City Council Agenda
Special Meeting via Audio/Video Broadcast
05/12/2020

Notice is hereby given in accordance with an order of the Office of the Governor issued March 16, 2020, of a Special Meeting of the City Council of the City of San Angelo scheduled for May 12, 2020 at 11:00 a.m. The McNease Convention Center – South Meeting Room, 501 Rio Concho Drive, San Angelo, Texas will not be open to the public. Council members and staff will attend virtually in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19). There will be no public access to the regular meeting location. A public, free-of-charge audio/video broadcast of the meeting will be available on the City's YouTube channel at youtube.com/CityofSanAngelo.

The Meeting Agenda and the Agenda Packet are posted online at https://www.cosatx.us/government/city-council/agenda-minutes-and-agenda-packets.

Members of the public who wish to submit **Public Comment** on agenda items must send their written comments via email to Julia.Antilley@cosatx.us by 4:00 p.m. May 11, 2020.
The subject must be in the following format: "Public Comment, [item number] – May 12, 2020."
All emails must include your name and address or SMD.
Please note all Public Comment emails relevant to posted agenda items received by the deadline will be published as part of the agenda packet prior to the meeting and are therefore public record.
Call 325-657-4405 for staff assistance.

A recording of the meeting will be available to the public in accordance with the Open Meetings Act upon written request.

1. **Call to Order/Roll Call to Establish Quorum**
2. **Special Instructions**

All members of the council and staff should begin speaking by stating their full name and their SMD position or role within the City.

3. **Public Comment**

At this time, Council Members may ask staff members questions regarding Public Comments submitted via email.

4. **Regular Agenda**
   a. Consider approving an interlocal agreement between the City of San Angelo, the City of Abilene, and the City of Midland and authorizing the City Manager to negotiate and execute all related documents for a long term water supply (Presentation made by Allison Strube Water Utilities Director)
5. **Closed Session**

Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections:

a. Section 551.071 - Consultation with Attorney regarding West Texas Water Partnership

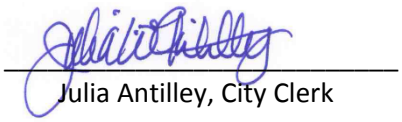
6. Follow Up and Administrative Issues

a. Consider items discussed in Closed Session, if needed

7. Adjournment

CERTIFICATION

I hereby certify that the above notice of meeting was published on the City of San Angelo's website on the 8th day of May 2020, at 9:20 p.m.



Julia Antilley, City Clerk

All agenda items are subject to action. The City Council reserves the right to consider business out of posted order and/or meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

In compliance with the Americans with Disabilities Act, the City of San Angelo will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the City Clerk's Office at 325-657-4405.

Citizen requests to display materials on the city's monitors must submit the request 96 hours prior to the meeting by email to Julia.Antilley@cosatx.us. Time limits for discussion are as stated above and materials cannot exceed 10-pages. Citizens bringing materials for distribution to City Council members during the meeting must bring a minimum of 12 copies.

City Council regular meetings are broadcast on SATV Channel 17-Government Access at 10:30 a.m. and 7:00 p.m. every day, beginning the evening of the meeting until the evening of the next meeting.

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

Requestor: Julia Antilley, City Clerk, Water Utilities, 325-657-4405

Meeting Date: May 12, 2020

Item type: Consent Item

Caption:

Consider approving an interlocal agreement between the City of San Angelo, the City of Abilene, and the City of Midland and authorizing the City Manager to negotiate and execute all related documents for a long term water supply (Presentation made by Allison Strube Water Utilities Director)

Summary/History:

The West Texas Water Partnership has considered many, many options over the past decade, and listened to all manner of proposals. As a result of this group's hard work, diligence, and patience, the cities finally found in Fort Stockton Holdings, L.P. (FSH) a supply of water that meets our fundamental criteria—affordability, quantity, quality, sustainability, and reliability.

FSH owns a groundwater production and transport permit that allows FSH to produce and use 28,400 acre feet of Edwards-Trinity groundwater each year. The annual volume is being split in a manner that addresses each city's needs. Population, current supplies, and variety of factors drive the allocation between the three cities.

- Midland - 15,000 acre-ft / year
- Abilene - 8,400 acre-ft / year
- San Angelo - 5,000 acre-ft / year

Financial Impact:

The payments for water will be as follows:

- From the date the contract goes into effect until January 1, 2025, the City will pay $0.30625 per 1,000 gallons. The payment for 2020 will be prorated for the calendar year.
- The rate increases to $0.3425 per 1,000 gallons on January 1, 2025 and will remain the same through December 31, 2029.
- Beginning January 1, 2030, the rate increases to $0.55 per 1,000 gallons.
- On January 1, 2031, and through the remainder of the contract term, the rate increases by 0.5% of the rate in effect for the previous year.

The City has identified a funding source for the water through the San Angelo Development Corporation. Seventy-two percent of that corporation's revenue is restricted for future water supply and that revenue stream could support the cost associated with the payment for 5,000 acre feet of water.

The engineer's total project estimate for the wellfield, pipeline, associated transmission infrastructure, and treatment facility is $300 million. With the City's portion of the total volume, this would put the City's split of the capital infrastructure at an estimated $52.8 million. Operating costs have been projected to be very similar to the operating costs of the Hickory system.

Other Information/Recommendation:

The City of Midland will consider on May 12, 2020 to execute an Untreated Groundwater Supply contract with FSH for the purchase of 28,400 acre feet of groundwater. The contract allows Midland to transfer or assign all or part of the contract to one or more assignees. The interlocal will be the agreement between all parties to assign 5,000 acre-feet and 8,400 acre-feet to San Angelo and Abilene, respectively. The contract and assignments will begin on the effective date and continue until December 31, 2070. The Cities will have the opportunity to extend the contract term until 2090, and then again until 2110.

Staff recommends approval of the interlocal agreement and authorize the City Manager to negotiate and execute all related documents.

Attachments:

1. Presentation — Presentation.pptx

Presentation:

Approvals/Reviews:

Julia Antilley	Created/Initiated
Allison Strube	Approved
Theresa James	Approved
Julia Antilley	Approved
Theresa James	Final Approval

City Council

May 12, 2020

West Texas Water Partnership
Water Supply Agreement

Groundwater purchase

Wellfield development

Permit licensing

West Texas Water Partnership
Water Supply Agreement

Total annual volume: 28,400 acre feet

- Edwards-Trinity
- Split through ILA
- Regulated by GCD

West Texas Water Partnership
Water Supply Agreement

Take-or-pay

1-5	$ 0.30625
6-10	$ 0.3425
11 – end	$ 0.55

0.5 % adjustment

West Texas Water Partnership
Water Supply Agreement

50-year term with extensions

West Texas Water Partnership
Water Supply Agreement

Wellfield Development

- Cities control development
- Surface access
- Design coordination

West Texas Water Partnership
Water Supply Agreement

Permit Licensing

- Production and transport
- Coordination on modifications
- Regulatory fees

West Texas Water Partnership
Water Supply Agreement

Partnership Goals

- Affordable
- Reliable
- Sufficient quantity
- Good quality

West Texas Water Partnership
Water Supply Agreement

Long-term water security

Water supply diversity

Affordable

Regional asset