

CITY OF SANGER, TEXAS

MINUTES: REGULAR CITY COUNCIL MEETING
Monday February 4 2019, 7:00 p.m.
502 Elm Street, Sanger, Texas

COUNCIL MEMBERS PRESENT: Mayor Thomas Muir, Mayor Pro Tem Gary Bilyeu, Councilman David Clark, Councilman Lee Allison, Councilman Bill Boutwell, Councilman Allen Chick

COUNCIL MEMBERS ABSENT:

The Mayor and all five (5) Council Members were present constituting a quorum.

STAFF MEMBERS PRESENT: City Manager Alina Ciocan; City Secretary Cheryl Price; Finance Director Clayton Gray; Interim Director of Public Works Jim Berman; Director of Development Services Ramie Hammonds; Planner Muzaib Riaz.

1. Call Meeting to Order, Invocation, Pledge of Allegiance.

Mayor Muir called the Regular City Council Meeting to order on Monday February 4, 2019 at 7:08 p.m. Councilman Allison gave the Invocation and Councilman Clark led the Pledge of Allegiance.

2. Citizens Input: (Citizens are allowed 3 minutes to speak. The City Council is unable to respond or to discuss any issues brought up during this section).

There were no citizens who approached the podium wishing to speak on items not on the agenda.

3. CONSENT AGENDA:

a) Approval of Minutes

1) City Council Regular Meeting Minutes, January 22, 2019

4. Consider Any Items Removed from Consent Agenda.

A motion was made by Councilman Bilyeu to approve the Consent Agenda as presented. The motion was seconded by Councilman Clark. The motion carried unanimously with a 5-0 vote.

REGULAR AGENDA

5. Consider Acknowledgement and Acceptance of the Annual Financial Report and Related Audit by Brooks Watson & Co. for the Fiscal Year Ending September 30, 2018.

Mayor Muir noted that the Work Session provided a complete review of the Annual Financial Report and Audit. Mayor Pro Tem Bilyeu noted that this information is a lot to

absorb and he appreciated the work that Clayton Gray and staff has done and the fact that we improve more every year. We received an unmodified opinion which is the highest rating we could receive. Councilman Boutwell noted he is pleased to see we are in such a strong financial position as a City of our size, as it speaks volumes for the staff. This was a very informative presentation and discussion. He was also very pleased to see the rating we received on the audit which could help up financially for bond rating in the future.

A motion was made by Councilman Boutwell to acknowledge and accept the Annual Financial Report and Related Audit by Brooks Watson & Co. for the Fiscal Year ending September 30, 2018. The motion was seconded by Mayor Pro Tem Bilyeu. The motion carried unanimously with a 5-0 vote.

6. Conduct a Public Hearing Regarding a Requested Variance to Allow 30 Feet of Right-of-Way (ROW) Dedication Instead of 60 Feet of ROW Dedication Required as Public Access to Proposed Lot 1R From FM 455 for A Proposed Replat of Lot 1R & Lot 2R, Block 1, of LL&T Addition, Being a Replat of Lot 1, Block 1, LL&T Addition; Being 7.026 Acres and Generally Located North of FM 455 and Approximately 1200 Feet South-West of the Intersection of FM 1190 and FM 455.

Development Services Director Ramie Hammonds provided a summary. She advised the applicant is requesting a variance to allow a 30-foot right-of-way dedication instead of 60 feet of right-of-way dedication which is required as public access to the property. The applicant is requesting a variance due to a hardship that there are buildings on the lot 50-feet away from the east lot boundary and a right-of-way dedication of 100 feet would encroach on the buildings. Additionally, there is a 60-foot mutual access easement towards the east lot boundary, divided halfway (30' between the subject lot and the lot on the east. The access easement provides 60 foot of access to parcels at the back of the property. Staff mailed eight (8) public hearing notices to the owner of properties within 200-feet of the subject property. No responses were received.

Mayor Muir opened the public hearing at 7:16 PM and solicited anyone who wished to speak.

Sherry Freeman was recognized. She stated she and her husband Don Freeman are owners of Fish and Hook RV Storage in Sanger. She provided a history of their search for property in 1985. When they purchased the five acres of property, they were asked to dedicate 30-feet of easement along the property line to get to the very back of the property and whoever purchased the property to the west of them would also dedicate 30 feet for a private easement since it is a deep property. They agreed to this and on February 15, 1985 they signed an agreement to that effect with Mr. and Mrs. Swafford. When they built their log cabin there, she noted there was nothing out there. There were no Subdivision rules, there was no Lake Ray Roberts Zoning and there was no ETJ. She noted she remembered when Sanger called upon them to be part of the ETJ because Denton was starting to encroach on FM 2164 and they agreed to become part of Sanger's ETJ. She felt that she and her husband have been good stewards. She does not feel this is right and the right-of-way agreement should be looked at over anything that is trying to be done. This is what they signed and this is what the neighbors agreed to. Now they are trying to use a hardship application and only have 30 feet of right-of-way. They have been there a long time and this document should precede any documents regarding the subdivision.

Lynn Peterson, Commercial Realtor for the property adjacent to the subject property. Mrs. Freeman just talked about. The easement has been there all along and is working for everybody. She noted they have re-platted the back of the property so it could be sold off because it is too much for the owners at this point. They are going to keep the two acres in the front, but sell the back five acres of the property. They said to do that they have to apply for a variance going all the way back to the seven acres. It is going to be for the business on the back of the property. They feel that this variance is necessary to sell the property because a business can not function in the back without having the right-of-way to get to it.

Don Freeman, 2444 Shenandoah Trail, Denton, was recognized. He stated that they have a real problem with this variance. They have an existing court order put in place that states certain criteria that includes this easement this document also includes a valley or a ditch – a one-foot dip along the easement. This currently does exist for the entire length of the private easement and it needs to be maintained as required in the court order. This variance is the first step in one of many to come in to make sure that this court order is finally abandoned and they want to prevent that.

Mayor Muir noted there were no further citizens approaching the podium who wished to speak. The public hearing was closed at 7:23 PM.

7. Consider, Discuss and Act on a Requested Variance to Allow 30 Feet of Right-of-Way (ROW) Dedication Instead of 60 Feet of ROW Dedication Required as Public Access to Proposed Lot 1R From FM 455 for A Proposed Replat of Lot 1R & Lot 2R, Block 1, of LL&T Addition, Being a Replat of Lot 1, Block 1, LL&T Addition; Being 7.026 Acres and Generally Located North of FM 455 and Approximately 1200 Feet South-West of the Intersection of FM 1190 and FM 455.

Ramie Hammonds added that this is part of our ETJ and was sent to Denton County for review and they made a few minor amendments and Denton County is in support of the 30-foot right-of-way (their requirement is also 60 feet, but they are in support of the 30-foot right-of-way). They did increase the width on the FM 455 frontage to meet some of the county requirements. The access is wider than 30 feet to get access off of FM 455. Councilman Allison asked several questions regarding the easement. It was noted by Mr. Freeman that there was a 60-foot easement needed to turn vehicles around, etc. Councilman Allison noted that it is not an uncommon practice if we don't have a thoroughfare plan or a reason to have a road back there for them to have the common access agreement. There was discussion regarding each of the owners dedicating the 30 foot right of way and there was concern regarding utilities and a swale and drainage ditch that carries water away as a result of a lawsuit and it is supposed to be maintained. It was noted this is in the ETJ and would be the County right-of-way. After lengthy discussion it was questioned why we have to do anything at all. Staff noted we were trying to meet both the County and the City regulations and that we can not plat a landlocked piece of property. The common access easement does exist and is a legal document filed at the county. Mayor Muir asked the Freemans how they felt if the lot was just plated into two pieces and the easement was left as it is. Mr. Freeman indicated that they would not have a problem with that. It was noted the property owner could grant their own utility easement for utilities. There was lengthy miscellaneous discussion regarding the easement and the consensus among the Council is that it would be best to leave the easement the way it is. Development Director Ramie Hammonds noted that staff does not have a problem leaving

the easement the way it is, but Staff was trying to meet the subdivision regulations for both the County and the City. Staff does not have a problem with the private easement. Mrs. Freeman asked what they do if they need to get the utilities down to the property. Councilman Allison noted that they could grant themselves a utility easement to get the utilities to the back of the property. There was also discussion regarding having each property owner dedicate each of their 30 feet of right-of-way. It was noted they would be bringing back a plat that this was just a request for a variance. The plat would still show the easement even if it was a private access easement. It was noted that without the right-of-way that the variance is still required because the plat would not be in conformance with the subdivision ordinance without the variance. Councilman Allison noted that it would also be a good idea to include a utility easement on the plat outside of the private access easement to the back of the property.

A motion was made by Councilman Allison to approve a modified variance to reduce the right-of-way dedication to none required in the absence of information on a thoroughfare plan and with the presence of an existing common access easement for access to proposed Lot 1R from FM 455 for a proposed replat of Lot 1R & Lot 2R, Block 1, of LL&T Addition, being a Replat of Lot 1, Block 1, LL&T Addition; being 7.026 Acres and generally located North of FM 455 and approximately 1200 feet South-West of the Intersection of FM 1190 and FM 455. There was additional discussion and it was noted that the private access easement would be included/noted on the plat. The motion was seconded by Councilman Boutwell. The motion carried unanimously with a 5-0 vote.

- 8. Conduct a Public Hearing Regarding a Replat of Lot 1R and Lot 2R, Being a Replat of Lot 1, Block A of Ashley Waters Addition and Adding Tract 5A and Tract 6 in McKinney & Williams Survey Abstract No. 940 and Tract 4A of M.R. Burleson Survey Abstract No. 71, Being Approximately 18.44 Acres and Generally Located Approximately 450 Feet South of the Intersection of Cowling Road and South 5th Street East of Cowling Road.**

The Public Hearing was opened at 7:53 PM. Director of Development Services Ramie Hammonds summarized. She noted the applicant is proposing adding five (5) different parcels into two (2) lots for the purpose of creating two (2) industrial lots for expansion of light industrial for assembly of a manufacturing components business. This is the A & W Facility site. Staff mailed eighty-one (81) public hearing notices to the owners of properties within 200 feet of the subject property. No responses were received. Mayor Muir solicited persons who wished to speak on this Public Hearing item. There being no citizens approaching the podium who wished to speak, the public hearing was closed at 7:23 PM.

- 9. Consider, Discuss and Act on a Replat of Lot 1R and Lot 2R, Being a Replat of Lot 1, Block A of Ashley Waters Addition and Adding Tract 5A and Tract 6 in McKinney & Williams Survey Abstract No. 940 and Tract 4A of M.R. Burleson Survey Abstract No. 71, Being Approximately 18.44 Acres and Generally Located Approximately 450 Feet South of the Intersection of Cowling Road and South 5th Street East of Cowling Road.**

This Replat has been reviewed per the City's Subdivision Ordinance and it meets regulations. They are dedicating right-of-way along Cowling Road for future use. The

applicant is present to answer any questions. Councilman Boutwell asked if they were going to be paving along Cowling. Staff noted they were not paving Cowling, only providing right-of-way. Councilman Boutwell asked if there were going to be any additional accesses on the property which would bring more traffic. Mr. Tim Beaty, contractor for the applicant was recognized and noted they are not intending to put any additional accesses to the property at this time. He noted that they have granted the City of Sanger a utility easement along the property line between Lot 1 and Lot 2. Mayor Pro Tem asked if there were some considerations that were made as a buffer for residents. Mr. Beaty noted that there was some coordination in those efforts with the stormwater area. It was noted that when the south lot was developed that all of the landscaping and buffering would apply.

A motion was made by Councilman Boutwell to approve the replat of Lot 1R and Lot 2R, being a Replat of Lot 1, Block A of Ashley Waters Addition and adding Tract 5A and Tract 6 in McKinney & Williams Survey Abstract No. 940 and Tract 4A of M.R. Burleson Survey Abstract No. 71, being approximately 18.44 acres and generally located approximately 450 feet south of the Intersection of Cowling Road and South 5th Street east of Cowling Road. The motion was seconded by Mayor Pro Tem Bilyeu. The motion carried unanimously with a 5-0 vote.

10. Conduct a Public Hearing Regarding a Specific Use Permit (SUP) for a Smelter, Refinery or Chemical Plant Use on the Property Zoned I-2 (Heavy Industrial District), and Generally Located South-East of the Intersection of East Bolivar Street and North 1st Street.

Ramie Hammonds Director of Development Services summarized. She noted the applicant is requesting a Specific Use Permit. This is an I-2 District, and, in an I-2 District it requires a Specific Use Permit for the use of a biodiesel plant. The property was previously a fertilizer plant for many years and there are some environmental concerns regarding the property. The applicant is here to answer any questions. Mayor Muir opened the Public Hearing to solicited anyone who wished to speak on the item at 8:02 PM. There being no citizens approaching the podium who wished to speak, the public hearing was closed at 8:03 PM.

11. Consider, Discuss and Possibly Act Ordinance #02-02-19 Regarding A Specific Use Permit (SUP) For a Smelter, Refinery or Chemical Plant Use on the Property Zoned As I-2 (Heavy Industrial District), and Generally Located South-East of the Intersection of East Bolivar Street and North 1st Street.

The applicant, Mr. Walter Dobson was recognized. He stated their company is currently out of Denton at 624 W. University Suite 359, Denton 76201, which is their mailing address. The plant is currently located inside of the Denton landfill which is 1527 S Mayhill, Denton. They currently produce biodiesel from waste vegetable oil. They prefer waste vegetable oil as their crude feed source because it does not take the vegetable oil out of the food chain - they get it post food chain. However, biodiesel is commonly done from vegetable oil grown on farms. particularly in the upper Midwest. Their process is environmentally friendly. They reduce about 80 percent of carbon emissions on vehicles that run using their fuel. This property is ideal for them and is within the geographical area where most of his key staff is located. It has rail access and he noted that he has been

talking with the railroad to find out if this option will be usable for them, and it is to be determined. They are looking at bringing about twenty employees and up to forty, max. He noted their product is not like petroleum and is not an environmental hazard and the EPA does not consider it a petroleum product at all. The site used to be fertilizer plant. The site does have some issues they will have to deal with as they move forward on this project. He noted he will need the City's support to deal with the environmental issues of the property. One of those items is an MSD which is a Municipal Settings Designation. He stated that this basically means that the City is providing the water to everyone in a specified area and determines by City ordinance that wells would not be drilled in the area. He stated that the City already has an ordinance that says that wells would not be drilled in the area, but the City does not have an MSD. He noted the MSD is a straightforward process which would allow the site to be developed on without any further actions. He noted that the level of fertilizer in the ground is pretty high.

Councilman Boutwell asked what type of heat they would use. It was noted they would use natural gas and an internal generator that they would run off of biodiesel and which gives them two primary sources of heat. Mr. Boutwell noted that he was familiar with this process and voiced his concerns regarding grease being flammable. Mr. Dobson noted that it is combustible. Mr. Dobson stated it is about as flammable as cardboard. Councilman Boutwell also noted that there is an odor from the used grease and asked how they would contain the odor. Mr. Dobson advised that the business is fully contained in the building. All of the odor is actually contained in the water. In restaurants the grease is old and allows water to deposit at the bottom of the tank and that water combined with the heat and the with other food allows bacteria to grow and that is what produces the smell. He noted that a properly maintained recycling bin for vegetable oil has little to no odor. Their process keeps all of the odor sealed and tight and they have a wastewater process contained in the facility. There may be some odor but it will not be to a huge extent. When one of the trucks comes in from a restaurant the pumping process into the facility may put out some odor. Councilman Bilyeu noted that there were some tanks on the property and if they could utilize them after they inspect them for serviceability, they may put wheels on them and move them into the building. Councilman Boutwell noted the poor condition of the building and Mr. Dobson stated they will demolish and rebuild the facility. Mayor Muir asked about discharge to the wastewater plant. Mr. Dobson noted that out of the facility their intent is to have the typical household style sewage from the bathrooms and kitchenette – beyond that there would be no discharge. They are self contained and maintain management of all of their waste. Mayor Pro Tem Bilyeu asked what demand they would have on water. Mr. Dobson stated that water is their enemy and they actually want as little water in their fuel as possible. They do not use any water in the process and are in fact they are taking water out of the product continuously. The usual uses, possibly irrigation for landscaping, and washing their trucks and fire safety would be the water usage. Mayor Pro Tem Bilyeu asked about the refinement and it being a closed system. He noted that he was still concerned about the odor and used an example of Mrs. Baird's Bread who makes their bread in a closed system but you still smell it when you drive by the plant. Mr. Dobson stated there is not a lot of emissions. Mr. Dobson explained the process in detail and noted that it is all done in a sealed container. He noted that he can not say it was zero emissions that there will be some level of emission but it is extremely low and added that they are not a big plant. There was discussion regarding the chemicals and storage. Mr. Dobson stated that one of the chemicals they use – methanol is flammable and is hazardous but is contained in an explosion proof tank built for that purpose. Methanol is

alcohol and is also used to clean up chemical disasters - such as a petroleum spill. They also use sodium hydroxide which is an acid and a base that is very caustic and is used in a lot of household cleaning materials. These chemicals are completely contained. There are very minimal environmental issues with their facility. Mayor Pro Tem Bilyeu asked if there was going to be onsite storage, or would they be removing the finished project immediately. Mr. Dobson stated that would depend on his pocketbook and but that they do not want to store the product but generally there would be some product that would be stored, from 7,000 gallons to 40,000 gallons, at the largest amount. Mayor Pro Tem Bilyeu asked who regulates their industry. Mr. Dobson stated it was the TCEQ and the EPA. He has permits from both of them. It was noted that TCEQ and EPA set the guidelines and they audit and inspect the facility. A third-party engineering firm has to inspect the property every three years to allow the permitting. He noted he gets a permit through the EPA and several through the TCEQ. He summarized some of the permits and noted he has a whole list of the permits required. Mayor Muir asked what is driving the reason for them to come to Sanger. Mr. Dobson noted he had a 15-year lease with the City of Denton and they brought him in with three five-year renewals. This is the end of the first five-year renewal. With the new city council, new city manager and mostly new city staff the lease was cancelled in December. He noted he did not know for sure but rumor was that they want to do something else with the property. They are going in a different direction and it is not the direction that includes them. He stated it was nothing that they did to justify the change. It was a different leadership team trying to do something different. Councilman Allison noted that he had a few concerns and did not know if they could be addressed tonight or if they need to continue this discussion at another meeting. He noted the drive and it shows the trucks going off of the road. Mr. Dobson noted that he did the drawings himself using Viseo and he put on it all of the possible radiuses that a truck could turn. Councilman Allison noted that two of them out of the twelve made it and that with the houses across the street it needs to be studied further. He noted that there was also concern regarding the number of trucks and vehicles going through the downtown area and through the residential area. He also noted some concerns regarding the MSD and the diagram. There was discussion regarding the City wells and adjacent wells contamination concerns and he thought that more research should be done and there are three different aquifers there and more research should be done. Councilman Allison noted that he would prefer to see more discussion on this in the future that it may not be something that there is enough information to approve it tonight. There was additional discussion regarding environmental studies, the MSD, and concerns regarding the wells. Mr. Dobson noted that the property is not sellable as it is. He also noted that it will also be regulated by the TCEQ. Mayor Pro Tem Bilyeu noted that he wanted to put triggers on the SUP, that in the past it was also by ownership, but that he would like to possibly restrict it to biodiesel uses only; and, if the use changed the business would no longer be allowed. Mr. Dobson noted that he would be happy to accommodate this requirement as long as it allows him to continue what he is currently doing in his business. He noted that they recycle every component they can from the process. Some of them mentioned were: A Glycerin by-product which is old fashioned lye soap which is made up of free-floating fatty acids and glycerol which is put sold to put into cosmetics. They separate the glycerine into its core components which is table salt which is disposed of the glycerine and the free-floating fatty acids. They hoped to make this a research and development facility also to take the free-floating fatty acids and which is still oil and convert it into biodiesel as well. They would like to work toward zero waste having to go anywhere else. Have zero waste to go and be processed by anyone else. He noted he would have a resource for several of the by-products. He

explained how much he learned regarding the grease process and how everything is recyclable and can be used. In their process they even re-use the wastewater. Transportation was brought up and it was noted that they have two 18-wheelers and five bobtail trucks single axle with vacuum tanks that go and pick up the oil and one delivery truck. He noted they do not do grease traps. They are currently setting up a property in Decatur that will be temporary for their operation. There was discussion as to what the Council could do at this time. Mayor Muir said they could authorize a SUP with conditions on how the Council would want to do it. Mayor Pro Tem Bilyeu asked Councilman Allison if his concerns were more related to platting. Councilman Allison advised that he is basically in favor of the project; however, he would like to see more details/legal descriptions of what the Council would be approving for long term operations. Councilman Allison brought up discussion regarding the trucks and truck routes. It was noted that 2nd Street is a truck route. There was brief discussion as to the routes the trucks and what the designated truck routes were. It was noted that the truck route was from Hollingsworth Trucking, goes north to 2nd Street to access FM 455. They are not supposed to use 5th Street. Councilman Boutwell noted that he did not feel the number of trucks that Mr. Dobson has would be a concern. Mayor Pro Tem Bilyeu asked if concerns would be addressed regarding traffic during platting. Mayor Muir noted that they need to address the issues during the SUP, that this is the time to do it. There was discussion as to how many trucks they would have in the future. Mr. Dobson stated that they hoped to use the rail in the future because one railcar is the equivalent of five trucks. There was additional discussion regarding transportation and the truck route. Councilman Allison brought up the MSD as a concern and Mr. Dobson noted that the City would have to submit the application to the TCEQ. He noted that there is a prescribed process. Councilman Allison asked if the City has to apply for it that they would provide the costs for it. Mr. Dobson stated that, it depends, that this would have be talked about. There was concern regarding the cost associated with the MSD. He stated that it has not been determined that an MSD is required yet. Councilman Chick asked if he has purchased the property. Mr. Dobson stated that he has not purchased the property yet, that he is waiting for approval first.

A motion was made by Mayor Pro Tem Bilyeu to approve Ordinance #02-02-19 Regarding A Specific Use Permit (SUP) For a Smelter, Refinery or Chemical Plant Use on the Property Zoned As I-2 (Heavy Industrial District), and Generally Located South-East of the Intersection of East Bolivar Street and North 1st Street with stipulations that the SUP would go away with the change of ownership and also would add that it go away with the change of and or addition of the smelter refinery and a use other than biodiesel use on the property. Councilman Boutwell asked about the governmental requirements. Mayor Pro Tem Bilyeu added the requirement that the applicant maintain status of the TCEQ, EPA requirements and any other governmental agency requirements or the SUP would be pulled. Discussion was called and it was discussed that the property owner should be responsible for the cost of the MSD and any clean up associated with it. Mayor Pro Tem Bilyeu stated that he was not considering the MSD as part of the motion. Mr. Dobson noted that the MSD application would take some staff time. Staff noted that the City has never done one of these applications before and is not familiar with the process. Mayor Pro Tem Bilyeu stated that he was not considering that and this would be something that would be dealt with after the fact; to be handled with staff. Mr. Dobson noted that there would be staff time involved and he would not cover the staff time, but would be responsible for all third-party costs. Councilman Allison suggested leaving the MSD requirement out of the SUP. City Manager Alina Ciocan clarified to Councilman Allison's point that the City is not

committing that the city is not committing or participating in an MSD. Mayor Pro Tem Bilyeu noted that the MSD has nothing to do with the SUP. Mr. Dobson asked if the motion could be changed since the use component has been added if he would consider taking out the ownership component as a trade-off and sticking with the use component. He noted he would like to be really clear as to what they do in making the biodiesel and all of the other things that are encompassed in making the biodiesel and all of the processes should be ok if they were not able to use the biodiesel in the future they would still be obligated to process the vegetable oil and would like to include all of the components they would use/make in the facility. Mayor Pro Tem Bilyeu noted if they do something different that changes the emissions, smell, water contamination, etc. that staff needs to have a failsafe - that there needs to be something in place to say we do not want that and right now we don't. If the property gets sold the City does not want the new owner to change the use either.

Mayor Pro Tem Bilyeu revised and restated his motion to approve Ordinance #02-02-19 regarding A Specific Use Permit (SUP) For a Smelter, Refinery or Chemical Plant Use on the property Zoned As I-2 (Heavy Industrial District), and Generally Located South-East of the Intersection of East Bolivar Street and North 1st Street, with the modification that if there is a change and/or addition of a separate process smelting, refinery, or chemical plant other than biodiesel that we can pull the SUP. The second condition being that compliance and certifications be maintained with the regulatory agencies such as the TCEQ, EPA and other governmental and permitting agencies. The restated revised motion was seconded by Councilman Boutwell. Discussion was called. Councilman Clark asked in their process how it is measured. How many gallons of biodiesel a day, etc. Mr. Dobson noted that they are set up to run about 3 million gallons a year with the same equipment and tank storage they can get up to 20 million gallons a year. The amount of 20 million gallons a year is pretty challenging, ideally, they would like to run five to ten million gallons a year. He noted that they do run the facility 24 hours a day. But don't necessarily staff 24 hours a day, but would like to reserve the option to do so. The process is not required to be manned. Councilman Clark asked if they would be opposed to limit the amount of product they produce. Mr. Dobson suggested that limiting the amount of truck traffic would be a better option. Discussion ensued regarding the truck traffic and doubling his truck numbers. Mayor Pro Tem Bilyeu noted that he did not want to see a limit on this and put this parameter on it and for us to manage people's businesses. There was discussion regarding the noise and lighting in the area. He noted that their facility would not be noisy, that the trucks would be the loudest part of the production. The lighting could be directed downward. He noted that the site is 2.1 acres and he is planning a 15,000 square foot building on the lot. There is not a lot of room for a lot of trucks.

Mayor Muir noted that there is a motion on the floor. Councilman Chick asked if there were any fire concerns. Fire Chief Pennington was recognized and stated that they have presented plans for a sprinkler system that would be adequate and the turning radius around the building allows them access and the only area they cannot get to is the side where the rail is but they do have the ability to pull the hose. He noted that if you are talking about spills, biodiesel would be identical to a gas spill. Mr. Dobson added that would have spill containment around their tanks and around the building. Fire Chief Pennington noted that the homes across the street would be close enough to require evacuation if an emergency happened.

Mayor Muir noted there is a motion on the floor by Mayor Pro Tem Bilyeu, seconded by Councilman Boutwell to approve Ordinance #02-02-19 regarding A Specific Use Permit (SUP) For a Smelter, Refinery or Chemical Plant Use on the Property Zoned As I-2 (Heavy Industrial District), and generally located South-east of the intersection of east Bolivar Street and North 1st Street, with the stipulation that it only be a bio-fuel process use; and, the second condition being that compliance and certifications be maintained with the regulatory agencies such as the TCEQ, EPA and other governmental and permitting agencies. Mayor Pro Tem Bilyeu noted that it removes the change of ownership requirements. Mr. Dobson was concerned as he noted that there are biodiesel companies that operate in many different ways and that some don't collect vegetable oil some do and some don't process the full product, etc. if for any reason one part of it would stop that he would be concerned if they don't produce biodiesel, which they won't initially, that it would be outside of the scope of the SUP, even though it is related to the process. Councilman Allison noted he is leaning more towards tabling this to another meeting to work this all out. Mr. Dobson asked to give a definition of what they do. Mr. Dobson advised that he could give a list of all of the things that they do. City Manager Alina Ciocan noted that we could continue this. When the applicant provides the list we can include it as Exhibit "A" to the SUP and bring it forward to the next meeting. Mr. Dobson advised that his real estate agreement would have expired by the time the Council comes into session again. Mayor Muir advised that the motion could be made and the uses could be reviewed by staff and attached to the SUP. There was additional discussion. Mayor Pro Tem Bilyeu noted from the application that it states that, "The business recycles used cooking oils into feedstock and produces biodiesel and other innovative solutions supporting renewable and clean energy to benefit our environment." Mayor Pro Tem Bilyeu noted that is the definition that he would pick to describe in his motion. There was additional discussion. Mayor Muir suggested asked the Council could authorize the SUP with that language and direct staff to make an addendum with the specific processes associated with that statement and attaching it to the SUP so there is no ambiguity. Mayor Pro Tem Bilyeu noted he would be comfortable with that and he understands that he is going to have by-products that he is going to sell.

Mayor Muir summarized the revised motion by Mayor Pro Tem Bilyeu to approve Ordinance #02-02-19 regarding A Specific Use Permit (SUP) For a Smelter, Refinery or Chemical Plant Use on the Property Zoned As I-2 (Heavy Industrial District), and generally located south-east of the intersection of east Bolivar Street and North 1st Street, with the stipulations that: 1) The definition of the use which was provided by the applicant on his application be included as follows, "The business recycles used cooking oils into feedstock and produces biodiesel and other innovative solutions supporting renewable and clean energy to benefit our environment.", with the inclusion of this statement and an addendum with the specific processes associated with the statement as an attachment, Exhibit "A" to the SUP, the applicant would be limited to those uses and if any of that changed that the SUP would expire; 2) The second condition being that compliance and certifications be maintained with the regulatory agencies such as the TCEQ, EPA and other governmental and permitting agencies. Councilman Boutwell agreed to amend his second to the motion as stated above. The motion carried unanimously with a 5-0 vote.

- 12. Consider, Discuss and Act on the Preliminary Plat of Lots 1-9, Block A, Phase 1; Lots 10-14, Block A, Phase 2; Lots 1-2, Block B, Phase 2; and Lot 1-33, Block C, Phase 3 of CR 200 Estates Addition, Being 14.77 Acres in the Ed Bradley Survey, Abstract No.**

34, and 47.98 Acres in the B.B.B. and C.R.R. Company Survey Abstract Number 199, in the Extraterritorial Jurisdiction (ETJ) of the City of Sanger, and Generally Located South-West of the Intersection of County Road 200 and Metz Road.

Ramie Hammonds Director of Development Services summarized. The applicant is proposing 48 residential lots and one commercial lot. These would be phased in. The unique part of this is that part of it sits in Denton County and part of it sits in Cooke County. 14.77 acres in Cooke County and 47.97 acres in Denton County. It is in the City's extraterritorial jurisdiction. This meets the subdivision regulations and there would have to be plats filed in both counties.

A motion was made by Mayor Pro Tem Bilyeu to approve the preliminary plat of Lots 1-9, Block A, Phase 1; Lots 10-14, Block A, Phase 2; Lots 1-2, Block B, Phase 2; and Lot 1-33, Block C, Phase 3 of CR 200 Estates Addition, being 14.77 acres in the Ed Bradley Survey, Abstract No. 34, and 47.98 Acres in the B.B.B. and C.R.R. Company Survey Abstract Number 199, in the extraterritorial jurisdiction (ETJ) of the City of Sanger, and generally located south-west of the intersection of County Road 200 and Metz Road. The motion was seconded by Councilman Allison. The motion carried unanimously with a 5-0 vote.

13. Consider, Discuss and Possibly Act on Ordinance #02-01-19 - Ordering and Providing Notice of General Election for the Purpose of Electing Three (3) Council Members: Council Member Place 1; Council Member Place 3; and, Council Member Place 5; and, Approve A Joint Election Agreement and Contract with Denton County Election Services; Authorizing the Mayor to Sign the Agreement; Notice and Order; and, Providing for an Effective Date.

For the record Mayor Muir read the following information for ordering and calling the election:

The Election will be held on May 4, 2019 for the purpose of Electing a three (3) Council Members for Place 1, Place 3 and Place 5.

Early Voting and Election Day voting by personal appearance will be conducted at:

Church of Christ
400 Locust Street
Sanger, Texas

Early voting to be conducted on the following days, dates and times:

Monday through Friday	April 22, 2019 – April 26, 2019	8:00 a.m. to 5:00 p.m.
Saturday	April 27, 2019	8:00 a.m. to 5:00 p.m.
Monday and Tuesday	April 29 and April 30, 2019	7:00 a.m. to 7:00 p.m.

Election Day Voting will be on Saturday May 4, 2019 from 7:00 a.m. to 7:00 p.m.

Applications for ballot by mail shall be mailed to the Denton County Elections Administrator at 702 Kimberly Suite A101, Denton, Texas 76208; and, must be received no later than the close of business on April 23, 2019.

A motion was made by Mayor Pro Tem Bilyeu to approve Ordinance #02-01-19 - Ordering and Providing Notice of General Election for the purpose of electing three (3) Council Members: Council Member Place 1; Council Member Place 3; and, Council Member Place 5; and, approve a Joint Election Agreement and Contract with Denton County Election Services; Authorizing the Mayor to sign the agreement; Notice and Order; and, providing for an effective date. The motion was seconded by Councilman Boutwell. The motion carried unanimously with a 5-0 vote.

14. INFORMATION ITEMS:

No Items.

15. FUTURE AGENDA ITEMS: *(The purpose of this item is to allow the Mayor and members of Council to bring forward items they wish to discuss at a future meeting, A Council Member may inquire about a subject for which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting. Items may be placed on a future meeting agenda with a consensus of the Council or at the call of the Mayor).*

a. Confirm Calendars - City Council Strategic Planning Retreat – Thursday, February 28, 2019 – 12:00 Noon to 5:00 PM

Councilman Chick requested if the Strategic Planning Retreat could be rescheduled to Friday the 22nd from 12:00 Noon to 5:00 PM. There was brief discussion and everyone agreed to change the date.

Councilman Allison noted he would like to have discussion at the retreat on the future revitalizing of the downtown area.

16. ADJOURN.

There being no further discussion, Mayor Muir adjourned the meeting at 9:23 PM.