MINUTES
WATAUGA CITY COUNCIL
WORKSHOP MEETING
TUESDAY, NOVEMBER 12, 2019
CITY HALL, COUNCIL CHAMBER, 7105 WHITLEY ROAD
5:30 PM

CALL TO ORDER

Mayor Miner called the workshop meeting to order at 5:42 p.m.

ROLL CALL

The City Council of the City of Watauga, Texas convened in Workshop, with the following members of Council and staff present:

Arthur Miner, Mayor
Mark Taylor, Mayor Pro Tem/Council Place 6
Scott Prescher, Council Place 1
Tom Snyder, Council Place 2
Lovie Downey, Council Place 3
Andrew Neal, Council Place 4
Juanita King, Council Place 5
Kim Irving, Council Place 7 (Absent with notice)

and

Andrea Gardner, City Manager / City Secretary
Raquel Guajardo, Interim Deputy City Secretary
George Hyde, City Attorney
Sandra Gibson, Director of Finance
Paul Hackleman, Director of Public Works
Marcia Reyna, Director of Human Resources/Civil Service
Robert Parker, Chief of Police
Shawn Fannan, Fire Chief
Sal Torres, Director of Parks and Community Service
Bradley Fraley, Chief Information Officer/PIO

PRESENTATIONS

1. Present, discuss and provide direction to the City Manager on participation in the Texas Coalition for Affordable Power Strategic Hedging Program

   City Manager, Andrea Gardner, introduced Margaret Somereve of Texas Coalition for Affordable Power (TCAP). Ms. Somereve presented a new program being considered by TCAP member cities known as Strategic Hedging. Some highlights from the presentation include history of TCAP (began with de-regulation in 2002) and in 2008 long term contracts became the desired method for municipalities to contract for electricity. The City's current contract expires in 2022. Ms. Somereve provided an explanation of the differences between the hedging program and multi-term contracts and provided a sample explanation to illustrate the difference. Ms. Somereve informed the City Council that the City could decide to exit the hedging program at any point and lock in a rate with a longer term contract. She also notified the Council that the City could also enter into a long term contract for solar as another option but that option requires the City to lock in for 15 years.

Mayor Miner called for questions from the Council with Mayor Pro Tem Taylor asking what the advantage of strategic hedging would be. Ms. Somereve replied that 1) hard to predict the market 2) TCAP always buys in the 2 year dip of the market which typically yields more favorable pricing. She also mentioned if TCAP buys too far out into the future, price premiums are placed on electricity. Mayor Pro Tem Taylor acknowledged understanding the benefits and stated to stay away from long term contracts.

A consensus of the Council was to move forward with the Hedging Program. Tom Snyder, Lovie Downey, Juanita King, Mark Taylor and Andrew Neal supported moving forward. Scott Prescher felt it sounds too risky.

ADJOURNMENT

Mayor Miner adjourned the Workshop at 6:14 p.m.

APPROVED: this the 13th day of Jan 2020

SIGNED: this the 15th day of Jan 2020

Arthur L. Miner /s/

Arthur L. Miner, Mayor

ATTEST:

Andrea Gardner /s/

Andrea Gardner, City Secretary

CITY OF WATAUGA, TEXAS

NOTE: Original Audio and Video Recording of this meeting is preserved and maintained by the City Secretary's Office