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## CITY COUNCIL CONSIDERATION ITEM

### CITY OF FAIR OAKS RANCH, TEXAS

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**AGENDA TOPIC:** Consideration and possible action approving a resolution of the City of Fair Oaks Ranch, Texas authorizing a First Amendment to the 2008 Water Supply Agreement between the City of Fair Oaks Ranch and Ralph Fair, LLC for the reservation of water and other related matters, and authorizing the City Manager to execute the First Amendment

**DATE:** March 21, 2024

**DEPARTMENT:** Public Works

**PRESENTED BY:** Carole Vanzant, CPM, Asst City Manager, Community Services

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#### **INTRODUCTION/BACKGROUND:**

On July 20, 2006, the City of Fair Oaks Ranch, under Ordinance 153 accepted the City of San Antonio's release of 3,258 acres of its extraterritorial jurisdiction adjacent to the north, east, and southwest of Fair Oaks Ranch city limits. To ensure water reservation to the property owners in this area as they develop, the City entered into water supply agreements with various property owners in September 2008.

The 2008 Agreement with Ralph Fair, LLC, relative to term, states: *This Agreement shall become enforceable upon execution by the City and Owner. This Agreement shall terminate on the 15<sup>th</sup> anniversary of its execution unless extended by mutual agreement of the parties, or upon full build-out of the property.*

On August 17, 2023, City Council approved a resolution authorizing a six-month extension to review the current agreements, negotiate any changes, develop an agreement amendment, allow for legal review, and prepare for City Council approval.

On February 19, 2024, Ralph Fair, LLC agreed to a 15-year term extension. This amendment becomes enforceable upon execution by the City and Owner and shall terminate on the 15<sup>th</sup> anniversary of its execution unless extended by mutual agreement of the parties, or upon full build-out of the property.

#### **POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Further Priority 3.1 of the Strategic Action Plan – Enhance and ensure continuity of reliable water resources in accordance with CCN obligations.

#### **LONGTERM FINANCIAL & BUDGETARY IMPACT:**

1. Continued monthly payments of reservation and water capacity fees.
2. Payment of the second installment of the Contribution in Aid toward construction of an elevated water storage tank.

**LEGAL ANALYSIS:**

Reviewed by Ralph Fair, LLC and approved as to form by the city attorney's office.

**RECOMMENDATION/PROPOSED MOTION:**

I move to approve a resolution authorizing a First Amendment to the 2008 Water Supply Agreement between the City of Fair Oaks Ranch and Ralph Fair, LLC.