

CITY COUNCIL MINUTES
OF TOWN HALL MEETING

KERRVILLE, TEXAS
JULY 22, 2010

On July 22, 2010, the Kerrville City Council attended a town hall meeting at the Hill Country Youth Exhibition Center, 3705 State Highway. 27 East, Kerrville, Texas. The meeting was called to order by County Judge Pat Tinley at 6:45 p.m.

COUNCILMEMBERS PRESENT:

David Wampler	Mayor
R. Bruce Motheral	Mayor Pro Tem

COUNCILMEMBERS ABSENT:

Scott Gross	Councilmember
Gene Allen	Councilmember
Stacie Keeble	Councilmember

OTHER OFFICIALS IN ATTENDANCE:

Harvey Hilderbran	State Representative
Pat Tinley	Kerr County Judge
Bruce Oehler	Kerr County Commissioner
Barbara Hofmann	Lower Colorado River Authority (LCRA) representative
Tracy McCuan	Kerrville Public Utility Board (KPBU) General Manager
Rob Henneke	Kerr County Attorney

CITY STAFF PRESENT:

Todd Parton	City Manager
Mike Hayes	City Attorney
Brenda G. Craig	City Secretary
Charlie Hastings	Director of Public Works
Tara LaMontia	Assistant to the City Manager
Kevin Coleman	Director of Development Services

VISITORS PRESENT: List is on file in the city secretary's office for the required retention period.

Discussion of the proposed Lower Colorado River Authority (LCRA) Competitive Renewable Energy Zones (CREZ) project with regard to developing a routing and construction plan for a proposed distribution line in the Kerrville area as part of a plan to provide electric transmission facilities from West Texas and the Panhandle to various other areas in Texas.

Judge Tinley noted the purpose of the meeting was to provide information regarding the CREZ project. He noted that the county, city, and KPUB had all passed resolutions to become interveners into the proceedings before the PUC. The Kerr County Commissioners' Court (KCCC) resolution urged PUC to:

1. Re-evaluate the data on which the CREZ project was based. The data used was outdated; base decisions on current information.
2. Only consider new, additional lines when existing lines were at capacity; lines along other routes were not at capacity.
3. Set forth criteria for where transmission lines should be built if needed; e.g. follow existing transmission line facilities already in place, follow property lines, do not cut

through a property, provide fair compensation to owners.

Representative Hilderbran noted he had been in discussion with the PUC and the Electric Reliability Council Of Texas (ERCOT) and questioned the necessity of the CREZ project. He noted the project: had been based on old data; newer research indicated that the life span of wind turbines was only 3-5 years and production levels may not be as originally predicted; at least one transmission line was not at capacity; the newest wind farms were along the coast, which may necessitate lines in an entirely different direction. He challenged PUC and ERCOT to re-evaluate the study to determine whether or not the CREZ project was even needed and to evaluate current information before any transmission line route was approved. He would continue working to fight the CREZ line in Kerrville and Kerr County.

Mayor Wampler noted the economic impact and aesthetic damage that the CREZ line would have on the community. The city had significant financial investment in infrastructure along the I-10 corridor; such a line would have a staggering effect on Kerrville's future economic growth. He noted there were more suitable routes from McCamey to Kendall County than through Kerr County, and he questioned the necessity and feasibility of a line from the wind farms of West Texas to metropolitan areas in East Texas. He encouraged citizens to oppose the line by writing letters to the PUC and LCRA before the July 28 deadline.

Tracy McCuan, general manager of KPUB, noted that KPUB passed a resolution opposing the route through the Kerrville area and sent it to PUC and LCRA and joined with the city and county to become an intervener. He noted the proposed CREZ line may have a slight theoretic benefit to the hill country; however, it had virtually no direct impact on local electric providers. The purpose of the CREZ line was to provide power to major metropolitan areas of Texas. He stated that LCRA could parallel with existing lines, even with underground gas lines.

Mr. Parton provided an update on the project and information on how persons could become involved. He noted that other community partners had already sent letters to PUC and LCRA opposing a Kerrville line, i.e. Kerrville Board of Realtors and Kerr Area Chamber of Commerce.

Mr. Hastings provided information on the CREZ line project to provide electric transmission facilities from the West Texas wind farms to other parts of Texas. The 345 kV electric transmission line would be carried on lattice structures 150 foot tall. The minimum easement required was 150 ft. wide; however if the lines could not be accessed for maintenance, PUC would require additional width up to 300 ft. LCRA had been commissioned by the PUC to provide information on potential routes, one of which paralleled I-10 in Kerr County. The LCRA application was due to PUC on July 28; PUC's decision was anticipated in January 2011. Mr. Hastings noted the city had significant investment in utilities infrastructure at I-10 and SH 16 and I-10 and Harper Road and estimated a significant impact to \$550 million of future ad valorem taxable development. He noted the city had filed a statement with PUC requesting intervener status, and he reviewed the rights of a private property owner and how they could protest.

The following persons spoke:

1. Bill Perkison, Tierra Linda Ranch (TLR) Homeowners Association, noted a gas pipe line that traversed TLR. He noted that all areas were trying to support a route elsewhere. Fredericksburg and Gillespie County had also filed as interveners; they too, were questioning the necessity of the line, but if it was found to be necessary, they suggested the I-10 route. He asked the city and county to fight the I-10 route,

but in doing so to support a line further north to the existing transmission line known as the Mason and Menard route. He expressed concern that PUC may select the existing gas pipeline right of way through TLR. He suggested the city and county get with other counties and cities and make a concerted effort to organize and develop a preferred route to recommend to PUC. The city and county must fight to move the line off the I-10 corridor through Kerr County.

2. Roy Kilgore questioned whether public funds would be appropriated to hire legal counsel to fight the transmission line; and if an attorney had already been hired, how much were they being paid and what would be the stop loss limit. He protested the expenditure of any citizen tax funds to fight the line and suggested using the existing city and county attorneys and not hiring additional legal counsel. He had protested the Rim Rock and Goat Creek transmission lines several years ago and his legal cost was \$200,000 and those lines were approved anyway.

Mr. Parton stated additional legal counsel had been hired; the initial expenditure was \$5,000 per entity (\$15,000). He noted the legal opposition would be a lengthy and complicated process and would require highly specialized legal representation.

3. Peter Nolan stated the northern route would follow existing routes. He had attended several LCRA meetings and questioned the comment that it was not technically possible to put the CREZ line along existing power lines. He asked if the city and county would continue to fight the line if it was not along I-10.

Mr. Parton noted the city would stay engaged in the process even if the I-10 route was not LCRA's recommended preferred route as PUC may select a route other than LCRA's recommended route.

4. Barbara Hofmann, LCRA representative, noted that all affected landowners would receive an information packet after the July 28 filing date. Information regarding the routes would be provided on LCRA's website starting July 29. She noted LCRA had studied the Florida Power and Light line; however, it was a private, not a public, utility line.

5. Sharon Walling suggested getting with other groups, cities, and counties to fight the line and say do not do it at all. Fredericksburg was already working on fighting it.

6. Mark Harlin, noted the purpose of the project was to get power from West Texas to Comfort and from Comfort to Fredericksburg; he questioned the necessity of running a line through Kerrville.

7. William Rector proposed a strategy: 1) Work with other cities and counties to develop an alternative that could be recommended by several entities and not just say "not in my back yard." 2) The Florida Power and Light route was a reasonable alternative. 3) Allow the line to be placed in the median of I-10, provided the lines were placed underground through the city limits and for a distance of two miles outside the city. The cost of running the lines underground would likely equal what they would have to pay for easements.

8. Glenn Merrill stated the community should have an alternative route to suggest; also, the PUC represented the state and would be considering the cost involved for all routes, and if the alternative route was cost effective, it may be selected.

9. Nancy Harma stated her message was simply to ask LCRA to be good stewards of the land, use existing lines and routes, and not disturb virgin property.

10. Tess Nolan noted that in the past wind energy may have appeared to be a viable energy solution; however, wind energy was being shut down in some places. When the state legislature convenes in 2012, they may reconsider the viability of wind energy.

ADJOURNMENT:

The meeting adjourned at 8:02 p.m.

APPROVED: _____

ATTEST:

David Wampler, Mayor

Brenda G. Craig, City Secretary