



**BASTROP CITY COUNCIL  
MINUTES OF REGULAR MEETING  
April 8, 2014 at 6:15 pm**

Pursuant to the Texas Government Code, Chapter § 551, the City Council of Bastrop, Texas held a Regular Meeting on Tuesday, April 8<sup>th</sup>, 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:

1. **CALL TO ORDER** –Mayor Terry Orr called the meeting to order at 6:15 p.m. A quorum was present: Council Members Ken Kesselus, Kay Garcia McAnally, Willie De La Rosa, Dock Jackson and Mayor Pro-Tem Joe Beal.
2. **PLEDGE OF ALLEGIANCE AND INVOCATION** – Information Technology Director Andres Rosales led the Pledge and Police Chief Adcock introduced the Chaplain who lead us in prayer.
3. **PRESENTATIONS** - The Student Presentation on the Character Trait “Self-Discipline” was presented by Kacie Morriss, 4<sup>th</sup> Grade student at Red Rock Elementary School. She participates in Consumer Education, show goats with 4H, she is on the Journalism Team and enjoys reading and science. She was accompanied by her parents Kevin and Kim Morriss. The Council Members thanked her for her wonderful presentation.
4. **PROCLAMATIONS** - There were no proclamations.
5. **CITIZEN COMMENTS** – There were no public comments.
6. **ANNOUNCEMENTS** – Mayor Orr announced that there would be no City Manager’s report presented.
  - A. **CONSENT AGENDA** - All of the following items on the Consent Agenda are considered to be self-explanatory by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member(s) so request.
    - A.1 Approval of Minutes for the Special Workshop Meetings on March 18 & 22<sup>nd</sup>, 2014 and the Regular Meeting held on March 25, 2014.
    - A.2 Consideration, discussion and possible action on the SECOND READING of a proposed Ordinance of the City Council of the City of Bastrop Texas, amending the Budget for FY 2014 in accordance with existing statutory requirements; appropriating the various amounts herein; repealing all prior Ordinances and actions in conflict herewith; and providing for an effective date.
    - A.3 Consideration, Discussion and Possible Action on the SECOND READING of a proposed revision to an Ordinance of the City Council of the City of Bastrop, Texas, amending Article 1.10 “Parks” of the Code of the City of Bastrop regarding membership on the Parks Board & residency requirements related to same; providing for severance and an effective date.
    - A.4 Approval of request to accept the PUBLIC IMPROVEMENTS FOR HUNTERS CROSSING, Section Three E (17 residential lots), West of Highway 304 and South of Hunters Point Drive, +/-7.247 acres within the Hunters Crossing Subdivision in the city limits of Bastrop, Texas.
    - A.5 Approval of request to accept the PUBLIC IMPROVEMENTS FOR HUNTERS CROSSING, Section Five B (55 residential lots), West of Highway 304 and North of Hunters Point Drive, +/-11.859 acres within the Hunters Crossing Subdivision in the city limits of Bastrop, Texas.
    - A.6 Approval of the Final Plat for PECAN PARK Commercial Phase 1 consisting of 1 commercial tract being +/-2.923 acres out of a +/- 311.32 acre tract within the Nancy Blakey Survey No. 98 within the city limits of Bastrop, TX located south of Hwy 71 West.
    - A.7 Approval of Bastrop Marketing Corporation’s request for reimbursement of expenses.
    - A.8 **BOARD APPOINTMENT** by Mayor Terry Orr and confirmation by the Bastrop City Council Members on the appointment of CHERYL LONG as Place 6 Board Member to the Cemetery Advisory Board; a 3-year term to commence on April 2014 through June 2017.

Mayor Terry Orr requested a motion to approve the items on the consent agenda.

**MOTION** – Council Member Willie DeLaRosa made the motion.

**SECONDED** - Council Member Kay Garcia McAnally seconded the motion.

**MOTION PASSED** – Unanimous vote of 5-0.

**B. PUBLIC HEARINGS & ORDINANCES AND OTHER ITEMS ELIGIBLE FOR CONSIDERATION AND/OR ACTION**

**B.1 PUBLIC HEARING: CONSIDERATION, DISCUSSION AND POSSIBLE ACTION ON A REQUEST FOR A CONDITIONAL USE PERMIT (CUP) TO ALLOW A BED AND BREAKFAST AT 605 WATER STREET BEING +/- 0.3030 ACRES BUILDING BLOCK 5, EAST OF WATER STREET AN AREA ZONED SF-7, SINGLE FAMILY RESIDENTIAL LOCATED WITHIN THE CITY LIMITS OF THE CITY OF BASTROP, TEXAS.**

Mayor Terry Orr opened the public hearing at 6:27 pm.

Planning and Development Director Melissa McCollum provided a brief insight to the City Council Members on the request for a conditional permit to allow a Bed & Breakfast at 605 Water Street. She noted that the property owner was present in the event they had any questions.

Mayor invited public comments and with no response he closed the public hearing at 6:30 pm.

**B.2 CONSIDERATION, DISCUSSION AND POSSIBLE ACTION ON THE FIRST READING OF A PROPOSED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS TO GRANT A CONDITIONAL USE PERMIT TO ALLOW A BED AND BREAKFAST AT 605 WATER STREET BEING +/- 0.3030 ACRES BUILDING BLOCK 5, EAST OF WATER STREET AN AREA ZONED SF-7, SINGLE FAMILY RESIDENTIAL LOCATED WITHIN THE CITY LIMITS OF THE CITY OF BASTROP, TEXAS; SETTING OUT CONDITIONS; AND PROVIDING AN EFFECTIVE DATE.**

Council Member Kay Garcia McAnally stated she was delighted to have another Bed & Breakfast here in Bastrop - This is exactly what a small town needs. Mayor Orr echoed Council Members McAnally's comment.

Council Member Willie DeLaRosa and Kay McAnally extended a warm welcome the owner of the Southside Bar-B-Q who was in attendance.

Mayor Terry Orr requested a motion to approve the FIRST READING.

**MOTION** – Mayor Pro-Tem Joe Beal made the motion to approve the First Reading and requested that the Second Reading be added to the Consent Agenda.

**SECONDED** - Council Member Kay Garcia McAnally seconded the motion.

**MOTION PASSED** – Unanimous vote of 5-0.

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**EXECUTIVE SESSION:** *The Council reserves the right to convene into Executive Session at any time during the meeting regarding any agenda item. In compliance with the Open Meetings Act, Ch.551 Government Code, Vernon's Texas Code, Annotated, the item below will be discussed in closed session.*

1. SECTION 551.071 – Consultations with Attorney related to legal matters

At 6:33 pm, Mayor Orr entered into Executive Session as recommended by City Manager Talbot.

At 7:19 pm, Mayor reconvened the meeting into open session.

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**C. OLD BUSINESS – None.**

**D. NEW BUSINESS**

**D.1 CONSIDERATION & DISCUSSION AND POSSIBLE ACTION ON THE APPROVAL OF A RESOLUTION BY THE CITY COUNCIL OF BASTROP TEXAS RELATED TO FUTURE ACTIONS BY THE CITY TO ACQUIRE ADDITIONAL GROUNDWATER SUPPLIES FOR LONG TERM AND SHORT TERM NEEDS.**

City Manager Talbot noted that 30 minutes prior to start of the meeting he had received a letter and proposal from AQUA Water Supply Corporation that he presented to the Council.

City Manager continued with the review of report provided to the City Council Members on the water options in efforts to offer clarification of the issues.

The City Manager stated he was using the calculations referenced at the last City Council Meeting and verified the costs per acre-foot on the options presented before them. He referenced Page 6 was a revised summary, which reflected the cost for infrastructure in a 5 year plan that reflects the costs for each of the options.

City Manager Talbot stated that the difference between Options 1 and Option 2 is 1,600 acre-feet. To compare them equally, you could take the cost per foot - \$682 per acre-foot (Option 2) and multiply by the 1,600 acre-feet which equals to \$1,091,000. This would be added to Option 2 or could be subtracted from Option 1 to develop the equal cost of the project with acre feet.

City Manager Talbot noted this was the point Mayor had tried to make at the last meeting.

City Manager referenced Page 8, a comparison of XS Ranch Options 1, 2, and 3 that included a minor adjustment to the rate increase. He continued to review and offer insight on Page 9 Ingram Plan water supply VS growth, Page 10A is a combination of one of the options, Ingram/XS Ranch. He stated that if we selected Option 3 as reflected on page 10A the revised rate increase that reflects the difference between Option 1 and Option 2 which would could do with the issuance the of bonds. We could proceed with both projects; however we would need to obtain permits and secure them with the Ground Water District. He stressed the importance of obtaining the permits to avoid the water limitations which are dependent on spacing requirements on other permits within the area.

City Manager added that the site has potential and it will be based on the decision the Council decides this evening.

After City Manager's in-depth review of the report of the various options, Council Member Jackson commended City Manager Talbot on providing the detailed information in a simplified format.

Mayor Pro-Tem Beal welcomed Professional Engineer Perry Steger, who spoke on behalf of AQUA Water Supply Corporation. He stated an agreement between the City and AQUA would be beneficial for both parties. AQUA supplies water for over 50,000 citizens in the Bastrop County area. They spend approximately \$6,000,000 in year to maintain infrastructure and expansion. They have provided a long-term water supply over the last 20 years and they have never had a moratorium or a water supply shortage. AQUA provides highly treated water; we are currently providing approximately 80,000,000 gallons a day. He asked the Council Members that if there was an opportunity he would like to reiterate information outlined on the second page of their proposal which indicates their continual efforts to updates to their Capital Improvement Plans for infrastructure, the ability to provide water to meet long term water needs, their request to build a better partnership with the City of Bastrop. He added that this collaboration would be at no risk to the City and stated that the City could apply funds on other projects.

Mr. Steger stated that AQUA has a surplus capacity and they can work a deal to allocate the elevated water storage capacity to the City at a wholesale rate, which will include the costs for chemicals. The City should consider that this is the least expensive option. What's in it for AQUA – A shared economy.

Mayor Orr stated that he has spoken to a number of citizens of Bastrop and it is important for the City to own their own water rights. Other criteria to consider are that studies that have been made on the projects of our future water requirements. We need to consider our water need 30 – 40 years out along with the need for added reserves. Mayor Orr and Council Members thanked Mr. Steger for addressing the Council and offering insight on AQUA's proposal.

Mayor Orr invited questions and comments to the City Manager's presentation.

Mayor stated that there has been a lot of information presented that needs to be taken into consideration. He added that the Council could set the path to have our own water rights which will help meet our future needs for water. He added that the City needs a minimal of 4,000 acre-feet of water but our future growth reflects 6,000 acre-feet of water therefore we need to make the expense that going to get the City the most water and the least expensive price. Owning our own water rights will create a path for future Council Members and it is a valuable option to pass on to our citizens and future citizens of Bastrop.

Mayor Pro-Tem Beal stated that he agreed with the Mayor's statement 100%.

**MOTION** Mayor Pro-Tem Beal MADE A MOTION that the Council select Option 3 and enter into a purchase agreement with XS Ranch to immediately acquire 3,000 acre-feet of water for \$2,000,000 and enter into a process where the City may be in a position to purchase an additional 3,000 acre-feet of water from XS Ranch, and lastly as an insurance policy he requested to add 1,000 acre-feet with LCRA. Additionally, to construct and connect our system to Ingram well; project to begin no later than April 16 and be accomplished by the goal date of June 1<sup>st</sup>, 2015.

He instructed the City Manager to continue work with XS Ranch to modify the language on the contract.

Council Members DeLaRosa and McAnally asked if the City Manager was going to be allowed to make his recommendation.

Council Member Jackson courteously reminded the Council there was a motion on the floor.

Council Member asked Mayor Orr how he would like to proceed.

Mayor Orr stated he wanted every Council Member to voice their opinion.

Mayor Pro-Tem Beal noted that he had made a motion and given the fact the Council has had numerous meetings on this subject, he felt comfortable to make the motion and he did not need the City Managers recommendation because Talbot had already offered the Council three options to consider.

Council Member Kesselus asked the Mayor if there needed to be a discussion followed by a motion or vice versa.

**SECOND** Council Member Kesselus SECONDED THE MOTION.

In response to the Mayor invitation to discuss the item at hand, the Council Members held a thorough discussion which was followed by Council Member Jackson's recommendation to call for a vote and move forward.

Mayor Pro-Tem Beal – Yay  
Council Member Kesselus – Yay  
Council Member DeLaRosa – Nay  
Council Member McAnally – Nay  
Council Member Jackson – Nay

**MOTION FAILED – Yay – 2    Nay – 3**

Mayor Orr invited discussion and asked if anyone cared to address the City Manager.

Council Member DeLaRosa stated he was under the impression they were going to hear the City Manager's recommendation and the Council Members would consider and take action on.

Council Member Jackson and McAnally requested to hear the City Managers recommendation. Council Member McAnally stated she values the City Manager's recommendation.

City Manager Talbot stated that many hours and days had been spent going through reports, proposals, and archived information to prepare the recommendation on an option that best meets our needs. The time has come to lay a solid foundation that provides the water for our City to grow and that we can properly manage and imposed fair rates for our customer base. Based on the 3 Options, he recommended Option 1 based in part of the CH2MHILL report and it is the most cost effective option over the long-term.

Mayor Orr reiterated City Manager Talbot's recommendation of Option 1.

Mayor Pro-Tem Beal asked the City Manager which of the three options causes the highest rate increase for the citizens of Bastrop.

City Manager Talbot responded that it would be Option 1; however the rate would level out because of the reduction in price we would receive as a result of the additional 3,000 acre-feet of water. City Manager Talbot noted that Option 1 would have an increase of 10.6%; Option 2 would have an increase of 7.8% and Option 3 would have an increase of 9.8%.

City Manager Talbot offered additional explanation and stated that if you compared Option 1 to Option 2, Option 1 would provide you additional 1,600 acre-feet of water for a total of 6,000 acre-feet of water as outlined by CH2MHILL's report to meet our City's future needs. It would cost an additional \$1,000,000 to add the additional acre-feet of water into Option 2 and that cost is not reflected in the total cost. City Manager requested that the Council Members reference Page 7 in efforts to compare them.

Mayor Pro-Tem Beal noted that Option 2 would allow 4,500 acre-feet of water and we were not short any amount of water.

Council Member McAnally stated she did not agree on paying LCRA \$75,000 a year of water they may not use.

Council Member DeLaRosa echoed Council Member McAnally's statement and added that owning our own water rights was important to the City controlling its water. He added that he did not have a problem with the City Manager's recommendation.

Council Member Kesselus called the Council's attention to page 5 and stated the Option 2 would be the least expensive option.

City Manager Talbot confirmed that Option 2 would be the least expensive, followed by Option 3 then by Option 1. However, the difference was 6,000 acre-feet of water, which is the golden mark set forth by CH2MHILL.

Mayor Pro-Tem Beal stated the Council did not set the goal of 6,000 acre-feet of new water, which will give us a total of 8,000 acre-feet of water. We are currently averaging 1,800 acre-feet of water; our goal was to get a total of 6,000 acre-feet of water. He noted that he needed to take a hard position in this and stated the Council could wait 20 years to then make the purchase of additional water rights to meet their needs at that time.

City Manager Talbot stated he did not disagree with Mayor-Pro Tem Beal he added clarification that in their public assessment process there are things happening upstream that can impact what happens downstream that could impact our production of water. Mayor Pro-Tem Beal stated that this information differed from information provided to the Council a week ago.

Council Member McAnally intervened and stated that people in Bastrop County are practical people that do not want to do business with LCRA.

Council Member Kesselus clarified the recent vote and asked if they were discussing Option 1 or Option 2; he added that he "*personally did not agree in putting all our eggs into one basket...we have to*

*spread it around.*" He asked the Council to consider that Option 2 was the least expensive and it more flexible and we can accomplish it quicker as opposed to the other options.

Council Member McAnally inquired if we were able to offer earnest money to extend our decision time for 6 months until November 1, 2014; so the Council doesn't have to vote on the Ingram well right now.

Mayor Orr requested the Council's attention to point out the Option reflected on Page 10A; the combination of Option 1 and Option 2 and noted it would be the most expensive to implement.

City Manager Talbot noted that the Option reflected on Page 10A is the most expensive plan to implement because there are permit applications being filed every day at the Ground Water District. For example, with the purchase of a property you have a level of water rights, however if someone else were to drill a water well into their nearby property first; then the Ground Water District spacing requirements can dictate how much water you entitled too which may be less that you originally anticipated.

City Manager suggested that to augment that scenario, we would need to implement a minimum number of wells as quickly as possible which as a result would increase the cost as reflected in Option 1. He added that purchasing a tract a land and waiting 20-40 years to place wells in may significantly reduce the amount of water the City is entitled too.

Council Member Kesselus stated that Option 2 was the cheapest option and added that owning water rights was like owning land – It is a terrible time to be digging wells.

**MOTION** COUNCIL MEMBER KESSELUS MADE A MOTION TO SELECT OPTION 2.

Council Member DeLaRosa asked if the City could afford this option, can we afford both options.

**SECOND** Mayor Pro-Tem Beal SECONDED THE MOTION TO SELCTION OPTION 2.

Mayor Orr confirmed the motion, the second and invited discussion and comments.

Council Member Kesselus noted he did think they could afford it.

Council Member DeLaRosa responded that he was under the impression selecting two options was too costly.

**AMENDED MOTION** - COUNCIL MEMBER KESSELUS NOTED THAT HE WANTED TO AMEND HIS MOTION TO INCLUDE 3,000 ACRE-FEET OF WATER FROM XS RANCH TO SELECTION OF OPTION 2.

**SECOND** MAYOR PRO-TEM BEAL SECONDED THE REVISED MOTION TO INCLUDE 3,000 ACRE-FEET OF WATER FROM XS RANCH ALONG WITH THE SELCTION OF OPTION 2.

The Council Members held a concentrated discussion at which time Council Member Jackson suggested to request a vote on the motion.

Mayor Pro-Tem Beal – Yay  
Council Member Kesselus – Yay  
Council Member DeLaRosa – Nay  
Council Member McAnally – Nay  
Council Member Jackson – Nay

**MOTION FAILED – Yay – 2 Nay – 3**

**MOTION** COUNCIL MEMBER JACKSON MADE A MOTION TO SELECT OPTION 1 WITH THE ADDITION OF 3,000 ACRE-FEET OF WATER AND TO INCLUDE DRILLING OF WATER WELLS.

Mayor Pro-Tem Beal stated this was not the best option for the City of Bastrop and if approved it is a mistake.

Council Member Kesselus voted No; he stated the other options are better.

Mayor Terry Orr stated he preferred Option 3 and stated that the Council could make a decision tonight.

Council Member Jackson stated that he respects the City Manager and he concurs with his recommendation.

**SECOND** Council Member McAnally **SECONDED THE MOTION** made by Council Member Jackson.

Mayor Orr requested a vote.

Council Member Jackson – Yay  
Council Member McAnally – Yay  
Council Member DeLaRosa – Yay  
Mayor Pro-Tem Beal – Nay  
Council Member Kesselus – Nay

**MOTION PASSED** – A majority vote of 3-2; Yay – Jackson, Garcia-McAnally, DeLaRosa  
Nay – Beal & Kesselus

Mayor Orr stood up and walked up to the City Manager and each Council Member to congratulate them on their decision.

At 9:00 pm, Mayor Orr adjourned the meeting for a 10 minute break.

At 9:14 pm, Mayor Orr called the meeting to order and proceeded to Agenda Item D-2.

**D.2 CONSIDERATION, DISCUSSION AND POSSIBLE ACTION ON ACCEPTANCE OF THE UNAUDITED MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING OF FEBRUARY 28, 2014.**

Chief Financial Officer addressed the Council and requested their consideration and approval of the above agenda item.

Mayor Terry Orr invited questions and comments; with no response he requested a motion.

**MOTION** – Mayor Pro-Tem Joe Beal made the motion.

**SECONDED** – Council Member Ken Kesselus seconded the motion.

**MOTION PASSED** – Unanimous vote of 5-0

**D.3 CONSIDERATION & DISCUSSION AND POSSIBLE ACTION ON THE FIRST READING TO AMENDING ORDINANCE IN THE CITY CODE APPENDIX A: FEE SCHEDULE; ARTICLE A4.10 VEHICLE TOWING.**

Police Chief Adcock requested the Council's consideration to approve the First Reading of an amendment to an ordinance that would include the correct fee schedule with regard to vehicle towing.

Mayor Terry Orr invited questions and comments; with no response he requested a motion.

**MOTION** – Council Member Dock Jackson made the motion.

**SECONDED** – Council Member Willie DeLaRosa seconded the motion.

**MOTION PASSED** – Unanimous vote of 5-0

**D.4 CONSIDERATION, DISCUSSION, POSSIBLE ACTION AND UPDATE ON CAMP SWIFT JOINT LAND USE STUDY (JLUS) PROCESS AND POLICY COMMITTEE INVITEES.**

Planning and Development Director Melissa McCollum advised the Council that the City of Bastrop issued an RFT for Camp Swift JLUS Project and she recommended that the City of Bastrop take the lead on this collaborative effort that involves a variety of stakeholders, i.e., local elected officials from the County and Cities of Elgin & Bastrop, Planning Commissioners, Camp Swift Command staff, Community Business Leaders, Community Representatives, Land Owners, Natural Resources and Agricultural Groups, and the Development Community. Several Public Meetings should be held throughout the study so that the public can have an opportunity to learn about the project and voice their opinion.

Mayor Orr requested that Planning and Development Director Melissa McCollum prepare a written recommendation for Council's approval. He added that he would like to have the Council's blessing to take action on the initiative of this project. Mayor Orr added that if the City of Bastrop was the initiator of the Joint Land Use Study; then letters of invitation be sent on his behalf to the Mayors and the County Representatives. He requested that City Manager Talbot and the City Council Members be carbon copied on the letters.

City Manager Talbot requested to have Mrs. McCollum return to represent this item at the next City Council Meeting.

#### CITY MANAGER'S EVALUATION

Council Member Willie DeLaRosa stated that the discussions on the water issue have been a long process therefore he requested to address the City Manager's Evaluation. He would like to begin by addressing that he appreciates the effort taken by City Manager Talbot. He stated that the City Manager is on contract for two-years and he requested the Council support in extending his contract. Council Member McAnally echoed the comment and added her appreciation for City Attorney JC Brown.

#### **E. EXECUTIVE SESSION**

E.1 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 551.071(1)(A) & SECTION 551.071(2)** – Consultation with Attorney concerning: (1) potential, pending, threatened, and/or contemplated litigation or claims, including but not limited to **“Pine Forest Investments Group, LLC v The City of Bastrop, et al, cause No. 29,052, In the 21<sup>st</sup> Judicial District Court of Bastrop County, Texas,”** and/or (2) matter upon which the Attorney has a duty and/or responsibility to report to the governmental body, concerning same, and/or any other matters posted on the agenda.
2. **SECTION 551.072** – Deliberation regarding real property: Regarding the purchase, exchange, lease, disposition, or value of real property.
3. **SECTION 551.074** – Personnel Matters
4. **SECTION 551.086**- Certain Public Utilities: (1) Competitive Matters, (2) legal advice, (3) real property and (4) economic development

E.2 The Bastrop City Council will reconvene into open session to discuss, consider and/or take any actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

No executive session held.

**F. ADJOURN – Mayor Orr requested a motion to adjourn the meeting; Council Member Willie DeLaRosa made the motion to adjourn, Seconded by Council Member Kay Garcia McAnally. Meeting adjourned by unanimous vote at 9:30 pm. Vote 4-1 (Yay – DeLaRosa, McAnally, Kesselus and Jackson Nay – Beal, He made the vote in a jovial tone of voice.)**

APPROVED: \_\_\_\_\_

Terry Orr, Mayor

ATTEST: \_\_\_\_\_

Elizabeth Minerva Lopez, City Secretary