possibly was going to be engineered to put in there. Mayor Cain said that's not the story he has been told and here, ladies and gentlemen, is where the issue lies. Mayor Cain said he doesn't always agree with Councilman Pena. We're going to revisit that here in a second. Mayor Cain the comment that was made about the contractors. Matthew said when they were dealing with staffing challenges back this winter. They brought three staff members in at Veolia expense. Those expenses were not shared with the city. You can review that thought the MOR, not a single one was shared. Matthew said he bleed pretty hard those months paying for outside contractors to meet the obligations of this contract. If there's anyone who wants to review and see. He knows they paid out of pocket quite a few times. James Carter said there is some items that were not on the MOR. If it was a line across the road or something of that nature. Then we did have the contractors do that and it was at a cost because a new four inch sewer tap, for instance. We charge the city X amount of dollars. The city charges the customer a certain amount and same way with the water taps. Mathew said regarding the mechanical side. Its mechanics, but really it's the electricians were trying to facilitate and do with the digitization here in Freeport. It's more electrically focused mechanic. Matthew said that they have a lot of in smaller sites, Is not a true operator and maintenance department. They call it Tech. They're basically more of a jack of all trades dynamic. Mr. Isaac was out there fixing our excavator and he was out there changing hydraulic hoses. Matthew said he called him a mechanic, even though on paper, he's not. Matthew said they have a very talented staff here in Freeport that they are very proud of that are cross-trained to do work both machinery and operate equipment to be out there in the field to do the work. He said he calls it mechanical attrition, but really it focuses on the electric side to tackle the costs that we're seeing in the rim. With the needs of the current system as well as to give them a means to facilitate these upgrades that they want to work with you on. We want to optimize this

facility. Mayor Cain said 10 years contract are out of the question. Matthew said all they are asking is to talk. That's all they have been wanting for a while. Moving forward, it opens room for negotiation and what those terms are. Matthew said he suggested adding KPI's to add some teeth to have accountability. They don't want to repeat history because this is not the dynamics they want. They want to be a proud partner. A lot of men hours and times, have been put into this. They want business in both situations. David Heinzmann said in the spirit of moving forward. A piece of communication that is missing is typically in contracts. They come in and brief councils one meeting a month. If there are two or if there is a singular, the MOR can go into your packet. He said we're happy to stand here to represent the operations for the month and discuss these. We want to come in front of you and have the dialogue. He said as a condition of moving forward, that would be a condition, they would ask for the opportunity to brief the council, so that you are all fully aware of what's going on and then there's no break in communication.

Presentation by City Staff for Water and Wastewater Services.-City Staff

Public Works Director Rudy Ragle and Finance Director Ashlee Hurst presented the attached presentation titled "Exhibit C".

Councilman Pena thanked Public Works Director Rudy Ragle and Finance Director Ashlee Hurst for putting this presentation together. He said he would definitely want to commend them for one, believing that the City could do this and are still looking at the numbers and has a lot of questions on this stuff here, but he wanted to go back to the slide with the calendar dates, December 4th, 2023 on there that said September 11th, 2023, City Council held the public hearing for Fiscal Year 2023-2024 Proposed budget, per the minutes, the position of Utilities Operation Manager was added to the Water/Sewer fund to monitor the Veolia contract and shadow Veolia, and said this is the weeds that he did not really want to get into because he guess he did not really think they need to be having these conversations but since they are having these conversations he is going to ask these questions. He said the topic was brought up hey Veolia, and he could not see the Veolia team and said you guys have been here this whole time and nothing has been done since 2023 in the last two years and he is thinking okay, what is the communication process? He said somebody calls he thinks the comment was made on a previous slide show by Matamoros was that he put in a call and nothing had been done for 15 months and he is thinking to myself and wondering what the communication process was. He said what is the protocol for the City and Veolia to take in a request or to take in a problem. He said he knows when he sees a problem of security he calls 911 and dispatch handles it. He said he does not know what the situation here is for the City, but then when he saw this slide, he was like that answered his question because one of his other questions was like, he thought there had been somebody on the City side doing the liaison and sure enough, here we have in 2023 September 11th, it was actually put in the budget so he is wondering who was in that position to be shadowing and where was the breakdown in communication, and why was there or were they told not to do anything, stand down, do not communicate and the point he wanted to make earlier was there has been mistakes made, but if they are purposeful, that is called sabotage and they cannot have that and if there is any paper trail of sabotage beyond what he already has, they are going to have conversations with HR so, the whole issue of the shadowing was one thing and then there was another one there that talked about the liability that had been created. He said well, there is one thing he forgot to mention earlier, and it is kind of a big deal when he said, hey, who is here tonight trying to solve the problem and Veolia has come out there saying, hey, listen, we know what mistakes were made and want to help and have been trying to communicate for the last nine months what can be done to fix this problem, let's sit down and said thank you for tonight even that this is what they were trying to get to at least even nine months ago but he has got to tell what if Veolia came in here just throwing haymakers at the City, there had been less sympathy for Veolia and be like, who are these guys coming in here telling them how to run the City. He said that did not happen, and asked did it? He asked if you wanted to know something else that did not happen? He said Lance Petty when he wrote that letter and cc'd everybody creating a legal liability for the City. He said Lance Petty and the Council when they did that meter, the 3.1 meter project, that replaced everybody's meter at their house that also violated the contract that they have with Veolia so he is going to let you in on a big secret here about he is not not sure he is actually grateful that they are being nice, but Veolia has a lot of legal leverage to sue the City for all of the damages and they

could have led with that if you guys do not renew us they are going to sue to the tune of \$30 to \$40 million and do not have it. He said he is glad they did not bring that up because that would not have sat well with him and then they would be having a different conversation, they are not being adversarial, and that is kind of key right? He said that is what he has been saying he is looking for the problem solving and the will to work together and have been seeing it and is glad but he can tell you this, just like he said all of these liabilities were created and there was others too, there was the lies, the paper trail of lies with the Surfside, with the Covarrubias all of those dollars it started at the top with lies and deception and cover ups and he knew that when they hired to do the Lance Petty Experiment, it ended up costing them millions and now they are in a position where Veolia still being a nice but they still have that all that option in their back pocket to sue us, that liability is there and he is glad they not going to be trying to push that and is glad they still want to work with us and is glad that the City is going to basically say, yeah, they are not going to be railroaded either and are going to make sure they have a nice compromise agreement but he is not interested in experimenting for the sake of experimenting when they do not have the money or the resources and the people or the team to do it but what they do have are two organizations who have an opportunity to solve this. Councilman Pena said if the leadership of the Council tells them to facilitate it, helps to create those meetings, nine months ago they said no meetings, eight months ago no meetings, seven months ago no meetings, six months ago no meetings, nothing on the agenda they kept kicking it off, playing these agenda games and it was not even him asking for it of course there has been a lot of smoke and mirrors for a lot of other stuff, very dangerous stuff but cannot go down this road of experimenting because though we may look at these numbers and they look like they are going to be breaking even this year, or are going to be at a deficit he worries that if they take it in-house, there is going to be so many more other problems and so his last question is in terms of teamwork and he remembers in that nice meeting they had a couple of weeks ago, Rudy was talking about, teamwork and team playing with the City staff and he loved hearing and he loved to hear his credentials too. He said he was not aware how well credentialed he was so he thought, you know what? He said he likes his team spirit, working with the other staff, the other directors that is a positive and so he is looking at these pictures that he showing there of all the problems that Mr. Meeks had put together for them and he just had two questions and the first question was have all of these problems been given to Veolia today or since these photos have been made number one and number two can all of these problems be fixed if everybody is working together? Mr. Ragle said yes, all the problems can be fixed if everybody is working. Mr. Ragle said a year and a half ago on this particular station Councilman Pena looked up that is being looked at now, he asked James Carter what was the issue and was told that it was a temporary pump sitting there. Councilman Pena said he did not want to get into the the details of each one and he thinks it is important what he really wants to hear is what he kind of like heard from Mr. Ragle last time that he wants to just solve the problems and move the City forward and that to him was like, this guy gets it, this guy gets it. Mr. Ragle said no matter what decision the Council comes up with he wants the City's interest to be the best. Councilman Pena said then the other thing that a lot of people do not know is that Mr. Ragle lives here. Mr. Ragle said yes. Councilman Pena said he loves that Mr. Ragle lives here and when you live here you care a little bit more and care for the right reasons. Councilman Pena thanked Mr. Ragle and Ms. Hurst for their presentation and for their attitude.

Councilman Rossow said the meeting that was referred to upstairs they made this list with a lot of discrepancies, and he had never seen anything after that. He said he does not know if they addressed the problems. He said it was a long list of all the discrepancies that Veolia had made, and Lance was supposed to send that to the owner. He said he never saw any answers to that. Councilman Rossow asked Mr. Ragle if he had seen that letter? Public Works Director Rudy Ragle said in the Council packet he found a rebuttal from Veolia, he found the letter that was sent from Olson and Olson to Veolia and found Veolia response along with a rebuttal, now he does not know the responses and the rebuttals they were in a file folder in his desk and does not know where it came from or how it was there that was just something he found. Councilman Rossow asked if Mr. Ragle saw a CC or anything? Mr. Ragle said no. Councilman Rossow asked Finance Director Ashlee Hurst if she had seen anything like that? Ms. Hurst said she is just in the finance department. Councilman Rossow said that was all he was wondering about that and that was back

last year. Mayor Cain said it has been a minute. Councilman Rossow asked Mayor Cain if he saw anything or any kind of response or the same response Rudy did? Mayor Cain said he does not know that he got that response but he did see it in the packet. Mr. Ragle said it was in a folder marked Veolia in his desk so whenever they were looking at everything in the proof of transparency he wanted the Council to know what he had on file.

Councilman Matamoros thanked Public Works Director Rudy Ragle and Finance Director Ashlee Hurst for the presentation. He said he was actually, it looked like he was actually a little generous to Veolia on Lift Station #17 their pictures show it in worse condition than what he had. Councilman Matamoros asked Mr. Ragle his confidence level, if they were to bring this in-house of it being successful, what type of percentage would he give him? Mr. Ragle said he would give him 100%. I have no option of failure there is going to be hurdles to overcome, he is willing to overcome he has enough contacts and personally that he can call out and ask a few friends, get some feedback, do whatever they need to do. He said they actually put it in some consulting in the budget too if he remembers correctly. He said yes they are going to come into problems that were unforeseen and they are going to have to face those. Ms. Hurst said she also forgot to mention, but it was mentioned when they met with the Mayor and Councilman, if that is the direction that Council wants to go, her biggest request is that they meet at least quarterly, preferably once a month starting out, and they review the budget, and they adjust as we they go it will be very much a working document as opposed to in the past, they kind of adopt it and leave it for the year. Councilman Matamoros asked Mr. Ragle looking at his qualifications and the qualifications of Nick Meeks with those qualifications being able to have a with a sufficient standing with TCEQ to make sure they are able to do our correct reporting, and monitoring and things like that? Mr. Ragle said he believes for the wastewater treatment plant, you have to have a B licensed operator on staff seven days a week, so they would have to get another B licensed treatment operator, but he believes his will suffice for the water. Councilman Matamoros asked Mr. Ragle his plans for bringing it in house does he have personnel to have like a mechanic and an electrician on staff or would he utilize current City staff that they have. Mr. Ragle said as of right now, the way it is broke up, he has four two crews, and most of those are gonna be maintenance crews, there is a crew leader for them in there, there is two crew leaders there, and there is a possibility of getting off making one of those positions, but currently in Public Works have a mechanic on staff, and the maintenance guys deal with electrical all the time, granted, it is going to be a little bit—they still know it is controls, so it is not much different out the line, starter switches, transducers, that kind of stuff, pump gets called on something calls it, it has a switch on and switch off, electrical, when it comes to the SCADA stuff that is going to be stuff that they probably need to outsource, because of computer programs and stuff need to be updated continually. Councilman Matamoros said he is very well of SCADA he helps support that at Phillips 66. Councilman Matamoros said equipment, that would be a cost a large cost and asked if Mr. Rugly has already prepared for what necessary equipment to get or obtained before, if they did bring this in-house that way day one they could move forward in a professional manner and make sure that everything, if any issues, they are taken care timely? Mr. Ragle said currently if he is not mistaken they have a backhoe that is on loaned to Veolia, and would have access back to that and then they do have public works equipment that they have access to without maybe some scheduling conflicts so priorities wise but as of right now they have not scheduled for any equipment as far as budget. He said they have a machine that is not always in use, it is on the lower end of being used all the time it is a smaller machine, so it does not normally get used in Public Works, except for when you have the equipment you need to run, but can facilitate it and make it happen. Councilman Matamoros asked Mr. Ragle if they did bring it in-house would he provide the Council with a monthly operating report like he does with Public Works? Mr. Ragle said yes. Councilman Matamoros thanked Mr. Ragle and Ms. Hurst.

Councilman Davis said once again he appreciated Public Works Director Rudy Ragle and Finance Director Ashlee Hurst. He said he knows everyone already said it, but thank them for all of their time and effort that they put in on this presentation. He said there is just a lot of concerns there and he wished they could have had all of this a little more time. He said he would just hate to have to put them in a time crunch like this into taking a chance not taking a chance but Mr. Rudy said 100%. Councilman Davis asked Mr. Ragle if he had

said 100% that he is in and or your 100% that it is going to happen. Mr. Ragle said he is going to do whatever the Council instructs him to do 110%. Councilman Davis said he was hoping he would say he would put 100% in and not 100% that it is going to be successful. Councilman Davis said all the equipment and they were making about a camera truck and stuff and them not having a camera truck and stuff and that stuff has got to be ordered. He said he thinks they also need a vacuum truck or something. Mr. Ragle said they currently have a vacuum public works trailer vac. Councilman Davis asked they have a what? Mr. Ragle said they have a vac on trailer it is not a big truck, but they do have a vac on trailer, and then they also have a jet machine in public works and do a lot of drainage work with it and it does have the capability to do the sewer. Councilman Davis asked then they are going to need vehicles? Mr. Ragle said those are budgeted. Councilman Davis asked Mr. Ragle when was the last time they ordered a regular vehicle for Parks Department. Mr. Ragle said the Parks Department had one year before last. Councilman Davis asked how long it took the vehicle to get here? Mr. Ragle said it took a while. Councilman Davis said he works for the county and are waiting on vehicles two, three years. Mr. Ragle said in the budget they actually have some of those focused to outsource those to Enterprise, and if they choose to go on they will be bringing those guys in but they have talked that and that is where they got the numbers for the budget it was through them. Mr. Ragle said it is a lease not a purchase. Councilman Davis said he thinks they came in there before. Mr. Ragle said yes. Councilman Davis asked in the staff, how many do they have down? Mr. Ragle said it is in the strategic plan but 14. Councilman Davis asked how many they have at the Parks Department. Mr. Ragle said nine. Councilman Davis said Mr. Ragle had got two or three right now. Mr. Ragle said just Nick and himself right now. Councilman Davis said they had another guy they took from Veolia too. Mr. Ragle said he is actually still in the drainage, and if they choose to bring that in house he would ask him to go over to water. Mr. Ragle said he is not carried on this project as far as budgeting for budgeting purposes none of his pay comes out of that. Councilman Davis said for one he does not like rushing out there and putting the City at a risk like this because once if that was to happen, I mean that is all on Mr. Ragle and the Council whoever votes for that if they go for that. He said but he is just one vote and so whichever way it go he is all in to help the team may be successful whether they do it or whether Veolia do it. He said he is not going to be pounding he is from Freeport what is the best for Freeport so if that happens and then he got to fall all in to do whatever it takes and get the team rallied up to help them be successful and wanted Mr. Ragle to know that. Councilman Davis asked if the budget thing did it change or what? Ms. Hurst said the only thing that changed was she worked it up if they were to contract services back out they did not get to see that at the meeting it was more for her and then Chief called and asked if she had they are putting together this presentation and told her she had this worked up and so they included it. She said she waiting for an answer because she has to have the proposed budget on file by the 31st so she went ahead and worked it up if they contract out versus whether it comes in-house and so that is what is included. Ms. Hurst said if they contract back out she is having a very difficult time with the budget not starting out -\$900,000. She said last year the budget was adopted and started out -\$347,000 so this year it would go further in the hole because they are adding another loan payment on top of that. Councilman Davis asked if that was from the meters? Ms. Hurst said yes. Councilman Davis said that concerns him too because that is another mistake that they came across. Ms. Hurst said revenue could come back way higher, like they talked about in the meeting they do not have a very good baseline in history with these new meters they really just have one month of 98% online being billed for it so that is another factor to consider. Councilman Davis said it is going to take a whole year to get a baseline. Ms. Hurst said correct, there is a lot to consider either way.

Councilman Pena said it is a very serious matter here and he just wants to say that he keeps seeing and hearing about SCADA. He said and he has to say he is SCADA to bring it in house. Councilman Pena said that is his best joke of the night but there is really nothing funny there and he is going to get a little tougher there on his language and he wants to say he has a rental property and can give an example of his rental property, or can give an example of Mr. Cohen there who is the I.T. guy he is very capable, very likable and if you have not met him he is very sweet, very helpful, very kind and he deals with electronics all the time, but he would never put him to do electrical work. He said it is the same thing he likes his painter, super nice guy, his carpenter moody and does not like that guy, but he uses him because he is a carpenter but man if he

could get his painter to bring the attitude as a doing all the electrical and that is going to be great, but that is not what is happening but let him not get off too far there what he is getting at is he likes Mr. Ragle there is not about it in fact he likes the team as it is now that the directors that they have that are working together, but still have some housecleaning to be done and make no mistake about that so he is not going to be singing Kumbaya here just yet but just because they like people does not mean they need to put them in positions where they may very likely fail and so this is not a matter about who he likes this is what is best for the City and so he wants them to think about it this other way because this is very similar to the trash problem they had the trash contract the City had and for all of those at home watching know this very well, here they have one company who is already has all the equipment, has all the senior staff, all the boots on the ground staff there is a breakdown in communication, but they are willing to work with and are willing to get it done that is the one hand and on the other hand they are not bringing it in house what they are really doing is that they are deciding are they going to bet on a startup, are they going to bet on a startup that number one the money is iffy and number two the logistics of parts getting in even on day one is not going to be there so as much as the numbers and the logistics might sound like they have a commitment to make it work, they are going to pull up their bootstraps and are going to do this that does not solve the leaks, that does not solve the overflow and sewer, that does not solve the problems of the residents when it is flooding and it is raining so they have to be wise about this and cannot invest and hope that this startup is going to get it all together when and this is the part that he really did not want to get into talking about the qualifications, they do not need a new team startup with a lot of staff that they do not already have to come in and learn on the job. Councilman Pena said Rudy said he had some some certifications he still has to get well that is great but again, they do not want to have him learning on the job. Councilman Pena said at the last meeting they had at the roundtable Mr. Ragle was honest about he really does not know the budget and had to sit with the CFO for five hours to learn at least having an understanding a basic understanding of it. He said well they do not need anybody on this startup learning on the job, learning how the numbers work, learning how the finances work, learning how the budgets for all these different parts are going to work that is scary, that is SCADA. He said they have this budget there, but there are a lot of unknown numbers, the meters, how they paying for this and thinks Mr. Hurst mentioned this and Ashlee actually just touched on this they are generating the revenue from the water bills off those meters and they do not even know if those meters are right, and they do not even know what money they are going to get so the losses might actually even be greater again, there is too much risk there to bring it on in-house to a basically a startup company and he wants Mr. Ragle to work 100%, 110%, but he want to helps him succeed and that is what he has told every employee through all these changes they had and thinks he mentioned that to Ashley like whatever she needs they are going to support her, make it right but at the same time he is not interested in working harder he is interested in working smarter he is interested in creating opportunities that make your ability to be successful for the City that much more real and he does not think getting away from Veolia is that answer at all because there are just too many risks with logistics and money and experience. He asked what are we going to do purge all the Veolia people to build our team? Councilman Pena said they can not do that they would be in court for that too so that said, he will be very clear he wants to make sure they keep this here with Veolia and have the City and Veolia work together to solve this. Mr. Ragle said if he could reiterate on something Councilman Pena said when talking about the meters being accurate, they are 100% accurate so the billing and stuff is going to be correct on those, but it was the amount of bills they are actually recouping for that. Mayor Cain thanked Mr. Ragle for the clarification.

Mayor Cain said when they had a meeting about this during the budget process, he asked Public Works Director a couple questions and is going to ask the same questions. Mayor Cain asked Mr. Ragle he needs to know where his head and his heart is? Mr. Ragle said it is right here in Freeport. Mayor Cain said and the reason he ask that for those that are wondering Rudy has in the past followed Mr. Petty and if they choose to go this route he wants to make sure that, Rudy's head and heart is here. Mr. Ragle said Mr. Petty and himself worked in a few different places together, and he is the reason why he is in Freeport and is not looking to move anywhere else. Mayor Cain said that is the answer he was looking for whenever they had the discussion during the budget meeting. Mayor Cain said another he had for Mr. Ragle was gravely concerned

about taking this on is going to put another hat that he has to wear and asked if he is going to be able to handle it or are they going to need to restructure? Mr. Ragle said like he said during that meeting, he believes he can handle it but if they need to restructure he would rather go with water and wastewater. Mayor Cain said he believes he also said within six months he would have an answer. Mr. Ragle said yes in six months and may be able to tell him quicker than that what he needs but within six months, he can give a definite answer. Mayor Cain said his concern with this is not of Rudy's ability but it is his concern is he is also over Parks Department and the streets and drainage and if they do decide to take over the water and wastewater, it is going to take a lot of his time and he wants to make sure that there is some flexibility there if needed along with whatever support that is needed. Mr. Ragle said in Public Works he has a very dedicated staff that he would depend greatly on. Mayor Cain said that is good. Mayor Cain asked how long Mr. Ragle had been working on whether is by himself or with the former City Manager how long have they had been working on the taking over? Mr. Ragle said since he got here December 4th of 2023 that was one of the main objective whenever all the letters had been sent out, in fact, he approached him in October when the position came open up and he told him he was nowhere and had a child that was in high school and graduate, and I was not looking to move so he approached him again, applied for the position and said he would take the position if he could wait until December to get here. Mayor Cain asked this is not something that just popped up overnight it is something that a plan has been made put in motion most they could. Mr. Ragle said yes when he took the job he was under the understanding that everything with Veolia was null and done come October 1st of this year. Mayor Cain thanked Mr. Ragle and Ms. Hurst for the presentation.

Mathew Johnson said being able to have access to the budget that was being proposed by the City, when it was issued over the weekend they were able to do a due diligence going through it and there is some variations that are unaccounted for and just want to make sure that the Council has the most upfront information so he knows that the goal is to go to the black, and respect that there is some sizable holes that need to be addressed that they will unfortunately put them where they do not want to be and he just wants to be able to figure out how does he best communicate that this is what is not to try to create challenges, but more just want to put that knowledge to the team here so they can share that correctly as together. He said if he was not allowed to say so, he would not say anything but he just wanted just present it and if allowed to go through it he will, but he also wants the Council to have all the information to make the correct information this is what they had been trying to accomplish here is to give everything to know everything. Mayor Cain asked Finance Director Ashlee Hurst if she felt confident in the budget that she has presented? Ms. Hurst said she feels she is very teachable at all times but yes she just took the Veolia contract costs out of there and reallocated it different places. Mayor Cain said he is good with that. Councilman Davis said they have never done it before, what if he has something that they did not they do that or did not know they used that. Ms. Hurst said that is why she said she is always teachable, her ears are always open, her doors is always open. Councilman Davis said he wants to hear it. Councilman Matamoros said to Mayor Cain he does not know this is the correct forum. Mayor Cain said they are going to try to make a decision tonight on which way they are going to go so if Councilman Davis feels like this information is important enough to have this conversation right now, and Ashley is comfortable to have the conversation right now, then they are going to go ahead and have the conversation right now. Ms. Johnson said what has been shown in the budget on the annual basis on the City side is they spent about \$150 to \$180,000 in power this is for DPW, the City as a whole and one of the things inside the fee of \$3 million, is the power that they pay for the Wastewater plant and from around the system, for the water and wastewater that cost is about \$180,000 and \$200,000 a year that is not factored inside the budget because it shows 150 as the average but if actually look at what their fee is comprised of they will see that about \$200,000 in power so that would actually give you to have a increase about \$400,000 versus just the one that had been carrying historically. Mr. Hurst asked if Mr. Johnson had any documentation showing where they are paying that that they are not being billed to that, and the 150 that is in there is what she bills back Veolia every month. Mr. Johnson said they have in their contract they are at full risk for power and chemical and that is where that is inside their fee he said he just wanted to point that out because the other item was the R&M and historically, they had been

spending about \$400 to \$500,000 a year to help facilitate the repairs needed in the system they are showing the budget right now is \$140,000 dedicated towards maintenance that is a very big difference and just wanted to highlight these large numbers that are his opinion inconsistent and just wants to make sure the Council has the full and they had their team go through it and had the accountants go through it and just want to understand the deltas, because frankly they want to be able to make the right decisions and have the full knowledge of what they are seeing and like he said those are the two main really items and can see in the maintenance and all those different sewer maintenance, water maintenance and so forth aggregates that 140 and historically it has been about 450-500,000. Ms. Hurst said that could be it again that is one of the issues that they are not sure until unless they dive in and find out, there is \$150,000 in revenue that is accounted for and taken out if they come in-house, and that is in the budget and added as the expense and that is what is billed and paid by Veolia. She said she would say if there are other expected overages, there are the \$500,000 as a placeholder and capital outlay for the in-house budget and this is where it would be imperative that they met regularly put these numbers on paper and discussed whether numbers needed to move around that would be what she would have to say about it. Mayor Cain said he likes that there is at least a plan in place. Ms. Hurst thanked Mr. Johnson. Mr. Johnson said he just wanted to share some concerns. Councilman Davis said to Ms. Hurst he was not questioning her number but just wanted to make sure that if there was something that she did not see that might bring something to her attention but he trusted her numbers and that is from what she was given the information that she had, it is not from experience, but it is from the information that was given to her and she put the numbers together and he does trust them numbers. Councilman Davis said he just wanted to make sure that he did not say something and made her say oh yeah. She said she is not easy to offend at all anything that helps broaden her knowledge she is always open to hear.

Business

Consideration and possible action regarding future Utility Operations and possible action to issue an RFQ.

Mayor Cain said the staff recommendation was staff recommends formal discussion and recommendation on how to proceed. Mayor Cain said there was some good conversation tonight he believes. Mayor Cain said item summary with it being budget time, a decision on how utilities are going to be handled is imperative, specifically, the decision on whether utility operations are coming in-house or whether contracting services out again is the decision that needs to be made and if they are going to contract services, should we do our due diligence and post RFQ for utility operations. He said background information the City has used Veolia for the services in the past, the City has been working under the impression that utilities were coming in-house, as of October 1st, 2025.

A motion was made by Councilman Pena to maintain services with Veolia under the terms of our prior contract, pending action on a contract renewal with discussion that followed.

Mayor Cain said there is a motion to retain Veolia pending a contract renewal by Councilman Pena. Councilman Pena said under the terms that we have right now, but that we are going to negotiate. Councilman Pena asked Mayor Cain if he wanted him to reiterate his motion. Mayor Cain said under the terms that we have now until pending action.

Mayor Cain called for a second. Councilman Davis seconded the motion.

Councilman Pena said he just wanted to applaud the staff again for doing their due diligence.

Councilman Davis said it is just timing for him, there are just too many unknowns that can pop up. He said they have a lot of stuff going on there in the City that need to be clean up and add another. He said this is serious this is our water and sewer and it is rushing and then it is RFQ or whatever there is not enough time for that so that is out of the question it has to be either or. He said they say they have been talking about this

since 23 or something, but it has never been discussed with the Council then they just bring up a plan and make a plan up in three weeks and now they got to execute it in two and a half months. He said they have to get the workers, equipment, go in and see what what they are going to run into, this all got to happen the first week like you got to go in and dig in the first week. He said it is just risky for him. He said he is not with doing no ten-year contract because there has been some problems and he thinks that they have admitted there is problems and bring up some solutions that if that does not work out then, now you have a plan to you know, move forward and be ready. He said if they do not execute and now you have a plan and then it is not a rushing it is not a two month plan to do his water and sewer to do the City of Freeport water and sewer so it is just a no for him.

Councilman Rossow asked if there was a limit how many years that they can give them a contract? Mayor Cain said as long as both parties agree upon it, then that is what it is. Councilman Rossow said so it could be two years. Mayor Cain said they could tell them they are only going to do a year and if they do not agree upon it, then it is not going to happen. Councilman Rossow said you all know him and most of the people out there in cyberspace and the people that come they have the same people go to the meetings every first and third Monday. He said he believes in forgiveness and believes people make mistakes he does because they do. He said if you are not making mistakes you are not doing anything and him personally he does not have a problem with Veolia at all they never have done him wrong and he really appreciated the way they came saying they are going to do better that they are going to straighten out the things that they may have missed. He said him personally he can not argue with that. He said to give them a chance, work it out, figure it out. He said as a Council they we can say how long and well if the give them a two year contract and they mess up again, well maybe go in-house or get another company there. He said there other companies out there that can do what Veolia is doing and what the City is saying they can do. He said so his answer is give them chance but that is just him he is just one vote.

Councilman Matamoros said to Mayor Cain the way he understands this motion is to extend the contract per the terms of the original contract so that is a ten year contract and asked if that is what they are going to be voting on? He said because that is what the contract states. Councilman Pena said no they are doing it until the October 1st deadline. Mayor Cain said to extend it to the end of the contract that is currently in place, and negotiate the renewal.

Councilman Davis asked if they have to retract the letter? Mayor Cain said no. Councilman Pena said for them to worry about that later that is a legal question he does not want to scuttle the discussion on that or scramble it. Councilman Davis said as long as it say renegotiate the contract. Mayor Cain asked Councilman Matamoros if he still had his wheels turning over there? Councilman Matamoros said he is looking at what this contract states and yes they have terminated and sent notice, and so the way the motion was stated was, per the agreement. He said if the motion will be changed to they are going to renegotiate a contract with Veolia. Councilman Pena said his language and is trying to say it is the same thing. Councilman Pena said Councilman Matamoros does not understand the motions. Mayor Cain said to hear Councilman Matamoros out. Councilman Pena said he is trying to clarify it is basic English. Councilman Matamoros said to just vote on the motion he is going to vote nay anyways.

Councilman Pena called the question. Mayor Cain he was going to say his little piece if Councilman Pena did not mind? Councilman Pena said he does not mind and is not going to cut him off. Mayor Cain said it was going to be quick and easy. Councilman Pena said to Mayor Cain he would never cut him off.

Mayor Cain said there was good conversation tonight on an important issue and personally he feels like taking it in-house is the best thing for the City according to the budget, it would save the taxpayers almost \$1 million. He said he feels like employees that work for the City as opposed to a contractor will have a lot more pride. He said he says that lightly because the boots on the ground that work for Veolia are top notch guys but when they work for the City as opposed to a contractor, they are going to have a greater sense of

pride and their heart is going to be more in it. He said tonight they heard a lot of accountability or lack of accountability. He said the Veolia team stating that they were telling City this needs to be done unfortunately or fortunately, however you want to look at it, the people that they were in communications with are no longer here so they cannot reboot that but taking it in-house the City has a greater opportunity to hold the department accountable and can go to Rudy because they know Rudy is the guy that is in charge of it, it is not right, Rudy, dang it, get it done. He said by taking it in-house they eliminate the well he told George that it needs to be done, and it is his fault that he did not pass it on to the City Manager. Mayor Cain said he thinks they can all agree that the communication issue is one of the major issues that they have. He said he sees heads nodding on both sides of the table and he still feels like if they take take this in-house, then they eliminate a lot of the communication issue and so that is two cents with that.

Mayor Cain called the motion to a vote with discussion that followed.

Councilman Davis asked in favor for what? Councilman Pena said to go with Veolia. Mayor Cain said to Councilman Davis the motion was made and was seconded by Councilman Davis. Councilman Davis said to Mayor Cain he was right. Councilman Pena said the motion is to stick with Veolia and negotiate the contract.

Mayor Cain called the motion to a vote with all present and voting "Aye" 3-2. The Council approved the motion. Mayor Cain voted "Nay". Councilman Matamoros voted "Nay".

Mayor Cain said Congratulations to the Veolia team and need to start the negotiations on the contract.

Councilman Matamoros said he just wanted the residents to know their taxes are going to increase, so be prepared to not go and hate on him or Jerry. Mayor Cain said it is a possibility, but it might not it is not written in stone.

Executive Session

Executive Session:

1.) Texas Government Code, Section 551.074: Personnel Matters: to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee; Interim City Manager.

2.) Texas Government Code, Section 551.074: Personnel Matters: to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee; Legal Services.

The Regular Session closed at 9:20P.M. and the Council entered into the Executive Session.

Reconvene into Open Session:

Take any action resulting from Executive Session.

Executive Session ended at 10:05P.M. and the Council entered back into Regular Session.

A motion was made by Councilman Pena to contract and or engage the services Mr. Pennington as the Interim City Manager on the condition that we do not hire him on a permanent basis without through a full recruitment process to find and consider other applicants and pending the changes to the proposed contract with Clear Career Professionals as stated in Executive Session which we will convey to Ms. Fisher, seconded by Councilman Rossow with discussion that followed.

Mayor Cain said to Human Resource Director Donna Fisher what was pointed out to the Council was on the contract there are a couple changes that the Council would like to see if they can get made and wants to make sure Mr. Pennington is okay with these changes as well because it pertains to him as well.

Mayor Cain said it says the assigned individual shall perform their duties in accordance with applicable state law and city ordinances and policies, the Mayor must approve any substitution or replacement of assigned personnel prior to a new individual assuming duties. He said the Council wants Mayor taken out and that to be City Council. He said also on the bottom it says the term of this agreement shall be for one year and may be renewed for successive one-year terms only by written agreement. Mayor Cain said the Council would like for that to say three months or six months. Councilman Pena said three months on both sides. Mayor Cain asked if Mr. Pennington and Ms. Fisher are okay with those changes. Ms. Pennington and Ms. Fisher said yes.

Mayor Cain called the motion to a vote with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Mayor Cain thanked Mr. Pennington for stepping up.

Councilman Pena thanked Mr. Pennington.

A motion was made by Councilman Pena to appoint Chris Duncan as the City Attorney on a month-to-month interim basis, seconded by Councilman Davis with discussion that followed.

Mayor Cain said a couple of concerns he had were that the Council does not have any kind of contract, so they do not know what kind of fees he is going to be charging should they go this way. Mayor Cain said he does not deny the fact that the need of Counsel, and especially on an interim basis because ultimately they want someone in house 40 hours a week taking care of everything. Mayor Cain said he could not vote for this without having a contract, and it would not be a good sign.

Councilman Davis said that is a good reason, and he agrees they can still talk about the contract before just saying going into discussion with a contract or something. He said they needed to get a contract he said he meant discussing discuss the contract and did not have to accept it and, if not go back to the drawing board.

Councilman Rossow said he agrees with Mayor Cain they need to discuss it with his input and him telling the Council. Councilman Davis asked who? Councilman Rossow said Mr. Duncan. Councilman Pena asked if they wanted to have that conversation there? Mayor Cain said it is not going to do them a lot of good without a contract. Councilman Pena said they could use the same contract that was month-to-month with Olson and just change the dollar figures it is the same terms. Councilman Pena said it is the same thing with Pennington the Council made the motion to accept him but had changes to the contract and same thing can happen there with Duncan or any interim. Mayor Cain said his stance is he is not going to vote on a contract without having it. Councilman Pena said they actually voted Pennington. Mayor Cain said they have the contract and know the changes. Councilman Davis said to change the motion to discuss the contract. Mayor Cain said the contract needs to be written. Councilman Davis said it has to be written one day. Councilman Pena said he would revise his motion.

Councilman Davis said he wanted to remove his second.

Councilman Pena revised his motion to appoint Chris Duncan as the City Attorney on a month-to-month interim basis pending the approval of a contract agreeable to both firms, both the City and the Law Firm, seconded by Councilman Davis with discussion that followed.

Councilman Matamoros said he agreed with Mayor Cain and does not think they should be voting without a contract in their hands before so they can make sure any issues are caught before anything. Councilman Matamoros said he agreed with Mayor Cain and should not be voting on this.

Councilman Davis asked if the motion said pending like they can not do nothing until they get a contract and if it takes a week to get a contract then it takes a week but got the ball moving. He said it is not hiring full time there is some legal stuff and need to look over. He said they need somebody to look it over as quickly as possible.

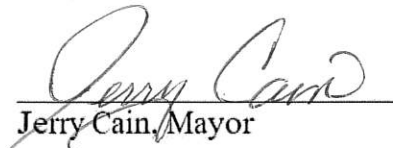
Councilman Pena said to have it ready for the next meeting which is next Monday and put it on the agenda. Councilman Pena asked if Mr. Duncan could provide that before the weeks end so that it is in the packet? Councilman Pena said Mr. Duncan is there and asked if he mind going to the microphone and to answer that question if he could provide a contract so that it is included in the packet for the next meeting? Mr. Duncan said yes he can do that and does not know if the Council would want and he can base it on the Olson contract or he can base it on the previous contract whatever the Council prefers. Mr. Duncan said Olson was interim and had a contract with Olson interim then he can base it on and he will get a copy of that and just base it on that and can get that ready with no problem.

Mayor Cain called the motion to a vote with all present and voting "Aye" 3-2. The Council approved the motion. Mayor Cain voted "Nay". Councilman Matamoros voted "Nay".

Adjournment

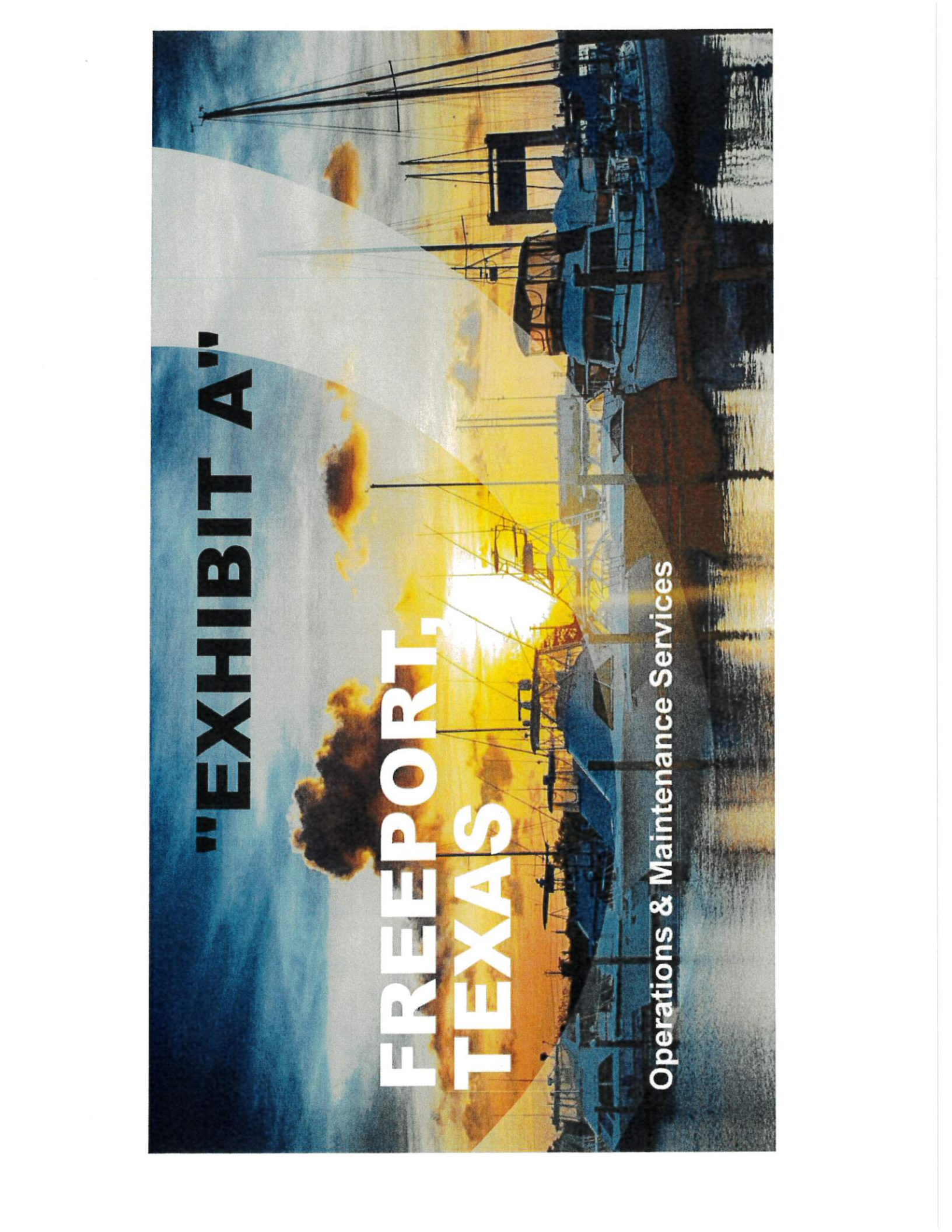
Adjournment – Jerry Cain, Mayor

A motion was made by Councilman Pena to adjourn the meeting, seconded by Councilman Davis with all present and voting "Aye" 5-0. Mayor Cain adjourned the meeting at 10:15P.M.



Jerry Cain, Mayor

Clarisa Fernandez, City Secretary



"EXHIBIT A"

FREEPOR, TEXAS

Operations & Maintenance Services

Freeport's Utility Partner for Over 30 Years

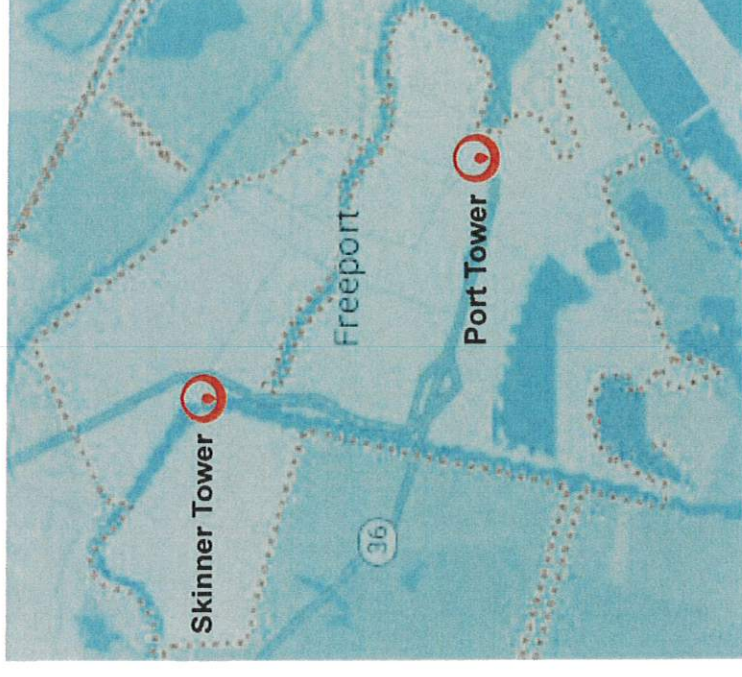
Operation and Maintenance of:

Wastewater

- 2.25-MGD Extended Aeration Trickling Filter Wastewater Treatment Plant
- 0.03-MGD Activated Sludge Wastewater Treatment Plant
- 30 Lift/Pump Stations
- Collection System (54 Miles)
- Industrial Pretreatment Program (IPP) Management
- Biosolids Disposal - 459 dry tons/year

Water

- 3 Water Wells (Active)
- Water Distribution System (41 Miles)
- Water Pump Station
- 2 Water Towers
- Purchase 2-MGD Water (Brazosport Water Authority)
- 2 Water Booster Stations (For Purchase Water System)



Where We Are Today: Ready for Modernization



WHERE WE ARE

- One screen to monitor **29 Lift Stations, 2 Towers, and 2 Pump Stations**
- **System Problems** only detected through **Phone Calls**
- **Manual Monitoring** of 29 lift stations and plants
- **Limited Ability** to prevent system problems
- **Chlorine Gas Disinfection** - valued engineered from large upgrade

NEXT STEPS

- **Complete SCADA system** for 24/7 monitoring of all facilities
- **Real-time Alerts** replace manual checks and phone calls
- **Improved Response Times**
- Trucks equipped with **Mobile Tablets**
- **Smart Controls** allow remote problem-solving
- **Chemical or UV Disinfection** upgrades

Accountability Through Partnership

Open Communication and Collaboration are the Foundation
of Successful Partnerships.

Fresport, TX



Growing Together

A Renewed Partnership for Freeport's Future

- 30 Years of shared facility knowledge and experience
- Deep Understanding of Freeport's Unique Operational Needs
- Your Neighbors who know Every Pump, Pipe, and Process
- Helping the City navigate Toward Financial Balance and Out of a Deficit
- Working together helps us grow together

Freeport, TX

Job Date: 05/02/25 **12:07 PM**
Job Code: MSC - MISCELLANEOUS
Group: WATER
Sub:

Location: 1818 North Freeport TX 77541
Amount: 1.000000 **Job Name:** JPM Water

Service Order #: 50009714
Job Address: Miscellaneous
Issued By: Chris Aubrey
Requested By: James Larson

Service **Action** **Cost** **Material** **Quantity** **Unit** **Start** **End** **Notes** **Job #** **Job #**

010-000000	NO ACTION	NO ACTION	NO ACTION	1.000000	1.000000	12:07 PM	12:07 PM			
010-000000	NO ACTION	NO ACTION	NO ACTION	1.000000	1.000000	12:07 PM	12:07 PM			
010-000000	NO ACTION	NO ACTION	NO ACTION	1.000000	1.000000	12:07 PM	12:07 PM			
010-000000	NO ACTION	NO ACTION	NO ACTION	1.000000	1.000000	12:07 PM	12:07 PM			

Order Notes: CHECK FOR A LEAK AT OR AROUND METER

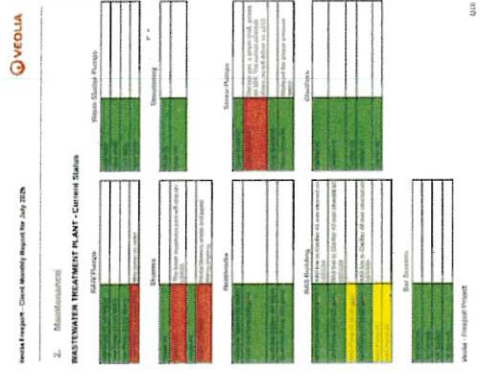
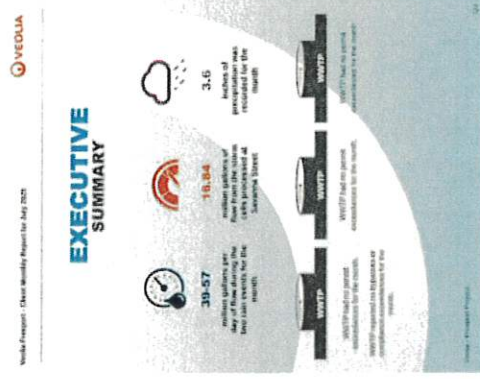
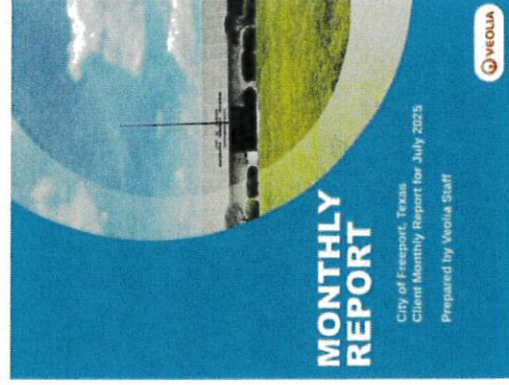
Completion Date: 05-05-25
Checked By: JLA + JLA
Approved By:

Job Notes: MTR. LEAK IS BETWEEN HOUSE & MTR. Left Tag



Enhanced KPIs for Further Transparency

- Setting specific **Key Performance Indicators (KPIs)** to measure success
- Enhanced MORs with comprehensive plant status, including **Real-Time Equipment Conditions** and **Maintenance Tracking**
- **Three-year Checkpoint** allows contract review and negotiation if goals aren't met
- **Building Trust** through **Transparency and Results**



Back To Balance

Helping Freeport close the gap and Restore Financial Stability through Strategic Transformation and Innovation.

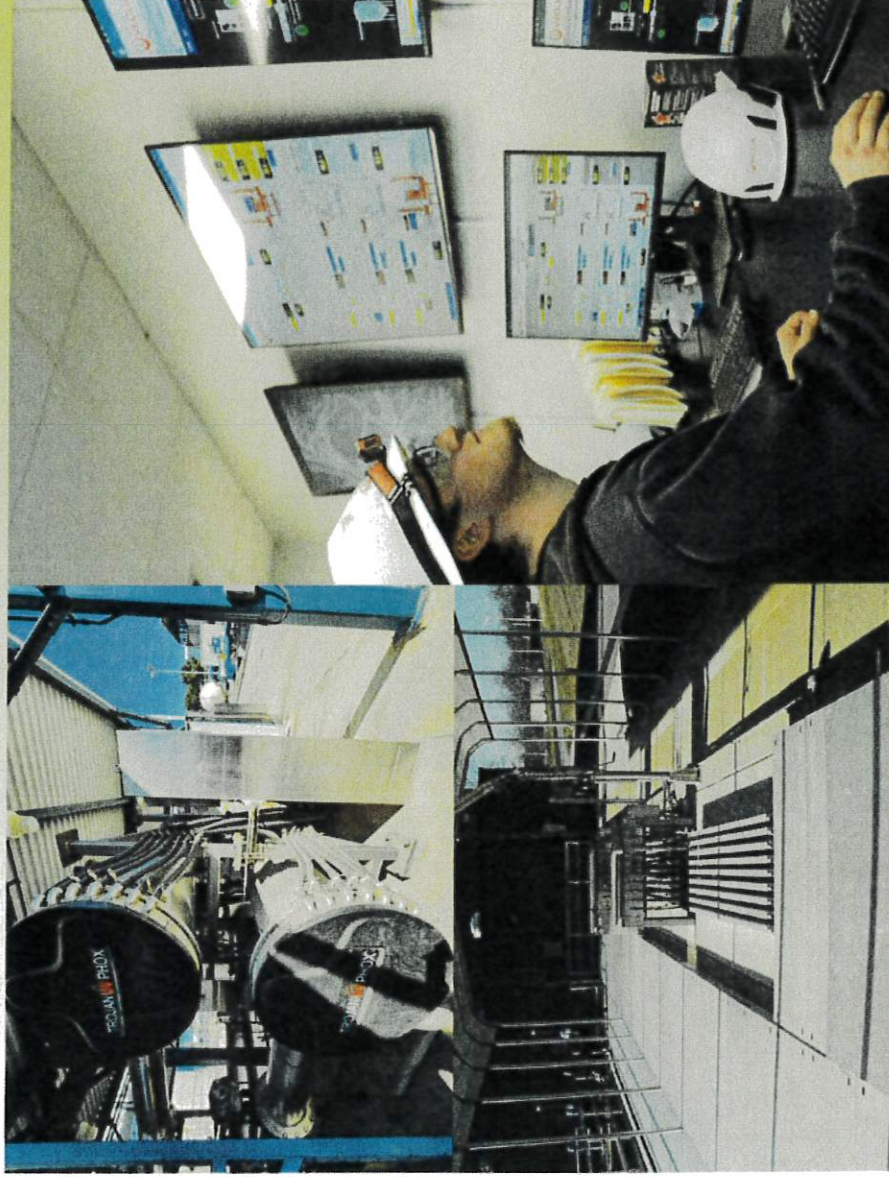
Freeport, TX



Smart Upgrades Driving Long-Term Value

- Chlorine gas tank system;
Veolia to Eliminate Hazardous
Chemical Storage Risk and
converted to modern UV
Disinfection System
- A new SCADA System would
allow for 24/7 Monitoring of all
facilities
- Trucks Equipped with Mobile
Tablets
- Ongoing Facility Upgrades to
improve efficiency, safety, and
Keep Freeport in Compliance

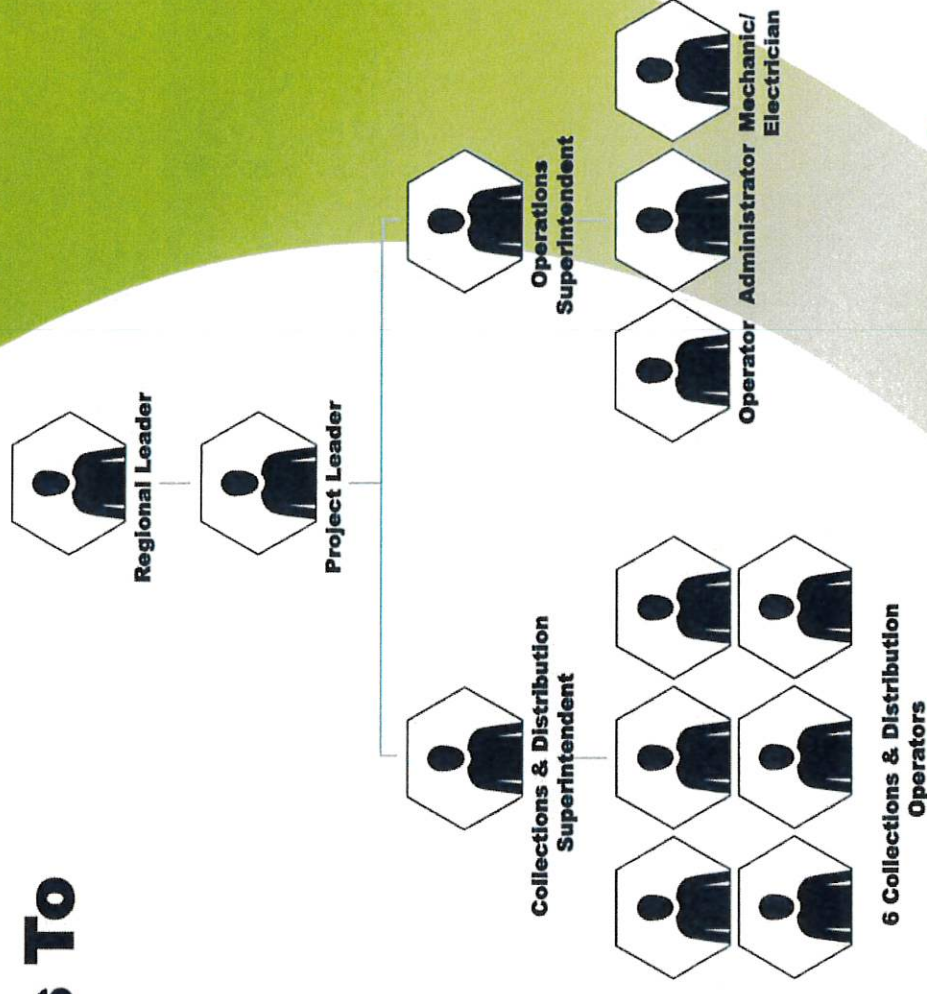
Freeport, TX



Team Enhancements To Reduce Spending

Restructuring our team for maximum efficiencies

- Currently **Spending Significant Funds** on outside mechanical/electrical contractors
 - o **\$54,830.94** in electrical expenses in 2024
 - o Approximately **\$100,000 - \$150,000** per year total
- **Restructuring Operations Team** to bring these services in-house
- Adding experienced mechanic/electrician **Eliminates Expensive Contractor Fees**
- Creating dedicated maintenance division for **Faster Response**



Maximizing Your Investments: Turning Unused Water Into Revenue

- Currently paying for **2M Gallons Daily** whether used or not
- City spends **over \$3M** per year on water from BWA and historically **only uses half** (on average)
- **Find and Fix Existing Leaks** to recover lost water and money
- Opportunity to sell excess water to neighboring areas
- Create **New Revenue** through **Strategic Water Distribution**
- Support **Local Business Growth** with available water
- Help **Negotiate Better Water Purchase Agreements**

Freeport, TX



False Savings, Real Costs

When corners are cut, the taxpayers pay more.

Freeport, TX



CHEAP IS EXPENSIVE

Cutting costs by skipping essential steps, result in larger more expensive problems overall.



Lift Station 15 Replacement

An additional **~\$258,000** and **counting** at the expense of the taxpayers

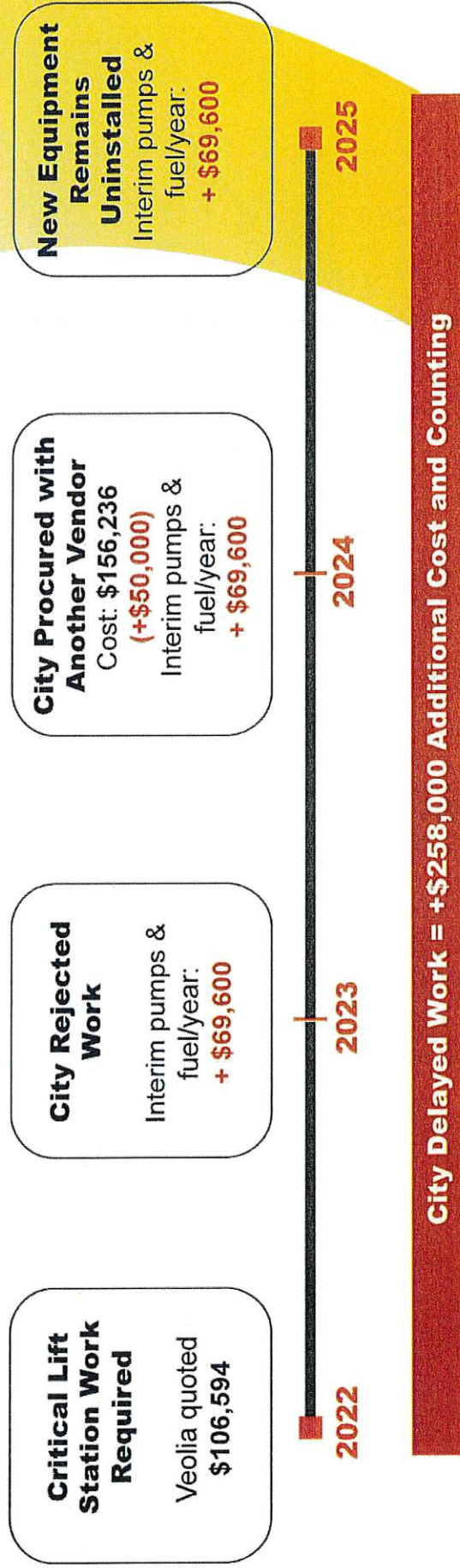


New Water Meter Project

An additional **~\$1 million** and **counting** at the expense of the taxpayers

Lift Station 15 Replacement (2022 - Ongoing)

This work was critical in 2022 and could have been completed for \$106,594; delays and a shift in the City's approach resulted in significantly higher and ongoing costs.



**Despite being photographed on April 30, 2025; the new pumps and stands remain
uninstalled.**



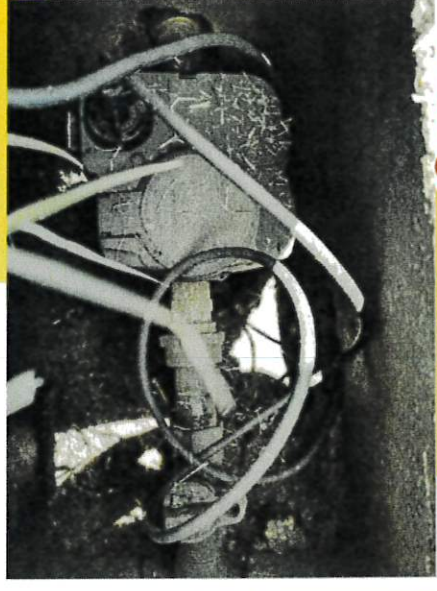
Water Meter Replacement Project (2024/2025)

Paid a Premium with No Added Value

- Veolia's cost would have been under \$2 million and included a free 100-meter trial
- The City proceeded with a singular bid and awarded a \$3.1 million contract without requesting Veolia to bid - ultimately costing the City over +\$1M

Limited Warranties add to Risk and Cost

- Veolia's warranty is 1 Year on Installation and 20 Years on Equipment
- Vendor's warranty is 7 days from installation
 - Meters have already failed resulting in repairs averaging **20 man hours/month (~ \$1,000)**
 - All at an additional cost to the city of Freeport

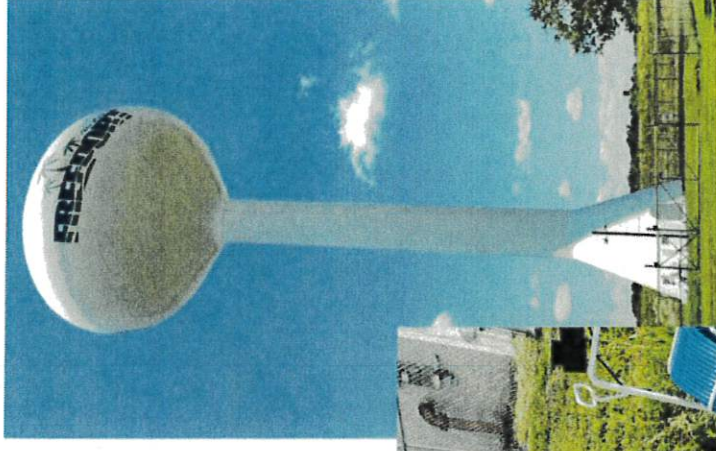


Freeport, TX

The Path To A Balanced Future

A Team That Is Better Together

- Restore the **Partnership**
- Plan Smart, Build Smart, and Spend Smart
- Partnership with aligned goals to Restore your Financial Stability and Balance
- Communication and Transparency which guide every step forward
- Restore the **Partnership**



THANK YOU!



Q&A

Freeport, TX

VEOLIA

SLIDE PARK

THE CITY OF
FREEPORT

Freeport, TX

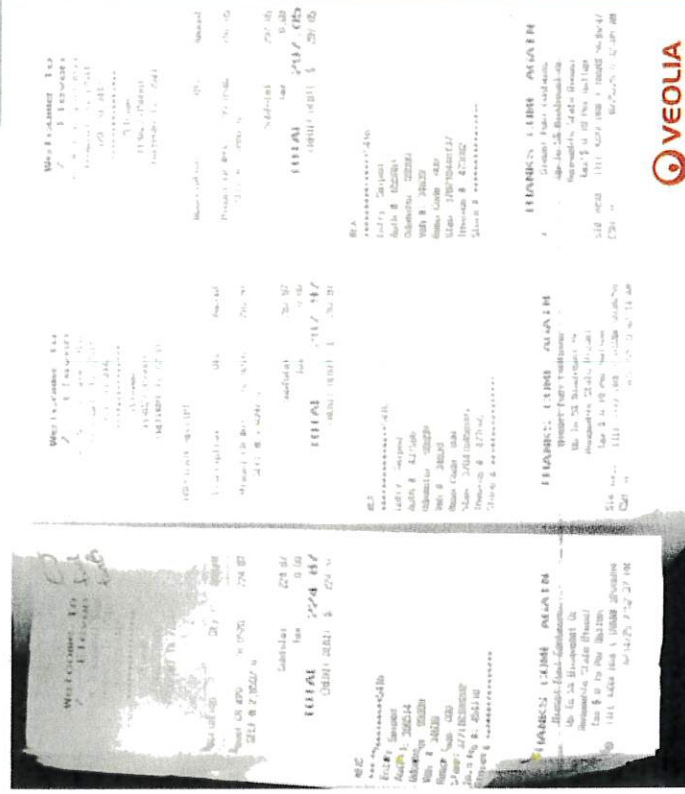
VEOLIA

Lift Station 15 Replacement (2022 - Ongoing)

- Price of interim bypass pumps that needed to be rented to keep the station operational:
 - o **\$3,800/month** in rental fees for 2 pumps
 - o Fuel costs alone average **\$2,000+/month** (e.g., \$3,674 in October 2024)

1081108779	TNT Crane	2,561.80	crane rental WWTP
25 0810	Android	2,600.00	1401 N Ave G
25 0823	Android	1,300.00	423 N Ave B - rescheduled job
25 0815	Android	2,600.00	523 S Ave F - install tap
P33958	Encore	2,702.02	degreaser for lift stations
Total May		62,200.33	
236750740-19	United Rentals	1,781.65	bypass pump rental for ls 27 5/29/25-6/26/25
21029	Mercer Controls	1,171.25	troubleshoot VFD 182 at WWTP
X174317	Core and Main	875.00	fuel for bypass pumps, additional for May 2025
246873430-03	United Rentals	1,602.08	bypass pump rental for ls 15 5/14/25-6/11/25
W986271	Core and Main	7,968.03	brass water parts
871267	Girouards	31.96	quikrete for water leak
872121	Girouards	7.99	quikrete for sewer job @ 1130 W 5th & 1131 W 4th
59690	Superior Fab	290.00	fab 2 pump guards
25 0838	Android	3,250.00	1127 W 4th St
656117	NAPA	205.66	intercooler tube for truck 07
656579	NAPA	208.66	battery for ls 15
140207	Specialties Co	227.08	fire hose for top of package plant
875400	Girouards	164.34	parts for sewer job @ 1130 W 5th & 1131 W 4th
875420	Girouards	164.99	parts for sewer job @ 1130 W 5th & 1131 W 4th
67516	Performance Trans	187.00	oil change truck 1
67518	Performance Trans	115.00	oil change truck 4
67493	Performance Trans	1,002.90	oil change and replace water pump truck 5
67511	Performance Trans	110.00	oil change truck 12
attached	7 Eleven	2,476.09	fuel for bypass pumps for June 2025
Total June		21,567.38	

F



Veolia In-House Camera Trucks

- Veolia field teams in action using our full-size camera truck and on-site push camera system to inspect and assess underground infrastructure.



Freeport, TX

Absence of Generators

- Images confirming the absence of backup generators at both the Slaughter Road water and wastewater sites.



Freeport, TX

Water Tower and Pump Station Locations

Water Towers (2)

Port Tower
1351 Pine Street, Freeport, TX

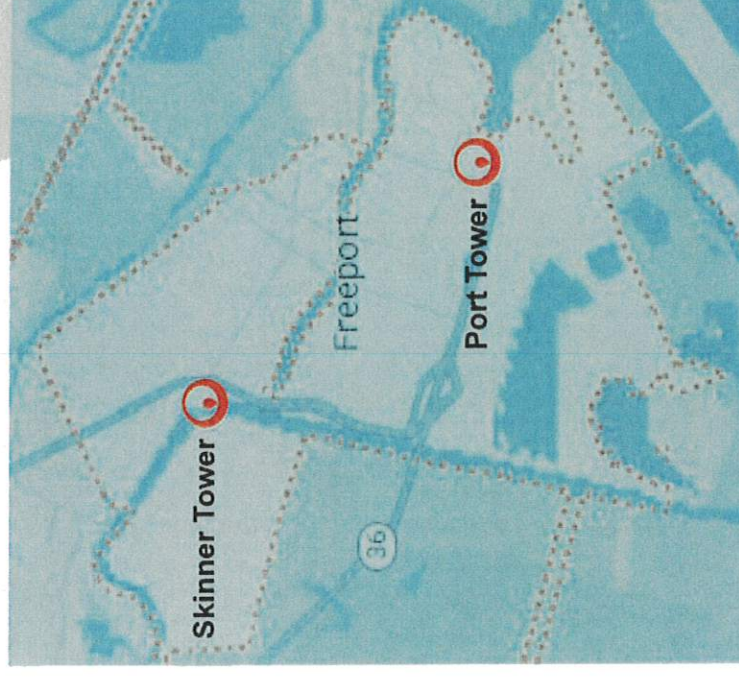
Skinner Tower
Approx. 20 Skinner Street, Freeport, TX

Water Pump Stations (2)

W. 8th Street Pump Station
1223 W. 8th Street, Freeport, TX

S. Avenue F Pump Station
220 S. Avenue F, Freeport, TX

Freeport, TX



“EXHIBIT B”

VEOLIA

Water/Wastewater System Issues

Central Liftstation #7 (Main Station)

- 3-Pumps were inoperable for months (reported need update)
- Permanent By-Pass Pump inoperable for months (reported need update)
- Manholes need lids bolted down overflow x 3
- Mowing/House keeping always issue
- Fence boards missing not secured site
- Generator Inoperable
- Lack of Preventative maintenance (large debris in wet well)
- Bio filter full of weeds, sprinkler system not working

Water/Wastewater System Issues

Bridge Harbor Lift Station

- Pump inoperable
- Rented By-Pass pump for months
- Lack of Preventative maintenance (wet well) 5 years
- Flow meter from Surfside not working due to no sump pump in vault
- I&I issues from Manholes on Marlin and Sailfish due to lack of preventative maintenance (sealing ring and lid)

Water/Wastewater System Issues

Bridge Harbor lift Station

- Pump inoperable
- Rented By-Pass pump for months
- Lack of Preventative maintenance (wet well) 5 years
- Flow meter from Surfside not working due to no sump pump in vault
- I&I issues from Manholes on Marlin and Sailfish due to lack of preventative maintenance (sealing ring and lid)

Water/Wastewater System Issues

Lift Station #10 Velasco /Gulf

- Pump inoperable
- Rented By-Pass pump for months
- 2-Rotating Assemblies out
- Leak on 2" water or force main line by MH

Water/Wastewater System Issues

Kelly Road Lift Station

- Inoperable

Water/Wastewater System Issues

South Avenue I Lift Station #17

- Trash pump tied into discharge
- Station inoperable
- No door and open wet well (safety) child can fall in.

Water/Wastewater System Issues

South Avenue J Lift Station #19

- By-Pass pump on rent for months
- Pump Issues

Water/Wastewater System Issues

Avenue F Pump Station

- #1 Pump missing electrical part – 500GPM pump
- #3 Pump needs full replacement – 1000 GPM pump (Veolia quoted at 48k) city engineer is getting better pricing
- Well offline, meter removed and blind flanged (emergency well) CL2 feed was redone for emergencies. (former supervisor Chris Ware disconnected)
- Generator alarms – coolant issue
- Debris roof damage piled around generator

Water/Wastewater System Issues

Generators

- Avenue F not working (alarms)
- 8th Street Pump station – inoperable (over crank alarm)
- Central Lift Station – inoperable (coolant leak over 1 year)
- WWTP – inoperable for 4 months (diesel leak for over a year)

Water/Wastewater System Issues

10th street water leak going on for months (been reported numerous times)

Avenue N Leak for months (Veolia outsourced repairs, hydrant replaced and unacceptable dress up)

Avenue M Leak for months (Veolia outsourced repairs, hydrant replaced and unacceptable dress up)

Avenue J Sewer issue backing up into apartments (Veolia had outsourced this repair and has been going on for 6 days estimated cost for outsource is 3k dollars per day)

Veolia asked to utilize City employee to dig up water line leak due to being short handed

Water/Wastewater System Issues

Continued lack of ability to isolate main lines (affects BISD, Businesses and residents).

Failures to issue boil water notices when required

Failure to communicate with City pertaining to water outages

Failure to flush dead-end main lines (TCEQ notice)

Failure to submit annual permitting requirements for wastewater treatment plants per TCEQ requirements (TCEQ notices)

Providing City with wrong locations for grant funded isolation valves

Continued pressure issues / complaints from residents/business owners

All sites have house keeping issues (ongoing issue)

Water/Wastewater System Issues

Veolia has rotated project managers on average of every 4 months the past three years: (lack of oversight and system knowledge)

Brian Bruce

James Carter

Joseph Thaxton

Ian Brannon

Chris Ware

Drew Isomoco

Jeff Justice

Don Martin

Roger Rowe

Water/Wastewater System Issues

The City issued notice to Veolia in June 2021 of deficiencies within the contract pertaining to General service requirements:

2.1 Veolia shall provide a sufficient number of certified and qualified personnel, including management, administrative, operational, technical, laboratory and clerical, who meet relevant State of Texas requirements and certifications.

Veolia does not submit or update the required qualified personnel operating within the systems

Water/Wastewater System Issues

Cont.

2.7 Veolia shall provide Freeport with full documentation that preventative maintenance is being performed:

Veolia submitted some documentation, but city has not received these annually since 2022.

Water/Wastewater System Issues

Cont.

2.13 As required by law, permit or court order, Veolia will prepare plant performance reports and submit them to Freeport for signature and transmittal to appropriate authority. Those reports will include quarterly reports and system evaluations identified in the agreed orders for sewer systems.

Veolia has not provided these documents to the city.

Water/Wastewater System Issues

Cont.

4.4 Veolia shall establish a routine, normal sewer line preventative maintenance program as described in appendix E.

Veolia has not provided the city a program as described in appendix E

Water/Wastewater System Issues

Cont.

Appendix E

E1 Inspect manholes for condition and provide a list of manholes for rehabilitation to Freeport annually

Veolia has not provided this list since 2022.

E3 Perform wastewater collection line cleaning on an annual basis for approximately 20% of the main lines and document efforts by data transfer to Freeport GIS system

Veolia has not provided since 2022

E4 Perform digitally televised inspection of approximately 20% of the main lines annually, and document inspections by data transfer to Freeports GIS system

Veolia has not provided since 2022

Water/Wastewater System Issues

Cont.

Appendix E

E5 Assess main line segment conditions from televised inspections and provide a prioritized list of line repairs or replacements to Freeport annually

Veolia has not provided since 2022

E6 Perform flow monitoring on an annual basis for approximately 20% of the main lines, and document monitoring by data transfer to Freeports GIS system

Veolia has not provided since 2022

E7 Perform lift station fixed asset technical assessment on all lift stations and provide a recommended 2-year fixed assets repair and replacement to Freeport annually

Veolia has not provided annually

Bridge Harbor lift Station



Bridge Harbor lift Station



Velasco/ Gulf Blvd



West 10th



Avenue I



Avenue I



Avenue I



Avenue J



Avenue N



Avenue 0



"EXHIBIT C"



City of Freeport Water/WasteWater



Staff Bios: Rudy Ragle

Experience:

- 1999 Started in private sector in water and wastewater industry.
 - Ending position: Crew Chief Maintenance
 - TCEQ License: D water and D wastewater
- 2001 Started working for municipality in water and wastewater.
 - Ending position: Superintendent of Public Works
 - TCEQ License: C groundwater, C wastewater and BPAT
- 2014 Returned to private in sector water and wastewater.
 - Ending position: Senior Operator
 - TCEQ License: B groundwater, C surface water and CSI
- 2018 Transferred to a different private sector in water and wastewater.
 - Ending position: Operations and Accounts Manager
 - TCEQ License: OSSF (On-Site Sewage Facilities) maintenance provider
- 2023 Returned to municipality in water and wastewater.
 - Hired position: Utilities Operations Manager
 - Current position: Public Works Director

Staff Bios: Rudy Ragle

Additional Experience:

- Operation of distribution system consisting of a combined 2 million gallons of elevated and ground tanks.
- Operation of 26 groundwater wells consisting of both Trinity and Paluxy with a combined daily production of 1.3 million gallons.
- Design, implementation and operation of SCADA.
- Oversee employees in the repair and maintenance of infrastructure.
- Pump station repair and maintenance to include booster pumps, chlorine injection, troubleshooting problems and electrical.
- Repair and maintenance of pump station structures.
- Operation of a 300K gallon per day wastewater treatment plant.
- Assist with capital improvement projects.

Staff Bios: Nick Meeks

Experience:

- 2002 Started in private sector in water and wastewater industry.
 - Ending position: Operator III
 - TCEQ License: groundwater C, groundwater B, and wastewater B
- 2025 Started in municipality in water and wastewater industry.
 - Current position: Utilities Operation Manager
 - TCEQ License groundwater C, groundwater B, and wastewater B

Additional Experience:

- National Center for Construction Education and Research (NCCER)
 - Certified safety technician
 - Certified safety supervisor
 - Certified site safety training

History

- September 14, 2015: The City signed an agreement with Veolia for operations, maintenance and management of services for the water system and wastewater treatment plant.
- May 19, 2023: The City, via Olson & Olson, sent a letter to Veolia regarding breach of the agreement for deficiencies and unacceptable performance.
- August 7, 2023: The City Council held an Executive Session regarding pending or potential litigation concerning Veolia. Per the minutes, a motion was made to send a letter giving notice of non-renewal to Veolia. The motion passed 5-0.
- September 11, 2023: The City Council held the public hearing for FY 2023-2024 Proposed budget. Per the minutes, a position of Utilities Operation Manager was added to the Water/Sewer fund to monitor the Veolia contract and shadow Veolia.

History

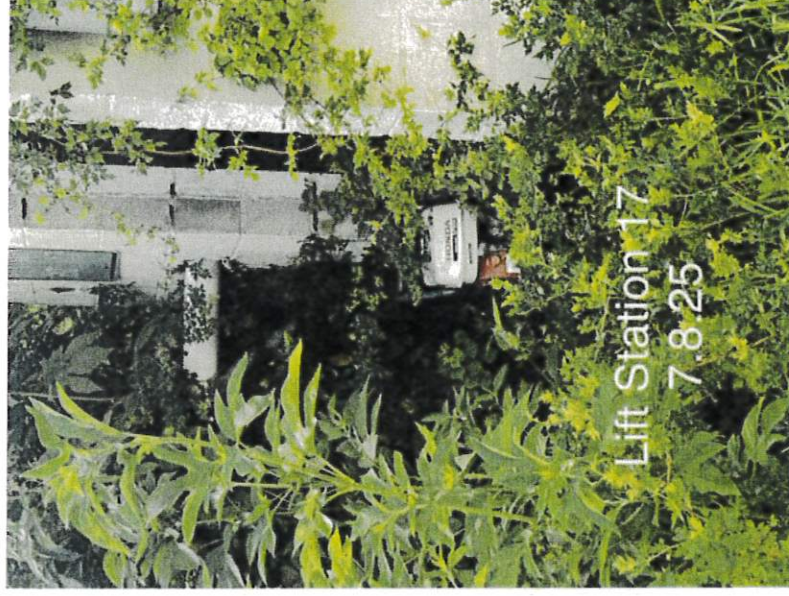
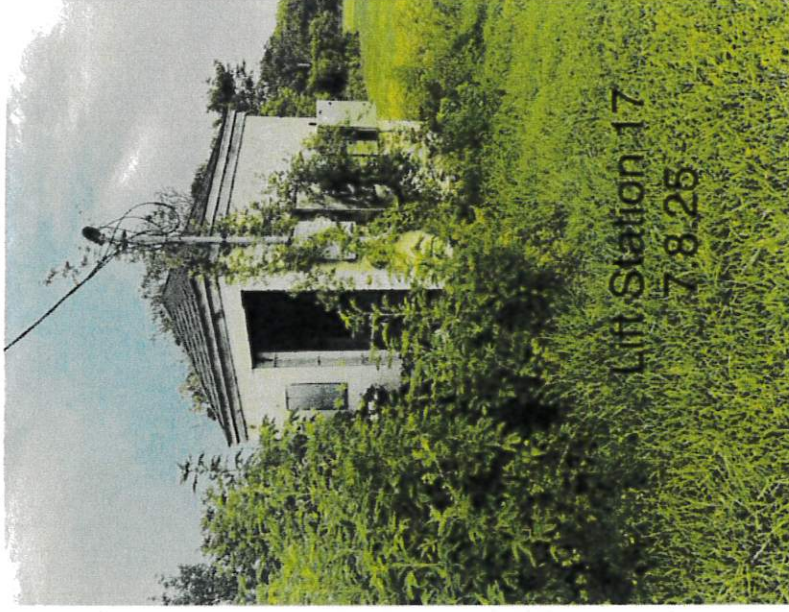
- December 4, 2023: Rudy Ragle was hired and started as Utilities Operations Manager
- November 21, 2024: The former City Manager sent a letter to Veolia regarding notice of cancellation and the decision not to renew the 10 year agreement set to expire September 14, 2025.
- January 2, 2025: Nick Meeks was hired and started as Utilities Operations Manager. This position became open due to Rudy being promoted to Public Works Director.
- June 12, 2025: Chief Jennifer Howell became Interim City Manager and began to assess the current status and issues for the city.

Why are we here today?

To determine what is best for the city and provide information for city council to make an informed decision.

- Veolia concerns:
 - No capital improvements
 - Lack of communication and partnership
 - Lack of accountability
 - Liability to our city and citizens
- City concerns:
 - Start up costs of new water/wastewater department
 - Unknown current and/or arising issues
 - No base revenue with new meters
 - Short timeline due to no previous preparation

Why are we here today?



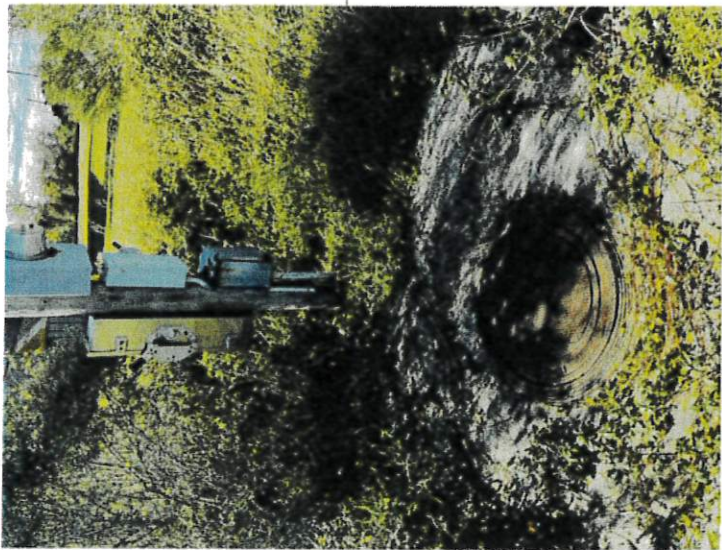
Because it has been 1 ½ years

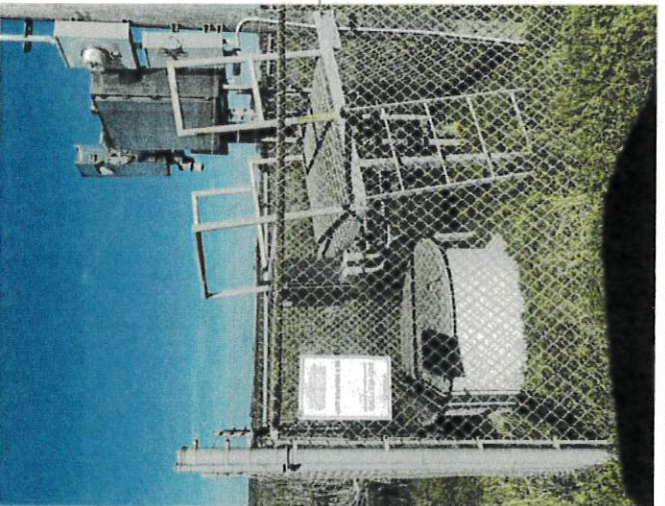
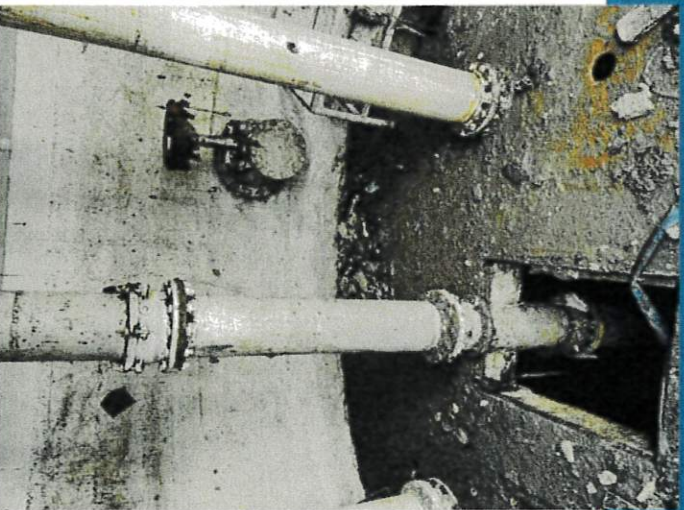


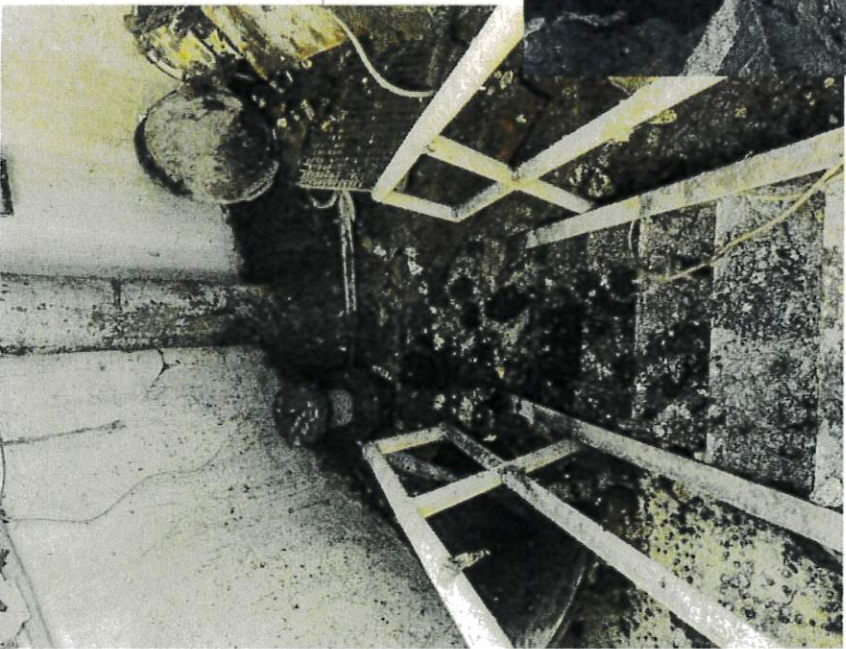
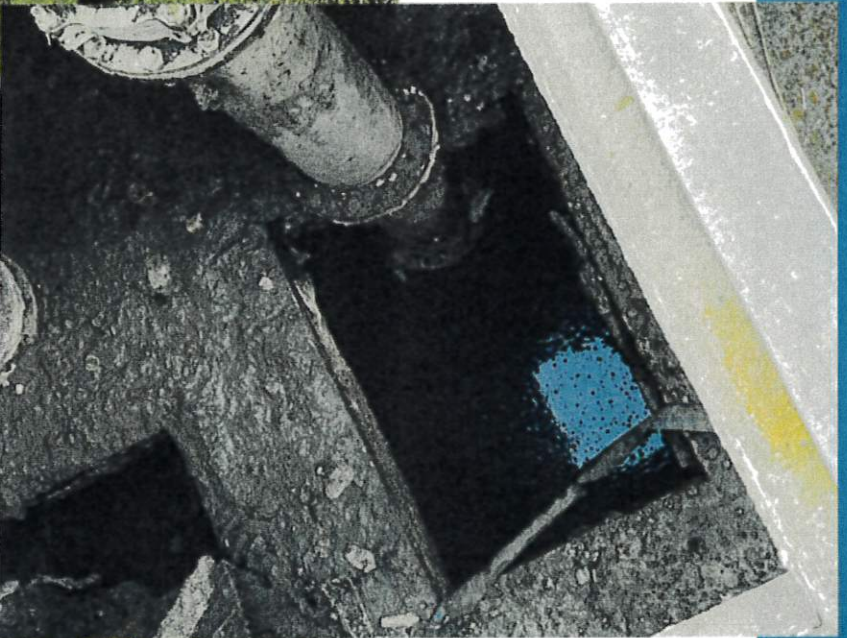
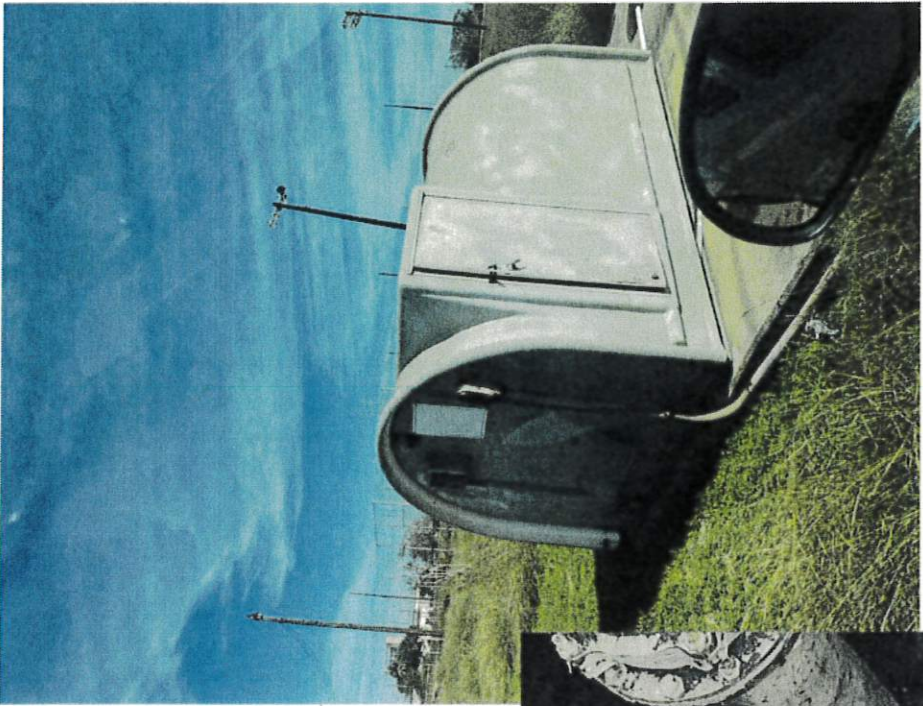
December 2023

- Arriving to Freeport and getting an idea of where the water system and wastewater system status.









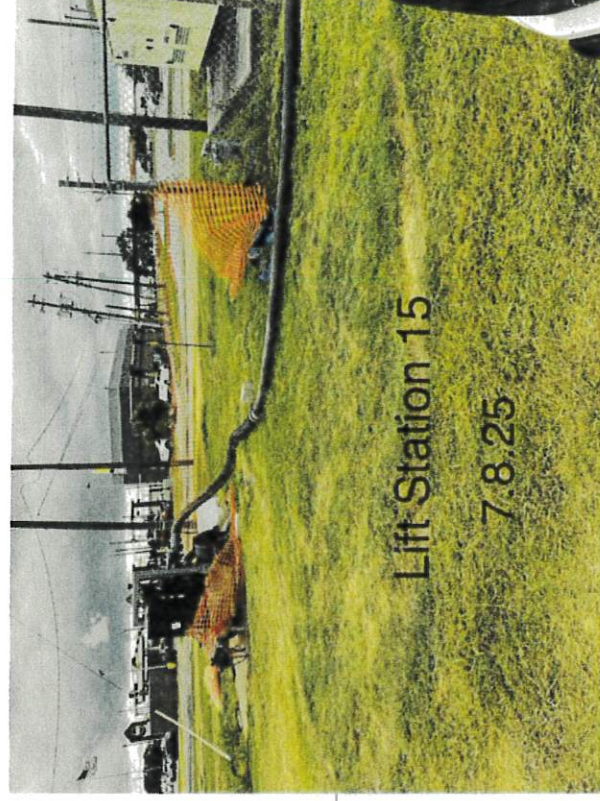
July 2025

- This month getting an idea of the water system and wastewater system status.

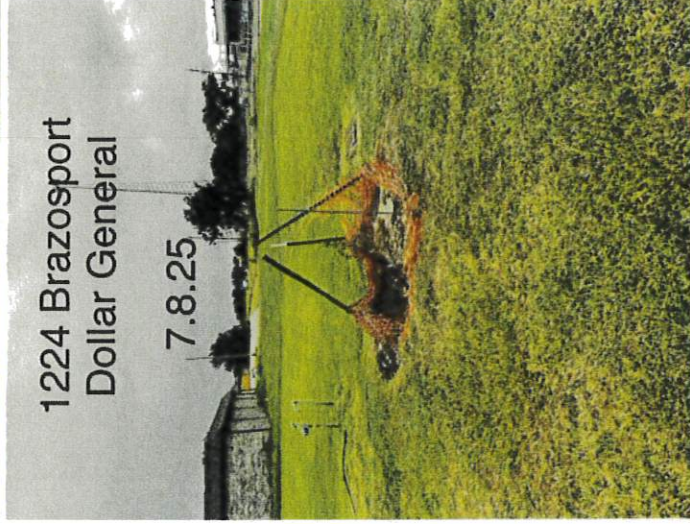




Lift
Station
15
7.8.25



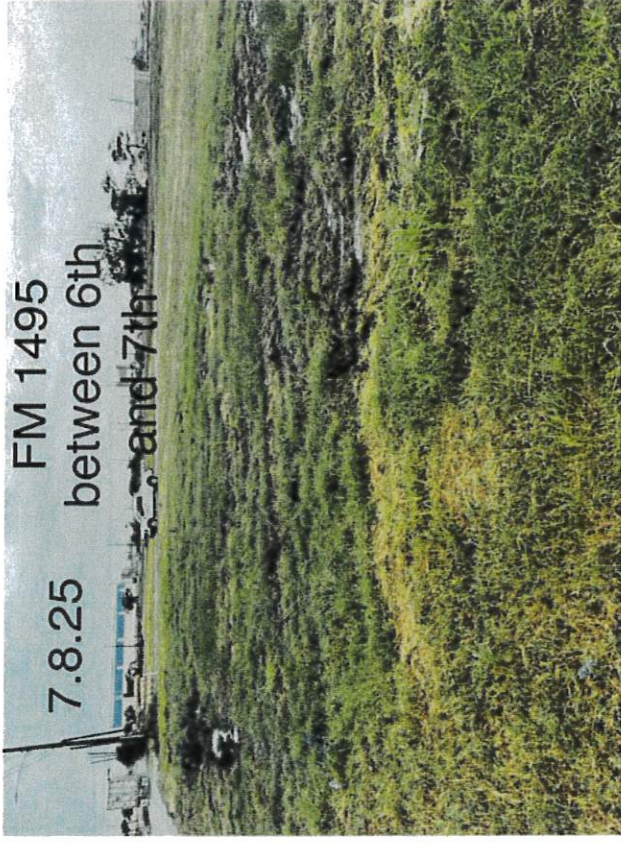
Lift Station 15
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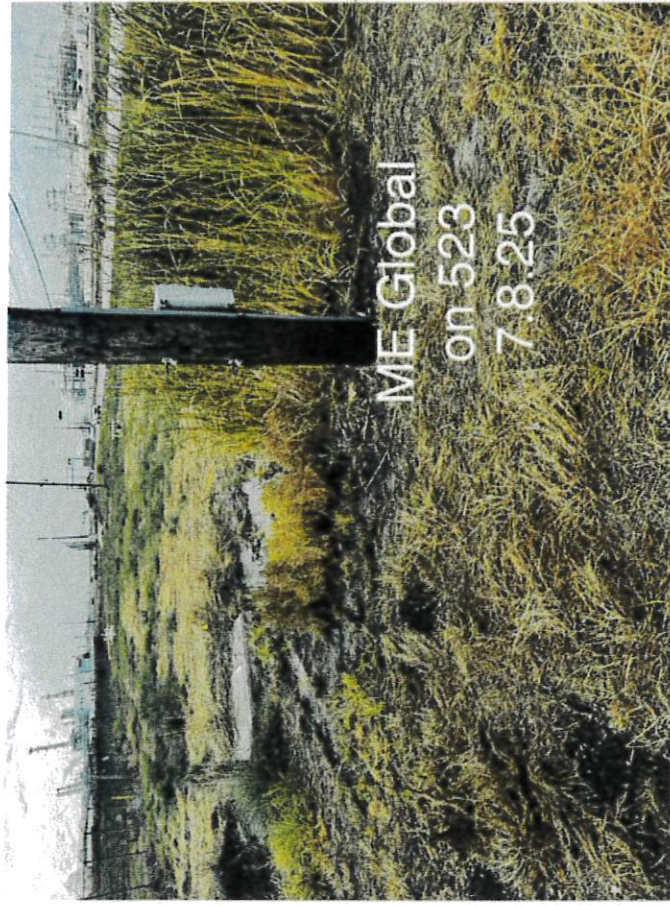


1224 Brazosport
Dollar General
7.8.25

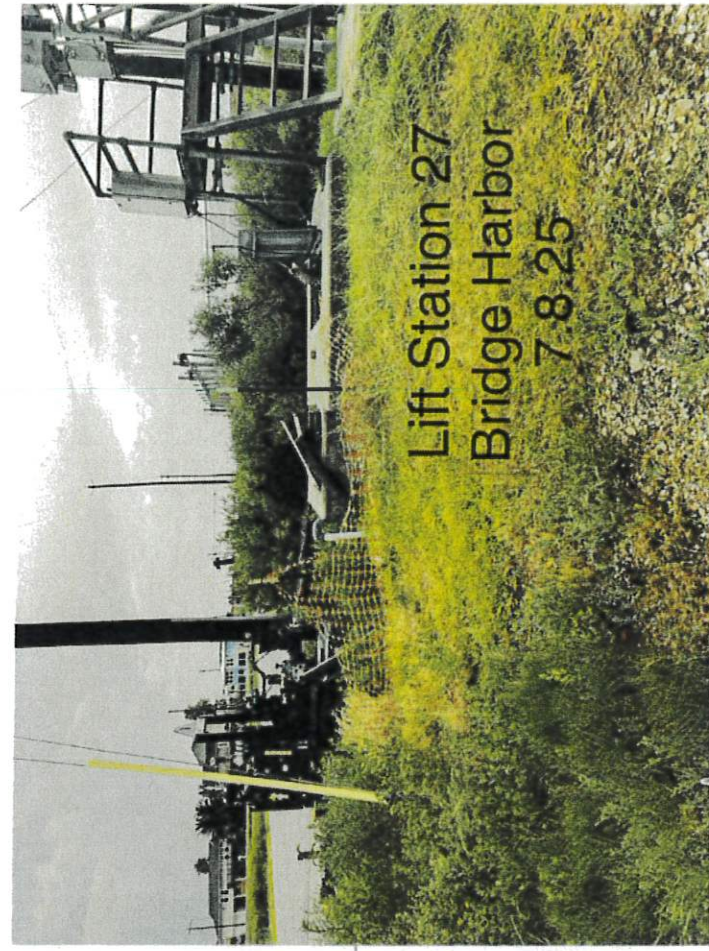


Dollar General
7.8.25

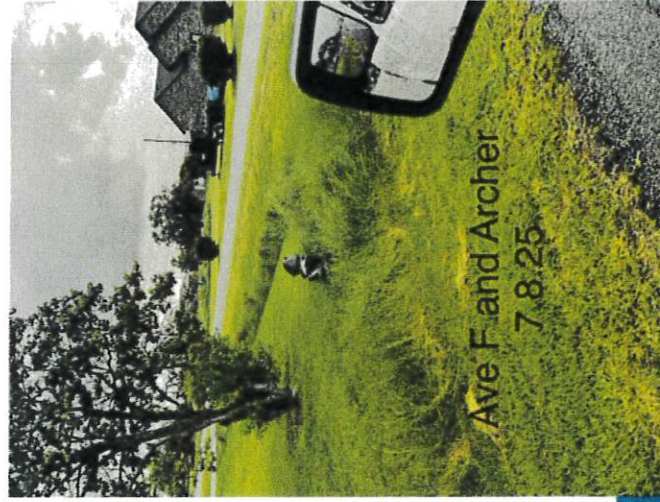




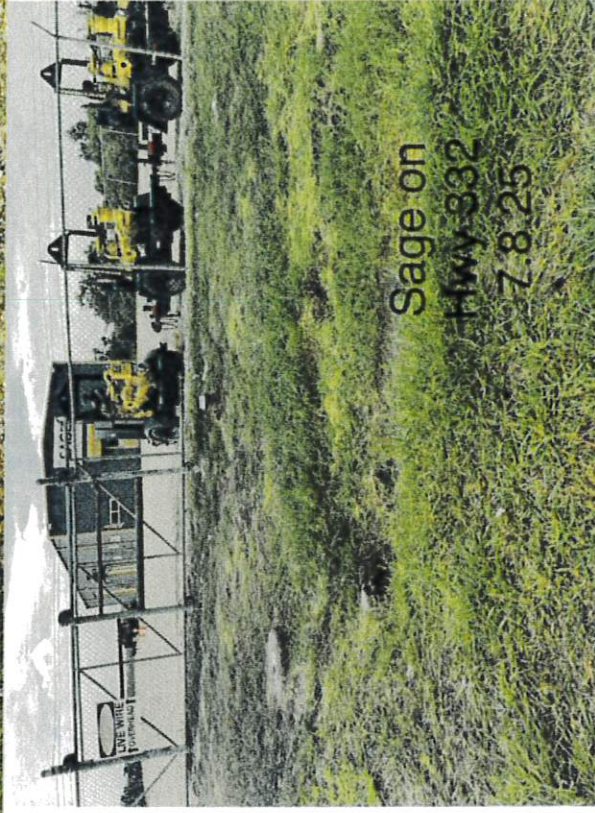
ME Global
on 523
7.8.25



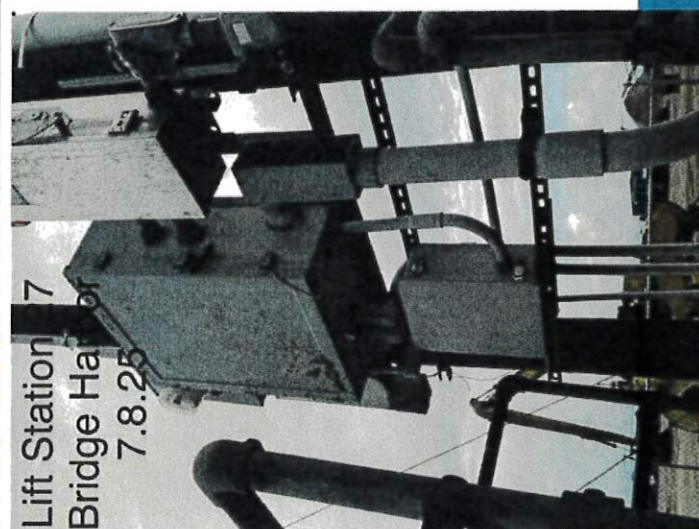
Lift Station 27
Bridge Harbor
7.8.25



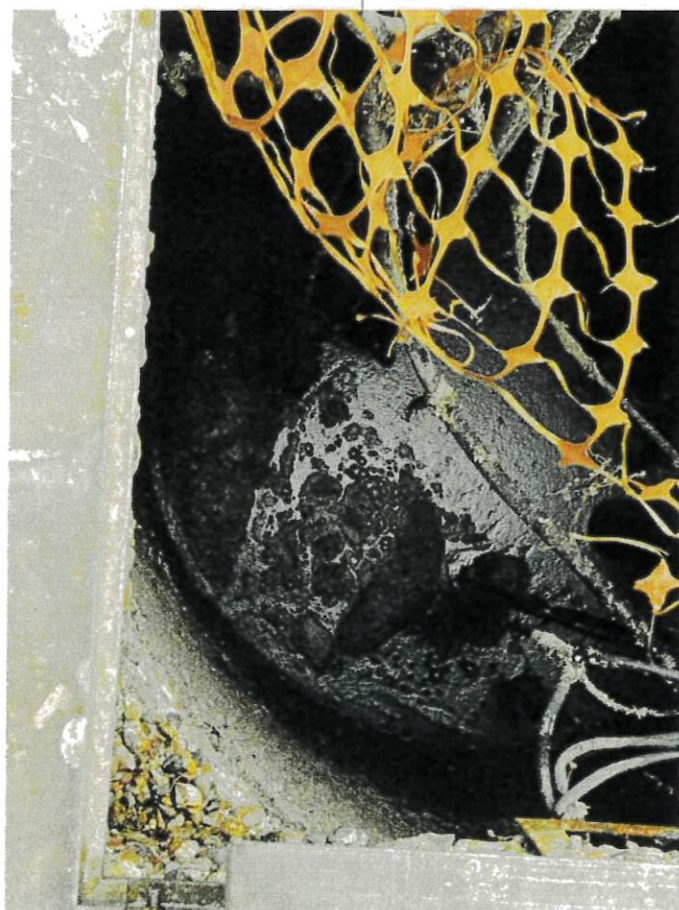
Ave F and Archer
7.8.25

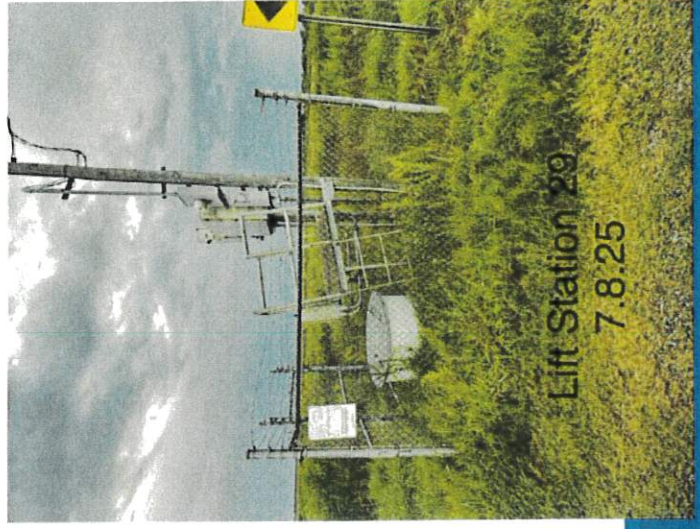
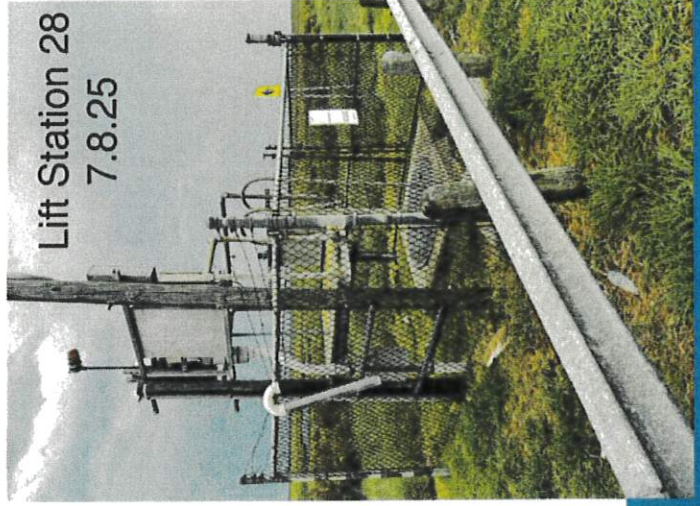


Sage on
Hwy 332
7.8.25



Lift Station 7
Bridge Harbor
7.8.25





Why choose City of Freeport?

- ~~Veolia concerns:~~

- ~~No capital improvements~~
- ~~Lack of communication and partnership~~
- ~~Lack of accountability~~
- ~~Liability to our city and citizens~~

- Because we can eliminate these concerns above.
- Because the reward is worth the risk.



Finance

- New budget format is a balanced budget: Revenue – Expenses – Transfers = 0
- 2025-2026 will be our first year to run as a balanced budget
- Previous years will reflect differently due to different format
- How a balanced budget works:
 - Start of year balanced
 - Mid-year we will re-evaluate and reallocate funds towards projects or savings
 - End of year we will end positive

Finance - Veolia

VEOLIA CONTRACT BILLINGS AND R&M OVERAGES											
FY 2020	O&M TOTALS	FY 2021	O&M TOTALS	FY 2022	O&M TOTALS	FY 2023	O&M TOTALS	FY 2024	O&M TOTALS	FY 2025	O&M TOTALS
Oct-19	207,085.89	Oct-20	206,115.61	Oct-21	216,421.40	Oct-22	226,198.26	Oct-23	235,359.29	Oct-24	242,961.53
Nov-19	207,085.89	Nov-20	206,115.61	Nov-21	216,421.40	Nov-22	226,198.26	Nov-23	235,359.29	Nov-24	242,961.53
Dec-19	207,085.89	Dec-20	206,115.61	Dec-21	216,421.40	Dec-22	226,198.26	Dec-23	235,359.29	Dec-24	242,961.53
Jan-20	207,085.89	Jan-21	206,115.61	Jan-22	216,421.40	Jan-23	226,198.26	Jan-24	235,359.29	Jan-25	242,961.53
Feb-20	207,085.89	Feb-21	206,115.61	Feb-22	216,421.40	Feb-23	226,198.26	Feb-24	235,359.29	Feb-25	242,961.53
Mar-20	207,085.89	Mar-21	206,115.61	Mar-22	216,421.40	Mar-23	226,198.26	Mar-24	235,359.29	Mar-25	242,961.53
Apr-20	207,085.89	Apr-21	206,115.61	Apr-22	216,421.40	Apr-23	226,198.26	Apr-24	235,359.29	Apr-25	242,961.53
May-20	207,085.89	May-21	206,115.61	May-22	216,421.40	May-23	226,198.26	May-24	235,359.29	May-25	242,961.53
Jun-20	207,085.89	Jun-21	206,115.61	Jun-22	216,421.40	Jun-23	226,198.26	Jun-24	235,359.29	Jun-25	242,961.53
Jul-20	207,085.89	Jul-21	206,115.61	Jul-22	216,421.40	Jul-23	226,198.26	Jul-24	235,359.29	Jul-25	242,961.53
Aug-20	207,085.89	Aug-21	206,115.61	Aug-22	216,421.40	Aug-23	226,198.26	Aug-24	235,359.29	Aug-25	242,961.53
Sep-20	207,085.89	Sep-21	206,115.61	Sep-22	216,421.40	Sep-23	226,198.26	Sep-24	235,359.29	Sep-25	242,961.53
TOTAL:	2,485,030.68	TOTAL:	2,473,387.32	TOTAL:	2,597,056.80	TOTAL:	2,714,379.12	TOTAL:	2,824,311.48	TOTAL:	2,915,538.96
FY 2020	R&M OVERAGE	FY 2021	R&M OVERAGE	FY 2022	R&M OVERAGE	FY 2023	R&M OVERAGE	FY 2024	R&M OVERAGE	FY 2025	R&M OVERAGE
Jan-21	78,617.24	Jan-22	60,167.96	Dec-22	281,672.48	Jan-24	339,415.07	Mar-25	179,390.38	As of May-25:	90,474.79
2020 TOTAL:	2,563,647.92	2021 TOTAL:	2,533,555.28	2022 TOTAL:	2,878,729.28	2023 TOTAL:	3,053,794.19	2024 TOTAL:	3,003,701.86	2025 TOTAL:	3,006,013.15

Grand Total Spent: \$ 17,039,441.68

Finance - Veolia

Water/Sewer (Department 565) - Veolia							Utility Fund (Fund 56)
Category	FY2022-2023 Actual	FY2023-2024 Actual	FY2024-2025 Adopted Budget	FY2024-2025 Current Budget	FY2024-2025 Estimate	FY2025-2026 Proposed Budget	Increase/ (Decrease)
Salaries Total	\$ 100,584	\$ 120,943	\$ 204,932	\$ 204,932	\$ 118,610	\$ 158,380	\$ (46,552)
Benefits Total	50332.38	55534.83	82,676.00	82,676.00	55,070.96	78,741.00	(3,935.00)
Supplies Total	\$ 33,202	\$ 27,290	\$ 58,700	\$ 58,700	\$ 35,600	\$ 42,000	\$ (16,700)
Services Total	\$ 6,142,994	\$ 6,423,318	\$ 7,340,270	\$ 7,340,270	\$ 7,188,075	\$ 7,276,700	\$ (63,570)
Maintenance Total	\$ 58,587	\$ 82,676	\$ 115,000	\$ 115,000	\$ 15,100	\$ 18,000	\$ (97,000)
Sundry Total	\$20,094.02	\$685,973.61	\$44,500.00	\$44,500.00	\$30,600.00	\$31,950.00	\$ (12,550)
Debt Service Total	\$ 91,397	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay Total	\$1,081,163	\$2,882,874	\$0	\$0	\$2,876,186	\$0	\$0
Grand Total Expenses	\$ 7,578,353	\$ 10,278,610	\$ 7,846,078	\$ 7,846,078	\$ 10,319,242	\$ 7,605,771	\$ (240,307)
Revenue	\$ 8,992,824	\$ 14,130,843	\$ 7,950,000	\$ 7,950,000	\$ 10,357,375	\$ 7,412,880	\$ (687,120)
Transfers	\$ (390,725)	\$ (453,783)	\$ (451,650)	\$ (451,650)	\$ (451,650)	\$ (791,039)	\$ 339,389
Revenue-Expenses-Transfers	\$ 1,023,746	\$ 3,398,449	\$ (347,728)	\$ (347,728)	\$ (413,517)	\$ (983,930)	

Finance – Freeport

Water/Sewer (Department 565) - Freeport							Utility Fund (Fund 56)
Category	FY2022-2023 Actual	FY2023-2024 Actual	FY2024-2025 Adopted Budget	FY2024-2025 Current Budget	FY2024-2025 Estimate	FY2025-2026 Proposed Budget	Increase/ (Decrease)
Salaries Total	\$ 100,584	\$ 120,943	\$ 204,932	\$ 204,932	\$ 118,610	\$ 757,600	\$ 552,668
Benefits Total	50332.38	55534.83	82,676.00	82,676.00	55,070.96	361,741.00	279,065.00
Supplies Total	\$ 33,202	\$ 27,290	\$ 58,700	\$ 58,700	\$ 35,600	\$ 228,000	\$ 169,300
Services Total	\$ 6,142,994	\$ 6,423,318	\$ 7,340,270	\$ 7,340,270	\$ 6,939,275	\$ 4,083,500	\$ (3,256,770)
Maintenance Total	\$ 58,587	\$ 82,676	\$ 115,000	\$ 115,000	\$ 15,100	\$ 255,000	\$ 140,000
Sundry Total	\$20,094.02	\$685,973.61	\$44,500.00	\$44,500.00	\$30,600.00	\$51,000.00	\$6,500.00
Debt Service Total	\$91,397	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay Total	\$1,081,163	\$2,882,874	\$0	\$0	\$2,876,186	\$500,000	\$500,000
Grand Total Expenses	\$ 7,578,353	\$ 10,278,610	\$ 7,846,078	\$ 7,846,078	\$ 10,070,442	\$ 6,471,841	\$ (1,374,237)
Revenue	\$ 8,992,824	\$ 14,130,843	\$ 7,950,000	\$ 7,950,000	\$ 10,357,375	\$ 7,262,880	\$ (687,120)
Transfers	\$ (390,725)	\$ (453,783)	\$ (451,650)	\$ (451,650)	\$ (451,650)	\$ (791,039)	\$ 339,389
Revenue-Expenses-Transfers	\$ 1,023,746	\$ 3,398,449	\$ (347,728)	\$ (347,728)	\$ (164,717)	\$ -	\$ -

Questions?



Thank you.

