



City of Pflugerville

Legislation Text

File #: RES-0805, **Version:** 1

Approving a resolution of the City of Pflugerville, Texas authorizing the City Manager to execute the Wastewater Service Agreement Between the City of Hutto and Kelly Lane Utility Company Addendum No. 2. providing a six-month extension to the Wholesale Wastewater Service Agreement between the City of Hutto and Kelly Lane Utility Company.

The City of Hutto has requested a six-month extension to the Wholesale Wastewater Service Agreement between the City of Hutto and Kelly Lane Utility Company (City of Pflugerville). Please find the attached letter from the City of Hutto requesting the extension of the agreement from January 1, 2021 to July 1, 2021. The City of Hutto currently has a project underway that will divert existing flows from Pflugerville's wastewater system to Hutto's system. The project is anticipated to be substantially complete in June 2020.

A wholesale wastewater service agreement between the City of Hutto and Kelly Lane Utility Company was entered into June 9, 1999 and was assumed by the City of Pflugerville with the purchase of the Kelly Lane Utility Company in December 2002. The agreement provided for wholesale wastewater service for an area in the City of Hutto north of County Road 138 until January 1, 2020. In 2019, the City of Hutto requested an extension of the agreement until January 1, 2021 which was approved by City Council on November 12, 2019. The current request is for an additional six-month extension of the wholesale wastewater agreement to July 1, 2021.

Following the wastewater rate increases that became effective in November 2020 for City utility customers, Addendum No. 2 also provides for a wholesale rate increase to the agreement increasing the rate from the existing \$30 per month per residence to \$52.82 per month per residence, which is \$5 more per month per residence than the average in-City Pflugerville wastewater customer pays for service.

City staff have evaluated this request in conjunction with the existing system capacities and anticipated growth within the City's water service area and finds it acceptable to extend the contract, with increased rates, for an additional six months.

Prior City Council Action

On November 12, 2019, City Council approved a resolution providing a one-year extension to the Wholesale Wastewater Service Agreement between the City of Hutto and Kelly Lane Utility Company Dated June 9, 1999; Assumed by the City of Pflugerville in December 2002 and amending terms and authorizing the City Manager to execute same.

Deadline for City Council Action

Action is requested on December 8, 2020.

Funding Expected: Revenue ☒ Expenditure ☐ N/A ☐

Budgeted Item: Yes ☒ No ☐ N/A ☐

Amount: approximately \$171,450 for six months

1295 Form Required? Yes ☐ No ☒

Legal Review Required: N/A ☐ Required ☒ Date Completed: 12/1/2020

Supporting documents attached:

Letter requesting extension

Agreement

Resolution extending the agreement

Recommended Action

Approve a resolution of the City of Pflugerville, Texas authorizing the City Manager to execute the Wastewater Service Agreement Between the City of Hutto and Kelly Lane Utility Company Addendum No. 2.