



Legislation Text

File #: Res. 2018-40R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2018-40R, approving a contract with TXI Operations, LP, d/b/a Martin Marietta for the sale of reclaimed water; authorizing the City Manager to execute the appropriate documents related to this contract on behalf of the City and declaring an effective date.

Meeting date: 3/20/2018

Department: Public Service - Water/Wastewater Utility (Tom Taggart)

Amount & Source of Funding

Funds Required: NA

Account Number: NA

Funds Available: NA

Account Name: NA

Fiscal Note:

Prior Council Action: The original contract with TXI Operations, LP for the sale of reclaimed water by the City to TXI Operations was entered into in March of 2007 for a term of 10 years. This agreement is for the same terms and conditions as the previous contract minus sections concerning the construction of a pipeline and delivery facilities, which were completed under the original contract. Pricing during this term will be at the then prevailing rate as set by Council (at this date- \$1.56/1000 gal.) Annual revenue from this contract at current usage is approximately \$95,000. Please note: This item is not related to the leasing the City's right to withdraw Edwards Aquifer Groundwater.

City Council Goal: [Please select goal from dropdown menu below]

Goal # 7 Maintain Fiscal Responsibility

Goal #9 Protect & Preserve San Marcos River and Edwards Aquifer Recharge Zone

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ Economic Development - Choose an item.

☒ Environment & Resource Protection - Choose an item.

- ☐ Land Use - Choose an item.
- ☐ Neighborhoods & Housing - Choose an item.
- ☐ Parks, Public Spaces & Facilities - Choose an item.
- ☐ Transportation - Choose an item.
- ☒ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The City has been supplying reclaimed water to the TXI quarry and Kiln facility on S. Hunter for approximately 5 years. TXI was acquired by Martin Marietta after the original 2007 contract was executed. This contract for reclaimed water for the facility is not related to the prior EAA groundwater lease agreements with the City of San Marcos that Martin Marietta utilized to provide water at quarry facilities in New Braunfels and Bexar County.

Under the original contract TXI reimbursed the City for extending the reclaimed water pipeline from Old Bastrop Road at Francis Harris, 2.7 miles to their cement manufacturing facility on Hunter Road along with other necessary improvements to the reclaimed water system. Today, Martin Marietta uses an average of just under 5 million gallons per month of reclaimed water at the prevailing rate of \$1.56 per 1,000 gallons. This contract will continue to provide Martin Marietta with a guaranteed maximum quantity of reclaimed water up to 700,000 gallons per day which they can take at smaller quantities at their discretion. The contract term is for 10 years.

Council Committee, Board/Commission Action:

Council previously approved a similar contract for sale of reclaimed water to TXI in 2007

Alternatives:

None identified with equal benefit

Recommendation:

Staff recommends approval and execution of this contract.