



AGENDA ITEM SUMMARY

Agenda Date	May 12, 2026
Requested Action	APPROVE RESOLUTION NO. 2026-R29; A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE CITY OF FAIR OAKS RANCH FOR THE SHARED GBRA WATER MAIN EXTENSION ALONG AMMANN ROAD.
Contact Person	Andrew Wilkinson – Utilities Engineer Michael Brinkmann – Utilities Director
Background Information	<p>The Utilities Capital Improvements Plan includes a project to provide a second delivery point from GBRA’s Canyon Lake treated water system. This project involves extending a new water main from the GBRA Western Canyon Regional Water Supply pipeline along Ammann Road approximately one mile to a metering station at the City’s new tank and pump station site. This additional delivery point will enhance system redundancy, increase fire flow capacity, and provide operational relief to the eastern portion of the City’s water distribution system.</p> <p>The new pipeline will ultimately be dedicated to GBRA as part of its regional delivery system. This structure is consistent with GBRA requirements, where participating entities fund extensions necessary to connect to the regional system.</p> <p>The City of Fair Oaks Ranch is planning a similar connection at an adjacent location along Ammann Road. As a result, the pipeline project presents an opportunity to serve both communities through a shared infrastructure investment. Staff from both cities have coordinated during the design phase to ensure the pipeline is appropriately sized to meet the needs of both entities.</p> <p>The proposed Interlocal Agreement establishes roles and cost sharing for the project. Under the agreement:</p> <ul style="list-style-type: none">• The City of Boerne will manage design, bidding, and construction of the project• The City of Fair Oaks Ranch will reimburse its proportionate share of project costs on a quarterly basis <p>The cost sharing allocation is based on each city’s projected peak flow</p>

	<p>demand, resulting in a split of 69 percent for the City of Boerne and 31 percent for the City of Fair Oaks Ranch. In addition, Fair Oaks Ranch will fully reimburse costs associated with design and construction elements required to accommodate its future roadway improvements along Ammann Road.</p> <p>At the time the agreement was prepared, the total project cost was estimated at \$2.2 million. Based on this estimate, Fair Oaks Ranch’s reimbursement would be approximately \$682,000, resulting in a net cost to the City of Boerne of approximately \$1.5 million. Final costs may vary depending on bid results. The project is currently advertised, with bids due on May 21, 2026.</p> <p>This agreement reduces the City’s overall capital cost, supports regional coordination, and strengthens long-term water system reliability.</p> <p>Based on the above, staff recommends that the City Council authorize the City Manager to execute the Interlocal Agreement with the City of Fair Oaks Ranch.</p>
Strategic Alignment	<p>C3 – Collaborating with community partners to enhance quality of life. F1 – Committing to strategic, responsible, and conservative financial management. B2 – Advancing master plan recommendations.</p>
Financial Considerations	<p>Funding for the project is planned from the Water Impact Fee Fund and available capital reserves. Fair Oaks Ranch will reimburse its share of eligible project costs as outlined in the agreement.</p>
Citizen Input/Board Review	<p>N/A</p>
Legal Review	<p>The City Attorney has reviewed the interlocal agreement.</p>
Alternative Options	<p>Without this agreement, the City would construct the pipeline solely for its own use, eliminate the shared connection point for Fair Oaks Ranch, and bear 100 percent of the project cost.</p>
Supporting Documents	<p>Resolution No. 2026-R29 Interlocal Agreement between the City of Boerne and the City of Fair Oaks Ranch.</p>