



## AGENDA ITEM SUMMARY

### District Impacted

- ☐ 1 = Anzollitto
- ☐ 2 = Woolard
- ☐ 3 = Tye
- ☐ 4 = Cisneros
- ☐ 5 = Handren
- ☐ x All

### AGENDA DATE

July 10, 2018

### DESCRIPTION:

CONSIDER RESOLUTION NO. 2018-R56; A RESOLUTION OF THE CITY OF BOERNE REQUESTING AN INCREASE TO THE ANNUAL COMMITMENT FOR WATER BY AN ADDITIONAL 325 ACRE-FEET PER YEAR FROM GUADALUPE-BLANCO RIVER AUTHORITY AS PART OF THE WESTERN CANYON REGIONAL WATER SUPPLY PROJECT.

### RECOMMENDED ACTION (be specific)

Approve Resolution No. 2018-R56; Requesting an increase to the annual commitment for water by an additional 325 acre-feet per year from Guadalupe-Blanco River Authority as part of the Western Canyon Regional Water Supply Project.

### CONTACT PERSON

Jeff Thompson, Deputy City Manager and General Manager of Utilities

### SUMMARY

In June, the city's water system set a new record for potable water production at 103,180,000 gallons surpassing the old record of 99,175,000 set last July which had 31 days vs. 30 in June. The water produced from each source in June, in millions of gallons, was as follows:

Cow Creek Groundwater Wells	42.4m	41%
Water Treatment Plant (Boerne City Lake)	34.5m	33%
GBRA (Canyon Lake)	<u>26.3m</u>	<u>26%</u>
<b>Total</b>	<b>103.2m</b>	<b>100%</b>

The average daily production last month was 3.44 million gallons per day (mgd) and in the first 3 days of July averaged 3.64 mgd. That dropped to 2.8 mgd on the 4<sup>th</sup> due to the small amount of rain we received. Of note, on Tuesday of this week, one of the better wells on the system began losing its capacity to produce at the same levels we are used to, about 250-300 thousand gallons a day. We have concern that with well levels dropping, this issue could be the "new normal" for a while until significant rains return and could affect any number of wells.

With the wells being less reliable due to drought conditions staff believes it is prudent for the City of Boerne to request an increase in the monthly take from GBRA from 870,000 gallons per day to 1,160,000 gallons per day or an increase of about 246,000 gallons per

day. This amount equates to roughly the same production as one of the main wells.

We have contemplated increasing this number for many years and have plenty of water, 3,611 acre-feet (AF) total under reservation with GBRA, and only 975 AF presently being delivered to Boerne. It has been 10 years since we last increased our take from GBRA and the system has obviously grown a lot since then. We have delayed increasing the GBRA take due to the higher cost vs. wells and Boerne Lake.

I have included 3 pages of charts and graphs with information on the water system. Note on the Water Utility Dashboard the strong growth in active meter counts (lower left) with the water utility our largest and fastest growing in terms of sheer customer count at 6,141. The total is up 33% since the start of FY 2016, just 32 months ago.

The increase in GBRA water will impact the cost of water purchased by about \$285,000 per year. This will result in a need to increase our rates to recover all or most of those costs. Our financials (see second page of attachments) show the water utility basically at break-even through May 31, with the four largest sales months of June through September not yet accounted for.

We already know June will be a very good month financially due to the record production. We are confident that the water utility can withstand the approximately \$65,000 that the higher GBRA water take will cost in the 12 weeks remaining in Fiscal Year 2018 given the high sales expected. We will need to budget accordingly in FY 2019 and likely need a 5% water rate increase effective in October which would equate to about \$2.10 per month for average residential usage. More in the summer, less in the winter.

The final attachment is a Water Production Report which shows the 4-year history of water production by source. GBRA has been the same for the last 10 years and as the June numbers indicate in this Agenda Item Summary, represents only 26% of the production needed at this point in a peak month. Increasing our take as proposed would have caused that source's percentage to increase from 26% to about 34% making for a better balance between the three sources with the well production likely dropping to about 33% from 41%.

We have delayed this increase for years due primarily to the reliability of the wells during normal years and to the new Reclaimed Water Utility which is now producing about 240,000 gallons of irrigation water per day. Staff believes, however, that it is time to act to

	<p>increase the GBRA take. When we set the contract at 975 acre-feet last November it was based on the hope for a wetter spring to insure the wells would be strong for the summer months.</p> <p>If approved, we will forward the Resolution to GBRA and begin taking the 1.16 mgd as early as Wednesday, July 11. With the recent rainfall and our desire to offset the costs of the increased GBRA take through the next four weeks, the City Manager has not initiated Stage II of our water conservation and drought management plan. If usage begins to exceed current levels after the increased GBRA flow begins or the system's ability to keep our storage tanks full is compromised that is still an option.</p>
<b>COST</b>	N/A
<b>SOURCE OF FUNDS</b>	N/A
<b>ADDITIONAL INFORMATION</b>	

This summary is not meant to be all inclusive. Supporting documentation is attached.