



STAFF REPORT

MEETING DATE: February 28, 2023,

TITLE:

Consider action to approve Resolution No. R-2023-34 of the City Council of the City of Bastrop, Texas, authorizing the ability to enter into a wholesale wastewater agreement with Corix Utilities Texas, LLC; attached in Exhibit A; authorizing the City Manager to execute all necessary documents; providing for a repealing clause; and establishing an effective date.

STAFF REPRESENTATIVE:

Trey Job, Assistant City Manager for Community Development

BACKGROUND/HISTORY:

The City of Bastrop is currently building a new wastewater treatment plant west of the Colorado River along SH 304. The current WWTP located on the east side of the river has been in operation well past its projected useful life. The cost of the new plant is approximately thirty million dollars, and with other necessary ancillary components such as wastewater trunk mains, force mains and lift station improvements the cost is approximately an addition twelve million. The increased cost and the fact that the city's wastewater service territory is approximately three times larger than the city limits the city has always planned to serve customers outside of the incorporated city limits.

With that in mind the City of Bastrop Community Development Team and City Council has been planning for regionalization whenever the opportunity presents itself. The ability to add customers outside of the City of Bastrop's service territory allows for multiple opportunities such as:

- Provide the current rate payer with a stabilized and potentially lower rate as more customers tie on to an organized wastewater system.
- Higher quality development by connecting to an organized wastewater system.
- Additional customers to help pay the debt being issued by the City of Bastrop.
- Provides for a stronger community by stabilizing residential neighborhoods by adding important things for parents like trust, cohesion and a sense of social control that develop when populations are less transient.

Understanding the aforementioned benefits City Staff have been negotiating a wholesale wastewater agreement with Corix Utilities Texas. Corix has expressed a great deal of interest and has agreed to ensure the City with an amount of wastewater flow, assistance with future capital expenses and maintaining the system within the Corix service territory in a manner that is not harmful to the City of Bastrop's wastewater system. The attached resolution provides for the general terms and the ability for the City Manager to execute the Wholesale Wastewater Agreement.

FUNDING SOURCE:

N/A

RECOMMENDATION:

Assistant City Manager Job recommends approval of Resolution R-2023-xx

ATTACHMENTS:

- Resolution
- Term sheet