

NOTICE OF SPECIAL UTILITY WORKSHOP MEETING

Bastrop City Council
January 15, 2013 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 15, 2013 at 6:15 p.m. at the Bastrop City Hall Council Chambers, 1311 Chestnut Street, Bastrop, Texas to consider the following matters:

- A. Call to Order.
- B. UTILITY WORKSHOP SESSION – The Bastrop City Council will convene into a Utility Workshop Session to:
 - 1. Review and discussion regarding a Presentation by Schneider Engineering to purchase a certain percentage of the City Wholesale Power Supply through Power Supply Aggregation Group.
 - 2. Discuss and evaluate any and all matters related to the City's utilities, specifically current and future provision of water/wastewater and electric service to the citizens of the City and in the extraterritorial jurisdiction, including but not limited to the protection and preservation of future water and electric sources, operations, competitive matters, potential upgrades, planning and the resolution of utility issues, as they arise.
- C. The Bastrop City Council will adjourn the Utility Workshop Session and reconvene into Special Session.
- D. Adjourn

Teresa Valdez
Teresa Valdez, City Secretary

I, Teresa Valdez, City Secretary of the City of Bastrop certify that the
above notice was posted on January 11, 2013 at 2:30 p.m.

**THE CITY OF BASTROP IS COMMITTED TO COMPLIANCE WITH THE AMERICANS
WITH DISABILITIES ACT. REASONABLE MODIFICATIONS AND EQUAL ACCESS TO
COMMUNICATIONS WILL BE PROVIDED UPON REQUEST. PLEASE CALL 512-332-8811.**

Confirm time posted TC
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PROPOSED VISION FOR MANAGEMENT OF CITY UTILITIES

1. Basic Operating Values

- a. Operate city utilities as prosperous and competitive businesses run for the benefit of our citizens.
- b. Insure that we keep our infrastructures in first-rate condition, with regular physical and fiscal audits to verify this.
- c. Borrow long term money to pay for capital projects in order to pass the cost along to future users as well as present users.
- d. Maintain forward-thinking about future needs for infrastructure by defining long term risks to each utility system within appropriate time frames (water and electric supply – 30 years; collection and distribution systems – 5 years) and prioritize actions to mitigate the risks considering financial realities.
- e. Pay competitive salaries with other neighboring cities for all employees in department, especially highest skilled line workers and water/wastewater operators.

2. Initiatives

- a. Switch to AMR meters:
 - i. Develop financial model for decision making in regard to employing AMR meters
 - ii. Meter Readers
 1. Decide how many meter readers we will lose if we change.
 2. Consider several months' lead time and inform all meter readers that their jobs are being eliminated.
 3. Provide assistance from HR for meter readers as they seek other employment.
 4. If possible, give meter readers preference in hiring for openings.
 - iii. Plan for billing transition that will minimize disruptions caused by shifting from our current staggered meter reading cycles to a single cycle.
- b. Cooperation with other area utilities
Since the City of Bastrop is surrounded by other utilities, in order to create an effective business plan, we will conduct a rigorous analysis:
 - i. to list and describe all associations we have with other utilities (e.g. waste/water agreement with WCID #2, water service areas agreement with WCID #2, contract with LCRA to run our share of the Bastrop electric substation and do other work for us
 - ii. to list and describe all possibilities of other associations we may develop as a result of past actions (e.g. The Colony MUD, expected MUDS in XS Ranch, overlapping potential in our ETJ – such as Tahitian and AQUA water services, LCRA waste water services)
 - iii. to determine the cost effectiveness of the arrangements in the two categories listed above (continued with iv. next page)

- iv. to investigate possibilities and advisability for the benefit of Bastrop citizens for us to seek or accept, in short or long range terms, arrangements for providing services for or receiving services from other utilities – e.g. WCID, AQUA, LCRA, Bluebonnet Electric Cooperative, existing or future MUDS. (One such arrangement we have talked about is having a link with AQUA so we would have the potential to buy water from them if it is cost effective or to do so in the event of an emergency water shortage.)

- c. Billing

- i. Fix the problem caused by off-set LCRA billing and our billing cycle by a to-be-determined date, so that we will charge customers for what they use at a set rate.

- d. Assistant City Manager

- i. Cooperate with budgets for the Water and Wastewater Department and the General Fund, to hire an executive level administrator to work under the City Manager's Direction to manage BP&L, Water and Wastewater, and Public Works.

3. Bastrop Power and Light

- a. Rate Fairness for BP&L customers

- i. Bluebonnet Electric Cooperative members who live/do business within the city limits pay a 3% fee to the City of Bastrop. That same 3% fee shall be paid by the customers of BP&L; ie., determine break-even cost to provide electricity to BP&L customers and charge them a 3% fee, the proceeds of which will go to the city's general fund. Reduction from the current fee percentage will be reduced to the 3% level over a five year period, stepwise.
 - ii. Begin to make payments to social service agencies from the city's general fund.

4. Water Department

- a. Our top priority is to make a decision about future water supply immediately after well testing is finished. Staff will provide information for the council to make a decision by the next utility meeting after testing is completed.

5. Wastewater Department

- a. We will develop an updated master plan for wastewater treatment, considering agreements in place.