



# ***Sugar Land Wastewater Contract***

***Presented by  
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***Meeting Date: April 30, 2018***



# ***Proposal & Contract***

- 43 Years in Sugar Land
- B.R.A. Successful Respondent
- Four Wastewater Treatment Plants & One Reclaimed Water Facility
- Five-Year Contract Term With Two, Three-Year Renewal Options
- Letter of Credit
- Management Fee



# City of Sugar Land Wastewater Treatment Plants

April, 2018

Pecan Grove

CURRENT CITY OF SUGAR LAND CITY LIMITS

New Territory

NEW TERRITORY WWTP

Richmond

GREATWOOD WWTP

Rosenberg

Greatwood

Sugar Land

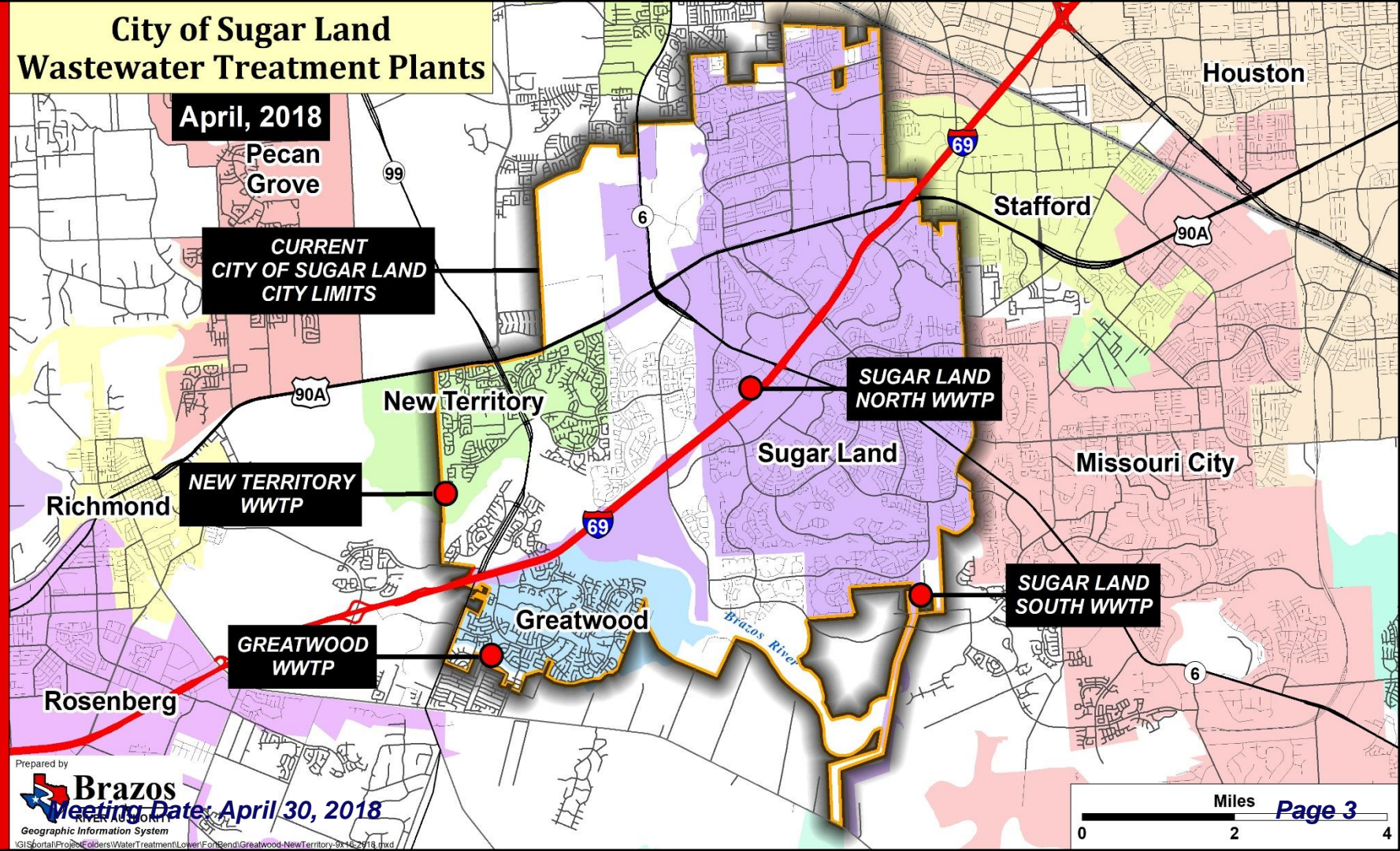
SUGAR LAND NORTH WWTP

SUGAR LAND SOUTH WWTP

Missouri City

Stafford

Houston





**“WHEREAS, the Brazos River Authority has operated the wastewater treatment plants for the City of Sugar Land for a period of 43 years, with its current operations contract set to expire on September 30, 2018;**

**WHEREAS, the Brazos River Authority participated in the City of Sugar Land’s procurement process to select an operator for a new contract (“Contract”) and was awarded the Contract;**



**WHEREAS, the Contract included a provision requiring the selected vendor to provide a performance bond in connection with the services, but due to the Brazos River Authority's status as a governmental entity, we were unable to obtain a performance bond under reasonable terms;**



**WHEREAS, in lieu of obtaining a performance bond, the City of Sugar Land agreed to accept a letter of credit (“Letter of Credit”) in an amount equal to the Brazos River Authority’s first year expenses under the Contract, with such Letter of Credit to be renewed annually during the term of the Contract, with such amount subject to an annual CPI adjustment, in accordance with the terms of the Contract;**



**NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Brazos River Authority hereby authorizes the General Manager/CEO to negotiate and execute a Contract for the operation, maintenance, and management of the City of Sugar Land's wastewater treatment plants and reclaimed water facility and any extensions to the Contract;**



**BE IT FURTHER RESOLVED that the Board of Directors of the Brazos River Authority hereby authorizes the General Manager/CEO and/or CFO to execute an irrevocable standby Letter of Credit in favor of the City of Sugar Land for the purpose of securing the Brazos River Authority's performance under the Contract for the operation, maintenance, and management of the City of Sugar Land's wastewater treatment plants and reclaimed water facility; and**





**BE IT FURTHER RESOLVED that the Letter of Credit will be in the amount of \$2,700,000, which reflects the Brazos River Authority's estimated first year fees under the terms of the Contract, and shall be renewed annually throughout the term of the Contract, including any renewal periods, with such amount being subject to an annual CPI adjustment, which shall be calculated in accordance with the terms of the Contract.”**



# Brazos River Authority