

**CITY OF CASTROVILLE CITY COUNCIL
SPECIAL CALLED COUNCIL MEETING/WORK SESSION
1209 Fiorella
City Council Chamber
January 29, 2026
Thursday
10:00 a.m.
MINUTES**

I. CALL TO ORDER

Mayor Bruce Alexander called the meeting to order at 10:02 a.m.

II. ROLL CALL

Present:

Mayor Bruce Alexander	Scott Dixon, City Administrator
Mayor Pro Tem Sheena Martinez	Debra Howe, City Secretary
Councilmember Houston Marchman	Leroy Vidales, Finance Director
Councilmember Phil King (late arrival)	Jim Kohler, Police Chief
Councilmember David Merz	John Gomez, Public Works Director
Councilmember Robert Lee	Breana Soto, Community Development Director
	Jonah Chang, Parks and Recreation Director

Others in attendance:

Sierra Christa-Oberhauser, Public Works Assistant (Presenter)
Utility and Police Employees

III. CITIZENS COMMENTS

The City Council will hear comments from any citizen or visitor. Speakers must address their comments to the presiding officer rather than individual council members or staff; stand at the podium, speak clearly into the microphone, and state your name and residential address before speaking. Speakers will be allowed a maximum of 3 minutes for testimony. Speakers making personal, impertinent, profane, or slanderous remarks will be given one warning before losing the privilege to speak or may be removed from the room. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

No one requested to speak.

IV. DISCUSSION AND ACTION ITEMS

a. Implementation of the adopted capital plan including a review of completed and in-progress projects

Mayor Alexander recognized several employees from various departments in attendance. City Administrator Scott Dixon introduced Sierra Christa-Oberhauser, Public Works Administrative Assistant who would be providing an overview of completed projects and community survey results. Ms. Christa-Oberhauser provided an over of the current completed projects including budgeted amounts and with actual costs. The projects were: Lions Park Improvements – Budgeted \$406,824, Actual \$427,555; Regional Park - Budgeted \$430,300, Actual - \$417,744; September Square – Budgeted \$35,000,

Actual - \$15,000; Smart Meter Program – Budgeted \$2,690,881, Actual \$3,055,092; Water and Wastewater Master Plan – Budgeted \$175,650, Actual \$125,050; Regional Park Lift Station Secondary Pump – Budgeted \$135,000, Actual \$43,727; Country Village Lift Station – Budgeted \$862,000, Actual \$681,837; Lafayette Water Line Replacement – Budgeted \$640,562, Actual \$623,148; River Bluff Improvements - Budgeted \$2,070,275, Actual \$2,328,434; Capacity (Gas) Analysis Modeling - Budgeted \$360,000, Actual \$37,500; and Impact Fee and Drainage Master Plan – Budgeted \$245,470, Actual \$372,520. Ms. Christa-Oberhauser,, presented the In Progress Projects (no dollar amounts shown) as: Community Center – completion date of May 2026, remaining items for completion – roof, doors, interior fixtures, and site work (including sidewalks, parking lot); Wastewater Supervisory Control and Data Acquisition (SCADA) – Cross Hill Main Lift Station – Antenna and Data Panel installed, waiting for DFS to transfer information over; Public Works Yard – Antenna and Data Panel installed, DFS requested power supply – waiting on future electric; Koenig Park – Data Panel installed, pending Antenna installation; Riverside, East Lift Station – Antenna installed, Data Panel Pending; and Country Village Lift Station – Site was under construction so no equipment was ordered, working on gathering information. Councilmember Lee asked if the new SCADA System was on all the utilities. Mr. Dixon said it was not funded for all utilities as of now, only wastewater. Geneva Drainage Project – project started June 2025 with next steps being installation of outlet and inlet, and installation of Flexi Mat for soil stability. A mid-year completion date was projected. Garza/Garcia Drainage Project – staff had developed the design- build bid specifications for the drainage project with the Request for Proposals published 20th with the proposals due on March 2nd. Mayor Alexander said the city needed to protect what the city had and identify the issues with the area. City Administrator Dixon said a contract would be brought to a March meeting for City Council to approve to move forward. Councilmember Lee asked about the foundation of the wastewater treatment plant if the ponds are drained and the moisture in the soil was gone. Mr. Dixon said he did not think it was an issue but would speak to the City Engineer. Mayor Alexander asked what had the City already committed to on projects. Mr. Dixon said they would speak more on funding during the next agenda item. Ms. Christa-Oberhauser said there had been a survey sent out for community participation with 300 responses received but only 177 were counted. Surveys not fully filled out were rejected. Councilmember Merz said there was confusion with citizens who lived outside of the city limits with a Castroville address thinking they were part of the City but they did contribute to the sales tax revenues and used City amenities and the City should look at those responses. Councilmember Marchman clarified the 177 surveys that were counted out of the 300 that responded were properly filled out and anything left blank caused the survey to be void. Ms. Christa-Oberhauser said that was correct. Councilmember Lee said he had reviewed and felt there should be an opt-out feature for questions the participant did not wish to answer. Mr. Lee asked for the data on those that were rejected. Mr. Merz questioned the percentage of homeowners (90%) verses renters (10%) taking the survey and asked if the survey was done in-house. Mr. Dixon said yes, they did have the software now and in the future they could hire outside company to conduct. Mr. Merz said the data showed him what to work on in the future. Ms. Christa-Oberhauser provided a summary of the Goals and Objectives of the survey to help staff and City Council to understand the community perceptions of City services, the facilities, and amenities.

Also helping to identify strengths in current operations and service delivery. Look at areas for improvement and future investment to help with planning, budgeting and capital improvements. Ms. Christa-Oberhauser said the results showed the participants were happy overall with the City Departments with some dissatisfaction with electric rates and drainage. Mayor Alexander said the rates were a fixed cost but with growth would help to spread over more accounts in the future. City Administrator Dixon said it was the cost of operations to support the system. Councilmember Lee said the City had known for a long time the utilities were being supplemented by the electric and this could not continue. Mr. Lee said the other utilities needed to support themselves, which would cause rate increases. Councilmember Merz said new development would not need any maintenance for 30 years but would happen at some point with costs going up. Council appreciated the updates and the presentation provided.

b. Discussion and prioritization of funded and unfunded projects including facilities, utilities, drainage, streets, parks, vehicles and equipment and other capital investments

Finance Director Leroy Vidales briefed the City Council on the City finances. Mr. Vidales said the City was having the annual audit conducted with results to be provided at a future council meeting. Mr. Vidales presented the Bond Issuances showing the Bond Series 2023 – CO’s for \$5,000,000 – Utility Fund – for Wastewater Treatment Plan Improvements; Bond Series 2024 – CO’s for \$1,500,000 – General Fund – for Drainage Improvements; and Bond Series 2025 – CO’s for \$3,500,000 – General Fund, and \$3,500,000 – various projects listed on issuance and Utility Fund – for Water and Sewer System Improvements. City Administrator Dixon said the City had a AA Bond rating with the City wanting to keep 90 to 120 days in reserves. Mayor Alexander asked how much the city had currently. Mr. Dixon said over a year in each fund. Mayor Alexander said the funds should spent and be reinvested back into the City. Councilmember Lee asked if the \$4,549,075 shown in General Fund had the new bond payment built in. Mr. Dixon said it did not and it would come out of the General Fund reserves. Mr. Vidales provided a list of the City’s current commitments from the General Fund including Police Department – Tahoe (\$80,000), Streets – Attenuator (\$27,045), Streets – Street Repairs & Paving (\$250,000), Parks/Rec – Community Center (\$540,000) for completion of contract. From the Utility Fund for Generators (\$337,500) and Mandatory relocation of Gas/Water Lines (TxDOT) (\$750,000). Mr. Dixon said he did not recommend borrowing every year and each time the City did there were fees attached if over the Bank Qualify# of \$10,000,000 so they tried to stay under to save on fees. Mayor Alexander said the new homes would help on the tax rolls and the City’s I & S rate was higher and a portion of the O & M Rate was returned to Alsatian Oaks as per agreement but the City did receive all of the I & S. Mr. Dixon said the Bond Issuances totaled \$13.5 million funded from General and Utility Funds. Mr. Dixon said there were some funds left over and could be used to buy a pump for the new Water Well or whatever the City Council wants. Mayor Alexander said the City Council could use the reserves to do all but the elevated water tank. Mr. Dixon said if bonds were issued for \$20,000,000 the annual payment was \$1.4 million per year. Councilmember Lee asked the cost of the elevated tank. Mr. Dixon said approximately \$22,000,000.

Mayor Alexander recessed the meeting for a lunch break at 12:02p.m.
Mayor Alexander reconvened in open session at 12:36 p.m.

After the break Department Directors presented to the City Council projects associated with their departments.

Public Works Director John Gomez provided information on possible projects with estimated costs including: a new public works facility (\$4.2 million), public works needed more space; San Jacinto Water Line Replacement (\$1.5 million), 60% designed; Mayor Alexander asked if this line had been missed when the waterlines were replaced in a previous project. Water Supervisor Jeremial Jacobs said no and clarified the previous project had been to replace undersized lines and some asbestos lines were found and replaced. Councilmember Merz clarified this would go through the replacement program. Mr. Dixon said it would but the city had not been able to do the original program set out at \$6 million to complete identified sections each year. Mr. Merz asked the percentage of aged infrastructure with Mr. Jacobs saying 50-60% were 30 years or older. Mr. Merz wanted to see the replacement program funded each year. Manhole Rehab Program (\$200,000 per year), Mr. Gomez said there had been water infiltration and the manholes needed to be replaced or repaired. Councilmember Merz asked if the City would be replacing with the same customized manhole covers being installed in the new subdivisions. Mr. Gomez said they would not as the new manholes in the subdivisions were larger and they could not retro fit. Mr. Merz asked if this amount was enough to complete the project. Mr. Gomez said this would be an ongoing program. Councilmember Lee said there had been a program in the past with latches installed on the lids to keep from popping off in floods. Councilmember Martinez asked if the replacements would be built up higher than the road surface. Mr. Gomez said they would not. Mr. Gomez said for Vehicle and Equipment – F350 Truck (\$86,000) would be for use in the Gas Department. Mr. Dixon said there was \$120,000 currently budgeted for gas equipment and if the City Council wished this could be purchased now. Mayor Alexander asked about a list of current vehicles and equipment with data on mileage, wear rating, and replacement dates. The departments had this list available. Vehicle and Equipment - Combo Truck (\$377,000) for a combination sewer cleaning truck to support wastewater treatment and collection system operations. This truck would be used to clean and vacuum manholes, lift stations, wet wells, and wastewater lines, as well as remove debris, sediment, grease, and sludge. Mr. Gomez said this truck could be used in other departments including Water, Streets, and Parks. Councilmember Lee asked if the department needed a new vehicle or could they find a used model. Mayor Alexander asked about going through Buyboard for purchase or lease to own options. Mayor Alexander asked if they could contract out for lease per year. Mr. Gomez said the trucks lasted on average six to eight years. Councilmember Lee said the truck would last longer but only the equipment would need replacing at six to eight years. There was question asked on how often would the larger truck be used and Mr. Gomez said two to three times per week plus the smaller one. Councilmember Lee asked the capacity, Mr. Gomez said 5,000 – 10,000 gallons. Councilmember King asked the cost to lease the truck. Mr. Gomez said it was \$5,000-\$6,000 per day. Country Village Electric System Improvements (\$3.0 million), Councilmember Lee said this subdivision system problems and outages were rare and it was not the same as River Bluff and asked if the replacement was for age of system or due to failures. Councilmember Merz said he had experienced relatively few outages until last year there had been several. He said mainly flickering of lights, but no outages. New Non Potable Water System (\$750,000), Mr. Gomez said this system needed to be replaced due to the City having issues with the company, Tiger, that installed this system at the wastewater treatment plant. Mr. Gomez said they would not respond to service the equipment now and the plant had outgrown the capabilities of the system. Public Works Assistant Director Rick Carrasco said the current system would help with irrigation at the park and could be used as a backup if they were able to upgrade. Water SCADA System Upgrade (\$300,000), Mr. Gomez said this would provide upgrades to Scada System to

support current and future water system operations. This upgrade would include wastewater and electric and support new and improved wells intergraded into the City's operation network. Mr. Dixon said all facilities outside of the wastewater plant were customizable and could add users. Councilmember Lee questioned if they needed to add electric to the system and felt they should do all systems and look at cost within the city. Gas GIS System Upgrades (\$40,000), Mr. Gomez said the City needed upgrades to the GIS system for mapping of the gas system. Mr. Dixon said the City had reached out to Uvalde on their use of the GIS system. Mayor Alexander asked if the City had a GIS System in place. Mr. Dixon said yes, and with upgrade they could use to track the cost associated with the Gas System and this would be an add-on to the current system. Vehicle and Equipment – Roll-Off Truck (\$400,000) for the wastewater treatment plant operations. Mr. Gomez said this purchase would allow the staff to manage the sludge removal and disposal on an as-needed basis and reduce contracted weekly collection services. A question was asked if this was the public works priority list. Mr. Dixon said it was on the original list the staff had prepared that had started with 180 projects and had to go back and prioritize from high to low. City Council wished to see public works to prioritize the projects with money they have identified. Creation of Well #4 (\$11 million), Mr. Gomez said this would replace Well #1 that was capped due to poor condition and would be a dedicated backup water supply to help with the current limited backup capabilities. Mr. Dixon said City Council could look at tying in the Airport Well and not build a new well but it could be a costly to rebuild. Councilmember Lee said the Airport could help pay for the refurbishment of the well. Vehicle and Equipment – Motor Grader (\$250,000), Mr. Gomez said this purchase for be for the Streets Department to perform various roadway maintenance, drainage improvements, and preparation for overlays and repairs. Mr. Gomez said they now rent a grader at \$10,000 per month and this would reduce the City's need to rent or contract for equipment. Repurposing Existing Digester (\$2 million), Mr. Gomez said this would repurpose the exiting oversized digester to one-half it's size, to be used for storage of irrigation water and to support the development of a proper sized digester for the current and projected system requirements. Wastewater Supervisor Daniel Paxton said the digester was used for sledge storage, not it's intended purpose. Councilmember King asked if the City needed to build an additional tank to equalize flow. Mr. Paxton said no, the plant had an EQ Basin.

Mayor Alexander recessed the meeting for a brief break at 2:10 p.m.
Mayor Alexander reconvened in open session at 2:16 p.m.

Street Overlay and Maintenance (\$400,000), Mr. Dixon said the City had hired Radar Roads to help with the street projects along with working with the County. These projects would be based on yearly funding. Mayor Alexander said he was in favor of allotting funds but wanted to see what the projects would be. City Hall Renovations Option A (\$4,447,628), included rear addition to the building. Option B – (\$3,147,628) included renovation to interior only, no addition with reconfiguring existing spaces. New Public Safety Building (\$3.9 - \$5 million), Mr. Dixon said they had contracted with Brinkly Sargent for a feasibility study. Library Addition Option A (\$1,380,000), Mr. Dixon said this option would be a change to the roof line with additions to the south and west sides of the library along with interior renovations to improve functionality of existing space for current and future needs. Option B (\$548,559), included an addition on the west side front of the existing library but no renovations to the interior spaces. The City Council had agreed on option #2 at a previous meeting. Animal Services Building (\$2.2 million), Mr. Dixon said they had looked at the city property behind the Chevrolet Dealership as a site. Mr. Dixon said it was in a flood zone but it would be easier for the public to visit yet back off the highway. Mr. Dixon

said the cost could be less with having the building out of metal. Councilmember Lee suggested saving and building a complex for the public works, police department, and animal services near the County yard. Houston Square Improvements (\$250,000-\$1.5 million), Mr. Dixon said the Houston Square improvements could be grant eligible depending on the scope of the project. Mr. Dixon said they were looking to improve the surface with treatments and with site features. The cost would depend on the project design. Library Off-Street Parking (\$150,000-\$250,000), Mr. Dixon said the Library currently had insufficient parking and the project would be to put a retaining wall for head-in parking on the east street side of the property. Mr. Dixon said if the Library removed the dumpster they currently had it would free up two parking spaces. Steinbach Haus (\$30,000), Mr. Dixon said this project would help address the ongoing drainage issues in the area near the Steinbach Haus and along Lower LaCoste Road. Mr. Dixon said the scope of work was to improve the current drainage system to help with stormwater run-off, reduce localized flooding, and protect adjacent roadways and nearby properties. Councilmember Lee said the City had some drainage funds saved and to prioritize a schedule. Lions Park Playscapes (\$469,367), Parks and Recreation Director Jonah Chang briefed the City Council on the Lions Park Playscapes project. Mr. Chang said the City had recently been awarded a grant for \$846,399 (50/50 match) with the City's portion being \$469,367 for a modern, safe, and all-accessible play features to enhance the park for families. The City Council would still need to accept the grant for the project to move forward. Regional Park Swimming Pool Restroom and Shower Building (\$205,000), Mr. Chang said the Parks Board was looking at a HOA style building for the pool building. Mr. Dixon said that was not a style and would need to look at. Mr. Chang said the board wanted more restrooms, showers, and changing areas and felt the pool needed a separate building, not connected to the Community Center. Councilmember King said the building did not need to be based on swim meet attendance, more of regular attendance. Mr. King said the original building had four men's toilets, two women's toilets, and eight showers for a cost of \$205,000 proposed by Frontier contractors. Councilmember Martinez asked if the showers could be outside. Mr. Chang said they could be but the students sometimes took showers before school and changing areas were outside. Regional Park Irrigation Improvements (\$375,000 - \$705,000), Mr. Chang said this project was to improve the irrigation system and watering of the fields while supporting the City's long-term goal of eliminating the effluent ponds. Mr. Dixon said the Park could help pay for improvements and the City could partner with the Park and consign the irrigation waters for future uses. Splash Pad Water Reuse System (\$50,000), Mr. Chang said the Parks Board recommended having a re-use water system at the Splash Pad to be used for irrigation purposes. Mr. Chang said this system would benefit the environment and have financial benefits to the community. Mr. Dixon said the reuse system was cost prohibited. Mayor Alexander was in favor of the feature. Councilmember Lee asked if there was a need for a second system. Mr. Dixon said there wasn't a need. Mr. Lee recommended purchasing water rights and designate for park irrigation in the future. Vehicle and Equipment Maintenance – Mini Skid Steer (Parks)(\$45,000), Mr. Chang said the purchase of the mini skid steer would be used for landscaping, material handling, trenching, site preparation, and routine maintenance in the parks, trails, and other public areas. Regional Park Playscapes (\$100,000), Mr. Chang said this project would replace Playground #2 at Regional Park with a new playscape and a shade structure. Mr. Chang said this playscape was on a smaller scale and was not an all-inclusive playground. Regional Park Parking Lot Installation (\$100,000 - \$200,000), Mr. Chang said with the increase in park patrons the need for an additional parking lot was needed. Mr. Chang said this would benefit those coming to the park by making it easier to reach the areas. Pool Fencing (\$40,000), Mr. Chang said the fencing on the south, east, and west side were scalable and needed to be replaced as recommended

by TML, the City's Insurance Company, for safety purposes. In the discussion council asked that the Community Center Project be checked to make sure fencing was not already included.

Pool Structure Improvements (\$150,000), Mr. Chang said this project was to address the structural improvements needed to stabilize the structural elements, addressing the deteriorated deck conditions, and to support a safe operation and long-term use of the pool. Lions Park Pavilion (\$50,000), Mr. Chang said this project was for the construction of a pavilion for community gatherings, recreational use, and park activities. Lions Park Hard Court (\$100,000), Mr. Chang said this project was to construct a multi-purpose hard court for a variety of activities. The court would be used for basketball, pickleball, volleyball, and fitness use. Lions Park Fencing Replacement (\$50,000), Mr. Chang said this project was to replace the old fencing around the softball field including the dugout and backstop areas for safety reasons. Councilmember Lee wanted the staff to prioritize their projects. Councilmember King agreed. City Administrator Dixon said he had always received direction from the City Council on what they felt was most important and he would then bring back a financial plan on funding for those projects.

c. Discussion of future funding mechanisms including bond issues, use of fund reserves, grants, and developer contributions

This item was not discussed in depth.

Mayor Alexander appreciated the work put in by staff on their presentations and there were some budgetary items included with a lot of information to review. Mayor Alexander felt they should have had information on the amount of funds available from General Fund and Enterprise Fund to know what they can do. Councilmember Merz said he had already prioritized his items and some were budgetary mixed in with projects. Mr. Merz wanted data on what amount of funding could the City do without raising rates. Councilmember Lee said they needed to look at raising rates to meet income needs to fix the infrastructure issues. Mr. Lee felt infrastructure improvements were a priority. Mayor Alexander and Councilmember Marchman did not support raising rates at all. Mr. Lee said the City needed to do the maintenance that was necessary and provide funding. Councilmember Martinez said the infrastructure had to be fixed and the City could not afford not to do this to get back on track. Some members of council wanted the departments to name their number one project. Councilmember Merz said the new developments would not be paying for improvements as their infrastructure was new but this would come and the City needed to look at a plan for the future. Councilmember Marchman said he was disappointed in the meeting and felt he did not get what he needed for this workshop. Mr. Marchman had thought he would get a list of projects with funding sources for the proposed projects discussed. Councilmember Lee said they were responsible to take care of what the City had in place. Councilmember King felt the City should spend what they had now, using current funds, then look at the tax rates and possible tax increases.

V. DISCUSSION ON FUTURE AGENDA ITEMS

None were discussed.

VI. ADJOURN

Mayor Alexander adjourned the meeting at 3:43 p.m.

Bruce Alexander
Mayor

ATTEST:

Debra Howe
City Secretary