



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: March 19, 2024

Agenda Item Wording: Discuss and consider approval of an Amended and Restated Water Agreement with the West Travis County Public Utility Agency *Sponsor: Mayor Bill Foulds*

Agenda Item Requestor: Ginger Faught, Deputy City Administrator

Summary/Background: This Amended and Restated Agreement with the WTCPUA replaces the existing 2003 contract for wholesale water that the City had with LCRA. An restated contract is needed to clarify rights and responsibilities that were not clear in the 2003 Agreement (because certain developments could not have been foreseen at the time), because under the current contract each time a new development needed water and amendment was required to the 2003 contract, and because the WTCPUA insisted on having a restated agreement before it agreed to build an elevated storage tank to accommodate providing water service to City customers.

The salient points of this restated agreement are as follows:

1. Defined wholesale service area
 - The City of Dripping Springs retains the Service area that was negotiated in the 2003 LCRA Agreement.
2. Maximum level of service to be provided
 - WTCPUA will provide water service on a wholesale basis to the City of Dripping Springs in an amount up to 7,000 LUEs provided that the City has a raw water contract from LCRA for all requested water service. The City has that Contract with LCRA.
 - The City does not need to get a raw water contract for areas already being service by the City (Driftwood, Blue Blazes).
 - The City may ask for more water in the future, but the WTCPUA is not obligated to provide it.
3. WTCPUA has agreed to fund and construct a 1 million gallon 1340 EST for the benefit of the City's wholesale service area but have no obligation to provide storage beyond that.
 - The City of Dripping Springs will provide the site for the 1340 EST and convey EST to the WTCPUA in the form of an exclusive easement.
4. Use of Supplement to Wholesale Agreement for new developments

- Simple form that specifies Max Day Reservation, Maximum Annual Quantity and Maximum Peak Day use for each delivery point.
- Each new development must submit an SER application which will be reviewed by engineering staff to determine availability of service at the desired delivery point. A Service Availability Letter identifying the level of service and any conditions for service shall be incorporated into the Supplement to Wholesale Agreement.
- As Supplement agreements are approved by the WTCPUA General Manager, the developer will begin paying monthly base fee charges (based on the absorption schedule for the development).
 - o Developers will have two options to reserve capacity:
 - 1) Pay reservation fees on all committed LUEs or
 - 2) Pay impact fees for LUEs annually in the amount identified in the amortization schedule and pay reservation fees on the remaining balance. If reservation fees are paid, the monthly base fee will be adjusted with future rate studies.

5. Fees

- The City will pay \$5000 deposit for engineering and legal fees related to the extension of service to the Proposed Development. To the extent such charges and fees incurred for the Proposed Development exceed or are projected to exceed the amount of the City's Deposit, the WTCPUA shall invoice City for such additional amounts and payment by City shall be due upon its receipt of such invoice.

6. Collection of Impact Fees (as of the writing of this Staff Report, this issue is still being negotiated).

- WTCPUA will collect Impact Fees prior to signing final plat.
 - o The City will require full payment of Impact Fees upon recordation of the final plat. The final plat will have a signature block for the WTCPUA as the wholesale provider. WTCPUA will sign the plat upon receipt of all impact fees.

7. Reporting

- The City will provide copies of monthly operation reports indicating peak day consumption.
- City will make available records for retail connections to the City system.

8. Final Plat

- City will provide a final subdivision plat and address plat for property within City's wholesale service area and provide notification of approved sections and/or projects.
 - o Final plat must be signed by WTCPUA.

**Commission
Recommendations:**

N/A

**Recommended
Council Actions:**

Approve as presented.