

**Town Council minutes
December 10, 2012**

STATE OF TEXAS §

COUNTY OF TARRANT §

TOWN OF PANTEGO §

The Town Council of the Town of Pantego, Texas, met in regular session at 7:30 p.m. in the Council Chamber of Town Hall, 1614 South Bowen Road, Pantego, on the 10th day of December 2012 with the following members present:

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|------------------|-----------------|
| Melody Paradise | Mayor |
| Don Surratt | Mayor Pro Tem |
| Jane Barrett | Council Members |
| Russell Brewster | |
| Don Funderlic | |

constituting a quorum. Council Member Charlie Price was excused from tonight's meeting. The following staff members were present:

| | |
|---------------|--------------------------------|
| Sean Fox | City Manager |
| Lindsay Wells | City Secretary |
| Jim Jeffrey | City Attorney |
| Tom Griffith | Chief of Public Safety |
| Barry Reeves | Assistant Chief of Police |
| Robert Coker | Assistant Fire Chief |
| Ron Edwards | Director of Public Works |
| Chad Joyce | Community Development Director |
| Joyce Stanton | City Engineer |

Also in attendance:

| | |
|------------|--------------------------------|
| Fred Adair | Planning & Zoning Commissioner |
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WORK SESSION 6:30 P.M.

Mayor Paradise called the work session to order at 6:30 p.m.

1. Monthly Staff Reports

Council discussed issues including trade in value and financing on police vehicles and thefts.

2. Approval of Bills Payable and Purchase Orders in Excess of \$1,000

Council discussed issues including an invoice from the City Attorney and a Fire Department purchase order.

- 3. Minutes:**
- PEDC – October 10, 2012
 - Community Relations Board – November 1, 2012
 - Planning & Zoning – November 5, 2012
 - Town Council – November 26, 2012

4. Discuss and consider design for new police vehicles.

Public Safety Chief Griffith informed Council that two designs for the new police vehicles have been submitted for Council review and one design has been endorsed by the Police Department employees.

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Council discussed issues including name visibility on the vehicles.

5. Discuss and consider proposed dates for PantegoFEST 2013.

City Manager Sean Fox stated that the planning stages for PantegoFEST 2013 need to begin and asked for Council input on dates for the 2013 event. He displayed calendars for September 2013 and October 2013 and suggested the first weekend in October. Mr. Fox stated that Public Safety Chief Griffith will be the overall coordinator for the event.

Council discussed and agreed to hold PantegoFEST 2013 the first weekend in October. Council directed staff to research if other local events are happening the same weekend as well as communicate with the City of Arlington.

6. Discuss and consider cancelling the second Town Council meeting in December set for December 24, 2012.

Council discussed and agreed to cancel the second meeting in December.

7. Discuss, review, and consider any action on a proposed resolution in support of an application for Terracon Consultants Inc. to the Texas Commission Environmental Quality for a Municipal Setting Designation for its property on 401 E. Division Street and 305 N. East Street Arlington, Tarrant County, Texas.

Public Works Director Ron Edwards informed Council that Terracon Consultants has requested a Municipal Setting Designation (MSD) for a property along Division Street in Arlington, TX. John Sallman of Terracon Consultants informed Council that Wilkerson, Inc is applying for the Municipal Setting Designation and introduced Douglas McDonald from the City of Arlington as well.

Mr. Sallman explained what an MSD is and explained why the property owner needs the Town of Pantego's support.

Mr. McDonald stated that the property address is 401 E. Division Street and is approximately 2.5 miles from Pantego. The City of Arlington currently has 12 MSD sites approved by Texas Commission on Environment Quality with two in process. Mr. McDonald informed Council that the City of Arlington must focus on redevelopment of commercial property since the City of Arlington is nearly at full build out.

Mr. Sallman explained that the site and groundwater flow northeast, away from Pantego and only shallow groundwater is affected. Pantego's wells draw 1,200 feet below the surface. The current owner will enter into the TCEQ Voluntary Closure Program. Mr. Sallman presented an image which showed the direction of flow and stated that this MSD does not effect Pantego's water supply.

Council discussed issues including the City of Arlington not holding prior property owners accountable, properties drawing contaminated water, consequences if the MSD is denied, changes to the resolution, and contamination barriers.

Mayor Paradise adjourned the work session at 7:17 p.m.

REGULAR SESSION 7:30 P.M.
CALL TO ORDER/WELCOME

Mayor Paradise called the regular session to order at 7:32 p.m.

INVOCATION BY:
Lt. Patrick Jones, Salvation Army
PLEDGE OF ALLEGIANCE

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PRESENTATION BY THE SALVATION ARMY

Lt. Patrick Jones of the Salvation Army kicked off the 2012 Mayoral Red Kettle Challenge by explaining the background and history of the challenge. He next informed those in attendance that Mayor Paradise won the per capita award last year and he stated that he is confident Pantego has a shot at winning.

Mayor Paradise stated that Pantego's goal is to raise \$3,500 this year for the Salvation Army. Mayor Paradise made the first official donation and encouraged participation during the challenge on Saturday, December 15, 2012 at the Wal-Mart Neighborhood Market at 2610 W. Pioneer Parkway from 8:30 a.m. – 6:30 p.m.

MAYOR/COUNCIL/STAFF COMMENTS OF COMMUNITY INTERESTS

Mayor Pro Tem Surratt welcomed all those in attendance and stated that he appreciates whenever there is a full Council Chambers. He considers everything that is said. Mayor Pro Tem Surratt congratulated Mayor Paradise for capitalizing on the large audience for her Mayoral Red Kettle Challenge. Councilmember Funderlic echoed those statements and thanked Assistant Police Chief Reeves for his work with the schools on drug awareness.

Councilmember Barrett was glad to see everyone and encouraged people to join community boards. Councilmember Brewster thanked Town Staff for their continued hard work as well as thanked Assistant Chief Reeves for his work with youth.

RECOGNITIONS

Public Safety Chief Tom Griffith explained that Pantego is a member of the Southern Emergency Response Preparedness Association (SERPA) and in the summer of 2011, firefighters were sent to West Texas to help battle wild fires. SERPA awarded medals to honor these firefighters including Pantego firefighters, Assistant Chief Robert Coker and Lt. Darren Burkhart. Chief Griffith also acknowledged the firefighters on duty.

Mayor Paradise recognized Chief Griffith for his recent celebration of 25 years of service with the Town of Pantego.

Mayor Paradise informed the audience that renovations to Council Chambers will be taking place during the holiday break and a small reception will be held in January to celebrate those changes.

COUNCIL LIAISON TO BOARD REPORT

- **Community Relations Board**

Councilmember Barrett informed Council that the Community Relations Board met December 4, 2012 and recapped the Halloween event, Candy Train, and Tree Lighting Event and stated that all events came in under budget. The judging of residents' homes and yards for the Holiday Decorating Contest will take place on December 18, 2012 and the categories include Traditional, Whimsical, and Spirit of the Season.

- **Pantego Youth Leadership Council**

Mayor Paradise stated that PYLC will meet next on Tuesday, December 18, 2012 where they will focus on working in the community with non-profit organizations. At their meeting in November they hired key city staff and their newly elected Council was sworn-in.

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PEDC REPORT

Mayor Pro Tem Surratt stated that at the meeting held November 28, 2012, PEDC welcomed several new members. PEDC will be hosting a holiday decorating contest for the business community and judging will take place on Saturday, December 15, 2012. The meeting scheduled for Wednesday, December 12, 2012 has been cancelled with PEDC meeting again in January.

CITIZENS OPEN FORUM

None at this time.

APPROVAL OF CONSENT AGENDA ITEMS

Councilmember Funderlic moved to approve Agenda Items 1, 2, 3, 4, 5, 6, and 7 on consent as discussed. Councilmember Brewster seconded the motion.

The vote was as follows:

Ayes: Surratt, Barrett, Brewster, and Funderlic

Nays:

Abstentions:

Mayor Paradise declared the motion passed unanimously.

NEW BUSINESS FOR DISCUSSION, REVIEW, APPROVAL AND / OR DIRECT STAFF

8. Discuss and consider approval of Zoning Case Z-183, a re-plat of Block 1, Lots 3 and 4 of the Westbury Square Addition, Pantego, Tarrant County, Texas.

Community Development Director Chad Joyce informed Council that the proposed re-plat is for two lots and staff recommends approval with conditions including drainage plans and drainage easement requirements.

Brad Bowen, 508 Wagonwheel Ct., Colleyville, TX 76034 – Mr. Bowen stated that demolition taking place right now on the property and that there are two lots currently. He is asking Council to approve the re-plat.

Council discussed issues including drainage issues and a drainage easement with City Engineer Joyce Stanton.

Councilmember Brewster made a motion to approve the Zoning Case Z-183, a re-plat of the Westbury Square Addition with conditions recommended by staff. Councilmember Barrett seconded the motion.

The vote was as follows:

Ayes: Surratt, Barrett, Brewster, and Funderlic

Nays:

Abstentions:

Mayor Paradise declared the motion passed unanimously.

PUBLIC HEARINGS

9. Public Hearing and consider any action on a Zoning Case Z-167, A Proposed Planned Development as requested by Jim Rose for the use of 3001 Sarah Drive, Block 1, Lot 1 of the Camp Thurman Addition, Pantego Tarrant County, Texas, to establish a Youth

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Development and Community Outreach Program (camp). The property is generally located north of West Pioneer Parkway, west of Roosevelt Drive, south of Smith Barry Road and east of Bicentennial Park.

Community Development Director Chad Joyce informed Council that Camp Thurman has been operating since 1997 under a Special Use Permit which was as a child care facility. Their uses have expanded and the Town asked that they update their zoning and a Planned Development allows more options for the facility. Staff recommends approval of the zoning change with stipulations including a taller fence made of wrought iron and landscaping along residential borders. Camp Thurman prefers installation of wood fencing.

Mayor Paradise opened the floor for a Public Hearing at 8:00 p.m. and called for citizens and businesses owners speaking for or against a proposed Planned Development for Camp Thurman.

Jerry Parche, 1301 S. Bowen Rd. Suite 300, Arlington, TX 76013 – Mr. Parche stated that his company was hired to help Camp Thurman come into current Town compliance. His company conducted a drainage study and re-platted the property which was approved in March of this year. He stated that traffic movement has been addressed by a traffic engineer. The issue of camp security has been addressed as well including fencing and emergency personnel access to the camp.

Mayor Paradise closed the Public Hearing at 8:12 p.m. and gave Council the opportunity to discuss issues presented.

Council discussed issues including traffic patterns, streets affected, emergency vehicle access to the camp, and drainage easement maintenance.

Public Safety Chief Griffith stated that staff feels comfortable with the safety of children at the camp.

Mayor Pro Tem Surratt made a motion to approve Zoning Case Z-167, a proposed Planned Development for Camp Thurman with four amendments as recommended by staff as discussed. Councilmember Funderlic seconded the motion.

The vote was as follows:

Ayes: Surratt, Barrett, Brewster, and Funderlic

Nays:

Abstentions:

Mayor Paradise declared the motion passed unanimously.

10. Public Hearing and consider any action on Zoning Cases Z-175 through Z-181, applications for amended gas well permits/special use permits to install a compressor unit and supporting infrastructure upon property located in Pantego, Tarrant County, Texas, more particularly shown on the map of record in Volume 3930, Page 565, plat records of Tarrant County, Texas or per tax tract number 9G.

Community Development Director Chad Joyce stated Carrizo has made an application to install a lift compressor on their well site and the Planning & Zoning Commission made a motion recommended approval of this application. Mr. Joyce stated that the compressor enclosure will be 22 feet tall and staff recommends approval with stipulations including an additional noise study be conducted both before and after installation, consider architectural features of surrounding buildings, and cleaning and staining an eight foot fence to match current fencing.

Mayor Paradise opened the floor for a Public Hearing at 8:20 p.m. and called for citizens and businesses owners speaking for or against approval of the application for amended gas well permits.

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David Friedman, 4127 Gairloch Lane, Houston, TX 77025 – Mr. Friedman represents Carrizo Oil & Gas in Houston and has been involved with the Pantego gas well site from the beginning. He stated that Carrizo has drilled seven wells on that site serving 2,000 royalty owners. Carrizo has already invested \$45 million just in the Pantego wells with \$2.2 million in royalties paid to date. Mr. Friedman stated that the compressor is necessary to recoup their investment in the project. The compressor is very expensive but it is not all about the money invested and to suggest that ignores that Carrizo is a public company. The company will build the compressor as far away as possible from Pantego residents to help insure safety. Mr. Friedman stated that an ordinance passed in February governs noise and if the compressor makes noise above the limits, the Town is allowed to shut down production. They are asking for approval of a state-of-the-art, electric compressor that will be enclosed in a building to continue to produce on wells already drilled.

Shea Kirkman, 5751 Kroger Dr., Keller, TX 76244 – Mr. Kirkman represents Peloton and made a presentation regarding the current drill site and reiterated Town ordinance requirements including noise and aesthetics. He discussed Town regulations including noise and vibration levels and emissions and how Carrizo plans to address these issues including ambient noise studies at different locations. Mr. Kirkman explained an ambient noise survey recently conducted by Behrens and Associates. He reiterated that if Carrizo cannot mitigate noise and vibration, the Town will shut down production. He reported that TCEQ has completed air monitoring at 13 site visits and Carrizo has met TCEQ standards.

Bob Griffin, 2 Country Club Court, Pantego TX 76013 – Mr. Griffin stated that he is here representing the Royalty Owners Association and is speaking for approval of this zoning case. He is affirming the Association's support. Mr. Griffin stated that he knows and understands that many people live near the location and appreciates their viewpoint. He feels this application impacts economic development which generates funds that stays within the community.

David Nelson, 1910 Sarah Ct., Pantego, TX 76013 – Dr. Nelson stated that he feels that the Town Council did not have the residents' interest at heart when the gas well was originally approved. He inquired as to why the Town does not have an air monitor at the site. Dr. Nelson acknowledged that a sound monitor was installed on his property as part of the ambient noise study and wants the allowable ambient noise levels at 2:00 a.m. levels.

Hollie Visage, 2005 Melbourne, Pantego, TX 76013 – Ms. Visage addressed Mr. Griffin and asked what the benefit is if only some residents receive royalty checks and others deal with the noise. Ms. Visage inquired about issues including safety, venting, vibration, and Carrizo seeking waivers.

Mr. Friedman stated the community as a whole benefits and when the well was constructed, Carrizo had to receive permission from surface owners.

Mr. Kirkman answered Ms. Visage's question regarding Carrizo seeking a waiver if they cannot meet the noise requirements and stated that it is not good business financially or politically to request variances because they feel confident they can meet or exceed the ordinance. He stated that the compressor is slated to run it in perpetuity for the life of the well and explained that water tanks on the site release water vapor or steam and not pollutants. He again stated that the town has ambient noise requirements.

Julie Arrizola, 1905 Melbourne Dr., Pantego, TX 76013 – Ms. Arrizola stated that her family has lived in Pantego for 75 years and she is representing her extended family and is concerned about air quality and devaluation of property.

Pete Shryock, 2002 Melbourne Rd., Pantego, TX 76013 – Mr. Schryock mentioned the waivers. He was not aware of the big building they want to build. At P&Z they hoped it would work. He asked when a vibration test was going to be done. he is concerned about property values, damage to home,

Mr. Kirkman informed Mr. Shryock that a sound study was conducted on a compressor two hours away that is identical to what is being proposed and the result was very confusing so the study was abandoned.

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The new study will include sound dampening requirements, minimizing impact of look of building and address issues including vibration studies and property values.

Chen-Ye Lee, 2001 Melbourne Dr., Pantego, TX 76013 – Mr. Lee inquired if the compressors are necessary and stated that Carrizo continually mentions the well site on UT-Arlington's property in comparison to Pantego's saying they are similar but they are not. UTA's site is not visible from local roads and is not near residential areas like Pantego's. Mr. Lee also mentioned that there are no lift compressors at any City of Arlington sites. He mentioned the investment by Carrizo and stated that residents of Pantego will see this compressor everyday.

Mr. Kirkman addressed Mr. Lee's concerns and stated that UTA's compressor is much bigger than the one proposed in Pantego and Carrizo sought to show something worse than what is proposed for Pantego. He stated that UTA's site is not governed by Arlington's ordinances but State of Texas requirements and Carrizo has complied with all City of Arlington ordinances regardless.

Mayor Paradise closed the Public Hearing at 9:27 p.m. and gave Council the opportunity to discuss the issues brought by the citizens.

Council discussed issues including alternative compressor locations on Oncor property, testing vapors venting off frack tanks, not being informed of compressions being industry standard, types of compressors, noise dampening, acoustics, size requirements for safe operations, and nighttime ambient noise levels.

Mr. Kirkman addressed issues including flooding issues, produced water, and water vapor.

Council discussed a possible secondary location for the compressor with Carrizo representative, Sheldon Lowery.

Council next discussed issues including sound acoustics for buildings, structure around the compressor, daytime and nighttime ambient noise levels, masonry construction, proposed distance from current structures, and new sound and vibration study completion.

City Manager Sean Fox stated that when the ordinance governing the gas well was updated in February, a daytime and nighttime ambient noise study done by Behrens and Associates who attempted to interpret the Town's ordinance.

Councilmember Brewster made a motion to approve Zoning Cases Z-175 through Z-181, amending gas well permits and special use permits with contingencies as discussed including facade, decibel levels, safety concerns, 75% masonry, and ambient testing. Councilmember Barrett seconded the motion.

Councilmember Funderlic reiterated his concerns for the safety and appearance of the facility and the need for an independent third party review. He recommended deferring action since many questions remained.

Mayor Pro Tem Surratt mentioned Special Use Permit wording regarding general welfare, impact on vacant properties, and resident enjoyment of property. Mayor Paradise stated that the Special Use Permit process will be brought back before Council in January.

The vote was as follows:

Ayes: Barrett, Brewster, and Paradise

Nays: Surratt, Funderlic

Abstentions:

Mayor Paradise declared the motion passed 3-2.

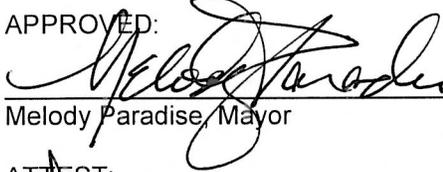
COUNCIL INQUIRY

None at this time

ADJOURNMENT

Mayor Paradise adjourned the regular session at 11:24 p.m.

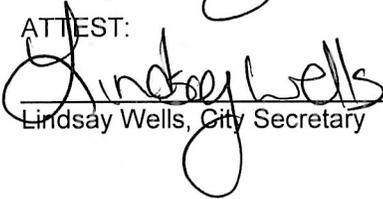
APPROVED:



Melody Paradise, Mayor



ATTEST:



Lindsay Wells, City Secretary