

AGENDA ITEM SUMMARY SHEET

City of Rollingwood

Meeting Date: July 15, 2026

Submitted By:

Staff

Agenda Item:

Status report on the LCRA raw water rights contract

Description:

As part of the City of Rollingwood's ongoing efforts to secure long-term water reliability for the community, staff has been pursuing the acquisition of raw water rights through a proposed Firm Water Contract with the Lower Colorado River Authority (LCRA). The proposed agreement would provide the City with access to purchase up to 499 acre-feet per year of firm raw water, improving Rollingwood's water supply security as water resources throughout Texas become increasingly constrained.

Following receipt of a proposed contract from LCRA, staff conducted an initial review, and asked the City Attorney to perform a legal review. Due to the complexity of the agreement and the highly specialized nature of Texas water law and water supply contracts, the City Attorney recommended that the City engage outside counsel with specific expertise in this area.

The City retained Mary E. Adair of Branscomb Law, who is skilled in Texas water law and water supply matters, to perform a comprehensive review of the proposed agreement. Ms. Adair's review identified several provisions and issues that necessitate further discussion and clarification with LCRA before the contract is formally presented to the City Council for consideration and possible approval.

Staff is currently working with Lochner, the City's engineers, to facilitate discussions with representatives from LCRA to address Ms. Adair's questions and comments to ensure that the final agreement appropriately protects the City's interests while providing the intended long-term water supply benefits. The City will then, again with Lochner's assistance, work as needed with the City of Austin to ensure that the interlocal agreement enables the City to comply with the requirements to be imposed on it by the contract with LCRA.

As noted last week, LCRA originally required execution of the contract by the City by June 18, 2026. In recognition of the complexity of the contract and the City's ongoing review process, LCRA has agreed to significantly extend the deadline. The revised deadline for approval and execution of the agreement is now September 30, 2026, which LCRA has indicated is a firm deadline. The

additional time will allow staff, Lochner, and the City's legal counsel to continue discussions with LCRA, resolve outstanding issues, and prepare a finalized agreement for City Council consideration.

At this time, staff anticipates bringing the proposed contract back to City Council for formal review and potential action at the regular meeting in August, subject to completion of negotiations and resolution of the remaining legal and operational questions identified during the contract review.

Action Requested:

No action is necessary on this item

Fiscal Impacts:

Any fiscal impact from this item can be paid for using funds already included in the City's budget

Attachments:

- Initial Proposed Rollingwood Contract with LCRA (2026-2066)