

BELTON CITY COUNCIL WORKSHOP
April 12, 2016 – 4:30 P.M.

The Belton City Council met in workshop session in the Smith Room at the Harris Community Center with the following members present: Mayor Marion Grayson, Mayor Pro Tem David K. Leigh, and Councilmembers Craig Pearson, Dan Kirkley, Paul Sanderford and Jerri Gauntt. Councilmember Guy O'Banion was absent. Staff present included Sam Listi, Gene Ellis, Amy Casey, Brandon Bozon, Chris Brown, Bruce Pritchard, Byron Sinclair, Aaron Harris, Erin Smith, Angellia Points, Paul Romer and Cynthia Hernandez.

1. **Call to order.** Mayor Marion Grayson called the workshop meeting to order at 4:30 p.m.
2. **Discuss proposed amendment to the Ownership and Management Agreement for the Temple-Belton Wastewater Treatment Plant (TBWWTP) regarding sale and use of Effluent.**

City Manager Sam Listi stated that the cities of Temple and Belton have held several discussions over the last year regarding the agreement Temple has to provide Panda Energy with Temple-Belton Wastewater Treatment Plant (Plant) effluent. Director of Finance Brandon Bozon stated that, in 2013, ownership of the Plant was transferred from the Brazos River Authority to the Cities of Temple and Belton. At that time, the cities entered into an Ownership and Management Agreement that outlines each City's responsibility with regard to ownership, operation and management of the Plant. He said that Temple owns a 75% share of the Plant, and Belton owns a 25% share of the Plant.

Mr. Bozon explained that the relationship between the two cities with regard to the Plant is known as "tenancy in common." As tenants in common, the Cities must account for any profits received, and share those profits according to their respective ownership interests. The Cities must also share in any maintenance and operation costs related to those profits according to their ownership interests.

In 2013 the City of Temple entered into an "Effluent and Water Purchase Agreement" with Panda which requires Temple to sell a certain amount of plant effluent to Panda over a 30 year period. Because Temple is receiving payment for the effluent, it must account for Belton's 25% share of the payments received from Panda, and pay those amounts to Belton, as a tenant in common.

The current agreement needs to be amended to acknowledge the existence of the current agreement with Panda Energy; to provide for payment to Belton of its 25% share of all amounts already received from Panda (minus any maintenance and operation costs); to provide a process for accounting for future sales of effluent from TBP; and to extend the term of the O&M Agreement from 5 years to 10 years.

Additionally, Mr. Bozon said that the First Amendment states that if either City begins discussions or negotiations with a third party for the sale of effluent, the City involved in the discussions must notify the other City immediately regarding such discussions and allow the other City to participate. The Cities will agree to act in good faith and use their best efforts to involve the other City in all discussions or negotiations regarding the possible sale of effluent.

He explained that the amount due to the City of Belton is calculated as 25% of the total billed for effluent water sales, less 25% of the operating and maintenance costs associated with the re-use operation. The amount billed for effluent water sales for FY 2015 was \$400,272.42. The gross amount due to the City of Belton is \$100,068.11. This amount is reduced by 25% of the operating and maintenance costs associated with the re-use operation of \$3,184. The net amount due to the City of Belton for FY 2015 is \$96,884.11. The amount billed for effluent water sales for FY 2016 through March 31, 2016 is \$348,528.05. The gross amount due to the City of Belton is \$87,132.01. This amount will be reduced by 25% of the operating and maintenance costs associated with the re-use operation.

Councilmember Jerri Gauntt said she thought Belton's 25% share of effluent was going down the creek and Temple's 75% share of effluent was going to Panda. Manager Listi said the concept of tenancy in common showed that Belton is due 25% of the sales to Panda which is a good deal for Belton. He added that the only downside, if there is one, is that Belton doesn't have absolute control of 25% of the effluent as previously thought. However, he said to keep in mind that the flow will continue to increase as the two cities continue to develop, and if Belton or Temple gets another effluent customer, then Belton will get 25% of all sales, and conversely, Temple will get 75% of all sales. Mr. Listi added that in 2014 the City of Belton approved a separate Memorandum of Understanding regarding the Use of an Inactive Basin at the TBWWTP. See attached Summary of Council Action dated March 14, 2014 for background. Listi explained this MOU remains in place at this time, subject to future activation.

Councilmember Craig Pearson asked, "If we get into a pinch for water, and we start needing that 25% reprocessed into drinkable water, can we do that?" Mayor Pro Tem Leigh said, "Not if it is already committed." Mayor Grayson reminded them that volume will continue to grow, and Panda can only take so much. Manager Listi said Temple's commitment to Panda is fixed, and he added that both cities will benefit from an increased effluent in the very near future. Mr. Bozon said that the Brazos River Authority's water plan has provided for sufficient water through 2070, and they are already planning beyond that. He explained that Temple's agreement with Panda ends in 2030.

Councilmember Pearson asked how much of the flow Panda is currently using. Mr. Bozon responded that the largest amount that they have used at one time is 73.31% in the month of October, but it varies each month. Councilmember Pearson asked if Temple's Council was in agreement with this amendment. Mr. Listi explained that Temple's Council approved the amendment at their last Council meeting.

Councilmember Paul Sanderford asked who brought the amendment forward. Mr. Listi stated that Temple had brought the amendment forward and raised the issue of tenancy in common.

3. **Discuss preliminary recommendations from Halff Associates regarding IH 35 sewer line alignment and related matters.**

Director of Internal Services/City Engineer Angellia Points reviewed the history of the South Belton Sewer project with the Council stating that Council had previously decided not to construct a second treatment plant in the Lampasas River Basin. The decision had been made to send sewage to the Temple-Belton Wastewater Treatment Plan which is currently under design for expansion.

Mrs. Points discussed the different types of land use developments that could be built in the South Belton Sewer Project area, to show the possible densities and potential issues with each of the areas. She also stated that Halff Associates has developed alignment alternatives for the Council's review. Tim Lackey of Halff Associates provided several options that they had developed for the placement of the sewer lines (see attached PowerPoint presentation), and he stated that Halff Associates is recommending Option 5, since it achieves the following objectives:

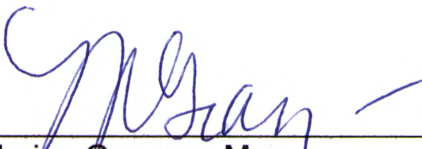
- One lift station;
- Two IH 35 bores;
- Minimizes costs, property acquisition, electrical needs and start up efforts;
and
- Maximizes reasonable sewer service area.

Council concurred in the recommendation.

Mrs. Points reviewed the next phases of the project to include survey, design, bid and construction. Final design will be complete by November 2016, and then a decision by the Council will be needed for funding. The estimated construction cost for the project is approximately \$6.2M. Councilmember Pearson asked if any developers have asked when the project would be complete. Director of Planning Erin Smith said that several developers have asked about the project and the schedule.

Manager Listi reminded the Council that the City will need to issue bonds to fund the project. He added that the most recent rate study included projected rate adjustments to accommodate this and other utility projects, pending future Council action.

4. **Adjourn.** There being no further business, the meeting was adjourned at 5:19 p.m.



Marion Grayson, Mayor

ATTEST:



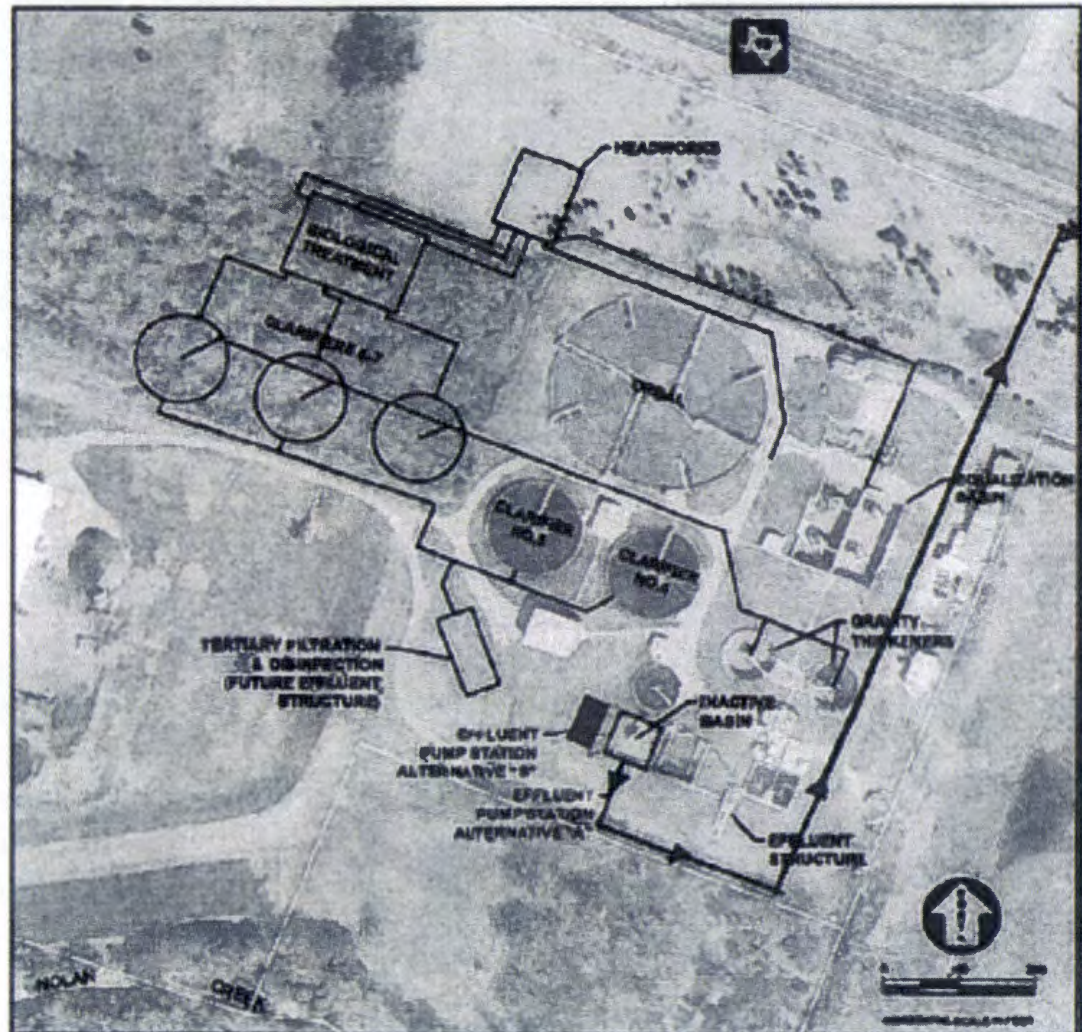
Amy M. Casey, City Clerk

**Use of Inactive Basin at
Temple/Belton WWTP
Summary of Council Action
March 25, 2014**

In 2014, Temple proposed a separate Memorandum of Understanding that addressed Temple's renovation and use of a portion of an inactive concrete basin at the Temple/Belton plant for an effluent pump station for Panda. Due to our 25% ownership in the plant, Belton's City Council needed to authorize this use. All renovation costs were borne by Temple, and included improvements to the basin infrastructure that would allow Belton to serve one or more effluent customers in the future. These structural elements and piping for Belton's future use were more economical to build at that time. Belton's fixed costs were \$22,500, but would only be due to Temple if used within 10 years of the agreement (2024). The projected life of the basin elements will be 40-50 years, and Belton would add piping and electrical elements when needed for effluent delivery. Council approved this MOU on March 25, 2014. This MOU reflected Temple's 75% ownership share of effluent and Belton's 25% ownership share.

Temple and Belton's ownership share in effluent from the Temple/Belton plant is clarified in Agenda Item Number 13 on April 12, 2016, as "tenants in common."

Exhibit: Proposed Plan



South Belton Sewer System

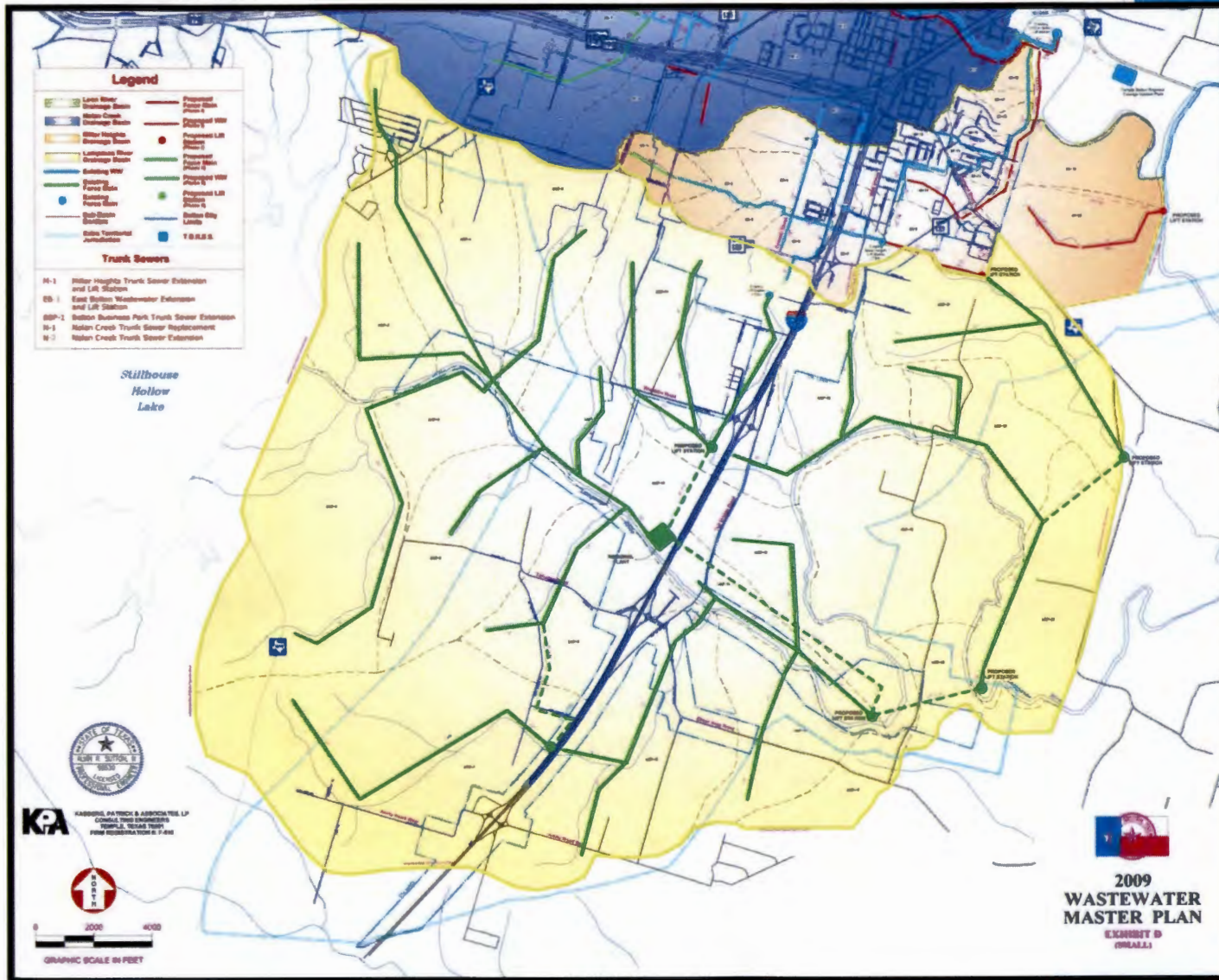
Design Update: Preliminary Alignment

City Council Workshop

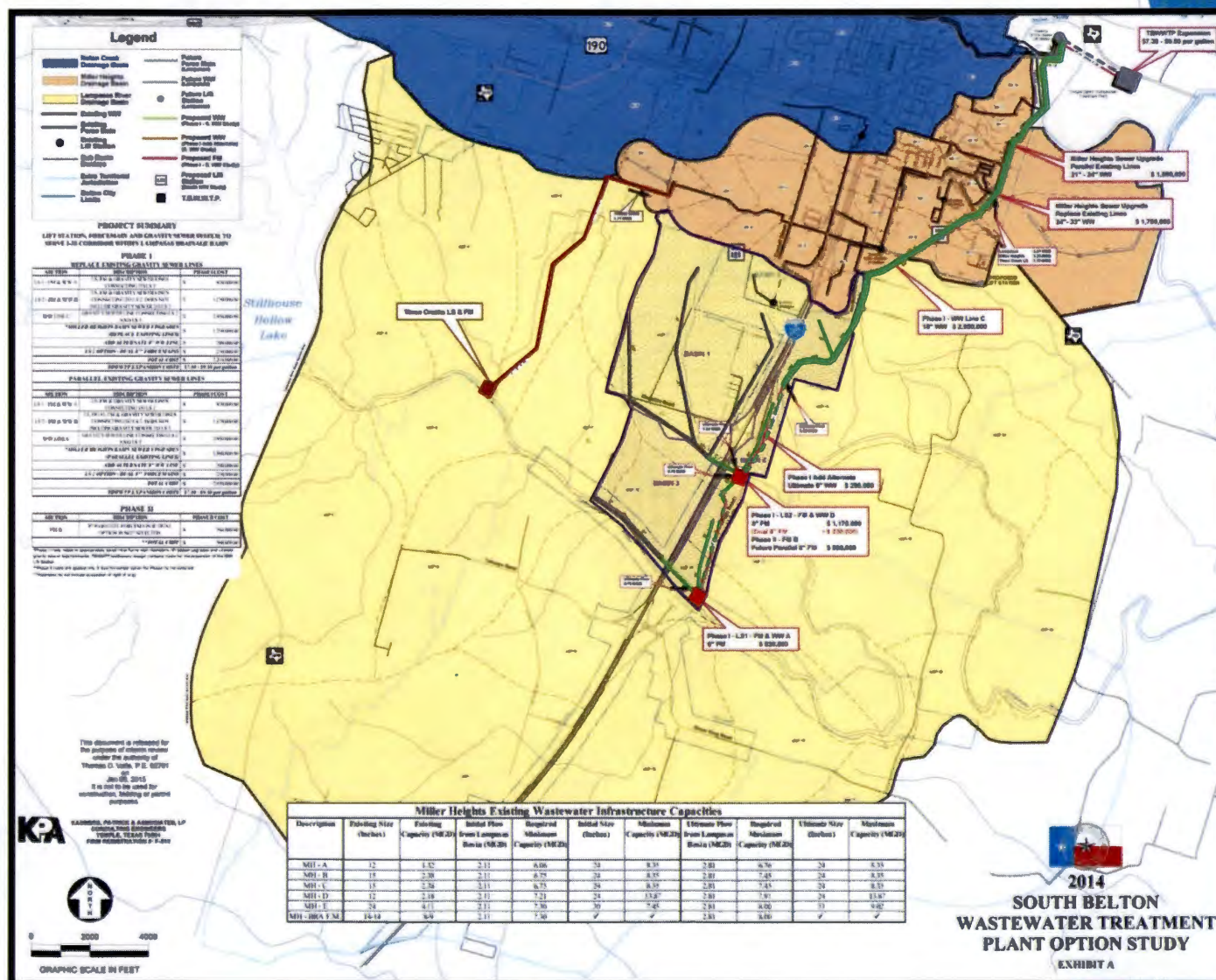
April 12, 2016

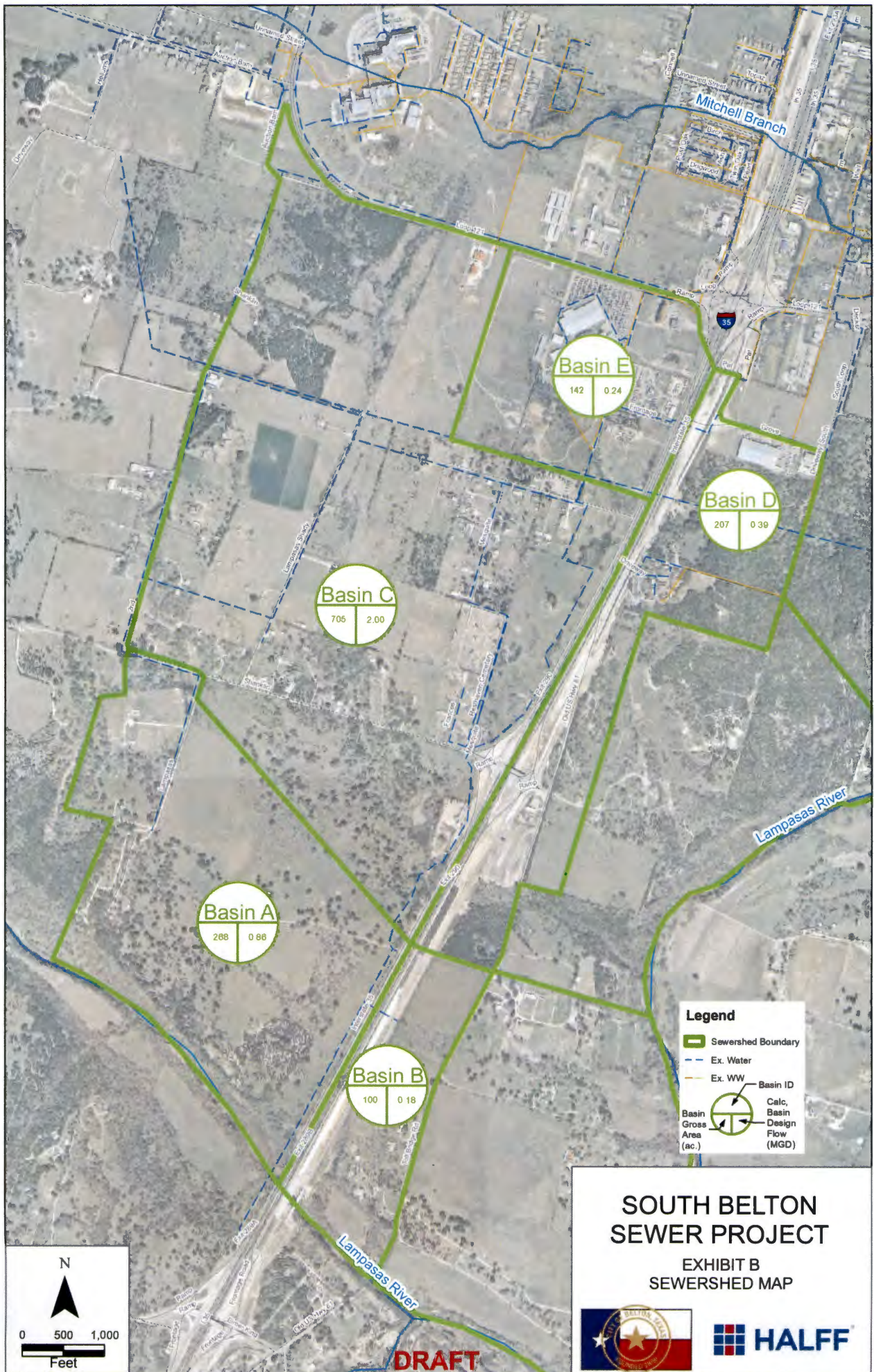


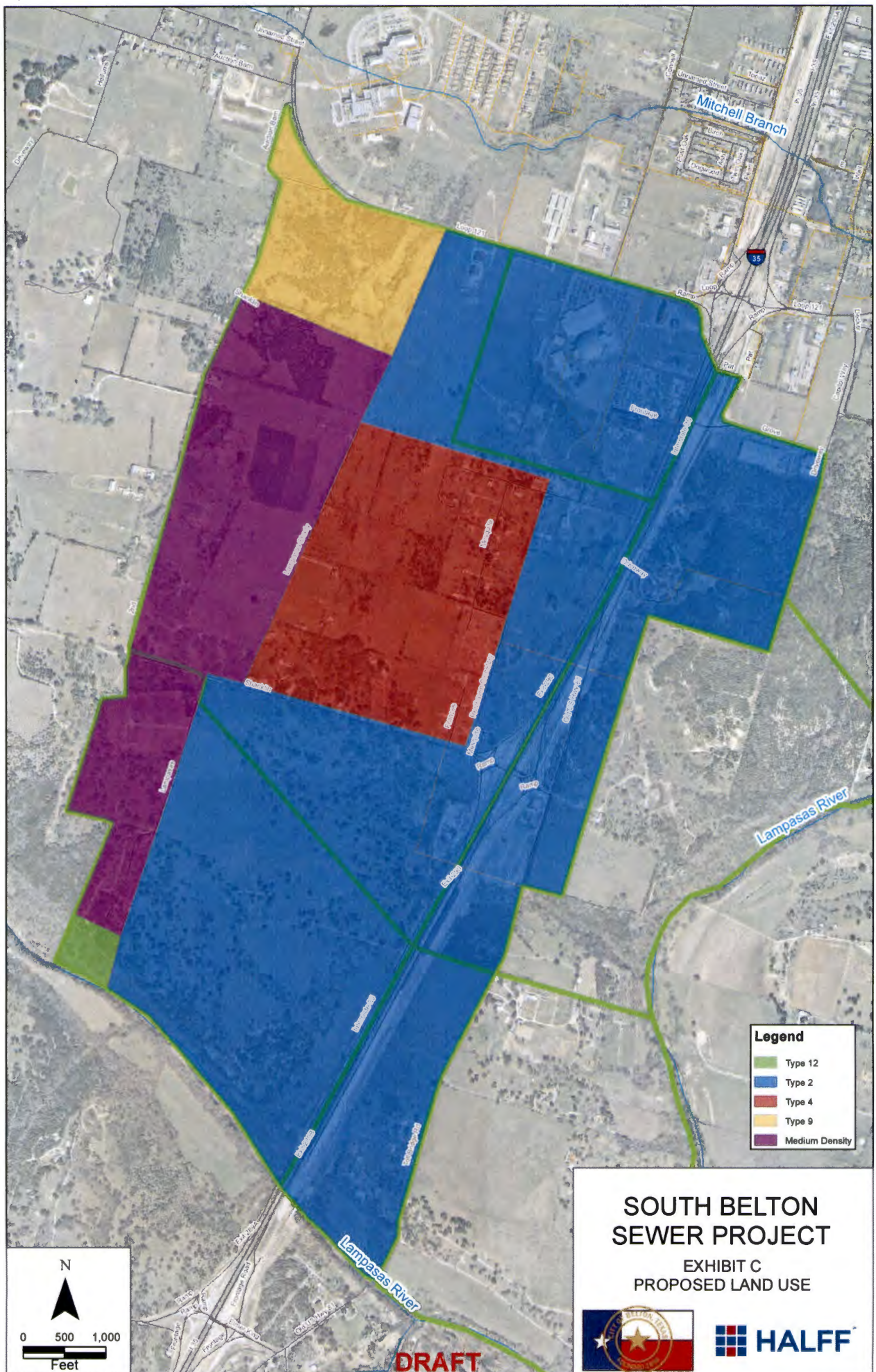
2009 Lampasas Drainage Basin South Belton WWTP Wastewater System Design



2014 Central Drainage Basin IH-35 Corridor Sewer System Conceptual Design





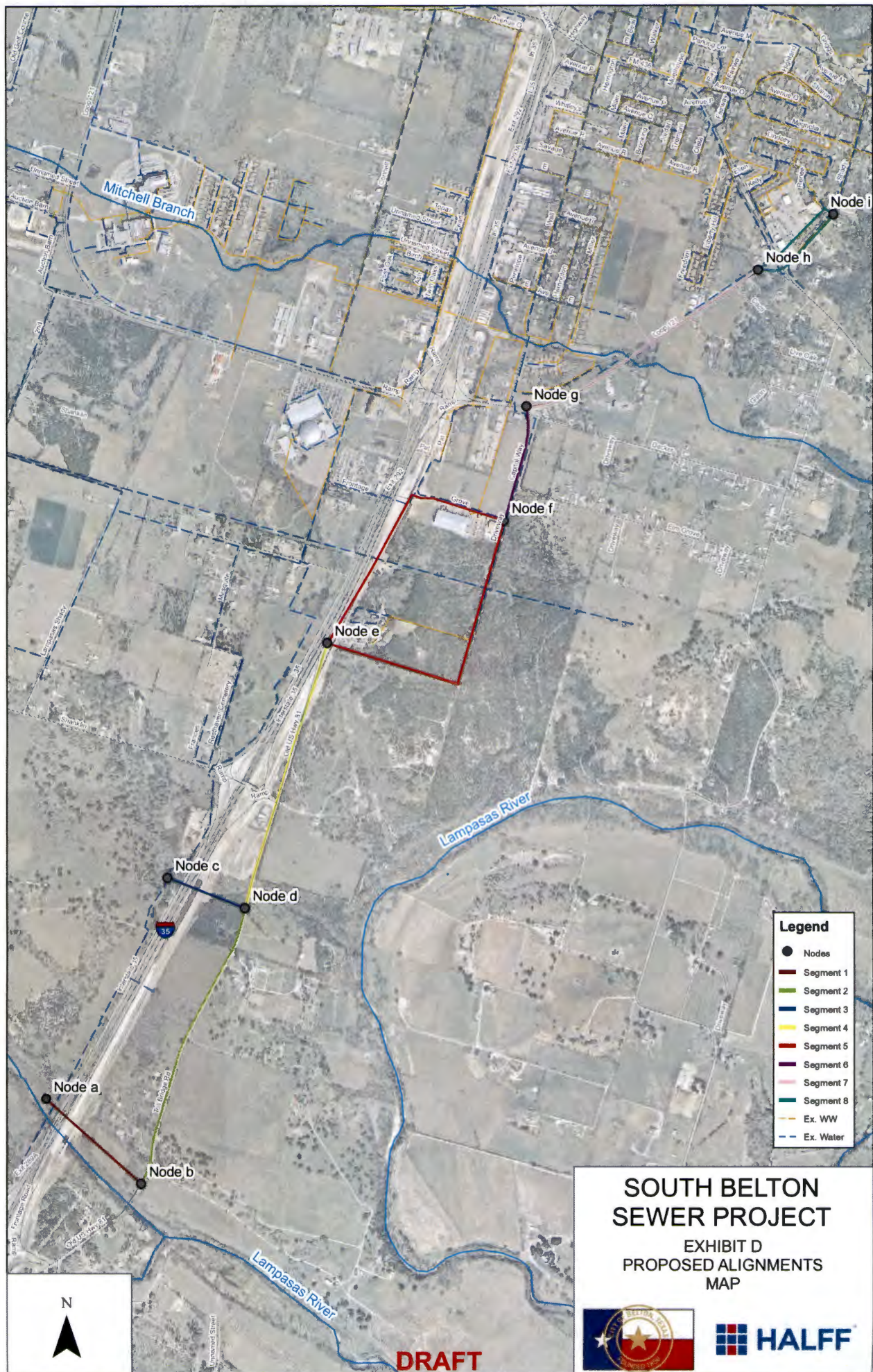


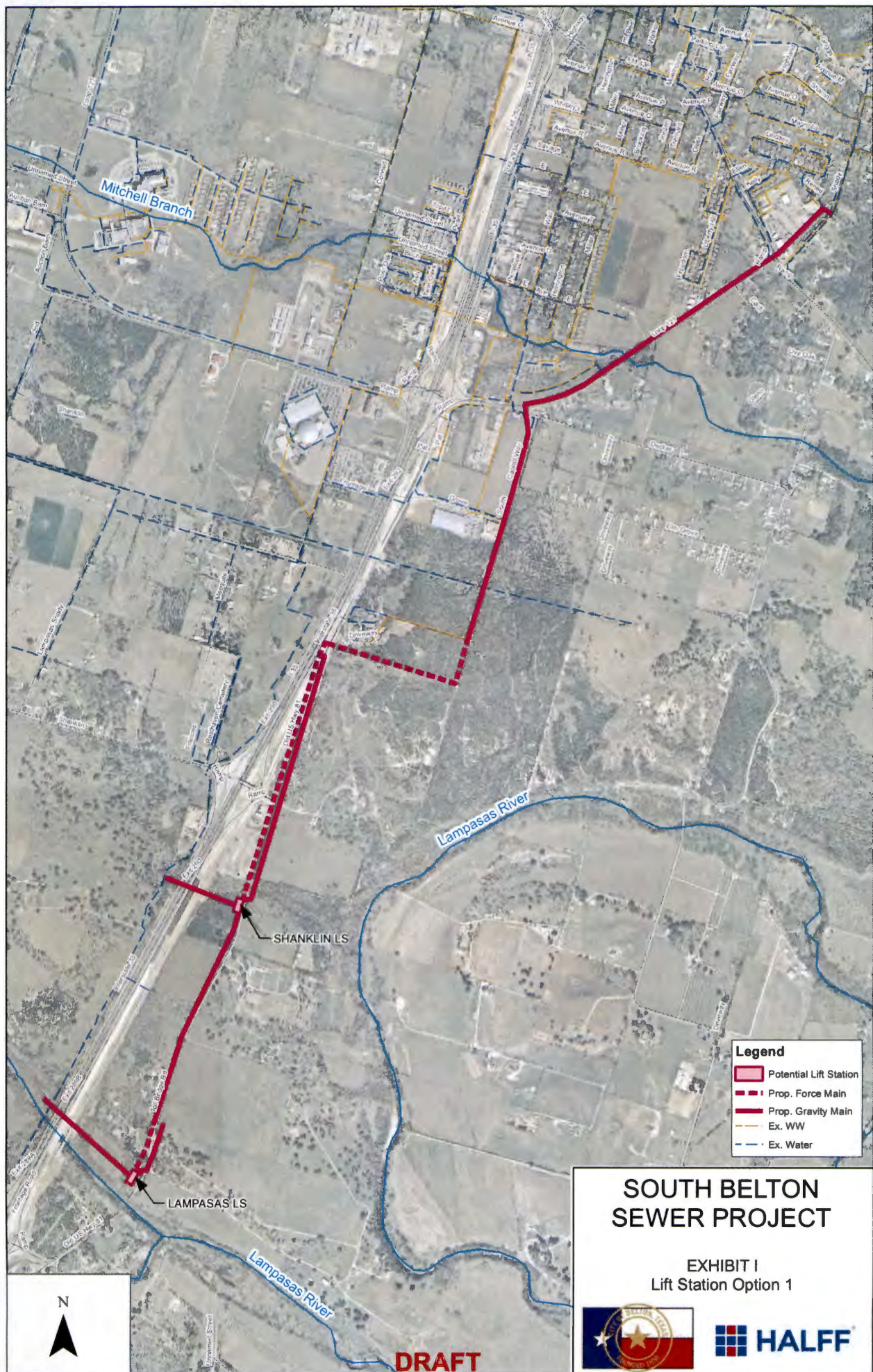
- Legend**
- Type 12
 - Type 2
 - Type 4
 - Type 9
 - Medium Density

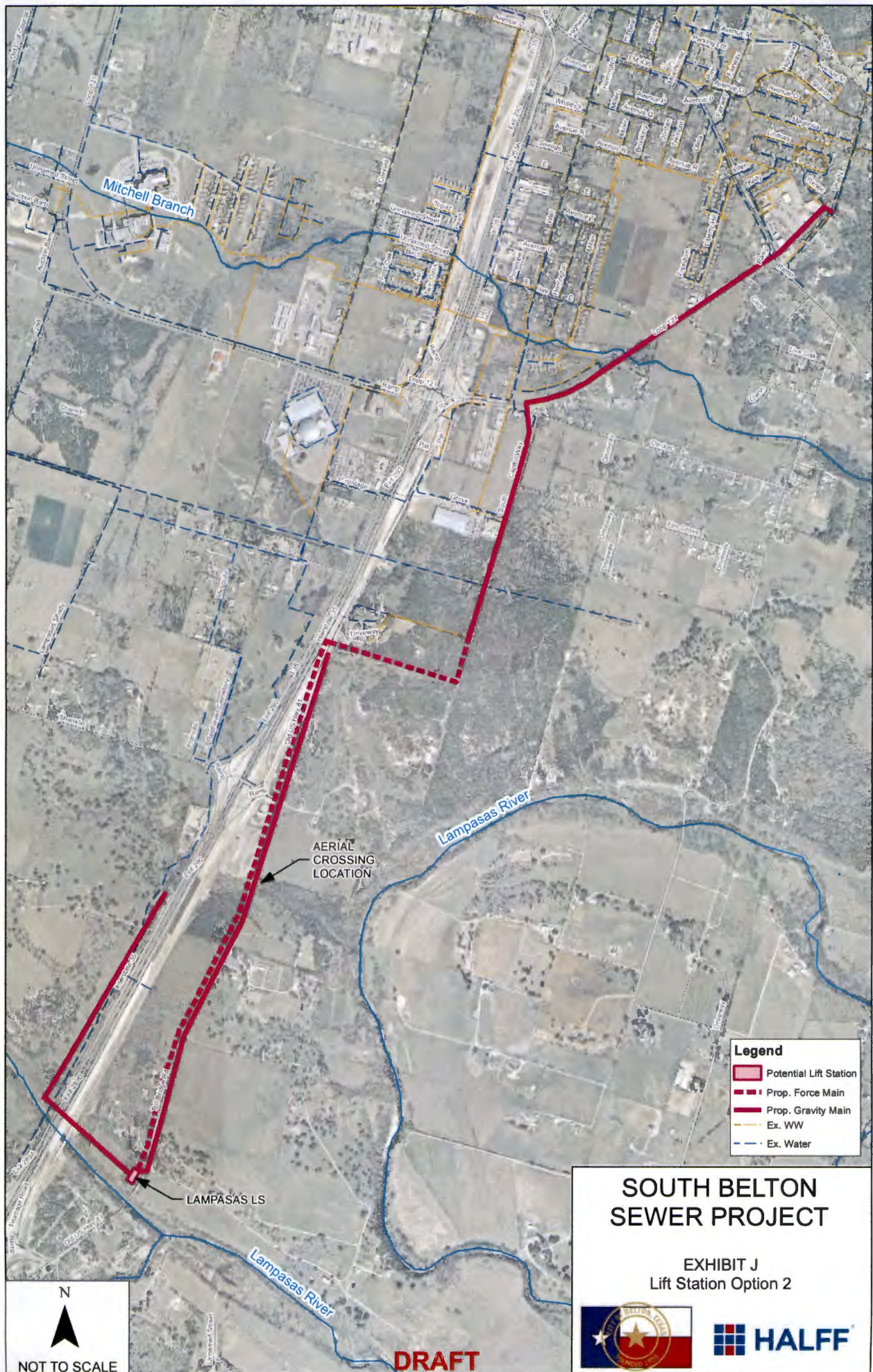
**SOUTH BELTON
SEWER PROJECT**

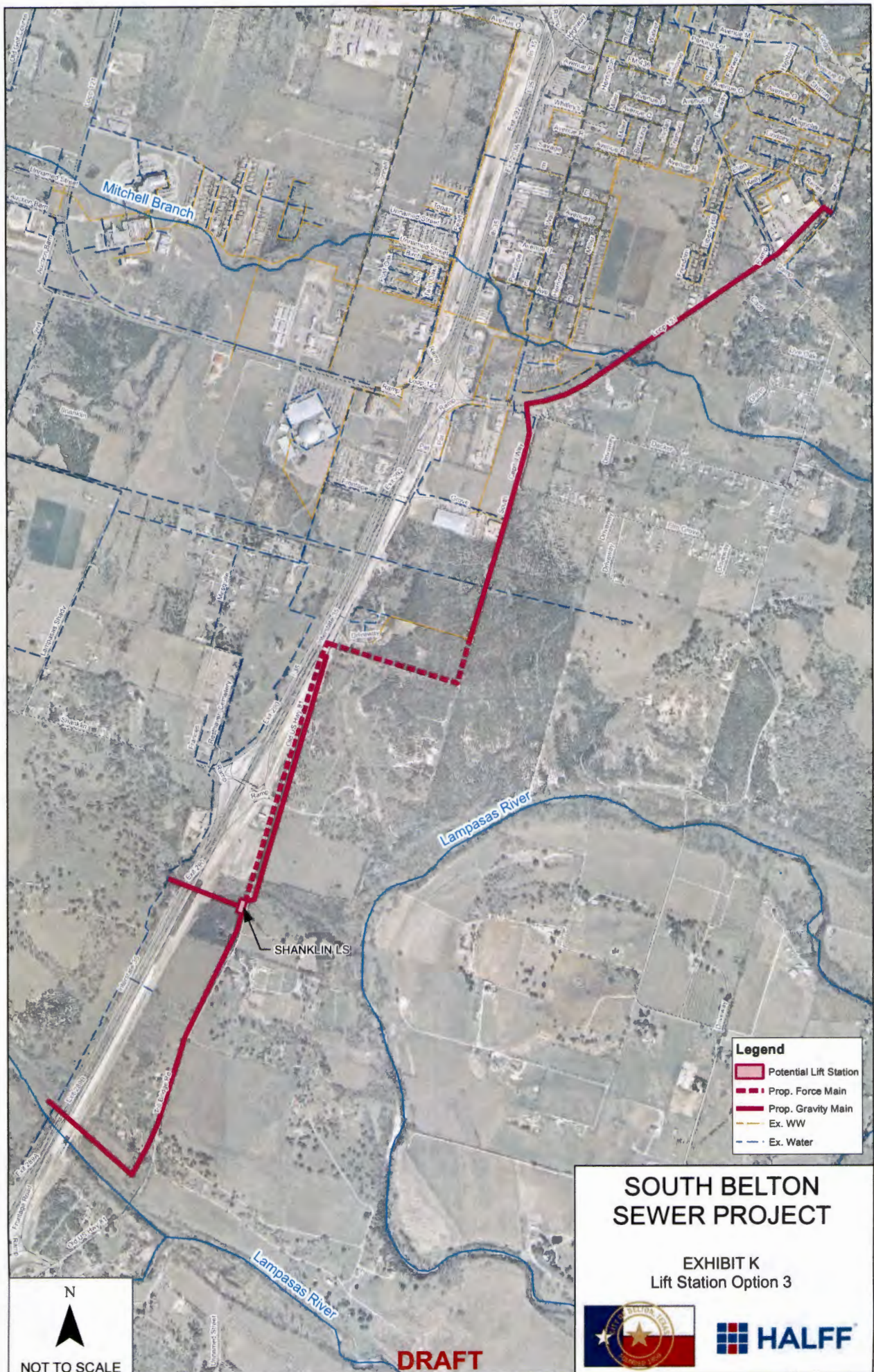
EXHIBIT C
PROPOSED LAND USE

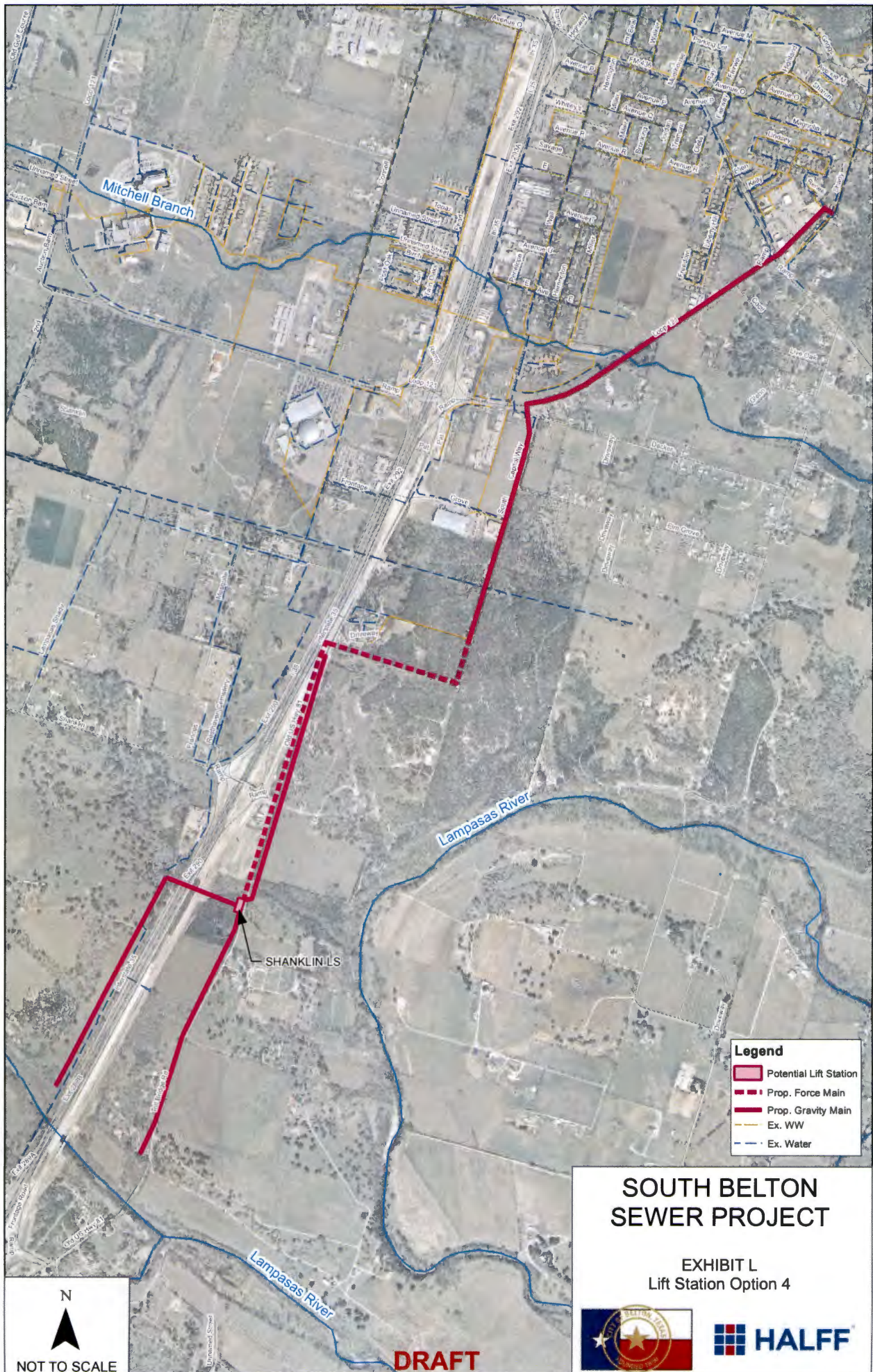


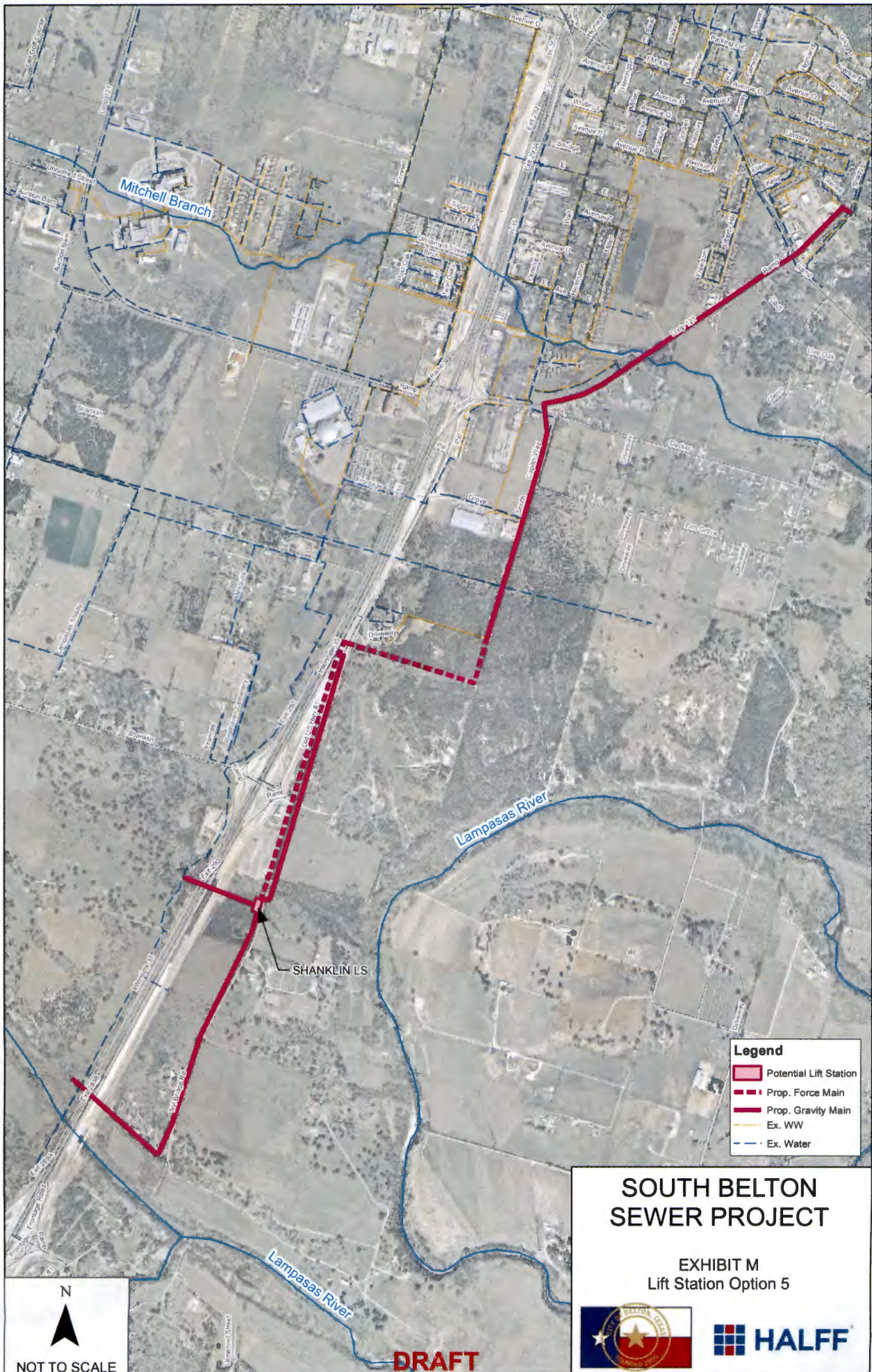












Comparison

Option	Description	No. of Lift Stations	No. of Aerial Creek Crossings	Average Depth (ft)	Opinion of Probable Construction Cost *	Cost per Linear Foot of Pipe
1	2 Lift Stations, 2 IH-35 crossings	2	0	6-15	\$6.67M	\$245
2	Lampasas LS Only, Gravity West of IH-35, 1 IH-35 crossing	1	1	15-30	\$6.69M	\$205
3	Shanklin LS Only, 2 IH-35 crossings	1	0	6-50	\$7.68M	\$290
4	Shanklin LS Only, Gravity East and West of IH-35, 1 IH-35 crossing	1	0	30-45	\$6.21M	\$220
5	Shanklin LS Only, shift Segment 1 crossing 500' north, 2 IH-35 crossings	1	0	10-30	\$6.16M	\$235

Recommended Alignment

- ✓ Two bores under IH-35
- ✓ One lift station vs. two
 - ▶ Minimizes costs, property acquisition, electrical needs, and start-up efforts
- ✓ Moved southern bore 500 feet to the north; minimizing depth of gravity sewer line from Basin A to B by 20 feet
 - ▶ Reduces service area by 20 acres (can be served with small lift station or grinder pump)
- ✓ ~\$6.2 Million in Construction Costs

What's Next

- I. Decision on the alignment
 - A. Revise report April 2016
- II. Design Phase Services May 2016 - October 2016
 - A. ROE → Surveying April/May 2016
 - B. Plans and specs, OPCC, permitting, SUE's, geotechnical, environmental & archaeological evaluations
 - C. Submittals: 30%, 60%, 95%, and Final Design Sets, with updated OPCC's at each stage
 - D. Parcel exhibits for rights-of-way/easements
- III. Completed Design to Council November 2016
 - A. Identify Funding
- IV. Bid Phase Services TBD (1 Month)
- V. Construction Phase TBD (8-12 Months)