



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Ginger Faught, Deputy City Administrator

Council Meeting Date: February 21, 2023

Agenda Item Wording: **Approval of Amendment No. 7 to Wholesale Water Supply Agreement between West Travis County Public Utility and City of Dripping Springs for the Driftwood Creek Commercial Tract.**

Agenda Item Requestor: Developer of the Driftwood Creek Tract

Summary/Background:

The Seventh Amendment to the Wholesale Water Supply Agreement between the Lower Colorado River Authority (now the West Travis County Public Utility Agency or WTCPUA) and the City of Dripping Springs (Driftwood Creek Tract Service Property – Commercial Amendment) amends the Wholesale Agreement to allow for additional retail water service to commercial component of the Driftwood Creek Tract Property.

The City and LCRA entered into a wholesale water supply agreement in 2003 to, among other things, specify which properties would be provided with retail water service from LCRA, the Dripping Springs Water Supply Corporation, and the City of Dripping Springs. The Driftwood Creek Tract is in the City's retail water service area.

The WTCPUA assumed the rights and obligations of LCRA by agreement dated March 19, 2012.

The original 2003 wholesale agreement contemplated several procedures and processes regarding retail water service that are now either unworkable or undesirable. For example, the wholesale agreement is very specific regarding when the City must obtain a CCN, and the wholesale contract's procedures do not now match the reality of the process. Further, the wholesale contract was very specific about rates and charges to an extent that bound the City in ways that were not necessary. Finally, the wholesale contract did not specify the precise amount of water that would be made available to the Driftwood Creek Tract development. All of these issues are resolved by subsequent amendments to the wholesale contract, including this Seventh Amendment.

The Driftwood Creek Commercial Tract was granted 26 LUEs via the Fourth Amendment. This Seventh Amendment increases the total LUE count to 276

LUEs and addresses only the Driftwood Creek Commercial Tract development.

This is a Wholesale Water Agreement. The City recovers its expenses by billing retail water rates to the Driftwood Creek Tract.

**Commission
Recommendations:**

N/A

**Recommended
Council Actions:**

Approve as presented.