

**REGULAR MEETING  
LOCKHART CITY COUNCIL**

**NOVEMBER 5, 2020**

**6:30 P.M.**

**CLARK LIBRARY ANNEX-COUNCIL CHAMBERS, 217 SOUTH MAIN STREET, 3<sup>rd</sup> FLOOR,  
LOCKHART, TEXAS**

**Council present:**

Mayor Pro-Tem Angie Gonzales-Sanchez  
Councilmember Juan Mendoza  
Councilmember Jeffry Michelson

Mayor Lew White  
Councilmember Derrick David Bryant  
Councilmember Kara McGregor  
Councilmember Brad Westmoreland

**Staff present:**

Steven Lewis, City Manager  
Monte Akers, City Attorney  
Pam Larison, Finance Director  
Bob Leos, Electric Superintendent

Connie Constancio, City Secretary  
Miles Smith, Public Information Officer  
Mike Kamerlander, Economic Development Director

**Citizens/Visitors Addressing the Council:** Brandon Alexander, Iron Ox, CEO.

**Work Session 6:30 p.m.**

Mayor White opened the work session and advised the Council, staff and the audience that staff would provide information and explanations about the following items:

**DISCUSSION ONLY**

**A. DISCUSS MINUTES OF THE CITY COUNCIL MEETINGS OF OCTOBER 8, 2020 AND OCTOBER 20, 2020.**

Mayor White requested corrections to the minutes. There were none.

**B. DISCUSS RESOLUTION 2020-25 APPROVING UTILIZATION OF TREE TRIMMING SERVICE THROUGH THE LOWER COLORADO RIVER AUTHORITY (LCRA) AND MCCOY TREE SURGERY, CO. AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CUSTOMER SERVICES CONTRACT FOR THAT PURPOSE.**

Mr. Leos stated that staff recommends that the City continue the tree trimming program with McCoy Tree Surgery in an effort to reduce voltage flickers, outages, losses, and to improve public safety and satisfaction. Trees and tree limbs falling onto power lines is the most common cause of power outages. Downed power lines caused by falling trees are a public safety hazard. Utilities that fail to maintain a tree trimming program frequently experience higher than normal expenses during severe storm conditions, which include overtime, purchase of additional inventory to replace damaged poles, and wire and electric equipment. McCoy Tree Surgery was first awarded this project in FY 2019. There was no renewal clause in the contract, but staff was very satisfied with the tree trimming service. McCoy Tree Surgery specializes in vegetation management for the electric utility industry. Their pruning methods comply with industry standards for safety and tree care and are endorsed by the International Society of Arboriculture and Tree Care Industry. There is no charge to the customer for these services. Prior to trimming, door hangers (in English and Spanish) are left at the residences in the area and provide the name and phone number of the City's contractor. There was discussion.

**C. DISCUSS AMENDING AND UPDATING INTERLOCAL AGREEMENT BETWEEN CITY OF LOCKHART AND THE LOWER COLORADO RIVER AUTHORITY (LCRA).**

Mr. Akers stated that LCRA offers and maintains a program whereby it contracts with vendors of goods and services that support municipally-owned electric utilities and under which LCRA provides limited planning, repair, maintenance, testing, and inspection services for the City's electric distribution facilities. By agreement dated December 11, 1979, the City and LCRA agreed that LCRA would provide such goods and services to the City. Since 1979, the City has utilized the same for construction, tree-trimming and right-of-way clearing, and other projects. The purpose of the Interlocal Agreement is to update and replace the 1979 agreement. The proposed Interlocal Agreement (ILA) updates the terms and conditions under which LCRA and the City may purchase various goods and services commonly used by each Party through contracts with third party vendors entered into as a result of competitive procurement processes. The ILA provides that the City shall compensate LCRA for its actual cost of performing the Services, which may include all direct costs, indirect costs and other expenses, as applicable. The ILA shall be for a term of one year from the effective date and it shall automatically renew for up to four additional one-year terms. Mr. Akers recommended approval. There was discussion.

**D. DISCUSS RESOLUTION 2020-24 APPROVING AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BETWEEN THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION (LEDC) AND IRON OX, INC. TO AUTHORIZE THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION TO PROVIDE A GRANT OF \$25,000.00 TO IRON OX, INC. FOR CONSTRUCTION OF A SIDEWALK.**

Mr. Kamerlander stated that Iron Ox is an operator of autonomous robotic greenhouses used to grow fresh and pesticide-free farm products that are accessible everywhere. It leverages plant science, machine learning, and robotics to increase the availability, quality, and flavor of leafy greens and culinary herbs that enable consumers to access naturally grown and chemical-free farm products. Iron Ox was established in 2015 and is headquartered in San Carlos, California. Having recently closed its Series B funding of \$20 million in September 2020, Iron Ox is constructing its second facility in Lockhart, Texas. This new 100,000 square foot or larger facility will be located on approximately 25 acres of land on Blackjack Street across from Lockhart Industrial Park I. The total capital investment is expected to be \$10 million initially and will provide at least 28 jobs. The performance agreement offers a maximum of \$25,000 to Iron Ox to provide funds for the construction of a sidewalk along Blackjack Street. This performance agreement and LEDC Resolution 2020-02 was passed unanimously by the LEDC Board during their meeting on October 19, 2020. Mr. Kamerlander recommended approval. There was discussion.

Brandon Alexander, CEO, Iron Ox provided details about their business and stated that they are ready to build their second facility in Lockhart. He thanked city staff and Council for their consideration.

**E. DISCUSS THE LOCKHART ECONOMIC DEVELOPMENT CORPORATION BYLAWS, PROVIDING AMENDMENTS AND CLARIFICATIONS.**

Mr. Kamerlander stated that the Lockhart Economic Development Corporation (LEDC) Bylaws have not been updated since the corporation was established. He explained clarifications throughout the Bylaws and the addition of an attendance policy for the board, which is similar to other city boards and commissions. The LEDC board meets monthly. Mr. Kamerlander recommended approval. There was discussion.

**F. DISCUSS RESOLUTION 2020-26 APPROVING THE CERTIFIED PROPERTY TAX ROLL FOR THE 2020 TAX YEAR.**

Ms. Larison stated that Section 26.09 of the Property Tax Code requires approval of the Property Tax Roll by the City Council of the City of Lockhart, Texas, with the tax amount presented by the Caldwell County Appraisal District for the 2020 tax year. The 2020 Property Tax Roll contains final amounts due totaling \$5,196,719.41. This amount is \$618,891 in excess of the budgeted amount of \$4,577,828 with \$867,945 being for debt service. Mr. Larison recommended approval. There was discussion.

**G. DISCUSS ORDINANCE 2020-26 AMENDING CHAPTER 58, DIVISION 2, CAPTIONED "ELECTRIC RATES COMPUTATION", SECTIONS 58-71 THROUGH 58-74 OF THE CODE OF ORDINANCES, INCLUDING REFERENCES TO THE ELECTRIC RATE MITIGATION POLICY AND DESIGNATING A NEW ACRONYM FOR THE RATE MITIGATION CHARGE THROUGHOUT THESE SECTIONS.**

Ms. Larison stated that in 2014, staff was instructed to start a Rate Mitigation Fund in which customers would contribute a rate set by Council to lower electric billings during peak months such as, but not restricted to, July through September. During this time, a mitigation rate fund use guideline was established and to be used when applying for credits for customers' rates. In 2018 through Ordinance 2018-23, Council defined the Rate Mitigation Change and set a rate at \$0.0026 per kWh by adding it to Chapter 58, Division 2, Sections 58-71 through 58-74. With increasing growth in the City of Lockhart and corresponding new utility accounts, it is staff's conclusion that the guidelines need to be amended. The proposed policy would allow for growth and would allow for the rate mitigation credits to be returned to the customer within the same year. In summary, the responsibility of the Finance department would be to maintain a rolling average of monthly kilowatt usage from the Lower Colorado River Authority (LCRA) and American Electric Power (AEP). For every month that the kWh's are above 6.5% of the rolling average, the Finance Director will credit the wholesale power purchase charge by \$0.0052; no more than six months per fiscal year. Ms. Larison recommended approval. There was discussion.

**H. DISCUSS THE MAYOR'S DECLARATION OF LOCAL DISASTER REGARDING REQUIRING FACE COVERINGS, AND ADDRESSING OTHER MATTERS RELATED TO COVID-19, IF NECESSARY.**

After discussion, the consensus of the Council was to leave the Declaration as currently written.

RECESS: Mayor White announced that the Council would recess for a break at 7:10 p.m.

**REGULAR MEETING**

**ITEM 1. CALL TO ORDER.**

Mayor Lew White called the meeting to order at 7:32 p.m.

**ITEM 2. INVOCATION, PLEDGE OF ALLEGIANCE.**

Mayor White gave the Invocation and led the Pledge of Allegiance to the United States and Texas flags.

**ITEM 3. PUBLIC COMMENT.**

Mayor White requested citizens to address the Council. There were none.

**ITEM 4. CONSENT AGENDA.**

Councilmember Michelson made a motion to approve consent agenda items 4A, 4B, 4C, 4D, 4E and 4F. Councilmember McGregor seconded. The motion passed by a vote of 7-0.

The following are the consent agenda items that were approved:

- 4A: Approve minutes of the City Council meetings of October 8, 2020 and October 20, 2020.
- 4B: Approve Resolution 2020-25 approving utilization of tree trimming service through the Lower Colorado River Authority (LCRA) and McCoy Tree Surgery, Co. and authorizing the City Manager to execute a customer services contract for that purpose.
- 4C: Approve amending and updating Interlocal Agreement between City of Lockhart and the Lower Colorado River Authority (LCRA).
- 4D: Approve Resolution 2020-24 approving an Economic Development Performance Agreement between the Lockhart Economic Development Corporation and Iron Ox, Inc. to authorize the Lockhart Economic Development Corporation to provide a grant of \$25,000.00 to Iron Ox, Inc. for construction of a sidewalk.
- 4E: Approve the Lockhart Economic Development Corporation Bylaws, providing amendments and clarifications.
- 4F: Approve Resolution 2020-26 approving the certified property tax roll for the 2020 tax year.

**ITEM 5-A. DISCUSSION AND/OR ACTION TO CONSIDER ORDINANCE 2020-26 AMENDING CHAPTER 58, DIVISION 2, CAPTIONED "ELECTRIC RATES COMPUTATION", SECTIONS 58-71 THROUGH 58-74 OF THE CODE OF ORDINANCES, INCLUDING REFERENCES TO THE ELECTRIC RATE MITIGATION POLICY AND DESIGNATING A NEW ACRONYM FOR THE RATE MITIGATION CHARGE THROUGHOUT THESE SECTIONS.**

Mayor Pro-Tem Sanchez made a motion to approve Ordinance 2020-26, as presented. Councilmember Bryant seconded. The motion passed by a vote of 7-0.

**ITEM 5-B. DISCUSSION AND/OR ACTION TO CONSIDER THE MAYOR'S DECLARATION OF LOCAL DISASTER REGARDING REQUIRING FACE COVERINGS, AND ADDRESSING OTHER MATTERS RELATED TO COVID-19, IF NECESSARY.**

Mayor White announced that the Declaration would remain as currently written.

**ITEM 5-C. DISCUSSION AND/OR ACTION REGARDING APPOINTMENTS TO VARIOUS BOARDS, COMMISSIONS OR COMMITTEES.**

Mayor White requested appointments to boards and commissions. There were none.

**ITEM 6. CITY MANAGER'S REPORT, PRESENTATION AND POSSIBLE DISCUSSION.**

- Public Works Updates:
  - Bids for Street Improvements Project, Phase II were received on October 29.
  - Research began on installation of the new aerator at the City Park pond.
- Firefighter entrance exam was held on October 24 and resulted in 12 candidates. (Four vacancies exist)
- Police Department Updates:
  - Two Telecommunicator positions have been filled.
  - Recruitment efforts continue for Police Officers that included a Career Workshop for Law Enforcement that was held on October 17. One Police Officer was recently hired.
  - Police entrance exam was held on October 23 and resulted in nine candidates. (Seven vacancies exist)
- Report on the final results of the 2020 U.S. Census.

- The November 3, 2020 General Election will be canvassed during the November 17, 2020 Council meeting. Elected officials will be sworn-in immediately following the canvass.
- Update on TxDOT drainage project along US 183 near downtown.

**ITEM 7. COUNCIL AND STAFF COMMENTS – ITEMS OF COMMUNITY INTEREST.**

Councilmember Westmoreland congratulated all candidates that ran for office during the November 3, 2020 Election.

Councilmember Mendoza congratulated all candidates and he thanked all election workers for their dedication.

Mayor Pro-Tem Sanchez expressed condolences to the families of Lisa Guerrero, Esther Garcia, and Bonnie Branch for their loss. She congratulated all candidates that ran for office during the November 3, 2020 Election. She thanked Carla Carter for generously giving away snack boxes on Halloween.

Councilmember McGregor encouraged everyone to stay safe.

Councilmember Bryant expressed condolences to Bertha Martinez for the loss of her mother. He thanked candidates and newly elected officials, and he thanked Carla Carter for the snack box meals donated on Halloween.

Councilmember Michelson also congratulated candidates that ran for office. He thanked staff for bringing Iron Ox to Lockhart.

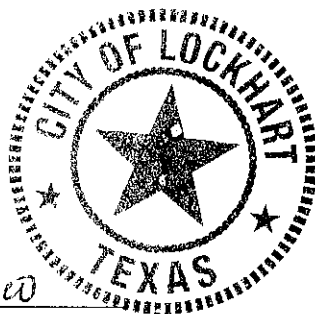
Mayor White thanked the community for their faith and support during the Election. He congratulated all candidates that ran for office. He announced that the Northern Caldwell County Coalition meeting will be held on November 12 at 6:00 p.m. and that the Lockhart Chamber is hosting a Leadership Program on November 19 from 10:30 am until 2:00 p.m. in the Council Chambers.

**ITEM 8. ADJOURNMENT.**

Mayor Pro-Tem Sanchez made a motion to adjourn the meeting. Councilmember Mendoza seconded. The motion passed by a vote of 7-0. The meeting was adjourned at 7:52 p.m.

PASSED and APPROVED this the 17<sup>th</sup> day of November 2020.

**CITY OF LOCKHART**



*Lew White*  
 Lew White, Mayor

ATTEST:

*Connie Constanancio*  
 Connie Constanancio, TRMC  
 City Secretary