

**Bastrop, TX City Council Meeting Agenda**  
Bastrop City Hall City Council Chambers  
1311 Chestnut Street  
Bastrop, TX 78602  
(512) 332-8800



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**November 18, 2023**

**Special Called Council Meeting at 5:00 PM**

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*City of Bastrop City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at (512) 332-8800 or write 1311 Chestnut Street, 78602, or by calling through a T.D.D. (Telecommunication Device for the Deaf) to Relay Texas at 1-800-735-2989 at least 48 hours in advance of the meeting.*

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The City of Bastrop reserves the right to reconvene, recess, or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

**PLEASE NOTE: ANYONE IN ATTENDANCE WISHING TO ADDRESS THE COUNCIL MUST COMPLETE A CITIZEN COMMENT FORM AND GIVE THE COMPLETED FORM TO THE CITY SECRETARY PRIOR TO THE START OF THE CITY COUNCIL MEETING. ALTERNATELY, IF YOU ARE UNABLE TO ATTEND THE COUNCIL MEETING, YOU MAY COMPLETE A CITIZEN COMMENT FORM WITH YOUR COMMENTS AT CITYOFBASTROP.ORG/CITIZENCOMMENT AT LEAST TWO HOURS BEFORE THE MEETING STARTS ON THE REQUESTED DATE. COMMENTS SUBMITTED BY THIS TIME WILL BE GIVEN TO THE CITY COUNCIL DURING THE MEETING AND INCLUDED IN THE PUBLIC RECORD, BUT NOT READ ALOUD. COMMENTS FROM EACH INDIVIDUAL IN ATTENDANCE WILL BE LIMITED TO THREE (3) MINUTES.**

- 1. CALL TO ORDER**
- 2. CITIZEN COMMENTS**

*At this time, three (3) minute comments will be taken from the audience on any topic. Anyone in attendance wishing to address the Council must complete a citizen comment form and give the completed form to the City Secretary prior to the start of the City Council meeting. Alternately, if you are unable to attend the council meeting, you may complete a citizen comment form with your comments at [www.cityofbastrop.org/citizencommentform](http://www.cityofbastrop.org/citizencommentform) at least two hours before the meeting starts on the requested date. Comments submitted by this time will be given to the City Council during the meeting and included in the public record, but not read aloud. In accordance with the Texas Open Meetings Act, if a citizen discusses any item not on the agenda, City Council cannot discuss issues raised or make*

*any decision at this time. Instead, City Council is limited to making a statement of specific factual information or a recitation of existing policy in response to the inquiry. Issues may be referred to City Manager for research and possible future action.*

*It is not the intention of the City of Bastrop to provide a public forum for the embarrassment or demeaning of any individual or group. Neither is it the intention of the Council to allow a member of the public to slur the performance, honesty and/or integrity of the Council, as a body, or any member or members of the Council individually or collectively, or members of the City's staff. Accordingly, profane, insulting or threatening language directed toward the Council and/or any person in the Council's presence will not be tolerated.*

### **3. APPROVAL OF MINUTES**

3A. Consider action to approve City Council minutes from the November 7, 2023, Regular meeting

Submitted by: Ann Franklin, City Secretary

### **4. ITEMS FOR INDIVIDUAL CONSIDERATION**

4A. Consider action to approve Resolution No. R-2023-167 of the City Council of the City of Bastrop, Texas, to canvass the November 7, 2023, Special Election for Proposition A; and establishing an effective date.

Submitted by: Ann Franklin, City Secretary

4B. Consider action to approve Resolution No. R-2023-166 that denies an increase in revenue and a change in rates proposed by CenterPoint Energy Resources Corporation, D/B/A, CenterPoint Energy Entex and CenterPoint Energy Texas Gas; authorizes continued participation in the Texas Coast Utilities Coalition of Cities; representation of the City by special counsel intervention in proceedings related to CenterPoint's Statement of Intent; and requires the reimbursement of municipal rate case expenses.

Submitted by: Ann Franklin, City Secretary

4C. Consider action to approve Resolution No. R-2023-168 of the City Council of the City of Bastrop, Texas, authorizing a three-month extension on the contract between the City of Bastrop and Electric Cab of Austin; attached in Exhibit B; authorizing the City Manager to execute all necessary documents; providing for a repealing clause; and establishing an effective date.

Submitted by: Candice Butts, Main Street Manager

### **5. ADJOURNMENT**

***All items on the agenda are eligible for discussion and action unless specifically stated otherwise.***

***The Bastrop City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.087 (Economic Development), and §551.086 (Competitive Matters regarding Electric Utility).***

I, the undersigned authority, do hereby certify that this Notice of Meeting as posted in accordance with the regulations of the Texas Open Meetings Act on the bulletin board located at the entrance to the City of Bastrop City Hall, a place of convenient and readily accessible to the general public, as well as to the City's website, [www.cityofbastrop.org](http://www.cityofbastrop.org) and said Notice was posted on the following date and time: Wednesday, November 15, 2023 at 5:00 p.m. and remained posted for at least two hours after said meeting was convened.

/s/Ann Franklin  
Ann Franklin, City Secretary



# STAFF REPORT

**MEETING DATE:** November 15, 2023

**TITLE:**

Consider action to approve City Council minutes from the November 7, 2023, Regular meeting.

**AGENDA ITEM SUBMITTED BY:**

Ann Franklin, City Secretary

**BACKGROUND/HISTORY:**

N/A

**FISCAL IMPACT:**

N/A

**RECOMMENDATION:**

Consider action to approve City Council minutes from the November 7, 2023, Regular meeting.

**ATTACHMENTS:**

- November 7, 2023, DRAFT Regular Meeting Minutes.



NOVEMBER 7, 2023

The Bastrop City Council met in a regular meeting on Tuesday, November 7, 2023, at 6:30 p.m. at the Bastrop City Hall Council Chambers, located at 1311 Chestnut Street, Bastrop, Texas. Members present were: Mayor Nelson and Mayor Pro Tem Kirkland and Council Members Lee, Meyer, Plunkett, and Crouch. Officers present were: City Manager, Sylvia Carrillo; City Secretary, Ann Franklin; and City Attorney, Alan Bojorquez.

**CALL TO ORDER**

Mayor Nelson called the meeting to order at 6:30 p.m. with a quorum present.

**PLEDGE OF ALLEGIANCE**

Layla Fehlker and Mark Hernandez, RISE, Red Rock Elementary, led the pledges.

**INVOCATION**

Dale Burke, Police Chaplain, gave the invocation.

**PRESENTATIONS**

- 4A. Mayor's Report
- 4B. Council Members' Report
- 4C. City Manager's Report

**WORK SESSIONS/BRIEFINGS – NONE**

**STAFF AND BOARD REPORTS – NONE**

**CITIZEN COMMENTS**

**Stephanie Jenkins  
1302 Pecan Street  
Bastrop, Texas 78602  
512-796-3938**

**Kirk Harrison  
Frontier Waste  
210-872-1708**

**CONSENT AGENDA**

**A motion was made by Council Member Lee to approve Items 8A, 8B, 8C, 8D, 8E, and 8F as listed on the Consent Agenda after being read into the record by City Secretary Ann Franklin. Seconded by Council Member Crouch, motion was approved on a 5-0 vote.**

- 8A. Consider action to approve City Council minutes from the October 24, 2023, Regular meeting.  
Submitted by: Ann Franklin, City Secretary

- 8B. Consider action to approve the second reading of Ordinance No. 2023-40 of the Bastrop City Council of the City of Bastrop, Texas, amending the Bastrop Code of Ordinances Chapter 13 Utilities, adding Article 13.14, establishing regulations for wireless transmission facilities (antenna towers).  
Submitted by: Sylvia Carrillo, ICMA-CM, CPM, City Manager
- 8C. Consider action to approve Resolution No. R-2023-149 of the City Council of the City of Bastrop, Texas awarding a Community Support Service Agreement for services associated with operating, marketing, and the providing of cultural art and theater services to the Bastrop Opera House, at a cost of One Hundred and Sixty Nine Thousand and Nine Hundred Ninety-One 00/100 Dollars (\$169,991.00) attached as Exhibit A; authorizing the City Manager to execute all necessary documents for the agreement; providing for a repealing clause; and establishing an effective date.  
Submitted by: Kathy Danielson, Community Engagement Director
- 8D. Consider action to approve Resolution No. R-2023-150 of the City Council of the City of Bastrop, Texas awarding a community support service agreement for services associated with operating, marketing, and providing of cultural art, to the Lost Pines Art Center, at a cost of One Hundred Forty-Nine Thousand and One Hundred and Nine and 00/100 dollars (\$149,109.00). attached as Exhibit A; authorizing the City Manager to execute all necessary documents for the contract; providing for a repealing clause; and establishing an effective date.  
Submitted by: Kathy Danielson, Community Engagement Director
- 8E. Consider action to approve Resolution No. R-2023-151 of the City Council of the City of Bastrop, Texas awarding a community support service agreement for operating, marketing, and staffing a historical museum and visitor center and providing visitor center services to the Bastrop County Historical Society, at a cost of Two Hundred and Eighty-Nine Thousand and One Hundred Seven and 00/100 dollars (\$289,107.00) attached as Exhibit A; authorizing the City Manager to execute all necessary documents for the contract; providing for a repealing clause; and establishing an effective date.  
Submitted by: Kathy Danielson, Community Engagement Director
- 8F. Consider action to approve Resolution No. R-2023-165 of the City Council of the City of Bastrop, approving the 2023 Tax Roll and Tax Levy; providing for a repealing clause; and providing for an effective date.  
Submitted by Laura Allen, Senior Accountant

**ITEMS FOR INDIVIDUAL CONSIDERATION**

- 9A. Consider action to approve the first reading of Ordinance No. 2023-41 of the City Council of the City of Bastrop, Texas, authorizing and allowing for (1) an increase in the employee contribution rate to Texas Municipal Retirement System (TMRS); and (2) adopting: (i) annually accruing updated service credits and transfer updated service credits; and (ii) annually accruing annuity increases, also referred to as cost-of-living adjustments (COLAS) for retirees and beneficiaries of deceased retirees, as attached in Exhibit A; providing for findings of fact, enactment, repealer, severability, providing for an effective date, codification, proper notice, and move to include on the December 12, 2023, agenda for second reading.

Submitted by: Tanya Cantrell, Human Resource Director

**Presentation was made by Tanya Cantrell, Human Resource Director.**

**A motion was made by Council Member Meyer to approve the first reading of Ordinance No. 2023-41 and move to include on the December 12, 2023, Council agenda for second reading, seconded by Council Member Crouch, motion was approved on a 5-0 vote.**

- 9B. Consider action to approve Resolution No. R-2023-163 of the City Council of the City of Bastrop, Texas, approving a contract with Electric Cabs of North America to provide transportation services in the amount not to exceed one hundred thirty thousand four hundred and ten dollars (\$130,410); attached in Exhibit B; authorizing the City Manager to execute all necessary documents; providing for a repealing clause; and establishing an effective date.

Submitted by: Candice Butts, Main Street Manager

**Presentation was made by Candice Butts, Main Street Manager.**

**This item was tabled until November 14, 2023.**

- 9C. Consider action to approve the first reading of Ordinance No. 2023-42 of the Bastrop City Council of the City of Bastrop, Texas, amending the Bastrop Code of Ordinances Chapter 1 General Provisions, Article 1.10 Parks, Section 1.10.002 Park Rules: and providing for findings of fact, repealer, severability, codification, effective date, proper notice and meeting; and move to include on the December 12, 2023, Council agenda for second reading.

Submitted by: Terry Moore, Recreation Manager

**Presentation was made by Terry Moore, Recreation Manager.**

**A motion was made by Mayor Pro Tem Kirkland to approve the first reading of Ordinance No. 2023-42 with the following amendments and move to include on the December 12, 2023, Council agenda for second reading, seconded by Council Member Meyer, motion was approved on a 5-0 vote.**

**The amendments were: In the phrase “The public may swim at their own risk” replace the word “swim” with “enter, wade, swim, or engage in any aquatic activity”. In the phrase “the City of Bastrop does not assume any liability for any Residents swimming in the Colorado River” change the word “Residents” to “Persons”.**

- 9D. Hold public hearing and consider action to approve the second reading of Ordinance No. 2023-35 approving the Reed Ranch Planned Development District, changing the zoning for 24.462 acres out of the Nancy Blakey Survey from P2 Rural to a Planned Development District (PDD) with a P4 Mix base zoning, located at 615 W Highway 71, within the city limits of Bastrop, Texas.

Submitted by: Kennedy Higgins, Planner, Development Services

**Presentation was made by Doug Haggerty, Senior Planner, Development Services and Shannon Mattingly, Drenner Group.**

**Public hearing opened.**

**Public hearing closed.**

**A motion was made by Council Member Lee to approve the second reading of Ordinance No. 2023-35 with additional language to include the tree, seconded by Council Member Plunkett, motion was approved on a 5-0 vote.**

## EXECUTIVE SESSION

**The City Council met at 7:54 p.m. in a closed/executive session pursuant to the Texas Government Code, Chapter 551, et seq, to discuss the following:**

- 10A. City Council shall convene into closed executive session pursuant to Texas Government Code section 551.071 to seek the advice of legal counsel regarding a petition submitted by JMA Entity LLC, for the removal from the City's Extraterritorial Jurisdiction of Tract 1: being a 2.333-acre tract, lot, or parcel of land out of and being a part of the Nancy Blakey Survey, A-98, in Bastrop County, Texas and Tract 2: being a 5.292-acre tract or parcel of land out of and being a part of the Nancy Blakey Survey, A-98, in Bastrop County, Texas.
- 10B. City Council shall convene into closed executive session pursuant to Texas Government Code sections 551.071 and 551.072 to seek the advice of legal counsel and discuss professional engineering contract matters and potential acquisitions of real estate related to the Wastewater Treatment Plant No. 3 Project and other matters.
- 10C. City Council shall convene into closed executive session pursuant to Texas Government Code section 551.071 and 551.072 to seek the advice of legal counsel regarding a potential agreement with Corix, SpaceX, and Gapped Bass LLC related to real property.
- 10D. City Council shall convene into closed executive session pursuant to Texas Government Code section 551.071 to seek the advice of legal counsel regarding Texas Local Government Code Chapter 42, Subchapters D and E, and matters related to the extraterritorial jurisdiction.
- 10E. City Council shall convene into closed executive session pursuant to Texas Government Code section 551.071 to seek the advice of legal counsel regarding a development agreement for the project known as the Hill located at Hwy 95 and Arena Drive.



10F. City Council shall convene into closed executive session pursuant to Section 551.074 to conduct the first annual performance evaluation of the City Manager as described in her employment agreement.

**Mayor Nelson recessed the Executive Session at 10:58 p.m.**

**TAKE ANY NECESSARY OR APPROPRIATE ACTION ON MATTERS POSTED FOR CONSIDERATION IN CLOSED/EXECUTIVE SESSION.**

10C. City Council shall convene into closed executive session pursuant to Texas Government Code section 551.071 and 551.072 to seek the advice of legal counsel regarding a potential agreement with Corix, SpaceX, and Gapped Bass LLC related to real property.

**Direction was given to the City Manager to work out an agreement with Corix to bring back before Council, preferably by December 12, 2023.**

10F. City Council shall convene into closed executive session pursuant to Section 551.074 to conduct the first annual performance evaluation of the City Manager as described in her employment agreement.

**A motion was made by Mayor Pro Tem Kirkland to approve a resolution accepting the City Manager’s employee review per her contract and approve a raise in compensation as discussed in Executive Session, seconded by Council Member Meyer, motion was approved on a 5-0 vote.**

**Adjourned at 10:59 p.m. without objection.**

**APPROVED:**

**ATTEST:**

\_\_\_\_\_  
Mayor Lyle Nelson

\_\_\_\_\_  
City Secretary Ann Franklin

**The Minutes were approved on November 15, 2023, by Council Member Name’s motion, Council Member Name’s second. The motion was approved on a 5-0 vote.**



# STAFF REPORT

**MEETING DATE:** November 15, 2023

**TITLE:**

Consider action to approve Resolution No. R-2023-167 of the City Council of the City of Bastrop, Texas, to canvass and declare the results of the November 7, 2023, Special Election on Proposition A; and establishing an effective date.

**AGENDA ITEM SUBMITTED BY:**

Ann Franklin, City Secretary

**BACKGROUND/HISTORY:**

Sec. 67.002. CANVASS OF PRECINCT RETURNS.:

(a) Except as otherwise provided by law, the precinct election returns for each election shall be canvassed by the following authority:

- (1) for an election ordered by the governor or by a county authority, the commissioners court of each county in which the election is held; and
- (2) for an election ordered by an authority of a political subdivision other than a county, the political subdivision's governing body.

(b) The canvass of precinct returns shall be conducted in accordance with this chapter except as otherwise provided by this code.

**FISCAL IMPACT:**

N/A

**RECOMMENDATION:**

Consider action to approve Resolution No. R-2023-167 of the City Council of the City of Bastrop, Texas, to canvass and declare the results of the November 7, 2023, Special Election on Proposition A; and establishing an effective date.

**ATTACHMENTS:**

- ENGLISH - Resolution No. 2023-167
- SPANISH - Resolution No. 2023-167

**RESOLUTION NO. R-2023-167**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, TO CANVASS AND DECLARE THE RESULTS OF THE NOVEMBER 7, 2023, SPECIAL ELECTION ON PROPOSITION A; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, on November 7, 2023, the City of Bastrop, Texas, held a special election for the purpose of voting on Proposition A, which read:

*“Without increasing the current combined rate of all local sales and use taxes imposed by the City of Bastrop, the adoption of a local sales and use tax within the City of Bastrop for the promotion and development of new and expanded business enterprises and any other purpose authorized by Texas Local Government Code Chapter 505, as amended, at the rate of one-eighth of one percent (0.125%), which is a reduction from the current local sales and use tax for this purpose at a rate of one-half of one percent (0.50%), and the adoption of an additional local sales and use tax within the City of Bastrop at the rate of three-eighths of one percent (0.375%) to provide revenue for maintenance and repair of municipal streets and any other purpose authorized by Texas Tax Code Chapter 327, as amended.”*

**WHEREAS**, the returns of the special election have been made to the City Council and show that the votes for Proposition A were cast as follows:

FOR

AGAINST

XX Votes

XX Votes

**WHEREAS**, Proposition A received a majority of all votes cast on the proposition in the special election.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:**

**SECTION 1.** The City Council finds that the recitals contained in this Resolution are true and adopts them as findings of fact by this governing body.

**SECTION 2.** The City Council finds that the results of the November 7, 2023, special election as tabulated and canvassed reflect the votes cast at the special election.

**SECTION 3.** The City Council accepts and approves the returns for the special election, as tabulated and received and canvassed, and declares the passage of Proposition A by approval of a majority of the votes cast.

**SECTION 4.** With this canvass, the City Council is making official the precinct election returns received from Bastrop County.

**SECTION 5.** That this Resolution shall take effect immediately upon its passage, and it is so resolved.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Bastrop this 15<sup>th</sup> day of November, 2023.

**APPROVED:**

\_\_\_\_\_  
Lyle Nelson, Mayor

**ATTEST:**

\_\_\_\_\_  
Ann Franklin, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Alan Bojorquez, City Attorney

**RESOLUCIÓN NÚM. R-2023-167**

**RESOLUCIÓN DEL CONSEJO DE LA CIUDAD DE BASTROP, TEXAS PARA LLEVAR A CABO EL REPASO Y DECLARAR LOS RESULTADOS DE LA ELECCIÓN ESPECIAL DEL 7 DE NOVIEMBRE, 2023 TOCANTE LA PROPOSICIÓN A; Y PARA DETERMINAR LA FECHA DE VIGOR.**

**POR CUANTO**, el 7 de noviembre, 2023 la Ciudad de Bastrop llevó a cabo una elección especial con el propósito de votar sobre la Proposición A que dice lo siguiente:

Sin aumentos de la tasa combinada de impuestos locales de ventas y uso que la Ciudad de Bastrop impone, se deberá adoptar un impuesto local sobre ventas y uso dentro de la Ciudad de Bastrop para la promoción y el desarrollo de empresas comerciales nuevas y ampliadas y cualquier otro propósito autorizado por el Capítulo 505 del Código de Gobiernos Locales de Texas, con sus enmiendas, a una tasa de un octavo del uno por ciento (0.125%), por lo cual se reduce la tasa actual que es la mitad del uno por ciento (0.50%) sobre ventas y uso para este propósito, y disponiendo la adopción de un impuesto local adicional sobre las ventas y el uso dentro de la Ciudad de Bastrop a una tasa de tres octavos del uno por ciento (0.375%) para proporcionar ingresos para el mantenimiento y reparación de calles municipales y cualquier otro propósito autorizado por el Capítulo 327 del Código de Impuestos de Texas, con sus enmiendas.

**POR CUANTO**, los resultados de la elección especial se han presentado al Consejo de la Ciudad e indican que los votos emitidos tocante la Proposición A fueron los siguientes:

A FAVOR

XX Votos

EN CONTRA

XX Votos

**POR CUANTO**, la Proposición A recibió la mayoría de todos los votos emitidos sobre la proposición en la elección especial.

**AHORA, POR LO TANTO, RESUÉLVASE POR EL CONSEJO DE LA CIUDAD DE BASTROP, TEXAS QUE:**

**SECCIÓN 1.** El Consejo determina que todas las declaraciones contenidas en esta Resolución son verdaderas y que se adoptan por ser determinaciones de hecho por esta entidad gubernamental; y

**SECCIÓN 2.** El Consejo determina que los resultados de la elección especial del 7 de noviembre de acuerdo con su tabulación y su repaso representan los votos emitidos en la elección especial.

**SECCIÓN 3.** El Consejo acepta y aprueba los resultados de la elección especial tal como se han tabulado, y recibido y repasado, y declara la aprobación de la Proposición A por haberse aprobado por la mayoría de los votos emitidos.

**SECCIÓN 4.** Con este repaso, el Consejo declara que los resultados de los precintos recibidos del Condado de Bastrop son oficiales.

**SECCIÓN 5:** Que esta Resolución será efectiva inmediatamente cuando sea aprobada, y así se resuelve.

**DEBIDAMENTE RESUELTO Y ADOPTADO por** el Consejo de la Ciudad de Bastrop este día 15 de noviembre, 2023.

**APROBADA:**

\_\_\_\_\_  
Lyle Nelson, Alcalde

**CERTIFICO:**

\_\_\_\_\_  
Ann Franklin, Secretaria de la Ciudad

**APROBADA SU REDACCIÓN:**

\_\_\_\_\_  
Alan Bojorquez, Fiscal de la Ciudad

**AGENDA INFORMATION SHEET**  
**AGENDA ITEM NO. \_\_\_\_\_**

**DENIAL OF APPLICATION FOR AUTHORITY TO CHANGE RATES  
 SUBMITTED BY CENTERPOINT ENERGY RESOURCES  
 CORPORATION, D/B/A, CENTERPOINT ENERGY ENTEX AND  
 CENTERPOINT ENERGY TEXAS GAS**

**BACKGROUND**

On or about October 30, 2023, CenterPoint Energy Resources Corporation, D/B/A, CenterPoint Energy Entex and CenterPoint Energy Texas Gas (“CenterPoint” or “Company”) filed a Statement of Intent to increase rates by a total of approximately \$37.4 million. CenterPoint filed its application with the Railroad Commission of Texas (RRC) on the same date it filed its application with the City.

Further, though the overall increase is \$37.4 million, CenterPoint proposes to increase rates for its residential class of customers by \$58.4 million, and to decrease rates for its small and large commercial customers by a combined amount of about \$21 million.

Additionally, a key element of CenterPoint’s application is that it proposes to consolidate its four rate divisions into a single rate division. Currently, CenterPoint has four divisions: the Beaumont/East Texas Division; the South Texas Division; the Texas Coast Division; and the Houston Division. CenterPoint asserts that the effect of combining the four divisions into a single division is to produce a decrease in rates in its Beaumont/East Texas Division and in its South Texas Division, while increasing rates in its Texas Coast Division and in the Houston Division.

Thus, though it may seem counter intuitive to deny a rate decrease, as recommended below, historically, the Railroad Commission of Texas (RRC) almost always approves a lower change in overall revenue than as proposed by the utility. So, if a city approves CenterPoint’s as-filed decrease in rates and if CenterPoint doesn't appeal the decrease in rates approved at the city level, i.e., the decrease in rates CenterPoint proposed, e.g., in its Beaumont/East Texas and South Texas divisions, the cities in those divisions may miss out on a potentially lower rate than as proposed by CenterPoint.

Although not tested in quite some time, court decisions suggest that the rates approved at the city level remain in effect until changed on appeal by the RRC. If CenterPoint does not file an appeal of the rates the cities approved in CenterPoint's Beaumont/East Texas and South Texas divisions, the rates approved at the city level would be the "final rates" for those cities approving the decrease in rates as proposed by CenterPoint.

And, so assuming as history suggests, the RRC approves a level of overall revenue lower than as proposed by CenterPoint, though CenterPoint proposed a decrease for ratepayers in its Beaumont/East Texas and South Texas divisions, the decrease likely should've been even

lower. This presumes that the RRC will approve CenterPoint's proposal to consolidate its four divisions into a single rate division. Note that the RRC has recently approved other utilities' similar requests that proposed consolidation of those other utilities' separate rate divisions into a single division.

Another factor that argues against approval of CenterPoint's proposed decrease in its Beaumont/East Texas and South Texas divisions, is that even though CenterPoint's *overall* proposed increase is about \$37.4 million, the Residential class under CenterPoint's proposal, would see an increase in excess of \$58.4 million. This means that CenterPoint's proposed allocation of costs to the customer classes needs a close review.

### **OVERVIEW OF MAJOR ELEMENTS OF CENTERPOINT'S APPLICATION**

As noted above, CenterPoint proposes to increase rates by a total of approximately \$37.4 million. However, CenterPoint also proposes to increase rates for residential customers by about \$58.4 million and to decrease rates for small and large commercial customers by about \$21 million.

Additionally, CenterPoint proposes to consolidate its four rate divisions into a single rate division. If approved, CenterPoint will have a single set of rates for all its customers in Texas.

These two factors – the increase to residential customers while decreasing rates for commercial customers, and the consolidation of CenterPoint's four divisions into a single rate division – warrant a closer review of its cost-allocation study.

CenterPoint also proposes an overall profit margin of about 8.25%, based on a return on equity of 10.50% and a capital structure comprised of 60.61% equity and 39.39% long-term debt. As with CenterPoint's proposed allocation of costs, its cost of capital, too, will require a thorough review.

The tables below show the changes in revenue CenterPoint proposes for each of its divisions. We present the information for all the divisions so that the City is informed on the effect of CenterPoint's proposal overall:

<b>Houston Division Classes</b>	<b>Number of Customers (Total/Commission OJ)</b>	<b>Non-Gas Revenue Change, exclusive of revenue-related taxes</b>
<b>Residential</b>	1,086,874 / 573,213	\$66.332 million
<b>General Service – Small</b>	52,890 / 22,832	(\$0.799) million
<b>General Service – Large Volume</b>	1,439 / 428	(\$6.508) million
<b>TOTAL</b>	1,141,202 / 596,473	\$59.024 million
<b>Texas Coast Division Classes</b>	<b>Number of Customers (Total/Commission OJ)</b>	<b>Non-Gas Revenue Change, exclusive of revenue-related taxes</b>
<b>Residential</b>	360,526 / 142,014	\$22.963 million
<b>General Service – Small</b>	17,876 / 6,842	(\$0.254) million
<b>General Service – Large Volume</b>	255 / 60	(\$1.496) million



<b>TOTAL</b>	378,656 / 148,917	\$21.214 million
<b>South Texas Division Classes</b>	<b>Number of Customers (Total/Commission OJ)</b>	<b>Non-Gas Revenue Change, exclusive of revenue-related taxes</b>
<b>Residential</b>	149,052 / 55,181	(\$17.190) million
<b>General Service – Small</b>	11,762 / 5,860	(\$5.544) million
<b>General Service – Large Volume</b>	241 / 131	(\$0.868) million
<b>TOTAL</b>	161,055 / 61,173	(\$23.602) million
<b>Beaumont/East Texas Division Classes</b>	<b>Number of Customers (Total/Commission OJ)</b>	<b>Non-Gas Revenue Change, exclusive of revenue-related taxes</b>
<b>Residential</b>	171,537 / 72,120	(\$13.715) million
<b>General Service – Small</b>	20,007 / 8,860	(\$5.154) million
<b>General Service – Large Volume</b>	444 / 170	(\$0.378) million
<b>TOTAL</b>	191,988 / 81,150	(\$19.247) million

In terms of customers' bills, the tables below show the effect of CenterPoint's proposed changes in rates:

#### For Customers in the Houston Division

	<b>Non-Gas Revenue Change \$ MM</b>	<b>Percentage Change With/Without Gas Costs**</b>		<b>Average Current Monthly Bill, including Gas Cost*</b>	<b>Average Proposed Monthly Bill, including Gas Cost*</b>	<b>Proposed Monthly Change</b>
<u>@ 14.95 PSI:</u>						
Residential	\$66.3	11.7%	20.5%	\$43.62	\$48.74	\$5.12
General Service-Small	-\$0.8	-0.6%	-3.2%	\$140.32	\$139.42	-\$0.90
General Service-Large Volume	-\$6.5	-18.5%	-66.0%	\$2,009.59	\$1,637.69	-\$371.90

#### For Customers in the Texas Coast Division

	<b>Non-Gas Revenue Change \$ MM</b>	<b>Percentage Change With/Without Gas Costs**</b>		<b>Average Current Monthly Bill, including Gas Cost*</b>	<b>Average Proposed Monthly Bill, including Gas Cost*</b>	<b>Proposed Monthly Change</b>
<u>@ 14.95 PSI:</u>						
Residential	\$23.0	12.4%	21.8%	\$43.36	\$48.74	\$5.38
General Service-Small	-\$0.3	-0.8%	-3.3%	\$113.69	\$112.78	-\$0.91
<u>@ 14.65 PSI:</u>						
General Service-Large Volume	-\$1.5	-22.4%	-71.3%	\$2,167.09	\$1,682.52	-\$484.57

### For Customers in the South Texas Division

	Non-Gas Revenue Change \$ MM	Percentage Change With/Without Gas Costs**		Average Current Monthly Bill, including Gas Cost*	Average Proposed Monthly Bill, including Gas Cost*	Proposed Monthly Change
<u>@ 14.95 PSI:</u>						
Residential	-\$4.7	-24.0%	-25.7%	\$54.16	\$41.17	-\$12.99
General Service-Small	-\$1.5	-31.9%	-51.4%	\$202.72	\$138.05	-\$64.67
<u>@ 14.65 PSI:</u>						
Residential	-\$12.5	-23.9%	-25.6%	\$53.68	\$40.84	-\$12.84
General Service-Small	-\$4.0	-32.0%	-51.3%	\$199.63	\$135.79	-\$63.84
General Service-Large Volume	-\$2.2	-26.7%	-57.0%	\$2,904.18	\$2,128.80	-\$775.38

### For Customers in the Beaumont/East Texas Division

	Non-Gas Revenue Change \$ MM	Percentage Change With/Without Gas Costs**		Average Current Monthly Bill, including Gas Cost*	Average Proposed Monthly Bill, including Gas Cost*	Proposed Monthly Change
<u>Beaumont/East Texas Division (without North East Texas/Tyler)</u>						
<u>@ 14.95 PSI:</u>						
Residential	-\$3.4	-9.1%	-18.1%	\$56.10	\$51.02	-\$5.08
General Service-Small	-\$1.2	-10.1%	-37.0%	\$142.94	\$128.49	-\$14.45
<u>@ 14.65 PSI:</u>						
Residential	-\$5.4	-9.0%	-17.9%	\$55.48	\$50.49	-\$4.99
General Service-Small	-\$2.3	-10.4%	-37.2%	\$141.03	\$126.43	-\$14.60
General Service-Large Volume	-\$0.2	2.9%	-25.4%	\$1,753.03	\$1,804.23	\$51.20
<u>Beaumont/East Texas Division (North East Texas/Tyler only)</u>						
<u>@ 14.73 PSI:</u>						
Residential	-\$1.6	-4.0%	-18.0%	\$52.76	\$50.64	-\$2.12
General Service-Small	-\$0.7	-1.5%	-37.3%	\$128.85	\$126.97	-\$1.88
<u>@ 14.65 PSI:</u>						
Residential	-\$3.4	-4.0%	-17.9%	\$52.61	\$50.49	-\$2.12
General Service-Small	-\$1.0	-1.6%	-37.3%	\$128.43	\$126.43	-\$2.00
General Service-Large Volume	-\$0.1	18.0%	-26.1%	\$1,529.55	\$1,804.23	\$274.68

### CITY JURISDICTION TO SET CENTERPOINT'S RATES

Municipalities have exclusive, original jurisdiction over a gas utility's rates, services, and operations within a city's boundaries. But, the Railroad Commission has appellate jurisdiction over rate-setting decisions a city makes. This means that CenterPoint may appeal to the Railroad Commission, a city's decision regarding rates.

## **REPRESENTATION**

As part of the Alliance of CenterPoint Municipalities (“ACM”), the City in prior applications filed by CenterPoint has engaged the law firm of Herrera Law & Associates as Special Counsel to review CenterPoint’s application. The attached Resolution, if adopted, continues that relationship.

## **RATE CASE EXPENSES**

Cities, by statute, are entitled to recover their reasonable rate case expenses from the utility. The accompanying Resolution directs CenterPoint to continue to reimburse ACM’s rate case expenses on a monthly basis based on presentation of invoices from the cities.

## **CITY ACTION**

At this juncture the City's options are to:

1. Do nothing, which means that CenterPoint's proposed change in rates will go into effect on Dec. 4, 2023;
2. “Suspend” CenterPoint's proposed effective date by 90 days, thus giving the cities 125 days to review CenterPoint's application and make a final decision or
3. Deny CenterPoint's proposed change in rates; a denial of the application will mean that CenterPoint will file an appeal to the Railroad Commission.

## **RECOMMENDATION**

Because CNP filed its application with the Railroad Commission on the same day it filed with the cities, and given how quickly these cases move, ACM’s Special Counsel recommends that the City deny CenterPoint’s proposed change in rates and expeditiously intervene in the case at the Railroad Commission. Thus, if adopted the attached resolution:

1. Denies CNP's proposed increase in revenue and change in rates;
2. Directs CenterPoint to reimburse the ACM cities' rate-case expenses;
3. Authorizes:
  - A. Continued participation in ACM;
  - B. Intervention in proceedings at the Railroad Commission of Texas and related proceedings, including appeals, if any;
  - C. Representation of the City by the law firm of Herrera Law & Associates, PLLC as part of ACM.

**The City must take final action on CenterPoint’s proposed increase by no later than December 4, 2023.**

## RESOLUTION NO. R-2023-166

**RESOLUTION BY THE CITY OF BASTROP, TEXAS (“CITY”) DENYING THE STATEMENT OF INTENT TO CHANGE RATES FILED ON OR ABOUT OCTOBER 30, 2023 BY CENTERPOINT ENERGY RESOURCES CORPORATION, D/B/A, CENTERPOINT ENERGY ENTEX AND CENTERPOINT ENERGY TEXAS GAS; AUTHORIZING CONTINUED PARTICIPATION IN THE ALLIANCE OF CENTERPOINT MUNICIPALITIES; AUTHORIZING INTERVENTION IN PROCEEDINGS RELATED TO CENTERPOINT’S STATEMENT OF INTENT; REQUIRING THE REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; AUTHORIZING REPRESENTATION OF THE CITY BY SPECIAL COUNSEL; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT**

**WHEREAS**, CenterPoint Energy Resources Corporation, D/B/A, CenterPoint Energy Entex and CenterPoint Energy Texas Gas (“CenterPoint” or “Company”) filed a Statement of Intent with the City on or about October 30, 2023, to change its rate schedules within the corporate limits of this municipality, specifically to increase its system-wide, annual revenue requirement by approximately \$37.4 million; and

**WHEREAS**, the City is a regulatory authority under the Gas Utility Regulatory Act (“GURA”) and under Chapter 104, §103.001 et seq. of GURA has exclusive original jurisdiction over CenterPoint’s rates, operations, and services within the municipality; and

**WHEREAS**, in order to maximize the efficient use of resources and expertise in reviewing, analyzing and investigating CenterPoint’s rate request and its changes in tariffs it is prudent to coordinate the City’s efforts with a coalition of similarly situated municipalities; and

**WHEREAS**, the City, in matters regarding applications by CenterPoint to change rates, has in the past joined with other local regulatory authorities to form the Alliance of CenterPoint Texas Municipalities-Beaumont/East Texas Division (“ACM”), and hereby continues its participation in ACM; and

**WHEREAS**, CenterPoint’s rate request consists of a voluminous amount of information including CenterPoint’s rate-filing package, pre-filed direct testimony, exhibits, schedules, and workpapers; and

**WHEREAS**, CenterPoint proposes to implement its proposed increase in rates on or about December 4, 2023, and

**WHEREAS**, CenterPoint’s application fails to establish that its overall revenue request resulted in no more than an amount that will permit CenterPoint a reasonable opportunity to earn a reasonable return on the utility’s invested capital used and useful in providing service to the public in excess of its reasonable and necessary operating expenses; and

**WHEREAS**, CenterPoint’s application fails to establish that its proposed rates are just and reasonable; and

**WHEREAS**, CenterPoint may exercise its statutory right to appeal a City decision regarding CenterPoint’s request to increase rates to the Railroad Commission of Texas; and

**WHEREAS**, CenterPoint filed its Statement of Intent to increase its revenue and change its rate with the City and with the Railroad Commission of Texas on the same date, October 30, 2023, and it is important to intervene in the proceedings before the Railroad Commission of Texas because the Railroad Commission’s decisions will impact rates within the City;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS THAT:**

**Section 1.** The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

**Section 2.** CenterPoint’s application fails to show that its proposed rates are just and reasonable.

**Section 3.** The City hereby **DENIES** CenterPoint’s request to increase its revenue and change its rates and in support of **DENIAL** finds that:

- A. CenterPoint failed in its burden of proof to establish that its requested increase in revenue or the changes set forth in its tariffs attached to CenterPoint's Statement of Intent to change rates, results in just and reasonable rates;
- B. CenterPoint failed in its burden of proof to establish that adoption of its proposed rate base, expenses, investment, return on equity, and other rate issues as presented in CenterPoint's Statement of Intent to increase rates, result in just and reasonable rates.

**Section 4.** The City authorizes intervention in proceedings related to CenterPoint's Statement of Intent before the Railroad Commission of Texas and any related proceedings in any courts of law.

**Section 5.** The City continues its participation with other cities in a coalition of cities known as the Alliance of CenterPoint Municipalities ("ACM") with the understanding that the Steering Committee of ACM is to provide direction and guidance to Special Counsel representing said cities.

**Section 6.** The City hereby retains Herrera Law & Associates, PLLC as Special Counsel to represent the City with regard to CenterPoint's Statement of Intent and related proceedings, including proceedings before local and state regulatory authorities and any court of law and authorizes Special Counsel to employ such rate experts as may be necessary for review and evaluation of CenterPoint's Statement of Intent.

**Section 7.** The City, in coordination with the ACM Steering Committee, shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to CenterPoint for reimbursement.

**Section 8.** The City hereby orders CenterPoint to reimburse the City's rate case expenses as provided in the Gas Utility Regulatory Act and that CenterPoint shall continue to do so on a monthly basis and within 30 days after submission of the City's invoices for the City's reasonable costs associated with the City's activities related to this rate review or to related proceedings involving CenterPoint before the City, the Railroad Commission of Texas, or any court of law.

**Section 9.** A copy of this resolution shall be sent to Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, 4400 Medical Parkway, Austin, Texas 78756, and a courtesy copy to Mr. Patrick Peters, VP – Regulatory Legal, AGC, CenterPoint Energy, Inc., 1005 Congress Ave., Suite 650, Austin Texas 78701.

**Section 10.** The meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

**Section 11.** This resolution supersedes any prior inconsistent or conflicting resolution or ordinance.

**Section 12.** This resolution shall become effective from and after its passage.

**PASSED AND APPROVED this 15th day of November 2023.**

\_\_\_\_\_  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**CITY SECRETARY**



# STAFF REPORT

**MEETING DATE:** November 15, 2023

**TITLE:**

Consider action to approve Resolution No. R-2023-168 of the City Council of the City of Bastrop, Texas, authorizing a three-month extension on the contract between the City of Bastrop and Electric Cab of Austin; attached in Exhibit B; authorizing the City Manager to execute all necessary documents; providing for a repealing clause; and establishing an effective date.

**AGENDA ITEM SUBMITTED BY:**

Candice Butts, Main Street Manager

**BACKGROUND/HISTORY:**

Since December of 2019, Bastrop has collaborated with the Lone Star Clean Fuels Alliance and E-Cabs of North America to provide a cost-free, emissions-free, micro-transit ride service using GEM low-speed battery electric vehicles. The US Department of Energy funded this two-year pilot project to explore how well these low-speed electric vehicles could meet a rural community's first and last mile transit needs. The grant program ended on November 30, 2022.

Because of its impact on the community, City Council appropriated funding for the continuation of services in November 2022. Following schedule was approved by City Council which began on December 1, 2022 through November 30, 2023:

Thursday	3:00pm - 9:00pm
Friday	2:00pm - 10:00pm
Saturday	2:00pm - 10:00pm
Sunday	10:00am - 6:00pm
Monday – Wednesday services for Spring Break Week	
Additional cab services for Lost Pines Christmas on December 10, 2022.	

The free community E-Cabs service has provided a means of transportation to 4,754 riders since December 1, 2022, averaging 432 riders per month. Data shows about 36 percent of users are individuals over 55 years old. In Fiscal Year 2023, the program was funded from the City's Hotel Occupancy Tax Fund, but due to usage statistics that show a less than 1% tourism usage an alternative funding source is needed.

On November 7, 2023, City Council found it to be in the public interest to extend the current contract with Electric Cab of North Amica for three months.

**FISCAL IMPACT:**

The three month renewal will be funded from the general fund's excess revenues account for one-time expenses.



**RECOMMENDATION:**

Staff recommends approval of Resolution No. R-2023-168 of the City Council of the City of Bastrop, Texas, authorizing a three-month extension on the contract between the City of Bastrop and Electric Cab of Austin; attached in Exhibit B; authorizing the City Manager to execute all necessary documents; providing for a repealing clause; and establishing an effective date.

**ATTACHMENTS:**

- Resolution R-2023-168
- Extension of Contract for Electronic Transportation



**CITY OF BASTROP  
RESOLUTION NO. R-2023 - 168**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, AUTHORIZING A THREE-MONTH EXTENSION OF TIME ON THE CONTRACT BETWEEN THE CITY OF BASTROP AND ELECTRIC CAB OF AUSTIN.**

**WHEREAS,** the City Council of the City of Bastrop (Council) finds it to be in the public interest and necessary to extend the current contract with Electric Cab of Austin for three months; and

**WHEREAS,** pursuant to Section 51.001 of the Texas Local Government Code and Section 2.01 of the City’s Charter the City Council has the authority to extend contracts between the City and its contractors; and

**WHEREAS,** the City Council finds it to be in the public interest that the City extend the contract between the City and Electronic Cab of Austin to continue receiving electric transportation.

**NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Bastrop:**

**Section 1:** The City Council hereby approves the three-month extension of the contract between the City of Bastrop and Electric Cab of Austin.

**Section 2:** The meeting at which this Resolution was passed was open to the public, and that the public notice of the time, place, and purpose of said meeting was given as required by the Texas Open Meetings Act.

**DULY RESOLVED & ADOPTED** by the City Council of the City of Bastrop, Texas, on this, the 15th day of November 2023.

**APPROVED:**

\_\_\_\_\_  
Lyle Nelson, Mayor

**ATTEST:**

\_\_\_\_\_  
Ann Franklin, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Alan Bojorquez, City Attorney

**EXTENSION OF CONTRACT  
For  
Electronic Transportation  
Between  
THE CITY OF BASTROP  
And  
ELECTRIC CAB OF AUSTIN**

THIS AMENDMENT modifies the above-referenced Contract as follows:

This contract is extended through February 29, 2024, Midnight CT.

Unless otherwise noted, this amendment goes into effect on the date signed by **The City of Bastrop**. All other terms and conditions of this Contract shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives.

Signed for **The City of Bastrop**,

\_\_\_\_\_  
Sylvia Carrillo, City Manager

\_\_\_\_\_  
Date

Signed for **Electric Cab of Austin**,

  
Chris Nielson (Nov 9, 2023 11:25 CST)  
\_\_\_\_\_  
Chris Nielson, Chief Executive Officer

11/09/2023  
\_\_\_\_\_  
Date