



Expanding Horizons

CITY OF CONVERSE
CITY ADMINISTRATION

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**MINUTES
CITY OF CONVERSE CITY COUNCIL SPECIAL CALLED MEETING
JANUARY 26, 2012**

The City Council of the City of Converse met in a regular meeting at the Converse Municipal Complex Thursday, January 26, 2012 at 7:00 PM to discuss the following:

1. Call to Order.

Mayor Suarez called the meeting to order at 7:02 PM.

2. Roll Call and Recognition of Visitors.

Mayor Al Suarez
Councilwoman Kathy Richel, Place 1
Councilman Randy Pannell, Place 4
Ms. Shawna Dowell, City Manager
Mr. Ray Ortiz, City Attorney

Mayor Pro Tem, Grant Lopez, Place 2
Councilman Andy Selko, Place 3
Councilwoman Laura Beehler, Place 5
Ms. Jackie Gaines, Acting City Secretary

A quorum was present. Mayor Suarez received a call from Mayor Pro Tem Lopez stating he will be late to the meeting. Mayor Suarez excused Councilman Brown from the meeting. Mayor Pro Tem Lopez arrived at 7:10 P.M. Councilwoman Richel arrived at 7:29 P.M.

3. Consent Agenda:

A. Action to Approve Minutes for City Council Meeting January 3, 2012.

Councilman Pannell made a motion to approve Item 5A. Councilwoman Beehler seconded the motion. The motion passed unanimously.

4. Citizens to be Heard: This time is provided for Citizens to address City Council on any issues and concerns. No City Council discussion or action can be taken if the item is not on the Agenda. Please limit your remarks to three (3) minutes and state your name and address for the record.

No citizens signed up to speak.

5. Public Hearing:

A. The City of Converse is Considering a Request for adding and changing zoning classifications to Section 50-275, B2 Retail District Zoning. The addition to B-2 will be "Fitness Centers". Also, Automobile Sales and Service and Motorcycle Sales and Service will be reclassified from Section 50-238, B-4 Special Commercial Districts to Section 50-275, B-2 Retail District.

Mayor Suarez opened the Public Hearing at 7:04 P.M.

Ms. Dowell stated at the last Planning and Zoning Meeting, a request was made to remove the Automotive Sales and Service and Motorcycle Sales and Service reclassification from the Public Hearing. Staff recommends the same.

Mayor Suarez closed the Public Hearing at 7:06 P.M.

6. New Business

A. **Discussion and Appropriate Action on a Request to Amend the City of Converse Code of Ordinances Chapter 50-Zoning, Article IV, Districts and District Regulations, Division 7 B-2 Retail Market, Section 50-275, Use Regulations, Adding Fitness Centers. (First Reading) (Assistant City Manager)**

Mr. Quintanilla reported the Zoning Ordinance currently written does not include zoning regulations for Fitness Centers and recommended approval.

Councilman Pannell made a motion to incorporate Fitness Centers to Section 50-275 (61) under the Use Regulations of B-2 Retail District. Councilwoman Beehler seconded the motion. The motion passed unanimously.

Mayor Pro Tem Lopez was present to vote. Councilwoman Richel not present at time of vote.

B. **Discussion and Appropriate Action to Approve a Contract for Financial Management Software and Related Contractual Services. (City Attorney) (City Manager)**

Mr. Ortiz had clarified definitions, the warranty and the terms and conditions of the contract; making sure the exhibits were appropriately identified and attached. The company met our requirements and recommend approval.

Ms. Dowell added this is a ratified the decision from the original Council approval; the dollar amount remains the same.

Councilman Selko made a motion to approve the ratified contract and asked for a roll call vote. Mayor Pro Tem Lopez seconded the motion. The motion passed unanimously with the votes of Selko, Pannell, Lopez, Beehler and Suarez. Councilwoman Richel not present at time of vote.

C. **Discussion and Appropriate Action on a Contract with the San Antonio River Authority (SARA) to provide reuse water to the City of Converse. (City Manager)**

Mr. Robert Jenkins, Project Manager for the San Antonio River Authority, gave a briefing on the overall scope of the Salatrillo Reuse Project. The project is in partnership with the Alamo Community College District and the City of Universal City to provide reuse water from the waste water treatment plant that has been treated and disinfected to meet TCEQ criteria. City of Universal City uses the treated water for ball-field irrigation and the ACCD uses the treated water for cleaning their towers. The original demands and estimated cost, without the City of Converse, consumes 447 acre feet per year with a combined cost to City of Universal City

and the ACCD of \$4.586M. The demands and estimated cost for the City of Converse to participate is an additional 225 acre feet per year with a cost to the City of Converse of \$2,203M.

Ms. Dowell presented the Council with three options on a full scope water reuse program that included a SWOT analysis of each. The SARA easement has narrowed and they will not allow the City room to expand unless we join their project. Having reuse water to Judson High School and Ingram Ready Mix, two of our potentially highest users, is beneficial to the City. We could construct a line going to Ingram Ready Mix that currently has approximately 60 acre feet per year of potable use. The goal would be to transfer the potable water to non-potable water. Judson ISD currently uses an estimate consumption of 30 acre feet per year of non-potable water.

Option I-Participate with SARA and share the easement, the water lines and the cost.

Option II-To purchase approximately 90 acre feet per year.

Option III- To lease approximately 90 acre feet per year.

In closing, Ms. Dowell stated the SARA project would not be cost efficient and staff's recommendation is not to move forward with the SARA contract. Ms. Dowell also asked the Council to consider how to proceed in the future with the current water reuse project.

* Attached is the nine page Water Reuse Analysis Presentation with the SWAT analysis.

Mayor Pro Tem Lopez made a motion to disapprove the SARA contract. Councilman Pannell second the motion. The motion passed unanimously to disapprove. Councilwoman Richel was present to vote.

D. Discussion and Appropriate Action to Approve a Contract for the Installation of Point to Point Wireless System. (City Manager)

Mr. Ortiz submitted revised provisions to LAN-COMM Technologies, Inc. from their original contract and asked Council to table the item until the February 7, 2012 meeting in order to give LAN-COMM time to review the revisions.

Councilman Pannell made a motion to table item 6D. Mayor Pro Tem Lopez seconded the motion. The motion passed unanimously.

7. Executive Session:

A. Executive Session in Accordance with the Texas Open Meetings Act § 551.071. CONSULTATION WITH CITY ATTORNEY; CLOSED MEETING. Consult with the City Attorney to Discuss ADSLED INC., Project. (Mayor Suarez) (City Attorney)

Mayor Suarez called for a recess at 8:25 P.M.

Executive Session 7A opened at 8:35 P.M. Executive Session 7A closed at 8:48 P.M.

8. Reconvene To Open Session:

A. Discussion and Appropriate Action in Accordance with the Texas Open Meetings Act § 551.071. CONSULTATION WITH CITY ATTORNEY; CLOSED MEETING. Consult with the City Attorney to Discuss ADSLED INC., Project. (Mayor Suarez) (City Attorney)

Mayor Suarez reconvened the meeting at 8:50 PM.

Councilman Selko made a motion to accept the parameters as stated in Executive Session. Mayor Pro Tem Lopez seconded the motion. The motion passed unanimously.

9. Adjournment:

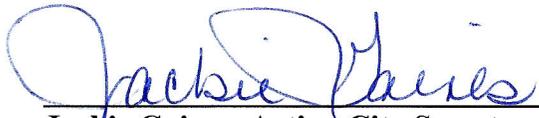
Mayor Suarez adjourned the meeting at 8:51 P.M.

Passed and Approved this 21st Day of February, 2012



Mayor Al Suarez

ATTEST:



Jackie Gaines, Acting City Secretary

WATER REUSE ANALYSIS

OPTIONS

1. SARA
2. PURCHASE OR LEASE WATER
3. CONVERSE BUILD – BUDGET OR
CONVERSE BUILD - FINANCE

OPTION 1 SARA

City Assumptions (A)

• Acre Feet per year	225
• Usage per year	73,316,475
• Units per 1,000 gallons	73,316.47
• Debt Service, O&M & Capital Payment to SARA per year	\$269,633
• Total Investment for 45 Yrs	\$7,244,573
• Total Cost Per Acre Ft Per Yr	\$716.00
• Total Cost Per 1,000 gallons	\$3.68

OPTION 1 SARA

City Assumptions (B)

• Acre Feet per year	90
• Usage per year	29,326,590
• Units per 1,000 gallons	29,326.59
• Debt Service, O&M & Capital Payment to SARA per year	\$64,440
• Total Investment for 45 Yrs	\$3,140,706
• Total Cost Per Acre Ft Per Yr	\$716.00
• Total Cost Per 1,000 gallons	\$2.20

CURRENT

- INGRAM READY MIX CURRENT COST (2") – Base \$83.49 for 1st 50,000 gallons + \$1.52 per 1,000 gallons
- Usage: 19,501,060 Gallons per year,
 19,501.06 Units per 1,000 gal
- Estimated Annual Bill - \$29,725.10

OPTION 1 SARA

INGRAM READY MIX (60 acre feet)

- | | |
|---------------------------|--------------------|
| • Usage per year | 19,551,060 |
| • Units per 1,000 gallons | 19,551.06 |
| • | |
| • Estimated Annual Bill | \$71,947.90 |
| • Difference per year | \$42,222.80 (Inc.) |
| • Percentage Increase | 142.04% |

SWOT Analysis – Option I (SARA)

•Strengths

- Elimination of Industrial User from City's Potable System
- Increased Potable Supply for Residential Users
- Consistency of Water Supply and Water Quality Testing Non-Potable Users
- Savings to City on O&M and Future Capital Costs Related to Upgrades on Existing System

SWOT Analysis Option I (SARA)

•Weaknesses

- Dependency on Other Entity
- Assets Do Not Reside on City Audit
- Future Increases in O&M Cost as set by SARA
- City Fails to Realize Benefit of Existing Investment
- Relinquish All Future Claims to Reuse Water to SARA

SWOT Analysis – Option I (SARA)

•Opportunities

- Use of Non-Potable Resources
- Relieves City of Converse of O&M costs

•Threats

- Long Term Financial Commitment = 45 Yrs
 - \$7,244,573 for 225 Acre Ft. or
 - \$3,140,706 for 90 Acre Ft.
- Take or Pay Contract
- Public Dissatisfaction by Existing Residential Users

OPTION II PURCHASE OR LEASE OF WATER

- Purchase 90 acre feet of water = \$540,000
(Current Cost is \$6,000 per acre foot)
- Lease 90 acre feet of water per year for 45
years = \$668,250

SWOT Analysis

Option II – Purchase or Lease Water

- Strengths
 - A One-Time Fixed Cost if Purchased
 - Annual Fixed Cost if Leased
 - Not Reliant on Other Entities
- Weaknesses
 - Immediate Financial Impact to Purchase or Lease of Water
 - Dependency on Other Entity
 - Continued Use of Potable for Industrial Uses (i.e. Ingram and Judson)
- Opportunities
 - Increased Water Supply in the Event of EAA Reduction Measures
 - Savings on O&M and Future Capital Costs Associated with Existing Pump Station
- Threats
 - Stage Restrictions on Edwards Aquifer Water Rights

OPTION III

CONVERSE BUILD (Pay Through Budget)

Extend Non-Potable Water Main to Ingram Ready Mix

– Materials	\$ 550,000
– Contract Labor	\$ 200,000
– Plant Upgrades	<u>\$ 120,000</u>
– Total Cost	\$ 870,000
– Currently Budgeted for FY 2012	<u>\$ - 60,000</u>
– Total Project Cost	\$ 810,000
– 25% Inc. over 5 Fiscal Yrs	\$1,012,500
– Annual Cost for Installation	\$ 215,000
– Annual O&M Cost	<u>\$ 123,101</u>
– Total Annual Cost for 1 st 5 Yrs	\$ 338,101

OPTION III CONVERSE BUILD (Financed)

Extend Non-Potable Water Main to Ingram Ready Mix

- Materials	\$ 550,000
- Contract Labor	\$ 200,000
- Plant Upgrades	<u>\$ 120,000</u>
- Total Cost	\$ 870,000
- Currently Budgeted for FY 2012	<u>\$ 60,000</u>
- Total Construction Cost	\$ 810,000
- Total Investment for 20 Yrs w/o O&M	\$1,012,500
- Annual Payment	\$ 50,625
- Cost for Construction per 1,000 gallons (90 Acre Ft.)	\$1.72
- Cost for O&M per 1,000 gallons (90 Acre Ft.)*	<u>\$4.19*</u>
- Total Cost per 1,000 gallons	\$5.91
- City Currently Charges	\$1.00

SWOT Analysis

Option III – Converse Build or Finance

- Strengths
 - A One-Time Fixed Cost if Paid through Budget or Financing
 - Annual Fixed Cost
 - Not Reliant on Other Entities
- Weaknesses
 - Annual Financial Impact to Budget
 - Less Reliable Water Supply
 - City Retains O&M and Future Capital costs
- Opportunities
 - Increased Water Supply in the Event of EAA Reduction Measures
- Threats
 - Lower Water Quality based on source conditions
 - Future Reliability of Source Flow based on SARA withdrawal
 - State can mandate reduction of pumping rights within stream

City's O&M Costs for 90 Acre Ft

- Electric
 - \$10,714 per year for 10 acre feet (Current)
 - \$96,426 per year for 90 acre feet
- Labor
 - 1 Person (\$15 per hour for 365 hours per year = \$5,475)
- Inspection of Backflow Preventers
 - \$100 x 32 customer connections = \$3,200 per year
- Maintenance Costs
 - \$1,500 per month x 12 months = \$18,000 per yr
- Total O&M Costs Per Yr for 10 Acre Ft = \$ 37,389*
- Total O&M Costs Per Yr for 90 Acre Ft = \$123,101
- Current O&M Costs Per Customer = \$1,168.40 per year or
\$ 97.36 per month

City's O&M Costs for 90 Acre Ft

- Current O&M Costs Per Customer for CY 2011 =
 - \$1,168.40 per year or
 - \$97.36 per month
- Current Residential Customer for CY 2011
 - \$270.87 per year
 - \$22.50 per month for an avg. of 22,572 gallons per month
- Deficit for Residential Customer per year
 - (\$897.53) per year
 - (\$74.86) per month