



City of Killeen

Legislation Text

File #: RS-24-067, **Version:** 1

Consider a memorandum/resolution authorizing the execution and delivery of Addendum No. 9 to Amended and Restated Water Supply Contract of April 1, 2004, for the WCID Water System Improvements Project.

DATE: April 2, 2024

TO: Kent Cagle, City Manager

FROM: Edwin Revell, Executive Director of Development Services

SUBJECT: Authorize the execution and delivery of Addendum No. 9 to Amended and Restated Water Supply Contract of April 1, 2004, for the WCID Water System Improvements 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.

On January 30, 2024, the District presented to the City Council their proposed Water System Improvements Project, which includes expansion and modifications to the Lake Belton Water Plant and the Killeen Transmission System. City Council issued a Motion of Direction for City staff to bring back this project and the necessary contract addendum for further review.

It is the intent of the District to sell \$111,370,000 in Water System Revenue Bonds, Series 2024 to finance the project. The District has prepared a contract wherein all customers receiving water from the Lake Belton Water Plant will pay a proportionate share of the cost of the Water System Improvements Project. Due to the City Council's request that the City of Killeen not participate in the expansion portion of this project, the modifications portion of the bonds that the City of Killeen will be responsible for is 14.9% of the total; or \$16,580,000.

THE ALTERNATIVES CONSIDERED:

N/A

Which alternative is recommended? Why?

N/A

CONFORMITY TO CITY POLICY:

Addendum No. 9 conforms to all City policies regarding contracted services and the funding of such services.

FINANCIAL IMPACT:

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

Expenditures based on the attached debt service schedule will begin in FY 2025 and will be fulfilled in FY 2044, in a total amount of \$25,613,507.50 to include principal and interest.

Is this a one-time or recurring revenue/expenditure?

This is a recurring expenditure.

Is this revenue/expenditure budgeted?

Yes, funds will be included in the FY 2025 Proposed Budget in the Water and Sewer Fund 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 revenue/expenditure?

Yes, upon approval of the FY 2025 Proposed Budget.

RECOMMENDATION:

City Council approve the attached resolution authorizing the execution and delivery of Addendum No. 9 to Amended and Restated Water Supply Contract of April 1, 2004.

DEPARTMENTAL CLEARANCES:

Development Services
Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Addendum No. 9
General Certificate
Resolution
Water and Sewer Rates
Debt Service Schedule
Presentation