



City of Killeen

Legislation Text

File #: RS-23-071, Version: 1

Consider a memorandum/resolution authorizing Addendum No. 8 for the Bell County Water Control and Improvement District No. 1 Lake Belton Plant Power Resilience Project, in the amount of \$431,789.

DATE: April 18, 2023

TO: Kent Cagle, City Manager

FROM: Jeffery Reynolds, Executive Director of Public Works

SUBJECT: Authorize the Execution and Delivery of Addendum No. 8 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 the EPP 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 28, 2022, City Council authorized Addendum No. 7 to Amended and Restated Water Supply Contract of April 1, 2004, for the District Lake Belton Water Plant Power Resilience Project (the Project) in the amount of \$4,895,000 (CCM/R 22-077R).

The District informed the customers, that receive water from the Lake Belton Water Plant, that their original intent to sell \$9,570,000 in Water System Revenue Bonds (Series 2022A) to finance the Project was insufficient and an additional \$998,512 is needed to fund the Project. This additional funding is needed due to an increase in actual project pricing compared to the original request for proposal pricing received in March of 2022. The portion of this additional funding that the City of Killeen will be responsible for is 43.2432%; or \$431,789. The District submitted Addendum No. 8 requesting this additional funding as a lump sum payment payable to the District on or before July 1, 2023. The budget amendment from Finance for this funding will be presented at the Council Workshop on Tuesday, April 18, 2023.

THE ALTERNATIVES CONSIDERED:

- (1) Do not authorize Addendum No. 8 with the District; thereby delaying the construction of this critical power resilience project and placing the city in violation of SB 3.
- (2) Authorize Addendum No. 8 with the District, in the amount of \$431,789 for the Lake Belton Water Plant Power Resilience Project.

Which alternative is recommended? Why?

Alternative two (2) is recommended because it provides additional funding for the District's Power Resilience Project, which will enable the District to provide water during a system-wide power outage for at least 24-hours.

CONFORMITY TO CITY POLICY:

Addendum No. 8 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?

The total expenditure of \$431,789 will be paid in FY 2023.

Is this a one-time or recurring expenditure?

One-time

Is this expenditure budgeted?

Yes, funds will be available in the Water and Sewer Fund account 550-3410-436.50-91, upon approval of the budget amendment.

If not, where will the money come from?

N/A

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

Yes, upon approval of the budget amendment.

RECOMMENDATION:

City Council authorize the City Manager or designee to execute Addendum No. 8 with the District for the Lake Belton Water Plant Power Resilience Project in the amount of \$431,789.

DEPARTMENTAL CLEARANCES:

Public Works
Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Addendum No. 7
Addendum No. 8
Presentation

