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## CITY COUNCIL CONSIDERATION ITEM

### CITY OF FAIR OAKS RANCH, TEXAS

September 21, 2023

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AGENDA TOPIC: Consideration and possible action approving a resolution authorizing the execution of the fourth amendment to the agreement between the City of Fair Oaks Ranch and the Guadalupe-Blanco River Authority for the Western Canyon Project.

DATE: September 21, 2023

DEPARTMENT: Public Works

PRESENTED BY: Grant Watanabe, P.E., Director of Public Works & Engineering Services

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

On February 10, 2000, the City of Fair Oaks Ranch and the Guadalupe-Blanco River Authority (GBRA) entered into an agreement relating to the development, permitting, financing, construction and operation of a regional water supply project to serve our City and other GBRA customers. This project, known as the Western Canyon Project, provides treated surface water from the Canyon Lake Reservoir to the City's delivery point at Water Plant 5. Purchased water from GBRA is a vital source for our City and currently makes up 56% of the potable water distributed to Fair Oaks Ranch Utility customers.

There have been three amendments to this agreement. These past amendments increased the City's raw water reservation, increased the City's annual commitment, and provided clarification that the City must notify GBRA of the amount of treated water that will be needed during the following year on or before December 31<sup>st</sup> of each calendar year.

Adopted in May 2019, the City's Water, Wastewater and Reuse Master Plan identifies short, intermediate and long-term water system capital improvement projects. One of the intermediate-term projects is construction of Water Plant #6 and a new GBRA Delivery Point to serve Zones A and B (**see Figure 5-1 attached**). Although the site location has not been finalized, it is known that a second GBRA delivery point will eventually be needed.

This fourth amendment (**Exhibit A**) to the agreement amends the following articles and sections:

- Article I Definitions - Expands the definition of "Point of Delivery" to allow for additional Points of Delivery.
- Section 2.7 Extensions or Other Modifications of Project - Allows GBRA or City to extend Project infrastructure to support additional Points of Delivery subject to cited conditions.
- Section 3.6 Maximum Delivery Rate and Pressure - If the Project is extended to additional Points of Delivery, the aggregate amount of water delivered shall not exceed the agreed upon Daily Commitment (millions of gallons per day) or Maximum Instantaneous Delivery Rate (gallons per minute).

Staff supports these changes and recommends approval of the amendment for reasons listed below. A copy of the original agreement and past amendments (**Exhibit B**) is attached for reference.

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

- Supports Priority 3.1 of the Strategic Action Plan to Enhance and Ensure Continuity of Reliable Water Resources in Accordance with CCN Obligations.
- Enables future infrastructure improvements identified in the Water, Wastewater and Reuse Master Plan.
- Increases utility operational resiliency by establishing additional Points of Delivery and the ability to adjust the amount of water taken at each Point of Delivery to meet changes in demand over time.

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

N/A

**LEGAL ANALYSIS:**

The Amendment is approved as to form and legality by the City Attorney.

**RECOMMENDATION/PROPOSED MOTION:**

I move to approve a resolution authorizing the execution of the Fourth Amendment to the agreement between the City of Fair Oaks Ranch and the Guadalupe-Blanco River Authority for the Western Canyon Project, execution of all applicable documents by the City Manager, and establishing an effective date.