

**BASTROP CITY COUNCIL  
MINUTES OF SPECIAL WORKSHOP/UTILITY MEETING  
April 2, 2014 at 6:15 pm**

Pursuant to the Texas Government Code, Chapter § 551, the City Council of Bastrop, Texas held a Special Workshop/Utility Meeting on Tuesday, April 2<sup>nd</sup>, 2014 at 6:15 p.m. at the Bastrop Convention & Exhibit Center located at 1408 Chestnut Street in Bastrop, Texas to consider the following matters:

**A. CALL TO ORDER** – A quorum was present; Mayor Terry Orr called the meeting to order at 6:15 p.m.

**Present** – Mayor Pro-Tem Joe Beal

Council Member Dock Jackson

Council Member Kay Garcia McAnally

Council Member Willie DeLaRosa

**Absent** - Council Members Ken Kesselus

**B. ADJOURN THE SPECIAL UTILITY MEETING** – At 6:15pm, Mayor Terry Orr adjourned the Special Utility Meeting and convened into a Utility Workshop Session to consider the following:

Mayor Terry Orr welcomed everyone and commented that he likes to keep the Workshop/Utility Meeting less formal than the Regular City Council Meetings and encourages the public participation.

Mayor Orr stated that he hopes everyone can talk to one another and that we not make pronouncements. He acknowledged that the path that has been long but very informative and we have all had an opportunity to ask pertinent questions to the City Manager. He urged each council member to try their very best in efforts to make the necessary decision by the next Council Meeting on the expenditures they have decided on. He asked the Council Members to keep an open mind and not pre-determine any decisions about which option they favor or don't favor.

Mayor Orr invited comments from the Council before commencing the meeting; with no response Mayor informed everyone that Council Member Ken Kesselus would not be in attendance as he was out of town. He also welcomed Council Member Dock Jackson who had been away due to his mother's recent passing.

Mayor Orr introduced City Manager Mike Talbot who commenced the meeting with the following agenda item.

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

City Manager Talbot stated that over the last week, the Mayor requested additional information that he would like to address. City Manager Talbot stated that he had received an email from Mayor Pro-Tem Beal that included a basis point for reserve water and we will try to concentrate more on the Council request for possible combination of option and rates.

City Manager Talbot stated to the Council that there was no agenda tonight other than concentrating on the Council's concerns and comments and presenting it in an uncomplicated format. He stated that if he overlooked something in this evening's presentation, he welcomed those comments/suggestions in preparation of material for next week's City Council Meeting.

**PAGE 1 THE 5-YEAR WATER AND WASTEWATER CAPITAL IMPROVEMENT PROGRAM**

City Manager informed the Council that this was something they had seen since we started the process. He noted that it was included because it was important when they look at the rate structure.

**PAGE 7 OPTION 1 If the City were to purchase 6,000 acre-feet of water from XS RANCH**

The City Manager noted that the Mayor asked the information be reflected 5 year increments. "If you recall the City had previously issued bond in anticipation of this project, we currently, we have \$2,000,000 which has a significant impact at the end of our presentation. If the City were to purchase 6,000 acre feet of water from XS Ranch the balance would be \$1,000,000; the drilling of the well has been increased to 1,500 gallons per minute, ground storage piping booster pumps and fencing are right at \$1,000,000, the transmission lines is at 12,400 feet for an 18 inch line, the engineering, hydrologist, surveying is \$885,250.

Subtotal cost Option 1 \$3,784,000 (includes purchase of 6,000 acre-fee of water rights from XS Ranch and infrastructure improvements from XS Ranch to the City of Bastrop)

Subtotal cost for Option 2 \$4,784,000 (Amount of bonds to be issued)

**PAGE 8 OPTION 2 INGRAM / XS RANCH**

Mayor confirmed that the public had received copies of the material being presented. City Manager confirmed that copies had been provided for the public and the handout would be available at the City's website the next day.

Council Member McAnally requested that the City Manager keep everyone apprised of the page # in discussion.

City Manager Talbot continued the presentation of Option 2; this would be the acquisition of the Ingram property and the cost of the infrastructure/well. There would be 2 wells that would be drilled at Ingram. Keep in mind we would not be doing any underground storage, but there will be some plant improvements to Mayfest Park. City Manager Talbot noted the following costs:

Cost for infrastructure \$2,600,000

Subtotal cost for Option 2 \$5,800,000 (includes the purchase of 3,000 acre-feet of water rights from XS Ranch)

Less our Down Payment **\$2,000,000**

Debt Finance **\$3,800,000**

**PAGE 9 OPTION 3 INGRAM / XS RANCH / LCRA**

While referencing page 9, City Manager Talbot stated that item "A" was a recap of Option 2 which reflected the Ingram Infrastructure elements in addition to the Ingram site and the purchase of 3,000 acre-feet of water from XS Ranch.

Subtotal cost for Option 3 \$5,800,000

Less our Down Payment **\$2,000,000**

**SUBTOTAL \$3,800,000 (Amount of bonds to be issued)**

**O&M Reserve 1,000 acre-feet of water from LCRA at \$75 per acre foot = \$75,000 per year. This amount is below our debt service and considered an O&M cost and a capitalization costs.**

City Manager Talbot outlined that the Current LCRA system rate will cost the City \$75,000 per year to reserve the 1,000 acre-feet of water. However, if the City decides to begin using the reserved water, LCRA will start to charge the City the CURRENT system rate of \$151.00 per acre-foot or \$151,000 per year plus capital costs of transporting the water from the LCRA well to the City of Bastrop.

City Manager Talbot advised the Council Members these were their three options for their consideration. He also referenced a Memorandum provided by the Public Works Director, Trey Job and Curtis Hancock on their recommendation of a water source from an operational standpoint.

Mayor Orr inquired about question with regard to Page 7; Option 1 shows 6,000 acre-feet of water and on Page 8, Option 2 we show the purchase of 3,000 acre-feet of water plus 1,400 acre-feet of water would equal 4,400 acre-feet of water. So comparing apples to apples, we would need an additional 1,500 acre-feet of water to reach the 6,000 acre-feet of water. Mayor Orr stated he was trying to understand the equality of both options. Therefore, we are looking at \$500 for acre-foot and \$500,000 for 1,000 acre-feet, so Option 1 costs \$4,784,000; it will cost us \$750,000 to purchase the additional 1,500 acre-feet of water.

City Manager Talbot added that there would be an additional cost for the infrastructure needed at XS Ranch.

Mayor Orr stated that Option 1 is approximately \$4,000,000 and Option 2 is approximately \$3,800,000.

City Manager Talbot stated that Option 2 would provide 4,400 acre-feet of water which comes from the two wells at Ingram at 1,400 acre-feet plus the additional purchase of 3,000 acre-feet.

Council Member McAnally inquired about simplified comparison on 500 acre-feet of water and City Manager Talbot stated that he would get those costs to her in the morning.

Mayor Orr asked "am I correct in looking at Ingram?" He asked about the cost per acre foot under Option 2 and City Manager Talbot and Mr. Gene Kruppa also confirmed that the cost per acre-feet would be \$666 at XS Ranch and the a total cost of \$1,500,000 for 3,000 acre-feet. Mayor added that Option 1 would cost \$2,000,000 for 6,000 acre-feet of water.

Mayor Pro-Tem Joe Beal stated that he hated to add confusion, but at some point we needed to add the amount of water needed and the water that will be available during the same time. Perhaps when we get to the rate discussion, it may sort its way out. But we need to remember what's coming out of the alluvial system and we are going to have about 1,800 acre-feet of water available for our citizens. If you look at CH2MHILL's projection of water need, I believe they will show that over a 40 year period were going to need about 6,000 acre-feet of water. That means that in 40 years were going to need 4,000 acre-feet more or less and another way to get that water is with Ingram, XS Ranch or a combination with LCRA. We're going to need another 4,000 acre-feet of water and a way to get that is with Ingram, XS Ranch and LCRA.

Ultimately we need to consider how much money we are going to invest to get the water we'll need for the next few years. It is an interesting calculation to determine the cost per acre-foot.

**PUBLIC COMMENT** Bluebonnet Electric General Manager, Mark Rose stated that "if your comparing apples to apples are the metaphor, if you look at the Option of what we know is that there is one test well at XS Ranch and there are test wells at LCRA and that's what we know. XS Ranch is a 500 foot well, LCRA is a 1000 foot well and Ingram has two test wells equaling 1,100 feet. The Infrastructure costs essentially match the one well scenario, but there is no guarantee there will be 6,000 acre-feet for \$3,000,000; your purchase is not a guarantee, because there has only been one test drilled. He added that we are not buying 6,000 acre-feet of water, we are buying the rights.

Mayor Orr stated that he and City Manager had discussed that before the City spends \$3,000,000 in water rights he will spend additional \$200,000 build another test well because there is higher probability of water there. He stated he was encouraged by the consultant's reports.

**PUBLIC COMMENT** AQUA Water Supply General Manager, Dave McMurray, stated they "serve the Bastrop County, they have 29 wells and they are certain they can provide the City of Bastrop the water they need." He wanted to request that they be considered in addition to the options being considered on an equal basis. He stated they would provide the City water on a wholesale basis and you would not have all these capital investments. You can save the monies for other projects. We want to be good neighbors we want to help in the development of Bastrop, were here to stay and we have the wells in place and we are a reliable source. Most importantly you're not duplicating water availability.

Mayor Orr responded that in the two meetings held with members of the AQUA Board, our Council Members Dock Jackson, Willie DeLaRosa and Mayor Pro-Tem Joe Beal who were in attendance; were not encouraged at all during the preliminary discussions that were held. We would certainly entertain a proposal, but his personal opinion it was not going to be forthcoming.

AQUA Water Supply General Manager, Dave McMurray restated that they were very interested and Mayor Orr invited him to meet with City Manager Talbot first thing tomorrow morning.

Mayor Pro-Tem Beal asked the City Manager to correct him if he was wrong, but asked that we had provided in writing to AQUA the amount of water we needed, places we needed the water from and the pressure of water.

City Manager Talbot responded that several months ago we had discussions of delivering of 1,000 gallons per minute at 3 different locations which they analyzed that and the Council began meeting with the Aqua Board. Correspondence was sent to their attention and they informed us they were not interested. Our follow up letter that included the CH2MHILL report was responded with them requesting more specific information.

AQUA General Manager Dave McMurray stated that they had never done a feasibility study and they were never told how much water the City wanted. They currently have two connections and possibly a third but for some reason they are not even being considered.

Mayor Orr stated that we would take the blame because he had no indication that AQUA Water had an I-oda of interest, but that was his takeaway from the meetings he attended with representatives of the AQUA Board.

Mayor Pro-Tem Beal stated that that we must have misunderstood, but the letter that the City received stated NO.

Mayor Orr stated if AQUA representatives want to go forward, then I urge them to see City Manager Talbot first thing tomorrow morning. We are in the investigative stage and we are trying to make a decision, so again I encourage you to see the City Manager first thing tomorrow morning.

Council Member DeLaRosa asked AQUA representatives “What are you offering? One of your stipulations was that you wanted to be the sole provider for 30-40 years and that the City could not go out and drill their own wells during the contract period.”

AQUA General Manager Dave McMurray responded that they were not preventing the City from drilling their own wells. Council Member DeLaRosa stated that he may have misunderstood but was clear that AQUA wanted to be the sole provider for 30-40 years.

Council Member Kay McAnally stated that the Council has been in considering this issue for a long time and that she wished AQUA had approached the Council earlier.

AQUA General Manager Dave McMurray stated they have been trying to work with the City over the last 2 years.

Council Member McAnally stated that from her perspective it’s a little too late in the game and she didn’t think it was good for AQUA representatives to interrupt the Council from moving forward and from her point of view they could not begin the process of considering additional information they would need to sort through.

AQUA General Manager Dave McMurray added “even if it saves you millions of dollars.”

Council Member McAnally stated that she wished that AQUA representatives would have had enough motivation to come to them when they knew they were considering this.

AQUA General Manager Dave McMurray stated that he had a letter trail that went back two years.

Council Member McAnally responded that she has been in the sales field for a long time and stated they needed to make an effort to obtain the information they wanted. She added that the City Manager was left out of the loop and he needed to be involved. Council Member McAnally stated that she did not support going down this trail.

Mayor Terry Orr urged the AQUA representatives to contact the City Manager with their proposal, but from what the Council Members had seen they didn’t get the impression that they wanted to be considered in this venture.

Council Member Jackson thanked the AQUA representatives for attending the meeting and expressing their interest. He added that he was under the impression that AQUA was not interested. The City Council is now at the point of considering the options at hand, but if the AQUA representatives have some interest then they should meet with the City Manager.

AQUA General Manager Dave McMurray stated they had previously met with the Council Members and the City Manager was excluded, however communication stopped over a period of time. He thanked the Council Members for their time and their consideration.

Council Member McAnally expressed that she was sorry it worked out this way.

City Manager Talbot responded to a public question regarding cost per acre feet; he stated that the increase was \$75 per acre-foot which is subject to an increase by the LCRA Board.

Mayor Pro-Tem Beal added that the rate could go up or it could go down; because the rate is calculated by cost of service which is by law and their policy. They calculate their total cost for water and they are currently not paid by the City of Austin for the water they take from LCRA. In approximately 10 years Austin will hit a take point that will trigger that Austin will begin to pay for all the water they get from LCRA. This is different from what we have today and it is possible that in 10 years the rates may go down. We don’t know that but chances are they are going to go up.

**TAB 2 WATER SUPPLY OPTIONS**

**PAGE 11 DRAFT FOR DISCUSSION ONLY “Water Supply Fundamentals & Agreed Assumptions”**

City Manager Talbot referenced page 11 and noted that this was the first time the City Council Members had been presented the document “Water Supply Fundamentals and Agreed Assumptions.”

Bluebonnet Electric General Manager, Mark Rose commented on assumptions made on the documented and referenced item #11 “the consensus of the Council and Management that the City can only afford to install infrastructure ‘in one direction’ (i.e., either to the east, via the Ingram/LCRA route, or to the north, via the XS Ranch Well Field).” He stated he did think the City could afford the XS Ranch/Ingram option or some other options. He didn’t think this was a cost perspective from our one analysis. For strategy purposes you want to have the ability to go into multiple directions because the water you think is there today may not be there 30 years from now. Therefore he does not think #11 is valid.

Mayor Orr stated this is why we were looking at a combination of options.

Mayor Pro-Tem Beal stated that we will not know if assumption #11 is valid until you know what the cost of LCRA water is and until you know what the Bluebonnets Electric rates are for the XS Ranch are. Until you know what the rates are, then you cannot make that determination.

#### **PAGE 14 City of Bastrop Water Supply**

City Manager Talbot referenced page #14 is the 5-year Water Supply plan the Mayor had requested which is a deviation from item #11, it breaks down each individual option. It is broken down by option and includes the costs for infrastructure, water per acre-feet and the costs to add additional water.

Mayor Terry Orr reference Option 1 and Option 2

City Manager Talbot stated that depending on what option they decide on, additional water may still be brought into the City.

#### **PAGE 15 - 16 Water Supply Options Summarized Infrastructure Cost Estimates**

City Manager Talbot gave a detailed breakdown of items reflected on page #15; for the XS Ranch and Ingram options that included the costs of the water well, plant, transmission line, and engineering/surveying/hydrologist/contingency.

City Manager referenced page #16 that reflected the costs for the LCRA option that included the plant, transmission line, Engineering/surveying/ hydrologist/contingency with an additional costs for a transmission line at the SIM Gideon Plant.

#### **PAGE 17-18 Operational Cost Summary Sheet**

City Manager reviewed the operational costs for a 10 year, 20 year and a 30 year comparison on the options of XS Ranch, Ingram/XS Ranch and Ingram/LCRA/XS Ranch.

Mayor Pro-Tem Beal stated that what is driving the operational costs on option 3 is the water reservation fee from LCRA.

#### **PAGE 19 -67 Water Supply vs Growth Charts for the Various Options**

City Manager referenced the graphs reflecting the water availability at the Bob Bryant Wells, Willow Plant and XS Ranch in comparison to the CH2MHILL Study.

The City of Austin is actively pursuing the use of their wastewater effluent. They have funded the design stage of the project and it is included in their capital plan. Their plan reflects that they anticipate on using 40% of their discharge for reuse. If the City of Austin continues on this path and implements that program we can expect on 40% of that effluent not coming down the Colorado River.

We need to consider the impact of not receiving the 40% of Austin’s water to the Alluvial well could cause the Willow plant to go out.

Mayor Pro-Tem Beal stated he had the same concern and did some research; although the City of Austin has a goal of utilizing 40% of their return flow you have to take into account they are growing at approximately 50,000 people per year and they will need more water and you will see less water to river flow of what we see today.

City Manager Talbot thought it was an important point that needed to be brought to the Council’s attention and what it could mean for our city.

Mayor inquired on Austin becoming resource limited and Mayor Pro-Tem Beal added that if they did, there would be enough water for the basic population. City Manager Talbot stated that anything beyond 40% reuse will require

TCEQ approval. That is the maximum they can withdraw. Mayor Pro-Tem Beal stated any additional percentage of use would result with lawsuits being filed because water rights will be affected and there are senior water rights.

City Manager Talbot referenced page #24 which reflected cleanup options and stated that the Council Members review at their leisure. Pages #30-31 reflected the pros and cons of the values and Mr. Dwyer's comments had been added to the supplemental.

City Manager reviewed the next few tabs, pages #32-66 and reviewed the alternative options for the Council Members to study and consider. He suggested that the Council consider scenario #2 reflected on page #47; the Water Demand Projections Report as provided by CH2MHILL. An important part of this scenario was based on conversation. Water use efficiency is an increasingly important component of our water supply and efficient water use can reduce operating costs associated with treatment, transmission and can often defer facility and water supply expansions.

In reference of page #48, City Manager added that the Water Analysis report also reflected the TCEQ Maximum Contaminant level for element for each of the well options the Council Members were considering. Mayor Orr stated that all the individual elements are being met at all of the wells. Mayor Pro-Tem Beal stated that means that all these supplies meet water standards; City Manager Talbot confirmed that we are required to meet the TCEQ standards. Mayor Orr inquired what was TDS is on our deep well and City Manager stated it was 890 – 910. Mayor added that what he was getting at is that the City is successful in meeting the requirements.

City Manager referenced page #63-64 in comparison on well production of Ingram which has 2 wells; 1 at 1,000 gallons per minute and 1 at 300 gallons per minute for 16 hours a day equals to 1,248,000 gallons per day. While XS Ranch 1 well will produce 1,500 gallons per minute for 16 hours a day equals to 1,440,000 gallons per day with a difference of 192,000 gallons per day.

At Council Member DeLaRosa request, the rate increases have been reflected on page #67. The increases are provided for fiscal year 2014-2019 for the following options, and added that in 2014 the rates were not increased.

	2016	2017	2018	2019
Option 1 XS Ranch	3.5	5.8	8.7	7.5
Option 2 XS Ranch/Ingram	4.0	5.5	8.7	7.8
Option 3 XS Ranch /LCRA	4.0	5.3	8.7	7.8

City Manager Talbot provided the City Council Member options of paying cash oppose to a debt service.

Mayor asked if they considered Option 2 could it be part of the general Fund. City Manager Talbot stated that the Council agreed to issue Certificates of Obligation to assist with this project. He added that he wanted to commend the Council Members on issuing the Certificates of Obligation because it's one of the best decision the Council has ever made.

Council Member McAnally took a moment to thank City Manager Talbot for recommending the Council issue to the Certificates of Obligation.

Mayor Orr stepped out at 7:35 pm

Mayor Pro-Tem Beal got the attention of the AQUA representatives and informed them that Council Member McAnally had made a comment they needed to hear.

Council Member McAnally advised the AQUA Representatives that the City of Bastrop would like to work with them but it's a bit late in this situation.

Mayor returned to the meeting at 7:37 pm

Council Member DeLaRosa requested City Manager Talbot revisit page #48 in efforts to provide additional clarification. He expressed concern on the limit of containments at the various wells. City Manager Talbot offered a detailed explanation of the Water Quality Analysis report.

Mayor Pro-Tem Beal stated that if Bob Bryant and Ingram go out so immediately we would need to get another supply. If XS Ranch sold water to someone else, we could go to that person or LCRA and AQUA.

City Manager Talbot stated that over the next 10 years we need to make plan to be prepared and not wait for it to happen.

Mayor Pro-Tem Beal stated that the AQUA Water Supply Corporations Engineers can quickly determine this data and they can quickly determine the costs on all of the options, you can determine if you can be part of these options. We could expand our relationships since there is a physical connection and we could be good neighbors.

AQUA Water Supply General Manager Dave McMurray assured the Council that at 8:00 am their engineers would be evaluating this information for a possible proposal.

Mayor Orr stated he thinks he understood the driving forces that the money spent and values received for water rights. He stated he did not understand Option 3 and the value of LCRA \$75,000 a year. Now do I rack that up?

Mayor Pro-Tem Beal attempted to explain that the reason you would reserve 1,000 acre-feet of water form LCRA is in case we need it. It is easier to take an existing contract with LCRA and expand it if you needed more than having nothing in place. If you want to do anything, you could do whatever you could do for the future design of the rate if the alluvial well went out. This was specifically driven to have a secured supply, and the thought process was we would have the water if the water ran out. His thought process was that they keep 1,000 acre-feet reservation in place until we reach that point.

Mayor Orr added that we would have a 3<sup>rd</sup> option, a 3<sup>rd</sup> source that we could consider with the LCRA option.

Bluebonnet Electric General Manager Mark Rose stated it was a unique thing with LCRA is that they are willing to dedicate to the City of Bastrop up to 3,000 acre-feet of water from the Sam Gideon Plant. He stated that he agreed with what Mayor Pro-Tem Beal had stated.

He continued to state that there's something really scary about all of this; what people are really not talking about is how significant Austin's water demand really is. It's not really the drought - its Austin's growth. Hearing the projections that Austin using he 142,000 acre-feet of water and by 2040 that is estimated to be at 260,000 acre-feet of water and we need to consider the impact changes. Other counties are negotiating with other sources and we need to understand it's all the same water. He added that we needed to do everything we could.

Council Member McAnally stated that we needed to drill for water too and Mayor Pro-Tem Beal added that that's what these options are.

Bluebonnet Electric General Manager Mark Rose stated that he supports XS Ranch which is a 500 foot well you may see the water table go down by 200 feet if you consider state restrictions. You need to look at the depth of the wells, the water quality and the cost per acre-foot. But the most important factor is how it affects the rate payer. AQUA has a lot of 500 foot wells, but the best wells in the county are with LCRA. The good thing is you can reserve the water with LCRA if you wanted to.

Mayor Terry Orr stated LCRA makes sense, 10 years at \$75,000 = \$750,000 and to drill a well is \$800,000. It's a pretty good and cheap insurance water policy for having access to water in our efforts to expand. He stated he struggles with the \$75,000 a year but understands that its money pretty well spent.

Council Member McAnally stated that we needed to consider the City's water needs for the next 50 years, but we can't see an unknown.

Council Member DeLaRosa expressed his concern about the costs and how this could cause a rate increase for our citizens. He reminded the Council Members that the drop date for their decision was at the City Council Meeting scheduled for April 8<sup>th</sup> or at the latest the City Council Meeting on April 22<sup>nd</sup>, 2014.

Mayor Orr stated he can't confirm that, but stated that their "Goal Date" was on April 8<sup>th</sup>, 2014.

City Manager Talbot stated that water is so precious and we need to consider and look into every option.

Council Member Jackson added that he needed to be a quick study and catch up on the issue; weighing pros and cons of the various options and he has not yet made up his mind. He has been listening to the City Manager and invited AQUA to meet with him and discuss their offer.

Council Member McAnally thanked Public Works Director Trey Job for his letter to the Council Members.

## **2. REVIEW AND DISCUSSION REGARDING THE REVISED FIVE (5) YEAR WATER/WASTEWATER CAPITAL IMPROVEMENT PROGRAM.**

**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 IN 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.**

Mayor Orr entered into Executive Session at 8:05 pm; he thanked everyone in attendance and thanked the City Council Members for their participation. He took a moment to thank City Manager Talbot for the material her presented which was pertinent to the items that needed to be addressed.

**C. THE BASTROP CITY COUNCIL WILL ADJOURN THE UTILITY WORKSHOP SESSION AND RECONVENE BACK INTO SPECIAL UTILITY MEETING AND/OR TAKE ANY ACTIONS NECESSARY RELATED TO THE SPECIAL UTILITY WORKSHOP NOTED HEREIN.**

At 8:00pm, Mayor Terry Orr reconvened back into the Special Utility Meeting. No action was taken.

**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.

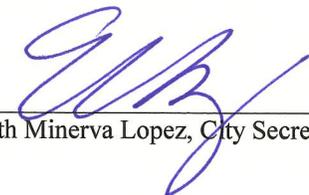
At 8:05pm, Mayor Terry Orr read the above agenda caption and convened into Executive Session.

**E. THE BASTROP CITY COUNCIL WILL RECONVENE INTO THE SPECIAL UTILITY 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 9:00 pm, Mayor Orr reconvened into the Special Utility Meeting. No action was taken.

**F. ADJOURN** - Council Member Willie DeLaRosa made the motion to adjourn the meeting. Seconded by Council Member Kay Garcia McAnally, meeting adjourned at 9:01 pm.

APPROVED:   
Terry Orr, Mayor

ATTEST:   
Elizabeth Minerva Lopez, City Secretary