

BELTON CITY COUNCIL WORKSHOP
JULY 9, 2013

The Belton City Council met in work session in the Smith Room of the Harris Community Center, with the following members present: Mayor Jim Covington, Mayor Pro Tem Marion Grayson, Councilmembers Craig Pearson, Jerri Gauntt, and Dan Kirkley. Councilmember David K. Leigh and John Agan were absent. Staff present were John Messer, Sam Listi, Connie Torres, Cristy Daniell, Mike Huber, and Karen Evans. Also present were Mack Parker and Ginger Tolbert of KPA Engineers.

The Mayor called the workshop to order at 4:30 p.m.

Conduct work session regarding Belton's participation with Bell County Water Control Improvement District (BCWCID) No.1, in a water plant proposed on Stillhouse Hollow Lake.

The City Manager stated since the Council's work session on April 9th, he met again with the General Manager of BCWCID No. 1 regarding Belton's participation in the proposed water plant on Stillhouse Hollow Lake. Mr. Atkinson has requested a decision from Belton, and indicated participants thus far include the Cities of Harker Heights and Copperas Cove, and the 439 Water Supply Corporation, with the City of Killeen also expected to participate. Mr. Listi stated he discussed Belton's demand level threshold with BCWCID, and though the City's contract with BCWCID allows for 10.0 million gallons per day (MGD), the City has only reached half of its contract amount (5.0 MGD) on very few days, with the highest day ever being 5.5 MGD. He therefore questioned Belton's need to participate in construction of the new water plant.

Ginger Tolbert, KPA Engineers, reviewed the City's water demand projections for average/maximum days and peak hours. She indicated Belton has sufficient water beyond the year 2050, with those future demands being sufficient for max days (7.56 MGD average; 10.0 MGD maximum), and also for raw water under contract (17.0 MGD max). According to the Texas Water Development Board's current projections, the City's treatment capacity of 10.0 MGD is sufficient to the year 2040, but she believes treatment capacity may be Belton's first need. Ms. Tolbert explained if the City chooses to not participate in this plant expansion, it may want to consider future water treatment options/alternatives, such as:

- Participation in future BCWCID #1 water plant expansion (another expansion would be expected in years 2030-2040 time frame)
- Treatment by the City or others
- Supplemental water from reuse
- Supplemental groundwater

Councilmember Pearson asked about re-treating effluent into drinking water, and Ms. Tolbert stated in some ways, the City does that now, as other effluent water flows to Lake Belton and is withdrawn and treated. While it can be done, the more common practice for enhanced efficiency is to use effluent for irrigation. Mr. Pearson asked if the City's old wells are closed, and Ms. Tolbert replied they are closed, and if the City wanted to consider groundwater, new wells would have to be dug as the old ones can't be reused.

Assistant City Manager Cristy Daniell asked about behavior modification with regard to water usage, and Ms. Tolbert stated the City's trigger over 6.0 MGD is not internal, but due to lake levels and the Brazos River Authority implementing water conservation stages. Mr. Listi commented the City can certainly disseminate more information to citizens regarding water conservation measures. Several agreed while behavior modification is desirable, it may not be practical, and Ms. Tolbert agreed that in some cases, it can put more strain on a system and cause a spike in usage.

Councilmember Gauntt asked if participation in the plant expansion gains the City any additional water, and Ms. Tolbert replied the City's participation is buying treatment capacity in the plant for the few days that the City might hit its max day (10.0 MGD), along with the infrastructure that will be sized for conveyance of those max

days. The City Manager agreed, and stated participation in the plant does not add any water to Belton and doesn't get it to town, which could be another \$6.0 million of infrastructure needs. Ms. Tolbert noted the capacity in the 21" line that comes to Belton is at 10.0 MGD. Staff discussed with BCWCID the idea of the City participating in the new plant, but still take water from the plant on Lake Belton, thus paying for costs of the new plant while getting water from the old plant, to avoid construction of a pipeline. Under this scenario, the City would still have the capacity issue with the existing pipeline, because eventually capacity will be reached on the 21" line.

Mr. Listi indicated the original proposal to Belton was for 2.0 MGD treatment capacity in the new plant. An alternative presented was 0.5 MGD. He reviewed a preliminary debt schedule for BCWCID's existing system and the proposed new plant, and indicated the City's participation in the new plant would cause Belton's debt payment to more than double, even at 0.5 MGD. This doesn't include additional cost of pipe to get the water to Belton which would add \$5.0-\$6.0 million. He explained the BCWCID Board is currently not interested in modifying its contracts with area cities for more flexibility in water sourcing. The City Attorney stated there might be a better chance of getting that changed in the future through the Legislature, as it makes no sense for Belton to not be able to get water from Stillhouse Hollow Lake.

Ms. Tolbert reiterated that if the City participated in this proposal, it would be buying infrastructure installed five years from now, that Belton might need 20 years from now. Councilmember Gauntt stated it seems Belton would be paying to purchase equipment for other communities who need it sooner. Mr. Messer stated the Council has the ultimate say in how much water Belton needs, as it ultimately determines how much the City grows. Ms. Tolbert added there are also TCEQ regulations that require certain amounts of treatment capacity, storage capacity, and pumping capacity per connection. The City Manager commented he believes the City needs to spend its money on water lines/extensions, pumping, repairs, storage and water tank maintenance, than on this proposal at this time.

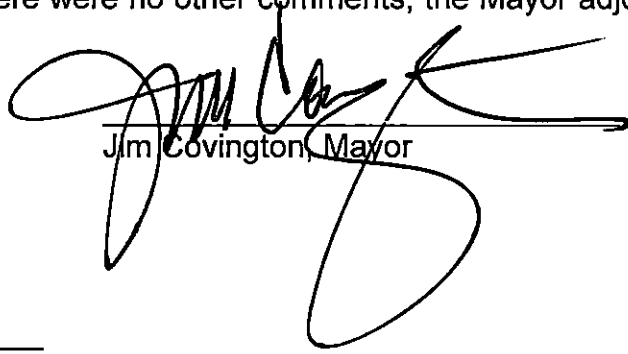
Councilmember Kirkley stated he doesn't think this is the time for the City to participate in BCWCID's expansion, but believes the City needs to look at other alternatives to get the City off of its total dependency of getting water from the lakes, and also look at the possibility of purchasing rural water systems. Councilmember Gauntt asked about the City's water rate schedule, and if the City could raise its rate to incentivize conservation, and Ms. Daniell stated the City could do that. Mayor Pro Tem Grayson stated the City has to be careful in this regard, as it really needs citizens to use water as it helps the City buy more water. Ms. Tolbert also cautioned the use of a graduated rate schedule outside of residential customers, as it could prevent the City from attracting industries or other big users. Ms. Daniell stated the City's current base rate is \$14.00, with \$3.25 for everything over 2,000 gallons, but she believes since water is scarce everywhere, pressure statewide will force everyone to an escalating rate structure. Mr. Listi informed the Council a new rate study will be necessary to schedule repayment for water/sewer projects, and to generate enough revenue for operations and capital, while encouraging conservation.

Ms. Gauntt commented Belton is in the middle of two recreational lakes, and she believes if that water isn't conserved, people will no longer come to Belton for recreation. Mayor Pro Tem Grayson stated she thinks a conservation plan for the lakes would have to come from the Water District in order to encourage other cities to also conserve. The Mayor stated he doesn't see a need for Belton to purchase part of a facility that may or may not be needed in 20 years, and other Councilmembers concurred. Mack Parker, KPA Engineers, reminded the Council to look at the benefits and associated costs of buying rural water supply corporations, since the City also takes on those customers and water supply. The transmission lines that go south will also be needed to serve those citizens, and Ms. Grayson indicated she would prefer spending money on additional lines than participate in this BCWCID plant on Stillhouse Hollow Lake.

Mr. Listi stated staff will continue to explore other options, and Mr. Messer asked if the idea of Belton selling a portion of its treated water to other cities has been

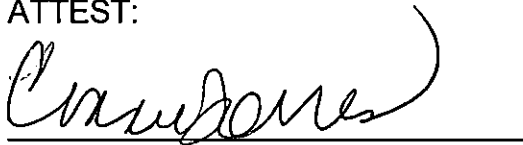
discussed with BCWCID. Several agreed staff should explore this option and requested additional information. Ms. Tolbert cautioned Council to ensure any such contract be contingent upon that city's participation in BCWCID's new plant, and that the sale of water from Belton would only be temporary. She stated part of the concept of this plant on Stillhouse Hollow Lake is a pipeline from Lake Belton to Lake Stillhouse, and while conservation is admirable, she believes if Belton doesn't use the water, then another entity will.

The City Manager indicated this item is on the regular agenda for a decision today. The Council indicated participation in the plant does not appear to be in Belton's interest at this time, and since there were no other comments, the Mayor adjourned the workshop at 5:20 p.m.



Jim Covington, Mayor

ATTEST:



Connie Torres, City Clerk