

**EL RENO CITY COUNCIL &
EL RENO MUNICIPAL AUTHORITY**

SPECIAL JOINT MEETING OF
TUESDAY – MAY 2, 2017 – 12:00 (NOON)
EL RENO CITY COUNCIL CHAMBERS
101 N. CHOCTAW AVENUE – EL RENO, OKLAHOMA

MINUTES

A CALL MEETING TO ORDER

Mayor/Chairman White called the meeting to order at 12:00 (Noon).

B ROLL CALL

Present: JT Chronister, Vice-Mayor/Vice-Chairman
Matt White, Mayor/Chairman
Ryan Sears, Council Member/Trustee
Bob Ballhorn, Council Member/Trustee
Tim Robinson, Council Member/Trustee

Staff Present: Dan Galloway, City Manager
Lindsey Grigg, City Clerk
Marsha Leck, City Treasurer
Alli Hernandez, Admin Clerk/PIO
Dean Rinehart, Rinehart, Rinehart, & Rinehart

Others: Ray Dyer, El Reno Tribune

C DISCUSSION ITEMS

1. Discussion, consideration, and possible action regarding a proposed agreement between the City of El Reno and Veolia for the operations of the water treatment plant and/or waste water treatment plant.

Presented by Dan Galloway, City Manager

We have negotiated what I believe to be a fair and practical proposed contract with Veolia Water North America to operate both the New Wastewater Treatment Plant and the existing Water Treatment Plant. The contract includes operation of both plants and they will operate the elevated water tower at Elm and Rock Island, the newer elevated tower on Elm just east of Lake El Reno, the ground water storage tank south of I-40 and our water well field.

The proposed contract is for a total of \$1,195,515.00 for one-year of operation. The contract is for an initial five-year period with provision of automatically renewing for a second five-year period. However, both parties have the right to cancel the renewal by giving the other a 120 day written notice.

The average City budget to operate the same facilities would be approximately \$1,738,800.00 based on our most recent year of operation. Although this is \$500,000 less than the contract we will not actually save this amount. The City will continue to provide 75% of the electricity cost for the plants and Veolia 25%. The split is to give Veolia incentive to be as energy efficient as possible. The City will also be responsible for the cost of major capital item replacement, the payment to OKC for water used, and some miscellaneous items.

If Council approves Veolia contract the budget will provide for a total of \$1,750,000.00. Until we have the experience of a full year of operation of the new plant our budget is not as precise as we would like. We believe the plants can be operated for less but we need six months to a year of accurate operating records to determine more accurate estimate. With the depth of plant operation experience and expertise Veolia brings to our operation a very professional team. I recommend Council approve the proposed contract.

Note: A portion of our plant construction was funded with bond financing. Municipal bonds to finance these types of projects are “tax exempt” for the bond buyers. IRS has very strict (and changing) rules to ensure the use of funds meeting all tax exempt criteria. Therefore we have had Finance Advisor, Allen Brooks, examine the contract along with an attorney well versed in new IRS regulations. They find the terms of the contract acceptable but have identified several definitions and clarification language they believe should be in the contract. These changes will not affect contract terms.

White **MOVED, SECONDED** by Robinson to approve the terms presented of the contract with Veolia to operate our water and sewer plant, and authorize Mayor to sign contracts contingent upon all attorneys for both parties agreeing on the technical language to ensure compliance with IRS tax exempt requirements.

VOTE WAS:

AYE: Chronister, White, Ballhorn, Sears, Robinson

NAY: None.

ABSTAIN: None.

ABSENT: None.

Mayor/Chairman White declared motion CARRIED by a vote of 5 to 0 with 0 absent.

D ADJOURNMENT

Filed in the office of the City Clerk and posted on the bulletin board at the west entrance of the El Reno Municipal Building, 101 N. Choctaw at 5:00p.m. on April 28, 2017.

Chronister **MOVED, SECONDED** by Ballhorn to adjourn.

VOTE WAS:

AYE: Chronister, White, Ballhorn, Sears, Robinson

NAY: None.

ABSTAIN: None.

ABSENT: None.

*Mayor/Chairman White declared motion **CARRIED** by a vote of 5 to 0 with 0 absent.*

The meeting adjourned at 12:11pm.

Signed _____
Matt White, Chairman/Mayor

Signed _____
Lindsey Grigg, City Clerk