

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Ordinance Amending the FY 2013-14 Annual Budget and Plan of Municipal Services of the City of Killeen by increasing the Water and Sewer Fund by \$5,000,000 for the up-front capital equity contribution to Bell County Water Control and Improvement District, No. 1 water treatment plant

ORIGINATING DEPARTMENT

Finance

BACKGROUND INFORMATION

On February 11, 2014, City Council authorized the Mayor and the City Manager to enter into an agreement amending the City's water supply contract with Bell County Water Control and Improvement District No. 1 for the financing and design of a water treatment plant on Stillhouse Lake. The water treatment plant will be funded in part with a \$5,000,000 up-front contribution from the City's Water and Sewer Fund. The remaining funds for the plant will come from proceeds from the issuance of Revenue Bonds issued by the District on behalf of the City.

DISCUSSION/CONCLUSION

Delivery of the construction portion of the financing for this project is scheduled to close on March 20, 2014. The City's equity contribution in the amount of \$5,000,000 will be due and payable at this time.

FISCAL IMPACT

Approval of this budget amendment will increase the Water and Sewer Fund expenditures by \$5,000,000 on account number 550-3405-435.50-96 (WCID-Capital Contribution).

RECOMMENDATION

Staff recommends that the City Council approve the ordinance amending the FY 2013-2014 Water and Sewer Fund Budget by \$5,000,000.