



BRECKENRIDGE CITY COMMISSION
AGENDA SUMMARY FORM

Subject: Discussion and any action regarding approval of the Supplemental Point of Delivery Agreement with the West Central Texas Municipal Water District

Department: Administration

Staff Contact: Cynthia Northrop

Title: City Manager

BACKGROUND INFORMATION:

This supplemental agreement would update our Point(s) of Delivery with the West Central Texas Municipal Water District from our original 1959 Contract with two existing amendments (dated Aug. 22, 1985, and July 30, 2003) and involved the Breckenridge Country Club.

The BCC has been getting their water directly from WCTMWD and has been paying a rate not in compliance with state statutes charging water rates. Put simply, whether it is WCTMWD or the City of Breckenridge, we are both required to charge rates by class of users and so the WCTMWD had to update the rate they were charging the BCC. Unfortunately, the rate increased their cost, and they are seeking a more equitable rate to continue operations.

First, this agreement simply adds a point of delivery to our contract with WCTMWD for BCC. They are in our CCN (Certificate of Convenience and Necessity) which is the area for which we can provide water.

Two correlated issues to be aware:

1. The amount of water they use will be calculated into our allowed contractual allocation of water. Generally, we are allowed 1900-acre ft per year (619 million gallons). We currently use approximately 1200 – 1300-acre ft per year (391 mg – 423 mg). Using the upper number (423mg) we use approximately 68% of our allowable allocation. in 2025 the BCC used 9,088,000 which represents approximately a little over 2% of our annual use of 423 mg.
2. Cost of water. To keep it simple, staff is proposing to charge the same rate WCTMWD of BCC's previous rate. This rate is .25 cents per 1,000 gallons with a minimum of \$138.90. This will be addressed in a separate agenda item in June by Ordinance; codifying the water rate charge in our Fee Schedule.

FINANCIAL IMPACT:

NA

STAFF RECOMMENDATION:

Consider approval of the WCTMWD Agreement as presented.