



***Letters of Credit for Temple-Belton  
and Doshier Farm  
Wastewater Treatment  
Operations Contracts***

***Presented by***

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***Central and Lower Basin Regional Manager***



# ***Contract Summary***

**Three contracts to be extended for 10 years beginning October 1, 2019**

## **1) Temple - Belton Wastewater Treatment Plant & Associated Lift Stations**

- *Three party agreement among the BRA, the City of Temple, and the City of Belton*

## **2) Doshier Farm Wastewater Treatment Plant & Associated Lift Stations**

- *Agreement between the BRA and the City of Temple*

## **3) Industrial Pretreatment Program**

- *Three party agreement among the BRA, the City of Temple, and the City of Belton*
- *Provides for industrial pretreatment services at both wastewater treatment plants*



Temple-Belton WWTP



Belton Lift Station



Temple-Belton Compost Facility



Air Diffuser Installation At Temple-Belton



# ***Letter of Credit***

- **Existing contracts contain a performance bond requirement**
  - BRA unable to obtain performance bonds under reasonable terms
- **Proposing to replace performance bond requirement with a Letter of Credit**
  - Issued by bank against BRA funds
  - Can be redeemed by Cities for BRA non-performance
  - BRA money continues to earn investment income
  - Renewed annually during term of contract



# ***Resolution***

**“WHEREAS, the Brazos River Authority currently operates, maintains and manages the Temple-Belton Wastewater Treatment Plant, the Doshier Farm Wastewater Treatment Plant, associated lift stations, and industrial pre-treatment programs under contracts with the Cities of Temple and Belton that are being extended for a period of ten years in 2019 (“Contracts”); and**

**WHEREAS, the Contracts provide that the Brazos River Authority must provide a performance bond, but due to an inability to secure a performance bond under reasonable terms because of the Brazos River Authority’s status as a governmental entity, the Cities of Temple and Belton have agreed to amend the Contracts upon extension to accept a letter of credit in lieu of the performance bond.**



# ***Resolution Continued***

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Brazos River Authority hereby authorizes the General Manager/CEO to execute irrevocable standby Letters of Credit in favor of the Cities of Temple and Belton for the purpose of securing the Brazos River Authority's performance under the contracts; and

**BE IT FURTHER RESOLVED** that the Letters of Credit will be for an amount up to the approved annual budget for operation, maintenance, and management services provided under the contracts, excluding scheduled capital replacement, and shall be renewed annually throughout the term of the contracts, including any renewal periods.”



Brazos River Authority



**Brazos**

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**RIVER AUTHORITY**