



# City of Killeen

## Legislation Text

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**File #:** RS-22-083, **Version:** 1

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Consider a memorandum/resolution authorizing Addendum No. 7 to the Amended and Restated Water Supply Contract with WCID for the Lake Belton Water Plant Power Resilience Project.

**DATE:** June 21, 2022

**TO:** Kent Cagle, City Manager

**FROM:** Jeffery Reynolds, Executive Director of Public Works

**SUBJECT:** Authorize the execution and delivery of Addendum No. 7 to the Amended and Restated Water Supply Contract for the Lake Belton Water Plant Power Resilience Project

### **BACKGROUND AND FINDINGS:**

Bell County Water Control and Improvement District No. 1 (the District) operates a water treatment plant and transmission facility at the edge of Lake Belton. The District supplies treated water to area cities, including the City of Killeen. Senate Bill 3 (SB 3) of the 87th Texas Legislature requires all water providers to develop and implement an Emergency Preparedness Plan (EPP). A key factor of this plan is the ability to provide water to all customers at a 20-psi minimum pressure for at least 24-hours in the event of a system-wide power outage. The District's EPP includes the installation of standby generators at the Lake Belton Water Plant.

On June 7, 2022, the District presented their proposed Lake Belton Water Plant Power Resilience Project to City Council. City Council issued a Motion of Direction for City staff to bring this project back with the necessary contract addendum for further review.

It is the intent of the District to sell \$11,330,000 in Water System Revenue Bonds, Series 2022A to finance the project. The District has prepared a contract wherein all of the customers receiving water from the Lake Belton Water Plant will pay a proportionate share of the cost of the Power Resilience Project. The portion of the bonds that the City of Killeen will be responsible for is 43.2432% or \$4,895,000.

### **THE ALTERNATIVES CONSIDERED:**

- (1) Do not authorize the execution and delivery of Addendum No. 7 to the Amended and Restated Water Supply Contract of April 1, 2004.
- (2) Authorize the execution and delivery of Addendum No. 7 to the Amended and Restated Water Supply Contract of April 1, 2004.

### **Which alternative is recommended? Why?**

Alternative two (2) is recommended because it provides funding for the District's Power Resilience Project which will enable the District to provide water during a system-wide power outage.

**CONFORMITY TO CITY POLICY:**

Addendum No. 7 conforms to all City policies regarding contracted services and the funding of such services.

**FINANCIAL IMPACT:**

**What is the amount of the expenditure in the current fiscal year? For future years?**

Expenditures based on the attached debt service schedule will begin in FY 2023 and will be fulfilled in FY 2042, in a total amount of \$7,571,219.38. This includes \$4,895,000 of principal and \$2,676,219.38 in interest payments.

**Is this a one-time or recurring expenditure?**

The debt service is recurring through FY 2042.

**Is this expenditure budgeted?**

Yes, funds will be included in the FY 2023 proposed budget in the Water and Sewer Fund Water Distribution account 550-3410-436.50-91.

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

Yes

**RECOMMENDATION:**

City Council approve the attached resolution authorizing the execution and delivery of Addendum No. 7 to the Amended and Restated Water Supply Contract of April 1, 2004.

**DEPARTMENTAL CLEARANCES:**

Public Works  
Legal  
Finance

**ATTACHED SUPPORTING DOCUMENTS:**

Addendum  
General Certificate  
Resolution  
Exhibit B  
Exhibit C