

## ITEM# 1.7

### Discussion and Action to Amend or Adopt Ordinance for Water Rights

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A directive was given to staff to develop an ordinance to improve the City's ability to more-responsibly secure water rights for new subdivisions.

Currently, there is a shortage of water throughout the Rio Grande Valley; this continuing shortage is increasingly magnified due to Mexico's refusal to honor its treaty obligation to divert appropriate amounts of water to the United States pursuant to the various treaties to which it is subject. The water shortage problem is compounded by insufficient rainfall in the Rio Grande watershed.

However, these unfortunate circumstances do not diminish the City's responsibility to plan for and provide an adequate water supply for new subdivisions and its projected population.

The City of Mission currently relies on a 43-year-old ordinance (adopted in September 28, 1981) to attempt to provide for its water needs. This ordinance has never been updated, and the time has come to revamp it in order to meet the City's current and anticipated water supply needs.

Chapter 49, Subchapter O of the Texas Water Code provides a mechanism for municipal water suppliers in Cameron and Hidalgo Counties to acquire water rights for municipal use from irrigation districts that formerly provided irrigation water to land that has been subdivided. In order to acquire these water rights, a municipal water supplier must file a petition with the applicable irrigation district within two (2) years after the date that a subdivision plat has been filed in the official records of the county.

Staff notes that the existing ordinance does **NOT** have a provision that allows the City to charge a developer for the cost of acquiring and converting such water from irrigation use to municipal use. The current ordinance places the responsibility for acquiring sufficient water rights to service the subdivision upon the developer, so it should also be the developer's responsibility to pay the costs incurred by the City if it elects to acquire water rights from an irrigation district under any existing agreement or under Chapter 49, Subchapter O of the Texas Water Code. If the water rights are acquired under Chapter 49, Subchapter O, Section 49.507(b) of the Texas Water Code provides that the purchase price for such water rights cannot exceed sixty-eight percent (68%) of the current market value of the water rights, as determined by the Rio Grande Regional Water Authority (currently \$2,896.81 per acre foot).

Currently, the City is responsible for paying the costs associated with acquiring irrigation rights from an irrigation district and converting those water rights to municipal use, whether such rights are acquired under Chapter 49, Subchapter O of the Texas Water Code, or under the terms of any existing agreements. By adopting the attached amended ordinance, the City will now be able to legally pass along this cost to the developers of land within the City's CCN.

Staff recommends that we set a fee of \$3,000 per acre foot, which is the fee we currently pay to the United Irrigation District

**Irrigation Water Rights Sold for Municipal Use +100 AF**

**Sales FY -2018**

Records	Seller	Water Account No.	Type	Class	Acre Feet Irrigation	Price/AF	Total	Acre Feet Municipal	Price/AF	Total	Buyer	Water Account No.	Date Approved by Commission
Water Right Sales Agreement & TCEQ Memo	Russell Plantation	0037-001	Irrigation	B	231,2500	\$ 1,500.00	\$ 277,500.00	92,5000	\$ 3,000.00	\$ 277,500.00	The City of Laredo	0037-001	11/28/2017
	Russell Plantation	0153-000	Irrigation	B	375,0000	\$ 1,200.00	\$ 450,000.00	130,0000	\$ 3,000.00	\$ 450,000.00	The City of Laredo	0153-000	11/28/2017
					606,2500	NA	\$ 727,500.00	242,5000	\$ 3,000.00	\$ 727,500.00			
TCEQ Interoffice Memo	North American Butterfly Association	0832-005	Irrigation&Mining	B	185,0000	\$ 1,200.00	\$ 222,000.00	74.00	\$ 3,000.00	\$ 222,000.00	City of Eagle Pass Water Works System	0832-007	2/12/2018
Water Right Sales Agreement & TCEQ Memo	BLB Real Estate, LTD	0415-002	Irrigation&Mining	B	1,200,0000	\$ 1,200.00	\$ 1,440,000.00	480,0000	\$ 3,000.00	\$ 1,440,000.00	City of Eagle Pass Water Works System	0415-003	6/29/2018
	Agnes O. Browne Trust, The Mary B Wilmas Trust and the Frances V. Browne Trust	0252-000	Irrigation	A	269,5880	\$ 1,324.00	\$ 356,934.51	134,7940	\$ 2,648.00	\$ 356,934.51	Laguna Madre Water District	0252-000	9/24/2018
TCEQ Interoffice Memo	Sheerth Real Properties	B711-000	Irrigation&Mining	B	500,0000	\$ 1,200.00	\$ 600,000.00	200,0000	\$ 3,000.00	\$ 600,000.00	City of Eagle Pass Water Works System	B711-009	10/1/2018
TCEQ Interoffice Memo	HCWC& I.D. No.19	0806-000	Irrigation	A	250,0000	\$ 1,500.00	\$ 375,000.00	125,0000	\$ 3,000.00	\$ 375,000.00	City of Eagle Pass Water Works System	0806-010	10/2/2018

Implied value calculated from values identified in the Water Right Sales Agreements

NA: No information available in Rio Grande Watermaster Records

Contact from City of Eagle Pass Water Works System, Jorge Flores (830) 773-2351  
 Contact from Laguna Madre Water District, Charles Ortiz (956) 943-2626

Seller	Buyer	Municipal Acre Feet	Selling Price	Total
Agnes O. Browne Trust, The Mary B Wilmas Trust and the Frances V. Browne Trust	Laguna Madre Water District	134,794	x \$ 2,648	= \$ 356,934.51
Sheerth Real Properties	City of Eagle Pass Water Works System	200	x \$ 3,000	= \$ 600,000.00
HCWC& I.D. No.19	City of Eagle Pass Water Works System	125	x \$ 3,000	= \$ 375,000.00
		459,794		\$ 1,331,934.51

**2019 Municipal Water Right Current Market Value:**  
 \$1,331,934.51 Divided by 459,794 AF = **\$2,896.81 per acre foot**  
 \$2,896.81 \* 68% = **\$1,969.83 per acre foot**

\*\*Approved 02-11-19