



## BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

**Subject:** Discussion and any necessary action regarding Resolution 2024-08 authorizing an application for financial assistance from the Texas Water Development Board for water system improvements; and making certain findings in connection therewith.

**Department:** Administration

**Staff Contact:** Cynthia Northrop

**Title:** City Manager

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### **BACKGROUND INFORMATION:**

In accordance with the regulations set forth by the Texas Commission on Environmental Quality (TCEQ) in its revised Lead and Copper Rules, the City is required to develop an inventory of the materials of construction for all water service lines in the distribution system. The City currently provides potable water service to 2,835 connections within its distribution system. Based upon the age of the distribution system and insights provided by Staff, there is likely a significant portion of the distribution system which have water services that utilize lead or galvanized materials. As such, the City is requesting financial assistance available from the Texas Water Development Board to determine the exact number and location as well as the replacement of the lead and galvanized service lines within the distribution system.

Once the city completes the inventory, we will be required to replace these lead service lines on both the city side and the owner side within 10 years. Because this is a nationwide mandate, funding (loan forgiveness and low-interest loans) is being made available to those who meet the criteria. The city does meet the criteria. The City has already submitted our Intent to Apply, and we have been invited to apply.

The Resolution authorizes the City's application for financial assistance from the Texas Water Development Board through Certificates of Obligation at an amount not to exceed \$500,000 for the inventory phase only, though we envision the actual amount would be much less (see below). The construction phase would require an additional application for funding at a future date.

### **FINANCIAL IMPACT:**

Current estimates by the engineer for this project is \$379,000 (51% loan forgiveness and 49% low-interest rate loan).

**STAFF RECOMMENDATION:**

Consider approval of Resolution 2024-08.