

**MEMORANDUM**

**To:** Mayor and City Councilmembers  
Steve Parker, City Manager

**From:** Susan Caddell, Director of Finance

**Subject:** Utility Fund Budget Amendment

**Date:** February 2, 2023

Included in this agenda item is a budget amendment to the Utility Fund. During the FY23 budget process, it was recommended to issue bonds for several projects. Bonds were issued late last year and we received the proceeds on December 15, 2022. This budget amendment allocates the proceeds to the different project. Attached to this memo is a brief description of each project.

I will be available for questions prior to and during the meeting. Please let me know if you have any questions.

River Oak/Tor Drive/Pecan Orchard Lift Station (Engineering) \$4,000,000

This project includes replacing the existing River Oak Drive and Sutherland Springs Drive Lift Stations with a new 24-inch gravity main along a new alignment to Pecan Orchard Lift Station. This project includes replacing the existing 12-inch line upstream of the River Oak Drive Lift Station with a new 21-inch and 18-inch gravity line. This project includes expansion of the Pecan Orchard Lift Station to a firm capacity of 7.2 MGD and replacing the existing 12-inch Pecan Orchard force main with a new 18-inch force main along a new alignment to connect to the ongoing parallel Walnut Branch Transfer Force Main. Once the new gravity mains are in service, the existing River Oak Drive and Sutherland Springs Drive Lift Station may be decommissioned. This project includes a new 1.2 MGD lift station with an 8-inch force main along Tor Drive to serve the Tor Drive Developments. The 8-inch force main will connect to a new 12-inch gravity line to convey flow to the Pecan Orchard Lift Station. This project includes 8-inch gravity lines to serve the proposed Tor Drive Developments. Once the appropriate gravity connection has been established within the Pecan Ranch development, the existing Nagel Street Lift Station may be decommissioned. This project provides enhanced Lift Station service to developments within the River Oak Drive and Sutherland Springs Drive service areas. Planned developments in the area include Flying D Ranch, Park House, Neumann Tract, Willmann Tract, Rio Verde, and multiple Commercial tracts. This project provides Lift Station service to the Tor Drive developments including Pecan Orchard Tract, Pecan Ranch, Jetstream RV, and multiple commercial tracts.

Love's Force Main Relocation \$3,250,000

TxDOT expansion of the IH-10 (US90A to FM464) project identified the need to relocation the City's force main from the Guadalupe River bridge. Federal law and Texas State statutes require TxDOT to reimburse a utility for any cost associated with the relocation of assets along federal interstate highway rights-of-way.

Surface Water/Ground Loop \$12,000,000

Preliminary engineering began in FY22. This project connects the two distribution systems to provide redundancy to the City's surface water customers. Project connects the two distribution systems to provide redundancy to the City's surface water customers.

24" Transmission Main Vetter Booster to HWY 123 \$9,120,962

Preliminary engineering began in FY22. Provides a dedicated water transmission main from Vetter Booster towards 123 elevated storage tank to manage system pressures. Provides a dedicated water transmission main from Vetter Booster towards 123 elevated storage tank to manage system pressures.

24"/16" Cedar Street Water Line \$8,500,000

Replaces existing 16" water line along Cedar St. with a 24" transmission main from King St. to SH123. The project also includes replacing the existing 12" along SH123 with a new 24" main from Cedar St. to Vetter Booster Station. Lastly, this project also includes connecting the existing 16" main at SH123 and US-90 to the Vetter Booster Station from the east. This project is triggered by increased demand in the upper pressure plan and provides additional system capacity to the Vetter Booster Station and increases residual pressure in the area.

Springs Hill Water Supply Corporation CCN Transfer Project S1 \$5,500,000  
Strempel Road Transmission Main Extension - This project constructs a 24" water main behind the SH-123 EST, replacing the existing 8" line down Austin Street to connect to the existing 12" line at Strempel Road. This project also includes a new 16" water line along Strempel Road to Huber Road.

Huber Road Transmission Main Project S2 \$3,000,000  
This project includes a new 16" water line along Huber Rd. from Rudeloff Road. to connect to the existing 16" water line at Cordova Rd.

Huber Road Water Line Expansion Project S4 \$2,000,000  
This project replaces an existing 4" water line along Huber Rd. with a new 8" water line from Cordova Road to Field Road.

SH46 Water Line Expansion Project S3 \$4,100,000  
This project replaces an existing 6" water line along SH46 with a new 12" line from Cordova Road to the private drive on the north side of the Mill Creek Crossing neighborhood. This project also includes replacing the existing 4" water line along SH46 with a new 8" line from Cordova Road to the Lily Springs development.

High Service Pump Station Expansion \$1,500,000  
This project includes retrofitting the existing High Service Pump Station for the permanent installment of both roundhouse pumps. The existing roundhouse pumps include rated 2,500 and 1,500 gpm pumps that have historically been utilized as needed in a temporary fashion. This project converts these existing pumps to permanent operation to increase the High Service Pump Station firm capacity to 14.5 MGD. This project is intended to increase firm capacity of the High Service Pump Station in order to comply with TCEQ requirements for projected growth.

Western Booster Station \$2,000,000  
This project involves the construction of a new pump station, 0.5 MG GST, and associated appurtenances to service the Upper Pressure Plane (UPP). The pump station is recommended for two 1,000 gpm pumps for a firm capacity of 1.4 MGD and a total capacity of 2.8 MGD. This project also includes new 12-inch, 16-inch, and 20-inch lines. The 12-inch line will follow the railroad from the pump station and connect to the existing 12-inch line at Austin Street. The 16-inch line will follow I-10 from the pump station and connect to the 16-inch at 8th St. The 20-inch line will connect the pump station to the existing 16-inch line on Fleming Drive. This project provides redundancy and increased capacity to the UPP and is triggered by TCEQ storage requirements by the 2040 planning period. This portion is to start the engineering process.

Springs Hill CCN Transfer \$3,000,000  
This is the payment for the transfer of the Springs Hill CCN.

Contingency \$1,029,038  
Contingency funds to be provided for above projects.