

# **Bell County WCID 1 Proposal for Boundary Expansion and Board Representation**

## **INTRODUCTION AND BACKGROUND**

**Introduction** – Bell County Water Control & Improvement District #1 (the District) was proposed by Roy J. Smith and other Killeen businessmen as a vehicle to provide utility services to Fort Hood and the surrounding civilian communities. The Texas Legislature passed House Bill 632 in 1955 to create the District. Before the District was created, Fort Hood received water through a 24 inch pipeline from the Lampasas River near the current Lake Stillhouse Hollow. The initial district boundary was the Killeen City Limits of 1952. Legislation was later passed to increase the district boundary to the 1985 City Limits of Killeen.

**Background** – During the recent 2018 Board election, questions were raised regarding the existing boundary and why it was not expanded to include the current Killeen City Limits. After researching the issue, it was determined that no proposals had been presented to the State Legislature requesting boundary expansion. The Board decided that if the boundary was to be expanded, it would make sense to include all entities served.

The District currently serves seven member entities consisting of Fort Hood, Copperas Cove, Killeen, Harker Heights, Nolanville (WCID3), Belton, and 439 Water Supply Corporation. The member entities in turn provide retail water and wastewater service to approximately 275,000 residents. The member entities set the retail service rates for its end users.

Service to the member entities is governed by individual contracts between the District and each member entity. Each contract includes the same terms and provisions whereby capacity is acquired through capital outlay on a pro rata basis. In other words, when an expansion is made, a member entity agrees to assume the debt associated with their increase in capacity through a contract amendment. Contract amendments are brought before the respective city councils or water boards. The District will not issue debt on behalf of a member entity until an executed contract amendment has been approved by the member entity. Residents who are served by the member entity that want to provide input regarding a proposed expansion have such opportunity through attendance at the publicly held meetings of their respective city council or water board.

The contracts also require the District to calculate annual water and wastewater rates to be charged to member entities. All member entities are charged the same rate. The rates are based on the annual operating expenses of the District and the projected gallons of water and wastewater processed. Each member entity is notified of the rate by June 10<sup>th</sup> of each year, which allows ample time for them to incorporate the rates into their own fiscal year budgets. The member entities set rates for its end users. Residents who want to provide input on proposed water and wastewater rates that they will pay have the opportunity by attending the publicly held meetings of their respective city council or water board.

## **RECOMMENDATIONS**

### **Boundary**

The District boundary should include all member entities and their respective service areas. In the event an additional entity should contract for services, the boundary would remain the same unless the Board votes to expand the boundary. If the Board were to vote to expand, the expansion would include that entity and their service area.

### **Representation**

Each member entity should be entitled to representation on the board. The governing body of each entity will appoint their representative(s). The City of Killeen shall have three (3) representatives to the board. All other member entities shall have one (1) board representative for a total of nine (9) Directors. Each Director must reside or own taxable property within the boundary or service area of the appointing member entity. Should an appointee seat be vacated, the governing body of the member entity would have 30 days to appoint a successor.

### **Transition**

Seven (7) directors, one for each member entity, will be appointed in May 2020 when the elected terms of Robert (Mitch) Jacobs, John Blankenship, and Don Farek end. In May 2022 when the elected terms of Allen Cloud and Richard (Dick) Young end, two (2) more directors would be appointed to the board to represent Killeen.

### **Terms**

Directors serve 3 year terms. Due to the number of directors being appointed in May 2020, the terms of the newly appointed directors shall be staggered. The newest member entities will have the shortest initial terms and longest standing entities the longest initial terms. Under this methodology, Fort Hood, Killeen and Copperas Cove appointees shall have 3 year terms for their 2020 directors. Harker Heights' director will have a 2-year initial term. WCID 3, Belton and 439 WSC's directors will have a 1-year initial term. Killeen's two additional directors appointed in May 2022 will have full 3 year terms. In this manner, three directors will be up for re-appointment each year.