

RESOLUTION NO. 2024-R-35

LETTER OF INTENT WITH SOUTH BUDA WCID #1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A LETTER OF INTENT WITH SOUTH BUDA WATER CONTROL AND IMPROVEMENT DISTRICT #1 FOR WASTEWATER TERM SHEET FOR UPGRADE OF THE STONEFIELD LIFT STATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council desires to authorize the City Manager to execute a Letter of Intent with South Buda Water Control Improvement District #1 for the wastewater term sheet for an upgrade of the Stonefield Lift Station and

WHEREAS, the City finds that the adoption of this Resolution is in the best interest of the City and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BUDA, TEXAS, THAT:

Section 1. All of the above premises are hereby found to be true and correct legislative and factual findings of the City Council of the City of Buda, Texas, and are hereby approved and incorporated into the body of this Resolution as if copied in their entirety.

Section 2. The Buda City Council hereby approves and authorizes the City Manager to execute a Letter of Intent for a wastewater term sheet for the upgrade of the Stonefield Lift Station, attached as **Exhibit A**, a copy of same being attached hereto and incorporated herein for all purposes.

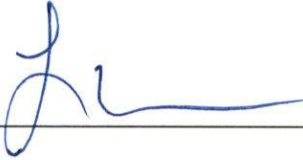
Section 3. Should any portion or part of this Resolution be held for any reason invalid or unenforceable by a court of competent jurisdiction, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

Section 4. This Resolution shall be in full force and effect from and after its passage.

Section 5. The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended.

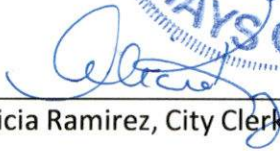
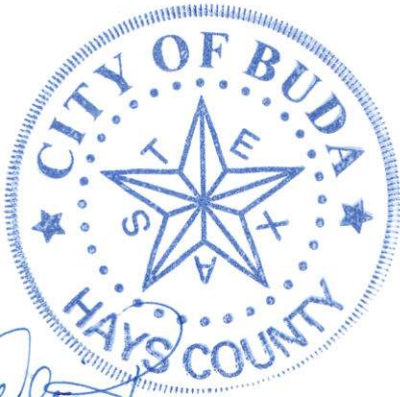
RESOLVED this, the 20th day of August 2024.

THE CITY OF BUDA, TEXAS:



Lee Urbanovsky, Mayor

ATTEST:



Alicia Ramirez, City Clerk

LETTER OF INTENT

This Letter of Intent is approved and effective _____, 2024, by and between the City of Buda, Texas (the "City") with an address of 405 East Loop Street, Building 100, Buda, Texas and South Buda Water Control and Improvement District No. 1 (the "District") with an address of 12912 Hill Country Blvd., Ste. F-232, Austin, Texas 78738. The City and the District are herein collectively referred to as (the "Parties").

A. Purpose

The purpose of this Letter of Intent is to provide a term sheet for future negotiations and drafting of a contract for the upgrade of the Stonefield Lift Station (the "Lift Station") owned by the District and operated by the City. The Lift Station was originally constructed at less than its total possible capacity. The District needs to upgrade the Lift Station (the "Lift Station Expansion Capacity") to the capacity needed to serve full development of the Stonefield Subdivision wholly located within the District. The City now wishes to further upgrade the Lift Station (the "Lift Station Maximum Capacity") to its total possible capacity to better serve the future development of the City.

B. Non-Binding

This is NOT a contract. This Letter of Intent is only intended as a draft term sheet and shall not constitute a binding agreement. Either Party may decide to stop negotiations at any time without liability to the other Party. Nothing herein shall be construed as creating any binding obligations on the Parties.

C. Proposed Responsibilities of the Parties

District-

1. The District will determine the limits of the Lift Station Maximum Capacity, considering any and all other District system requirements including but not limited to additional lift station capacity, line capacity, pump capacity, or any other District system requirements. The District will provide this Lift Station Maximum Capacity to the City in writing. The District will include supporting documentation.
2. The District will determine the Lift Station Expansion Capacity the District will need for current and future development within the Stonefield Subdivision portion of the District (the "Stonefield District Needs"). The District will provide the Stonefield District Needs to the City in writing.
3. The difference in capacity between the Lift Station Maximum Capacity and the Lift Station Expansion Capacity will determine the capacity available to the City to serve the future development of the City located outside the boundaries of the District (the "City Needs").
4. The District will design and bid the Lift Station Expansion Capacity to meet the Stonefield District Needs.

5. The District will also design and bid the upgrade at the Lift Station Maximum Capacity to meet the City Needs.
6. Within sixty (60) calendar days of the bid opening for both projects, the City and the District will review the bids received for both projects and decide as to which project to go forward with awarding the bid to, if any.

City-

1. The City will agree to be responsible for the engineering, legal, and administrative costs incurred by the District related to the design, approval, and bidding of the Lift Station Maximum Capacity through reimbursement of those costs to the District.
2. If it is decided by the City to go forward with the award of the construction contract as bid for the Lift Station Maximum Capacity alternative, the City will pay the District the difference between the Lift Station Maximum Capacity bid and the Lift Station Expansion Capacity bid price as awarded (the "City Obligation").
3. The City will pay the District the total amount of the City Obligation no later than sixty (60) days following the execution of the general contract for the upgrade at the Lift Station.
4. The City will pay their pro-rata share of the total for any change orders or price increase plus all administrative, legal, engineering expenses directly attributable to the difference through the term of the construction of the Lift Station Maximum Capacity. The City will make the payments under this subsection no later than sixty (60) days following the approval of any change orders or expenses as defined herein by the District.
5. If the City elects not to go forward with the Lift Station Maximum Capacity bid, then the District will proceed with the award of the bid the Lift Station Expansion Capacity and there will be no further obligation by the City of cost participation in the Lift Station Maximum Capacity construction contract past that as outlined above in paragraph 1 of this section.
6. The City agrees to accept either the Lift Station Expansion Capacity or the Lift Station Maximum Capacity project once completed for operation and maintenance.

D. Permitting Contingency

All obligations contemplated by this Letter of Intent are contingent on the District obtaining all approvals from the Texas Commission on Environmental Quality (the "TCEQ") Additionally, all proposed obligations are contingent on both Parties receiving approvals from all regulatory authorities having applicable jurisdiction at the County, State, or Federal level.

E. Timing

The Parties intend to resolve all due diligence, permitting, negotiations, and drafting so as to have a viable Stonefield Lift Station Expansion Agreement without substantial delay.

F. Conveyance of Wastewater Facilities

It is the intent of both the City and the District to transfer ownership of all District owned wastewater facilities through the execution of a separate agreement addressing those as soon as reasonably possible after the completion of the Lift Station project outlined herein.

If these terms are acceptable then each Party shall acknowledge their agreement by signing their respective signature block below.

EXECUTED by the undersigned on the dates set forth hereinbelow.

SOUTH BUDA WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

By: Marvin B. Morgan
Marvin B. Morgan, President
Dated: April 17, 2024

CITY OF BUDA, TEXAS

By: _____
Printed Name: _____
Title: _____
Dated: _____, 2024