

# Mayor and Council Communication

**DATE:** 05/12/26

**M&C FILE NUMBER:** M&C 26-0356

**LOG NAME:** 60DISCRETIONARY SERVICEA ONCOR MCWRF

**SUBJECT**

(CD 3 and ETJ) Authorize Execution of a Discretionary Electrical Service Agreement with Oncor Electric Delivery Company LLC in the Amount of \$1,870,059.14 for the Installation of Electrical Infrastructure, Transformers, and Metering Units to Provide Power to the Mary's Creek Water Reclamation Facility, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Appropriation Ordinance to Effect a Portion of Water's Contribution to the Fiscal Years 2026-2030 Capital Improvement Program

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize execution of a Discretionary Electrical Service Agreement with Oncor Electric Delivery Company LLC in the amount of \$1,870,059.14 for the installation of Electrical Infrastructure, Transformers, and Metering Units to provide power to the Mary's Creek Water Reclamation Facility;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Mary's Creek Water Reclamation Facility project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water and Sewer Commercial Paper Fund by increasing appropriations in Mary's Creek Water Reclamation Facility project (City Project No. C01239) in the amount of \$1,870,060.00 and decreasing appropriations in the Water & Sewer Commercial Paper project (City Project No. UCMLPR) by the same amount, to effect a portion of Water's contribution to the Fiscal Years 2026-2030 Capital Improvement Program.

**DISCUSSION:**

This purpose of this agreement is to authorize execution of a discretionary electrical services agreement with Oncor Electric Delivery Company LLC for the installation of Electrical Infrastructure, Transformers, and Metering Units to provide power to the Mary's Creek Water Reclamation Facility.

As part of this agreement, Oncor Electric Delivery Company LLC (Oncor) will extend distribution lines, install transformers and metering equipment for a dual feed electric service to the Mary's Creek Water Reclamation Facility. Oncor has calculated the costs to provide power to the facility based on the anticipated electrical load of 4,391 KW as well as the infrastructure extension and equipment costs.

Available cash within the Water and Sewer portfolio and the City's portfolio along with the appropriation authority authorized under the Callable Commercial Paper Program (CP) will be used to provide interim financing for this project until debt is issued. Once debt associated with this project is sold, bond proceeds will be used to reimburse the Water and Sewer portfolio and the City's portfolio in accordance with the attached Reimbursement Resolution. Under federal law, debt must be issued within approximately three years in order for these expenses to be reimbursable. Adoption of the attached resolution does not obligate the City to sell bonds, but preserves the ability of the City to reimburse itself from tax-exempt bond proceeds.

It is the practice of the Water Department to appropriate its Capital Improvement Program (CIP) plan throughout the Fiscal Year, instead of within the annual budget ordinance, as projects commence, additional funding needs are identified, and to comply with bond covenants.

Funding is budgeted in the Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the Mary's Creek Water Reclamation Facility.

Funding for the Mary's Creek Water Reclamation Facility project is depicted below:

<b>Fund</b>	<b>Existing Appropriations</b>	<b>Additional Appropriations</b>	<b>Project Total*</b>
Water & Sewer Bond 2017A – Fund 56011	\$857,415.00	\$0.00	\$857,415.00
W&S Rev Bonds Series 2023 – Fund 56021	\$2,143,498.00	\$0.00	\$2,143,498.00
W&S Rev Bonds Series 2024 – Fund 56022	\$20,473,700.00	\$0.00	\$20,473,700.00
W&S WIFIA			

Revenue Bond – Fund 56027	\$346,638,712.57	\$0.00	\$346,638,712.57
Sewer Capital Legacy – Fund 59607	\$6,691,576.09	\$0.00	\$6,691,576.09
W&S Commercial Paper Fund 56026	\$0.00	\$1,870,060.00	\$1,870,060.00
<b>Project Total</b>	<b>\$376,804,901.66</b>	<b>\$1,870,060.00</b>	<b>\$378,674,961.66</b>

The project is located in the ETJ and COUNCIL DISTRICT 3.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are available in the Commercial Paper project within the W&S Commercial Paper Fund and upon approval of the above recommendations and adoption of the appropriation ordinance, funds will be available in the W&S Commercial Paper Fund for the Mary’s Creek Reclam. Facility project to support the above recommendations and execution of the construction contract. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:**    Jessica McEachern    5804

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