



City of Llano
Regular Called City Council Minutes
November 29, 2012 – 5:30 p.m.

A. CALL TO ORDER

Mayor Reagor called the meeting to order at 5:30 p.m. Those in attendance were Mayor Pro-Tem Hazel, Alderwoman Simpson, Alderwoman Tudyk, and Alderman McLeod. Alderwoman Puryear was absent

B. CALL TO ORDER

C. WORKSHOP AGENDA ITEMS

1. Discussion regarding the consideration of amending the sewer plant permit to allow discharge.

Mayor Mike Reagor/Lynda Kuder, Interim City Manager/Director of Finance

Mayor Reagor began the discussion with an explanation of permitting to allow discharge into the Llano River. Currently the City is using the lagoons to hold water, but the City has until 2014 to either line the ponds with leak detection or make an application with TCEQ to discharge into the River. To reline the ponds would cost the City approximately \$3,000,000.00, and to amend the sewer plant permit to allow discharge would cost the City approximately \$500,000.00. Acquiring the permit for discharge would be easier if we were not in a drought. Alderman Hazel expressed concerns about medical waste in the system. Chen Lee, with Hejl, Lee Engineering advises that a pre-treatment would be required if medical waste were to be put into the system which would require notification to TCEQ. Mayor Reagor stated the stream modeling would or could be done by LCRA. Chen Lee advises the City is currently permitted as a Class 1 type effluent. Mayor Reagor asked if we amend the discharge permit at the sewer plant, would the City need the ponds. Chen Lee advises no. Mayor Reagor believes 100% discharge is the way to go. Chen Lee advises it will be critical for the City to ask LCRA to do the modeling. Chen Lee stated the City could use the ponds as an emergency stock pond on a temporary basis. Mike Hazel has concerns about the ponds in the future having to be lined again. Josh Becker advises that in the future the City could cover up the ponds provided TCEQ allowed for it and if a reclaim plan was already in place it would help. Mayor Reagor advises to continue to irrigate. Mr. Chen Lee also stated the pond would serve better than a water tank or ground storage tank. Ms. Tudyk asked if the permitting process would get any easier in the years to come. Mr. Becker stated the permitting might get easier but the discharging would get harder in his opinion. The City is permitted as a Class II, meeting the requirements of the State; however, the City is almost meeting the requirements of a Class I and an expansion would not be needed for a while. Ms. Simpson asked if any research had been done on endangered species. Mr. Chen Lee advises yes, however, one mile downstream property owners would have to be notified. According to TCEQ, they are not aware of any endangered species but that would be included in their permitting process. Ms. Simpson stated we need the discharge permit but not necessarily have to discharge. Mr. Becker stated you must show TCEQ where you are going to store the discharge. For discussion only, no formal action taken.

2. Discussion regarding the financing of modifications to the main lift station, as well as, repairs to the valves at the water plant.

Mayor Mike Reagor/Lynda Kuder, Interim City Manager/Director of Finance

Discussion was held regarding the financing of modifications to the main lift station and repairs to the valves at the water plant.

Lift Station: As budgeted, the principal of \$60,000 for a five year term would run \$10,631 annual debt. As bid out, the finance improvements to the Main Lift Station would run a total of \$97,143 (includes the concrete, installation, and engineering) with an annual debt of \$21,468.

The replacement of water plant valves as budgeted would run \$50,000 in principal on a five year term of 5 years, would have an annual debt of \$13,289. As bid out, the replacement of water plant valves would run \$31,036 (including valves and fittings, and line stop) with an annual debt of \$6,859. The total capital outlay for the improvements to the Main Lift Station and the water plant valves as budgeted would run \$110,000 with an annual debt of \$23,920. If bid out, the capital outlay for the improvements to the Main Lift Station and the water plant valves would run \$128,179, with an annual debt of \$28,327. These costs could be paid back @ 4% over a five year period. The consensus was to repay our reserves over the next five years. Mayor Reagor requested "no interest". For discussion only, no formal action taken.

3. Discussion regarding charging water customers a base rate associated with their meter size.

Mayor Mike Reagor/Lynda Kuder, Interim City Manager/Director of Finance

Interim City Manager, Lynda Kuder led the discussion regarding charging water customers a base rate associated with their meter size. FY 2013 budgeted water revenue of \$956,533 is based on the amended rates and water sales of 200,000,000 gallons. Council is asked to consider increasing the base rate for water meters larger than ¾ inch. The American Water Works Association Principles of Water Supply Practices discusses distributing costs to customer in proportion to the investment in meters and services for each customer. They establish a factor to relate the costs of meters and services for 5/8 inch meters to larger sized meters. By increasing the base rate for customers with larger meters, the associated costs are distributed more fairly to our customers and additional revenues can be generated without affecting customers who use very modest amounts of water. Both Burnet and Marble Falls have adopted this type of rate structure for larger meters. The school district is the City's only 3 inch meter and the only 6 inch meter customer is the law enforcement center. After a brief discussion, it was suggested changing the base rate on the 1 inch meter size or the 1 ½ inch meter leaving the residential and commercial rate the same. For discussion only, no formal action taken.

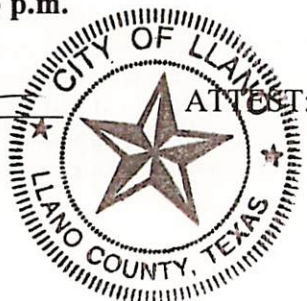
4. Discussion regarding the Code of Ordinances Chapter 102, Article II, Water, Sewer and Electric Tap Charges and its provision for customers outside the corporate limits of Llano.

Mayor Mike Reagor/Lynda Kuder, Interim City Manager/Director of Finance

Interim City Manager, Lynda Kuder lead the discussion regarding the Water, Sewer, and Electric tap charges and it's provision for customers outside the city limits. Discussion was held regarding whether to extend water service to customers outside of the corporate limits of Llano without being annexed. Council discussed no taps be provided without Council approving first and to look at it on a case by case basis. For discussion only, no formal action taken.

D. ADJOURNMENT 6:55 p.m.

Mike Reagor
Mike Reagor, Mayor



Toni Milam
Toni Milam, City Secretary