BASTROP CITY COUNCIL
MINUTES OF SPECIAL UTILITY MEETING/WORKSHOP
January 21, 2014 at 6:15 P.M.

Pursuant to the Texas Government Code, Chapter § 551, the City Council of Bastrop, Texas will hold a **Special Utility Workshop/Meeting** on Tuesday, **January 21, 2014** at **6:15 p.m.** at the Bastrop City Hall Council Chambers located at 1311 Chestnut Street in Bastrop, Texas to consider the following matters:

A. **CALL TO ORDER** - Mayor Terry Orr called the meeting to order at 6:15 p.m. A full quorum was present: Council Members Ken Kesselus, Kay Garcia McAnally, Dock Jackson, Willie De La Rosa and Mayor Pro-Tem Joe Beal.

B. **ADJOURN THE SPECIAL UTILITY MEETING – THE BASTROP CITY COUNCIL WILL CONVENE INTO A UTILITY WORKSHOP SESSION TO CONSIDER THE FOLLOWING:**

1. **PRESENTATION, DISCUSSION AND REVIEW OF INFORMATION REAGRDING CONVERTING THE CITY'S CURRENT WATER AND ELECTRIC METERING AND BILLING SYSTEM TO "ADVANCED METERING INFRASTRUCTURE (AMI) SYSTEM".**

   At 6:17 pm, Mayor Orr adjourned the Special Utility Meeting and convened the Bastrop City Council into the Utility Workshop session.

   City Manager Mike Talbot gave an insightful presentation on the Advanced Metering Infrastructure (AMI) System. On January 9, 2014 the City issued a Request for Proposal (RFP) for the AMI System for the City's Water and Electric Systems Project, with bid advertisements in the Bastrop Advertiser on January 9 & January 16, 2014. The City Council retains the right to stop the process of the RFP at any time before February 26, 2014. To ensure comprehension of the City's System and the AMI project, interested vendors must attend a mandatory pre-bid interview with the Technology Committee Prior to submitting a proposal. He acknowledged the Technology Team members are City Manager Talbot, Karla Stovall, Trey Job, Curtis Ervin, Andres Rosales, Gene Kruppa, Samantha Friedman and Mickey Lee, who will be providing the City Council with their vendor recommendation.

   City Manager Talbot proceeded with an in-depth explanation of the AMI System, Request for Proposal Information, Vendor Selection and Criteria, Projected Project timeline, Water/Electric AMI information, Projected AMI Financial Advantage and the result to City if AMI System is not implemented. He noted that the AMI System is a system that provides the City a management system that allows us to continually diagnose problems/leaks, manage and prioritize maintenance, collect data, interface with billing, provide water and electric conservation and promote customer engagement. The AMI System also provides the platform for advanced Home Area Network technology.

   In respect to the Water/Wastewater, the Electronic Radio Transmitter has three (3) ports; for the meter, leak sensor and the remote disconnect. The leak sensor will attach to the supply line and will detect leaks up to 300 feet in either direction depending on the type of distribution pipe. With ductile iron one can detect leaks up to 300 feet in any direction and with PVC it can detect leaks up to 150 feet in any direction. Through an alternate bid, the Auto disconnect will allow for remote disconnection or shut off of water to meter from a remote location.

   Council Member Ken Kesselus recognized the AMI Systems ability to detect leaks and allowing the City Staff to contact residents of service repairs and/or interruptions. Mayor Terry Orr agreed on the importance of the leak detection and the City's ability to contact its residents.

   City Manager Talbot stated that the City anticipates that the financial advantage of the AMI System would include an increase of the City's Electric and water/wastewater revenue due to higher meter accuracy. We estimate a 5% reduction in water loss, which increases the City's overall water supply. The City anticipates a return on the investment in approximately 8 years of implementation of the AMI System which will cost approximately $1,950,000 and includes a twenty-year warranty which is a major benefit to the City.

The City Manager stated he would be bringing this item forward for further discussion and consideration at the City Council Meeting scheduled for January 28, 2014.

2. **UPDATE, DISCUSSION AND REVIEW REGARDING SHORT AND LONG TERM WATER SUPPLY OPTIONS.**

City Manager Mike Talbot provided the City Council Members with an update on the City's water supply. He discussed the activities that were undertaken regarding the development of the "Short/Long term Water Supplies" for the City, since January 14th, City Council Meeting;

Growth Projections Water Supply Demands – Staff has compiled 10 years of historical data of the City's water system which has been delivered to CH2MHill for their modeling projections of the City's future required water supply demands as related to the City's population growth for the next thirty (30) years. We expect to have the draft report by January 28, 2014 for presentation at the City Council Meeting.

Bonding the Water Supply Project –The City's Financial Advisor Mr. Dan Wegmiller advised that the bond rating process that would be done for financing future water infrastructure and supply would evaluate "how the City would spend the bond funds", he stated that spending the bond funds on water was considered a good investment. He also advised that the bond rating agencies would evaluate the City's "water & wastewater rates", therefore City Manager Talbot has undertaken a survey of thirty (30) cities "water and wastewater rates", in our region. City Manager Talbot noted that the City has worked extremely hard over the last few years to earn its bond rating of AA-.

City Manager Talbot continued with a brief update on the rate analysis to be provided by Ms. Mickey Fishbeck on various rate option scenarios for the Council evaluation. He proceeded with an update report on the Proposed Draft of an MOU with the Lower Colorado River Authority, Aqua WSC as an alternative water supply, XS Ranch and other water options.

Mayor Terry Orr expressed concern with regard to the mechanics of the equipment and our City's water and inquired if it would cause the equipment to erode. The City Manager noted that the equipment is under a 20-year warranty and if it wasn't working properly it would send a signal and the defective equipment would be replaced.

Pro-Tem Joe Beal made mention of two items; one of which being that the City may want to have the vendors view the quality of our water and secondly, request that they provide us with samples of a chemical analysis. He also discussed the financial aspect with respect to the cost and what it would do to our rates. With consideration of paying out the debt in 8 years, theoretically we may have a rate reduction and also recognized the water conservation of 5%.

City Manager Talbot noted the Council Members questions and stated that Staff would get responses to them by the next City Council Meeting scheduled for January 28, 2014.

3. **DISCUSSION AND EVALUATION OF ANY AND ALL MATTERS RELATED TO THE CITY'S UTILITIES, INCLUDING BUT NOT LIMITED TO: (A) CURRENT AND FUTURE PROVISION OF WATER/WASTEWATER AND ELECTRIC SERVICE TO THE CITIZENS OF THE CITY AND THE EXTRATERRITORIAL JURISDICTION, (B) THE PROTECTION AND PRESERVATION OF FUTURE WATER AND ELECTRIC RESOURCES, OPERATIONS, COMPETITIVE MATTERS, POTENTIAL UPGRADES, PLANNING, AND (C) THE RESOLUTION OF UTILITY ISSUES AS THEY ARISE.**

City Manager Mike Talbot presented the Council Members with the Utility Quarterly Report for October through December 2013. He brought attention to the total hours the Staff Bastrop Power & Light and the Utility's departments have worked to address work orders, meter reads and billings for the quarter. City Manager Talbot noted that the online payments continue to increase; we are up to 521 for December 2013 is approximately a 50% increase from December 2012 of 254 online payments. Draft payments are consistent at 400 to 415. We are continuing our efforts to transfer large commercial accounts to e-bills which have proven to be a success for BISD.

Council Members were in agreement when Council Member Ken Kesselus thanked City Manager Mike Talbot for his comprehensive report and presentation.

C. THE BASTROP CITY COUNCIL WILL ADJOURN THE UTILITY WORKSHOP SESSION AND RECONVENE BACK INTO SPECIAL UTILITY MEETING.

At 7:48 pm, Mayor Orr adjourned the Utility Workshop Session and reconvened the Bastrop City Council into the Special Utility Meeting.

D. THE BASTROP CITY COUNCIL WILL MEET IN A CLOSED/EXECUTIVE SESSION PURSUANT TO THE TEXAS GOVERNMENT CODE, CHAPTER §551, *ET SEQ*, TO DISCUSS THE FOLLOWING:

1. SECTION(S) **551.071(1) (A)** and **551.071 (2)** - Consultation(s) with Attorney: (1) Threatened and/or contemplated litigation, and (2) Matters upon which the attorney has a duty and/or responsibility to report to the governmental body.
2. SECTION **551.072** – Deliberation regarding real property: Regarding the purchase, exchange, lease, disposition, or value of real property.
3. SECTION **551.086-** Certain Public Utilities: Competitive Matters

At 8:00 pm, Mayor Orr convened the Bastrop City Council into Executive Session.

E. THE BASTROP CITY COUNCIL WILL RECONVENE INTO OPEN UTILITY WORKSHOP MEETING TO DISCUSS, CONSIDER, AND/OR TAKE ANY ACTIONS NECESSARY RELATED TO THE EXECUTIVE SESSION NOTED HEREIN, OR REGULAR AGENDA ITEMS, NOTES ABOVE, AND/OR RELATED ITEMS.

At 9:20 pm, Mayor Orr reconvened the Bastrop City Council into open session to discuss, consider and/or take action(s) necessary related to the Executive Session noted herein. No Action was taken.

F. ADJOURNMENT

At 9:21 pm, Council Member Dock Jackson made the motion to adjourn the meeting. Seconded by Council Member Willie DeLaRosa and motion was carried unanimously, vote of 5-0.

APPROVED:

Terry Orr, Mayor

ATTEST:

Elizabeth Minerva Lopez, City Secretary