



## Text File

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**Agenda Date:** 1/10/2023

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**Status:** New Business

**In Control:** City Council

**File Type:** Agenda Item

**Agenda Number:** 11D.

### Title

Consider and take action on a resolution authorizing a Water Facilities Financing Agreement Between the City of League City and Gulf Coast Water Authority (South Transmission System), for multiple improvement projects associated with the South Transmission System in an amount not to exceed \$1,606,486.18 (Director of Public Works)

### ..Background:

The approval of the Water Financing Agreement (South Transmission System) with Gulf Coast Water Authority (GCWA) for multiple improvement projects associated with the South Transmission System in the amount of \$1,606,486.18 provides the City of League City's pro-rata share of the total FY2023 project cost of \$9,900,000. While this item specifically approves the City's obligation for the 2023 GCWA bond issuance, the project will also include future GCWA bond sales. Current estimates for the remaining cost of the FM517 waterline relocation (TxDOT) include the City's pro-rata share of the proposed FY2024 \$6,200,000 of approximately \$1,006,260.

GCWA's South Transmission System serves eight (8) municipal customers in Galveston County and provides drinking water conveyance from the Thomas Mackey Water Treatment Plant (TMWTP) located in Texas City. The South Transmission System is the primary conveyance for 5.54 MGD of the City's current surface water capacity.

The four projects described in detail below address two on-going TxDOT improvement projects (I-45 & FM517) where existing waterlines with-in TxDOT right-of-way are required to be relocated, and two additional projects intended to address maintenance access and system performance.

The proposed improvement projects include the following:

- Hwy 3- Hwy 146 Interface: Waterline Relocation: Relocate a portion of the existing 42-inch waterline to accommodate the Texas Department of Transportation (TxDOT) expansion of State Hwy 146
- South Line Interconnect Repair: Isolate and terminate certain interconnections along the Authority's State Highway 6 South Line, from Alta Loma Pump Station to Bayou Vista, where valves that do not properly isolate or are stuck in the open position causing water to leak into the abandoned line
- Calder Meter Station- Site Upgrades: Improve the existing meter station on the South Transmission System located near the intersection of Calder Rd and FM517 to create a safe ingress/egress for operations staff; make building repairs including roof replacement, add a fence with gates; and provide flush points upstream and downstream of the meter station
- FM517- 30-inch Waterline Relocation: Relocate a portion of the existing 30-inch waterline from the City of League City connection at Calder Road to FM646 to accommodate the TxDOT expansion of FM517

GCWA agrees to sell Revenue Bonds for the aforementioned improvements on behalf of the applicable Participants of the Amended and Restated Municipal System Customer Contract, approved April 2022. Section 7.8. Special Projects, authorizes the Authority to issue bonds in this manner for the purpose of constructing, acquiring, adding, expanding or extending facilities to serve any new or existing contract customer.

**Funding Recommendations:**

Annual debt service is estimated at \$140,061 based on the assumptions of 20-year debt, at an interest rate of 6%. Payments are reflected at a flat payment rate and will be adjusted once the debt payment schedule is formalized by GCWA. Fiscal Year 2023's estimated payment of \$140,061 will be absorbed by the available budgeted amount in the Utility Debt Service Fund, after the realized payments for other GCWA debt service projects came in under budget.

Attachments:

1. Data Sheet
2. Proposed Resolution
3. Water Facilities Financing Agreement Between City of League City & Gulf Coast Water Authority (South Transmission System)
4. GCWA's Cost Share Spreadsheet
5. Section 7.8 Special Projects of the Amended and Restated Municipal Systems Customer Contract
6. Approved Agenda Item #11C dated 4.26.22
7. Exhibit C-1 (Map of South Transmission System with approximate project locations)

CONTRACT ORIGINATION: GCWA

FUNDING

{X}Funding in the amount of \$140,061 is available from Utility Debt Service Fund 1030. Beginning in FY2024, the annual estimated payment of \$140,061 will become part of the transfers from Utility Fund Balance, to the Utility Debt Service Fund.

STRATEGIC PLANNING

{X} Addressed Strategic Planning Critical Success Factor #1 - Develop and Maintain Our Infrastructure

APPROVED  
JAN 10 2023  
CITY COUNCIL

**RESOLUTION NO. 2023-07**