

POLICY NUMBER 8000-12
Date Adopted 05-01-07
Date Effective 05-01-07

RESOLUTION NO. 07-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, ADOPTING A CITY COUNCIL POLICY THAT ESTABLISHES THE TERMS AND CONDITIONS FOR PARTICIPATION IN THE CITY'S GROUNDWATER REDUCTION PLAN.

WHEREAS, the City must meet the regulatory requirements set forth by the Fort Bend Subsidence District, including the submission of a Groundwater Reduction Plan (GRP), and

WHEREAS, by previous City Council Policy 8000-11, City Council set forth its intent to plan for the City and its Extraterritorial Jurisdiction in the Ground Water Reduction process, and

WHEREAS, the City Council wishes to include interested Municipal Utility Districts, non-municipal well owners and private utility systems within the City and the ETJ in its GRP, and

WHEREAS, the City Council wishes to adopt a policy that establishes guidelines for participation in our GRP; NOW, THEREFORE,

WHEREAS, the City Council wishes to adopt a policy that ; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL
OF THE CITY OF SUGAR LAND, TEXAS:**

Section 1. That the City Council adopts the following policy:

**City Council Policy
Participation in the City of Sugar Land's
Groundwater Reduction Plan**

To address how various water users would participate in the City's Groundwater Reduction Plan, how costs and benefits would be allocated among those Participants, how the GRP would be administered and who would own infrastructure associated with the conversion process.

DEFINITIONS

"City" shall refer to the City of Sugar Land

"ESFC" shall refer to Equivalent Single Family Connection, the standardized measure of the water consumption attributable to a particular land use, stated in single-family service units, as established by the city.

“ETJ MUDs” shall refer to the Municipal Utility Districts (MUDs) in the City’s extraterritorial jurisdiction (ETJ)

“Master Districts” shall refer to the utility district that serves as the Master District for a group of districts and is the well permittee with the Subsidence District.

“GRP” shall refer to the City of Sugar Land’s Groundwater Reduction Plan and the group of participants it is composed of.

“GRP Administrator” shall refer to the City Manager or his/her designee in its role of administering the implementation of the GRP.

“GRP Infrastructure” shall refer to the general improvements, construction projects, land acquisitions, and other related costs involved in providing the infrastructure necessary for the surface water conversion process including changes necessary to the current water production facilities to facilitate the integration of water sources. These costs include, but are not limited to, surface water pump stations, a surface water treatment plant, plant upgrades, transmission lines, additional treatment, plant site acquisition, etc.

“Non-Potable Water” shall refer to untreated water, regardless of source.

“Non-Potable Uses” shall refer to any use not requiring treated drinking water.

“Participants” shall refer to an entity, operating or owning a Permitted Well in the City or its ETJ, who joins the City’s GRP.

“Potable Drinking Water” shall refer to treated municipal drinking water.

“Potable Uses” shall refer to any water use necessitating potable drinking water.

“Reuse Water” shall refer to treated wastewater effluent utilized for a non-potable purpose.

“Private Well Owners” shall refer to all owners of water wells that are not Municipal, ETJ MUDs or Private Utility systems

“Private Utility Systems” shall refer to Texas Commission on Environmental Quality (TCEQ) permitted water systems that are not ETJ MUDs or municipalities.

“Pumpage Fee” shall refer to the fee charged by the GRP administrator per 1,000 gallons of groundwater pumped by the participant from a permitted well or water supplied to the participant by the GRP that allows a reduction in groundwater production.

By policy 8000-11, City Council set forth the City’s intent to plan the conversion process from Ground water to alternative sources including surface water for itself and its extraterritorial jurisdiction. Included in those areas are customers of the City, customers of the ETJ MUDs, private water systems, public and private non-potable water users, wholesale raw water customers and private groundwater well owners. Pursuant to that intent, this policy shall present terms and guidelines regarding GRP participation for these users, and the ownership and funding infrastructure related to the implementation of the ground water reduction plan.

Regarding the City of Sugar Land’s GRP, the City recognizes that:

1. There is a standing commitment on behalf of the City to plan for all potential GRP Participants in the City and its ETJ;
2. There are two different water uses that could be potentially represented under the GRP, including:
 - Those uses that can be served with non-potable water
 - Those uses that need to be served with potable water
3. There are a variety of different sources that could potentially serve a user, dependant on their use, including
 - Treated surface water
 - Raw or partially treated surface water
 - Raw groundwater
 - Treated groundwater
 - Reuse water

4. To ensure all costs and benefits are shared equally, all infrastructure related to the conversion process should be funded by the GRP, and all benefits generated should be shared by all GRP Participants.
5. The implementation of the GRP is most efficient and equitable when the GRP administrator retains the decision-making power of what users to convert or not convert based on the comparative feasibility of a given project.

Given these recognitions, the GRP will be structured as follows:

I) GRP Agreement

All Participants, save the City, shall enter into a GRP Contract with the City, under which the Participants take on the legal obligations and benefits of participation. The Master Districts shall enter into their GRP Contracts as part and parcel of their Strategic Partnership Agreements with the City. All ETJ MUDs, with the exception of Plantation MUD, shall enter into an SPA with the City as a prerequisite to participation in the GRP.

II) GRP Administration

As the owner of the GRP, the City of Sugar Land, in its role as GRP Administrator, shall be responsible and charged with implementing the GRP. This charge imbues the City with the sole authority to make all decisions involved with the conversion implementation, including what conversion projects to pursue, and what users to convert. The GRP Administrator will make implementation decisions based on the comparative feasibility of the project to ensure the lowest cost for all Participants.

III) Surface Water Fund

The City shall maintain the Surface Water Fund as a separate, City enterprise fund to which all the revenues from the GRP participant fees shall be deposited, and from which all the expenses related to the conversion process shall be disbursed.

IV) Cost Allocation

The costs of implementing the GRP shall be paid equally by all Participants through fees assessed to water use. Regardless of which users are converted to non-groundwater sources, all costs and benefits will be distributed equally among the GRP Participants. The participant shall determine the best way to collect those funds from its customers. The following shall be the participant fees associated with participation in the City's GRP:

- a. **Pumpage Fee** - All Participants in the GRP shall pay the then-current Pumpage Fee for every 1000 gallons of groundwater produced from Subsidence District permitted wells or water supplied to the participant by the GRP that allows a reduction in groundwater production. The Pumpage Fee will be established by ordinance. The Master Districts and Private Utility Systems shall pay this fee on their production as of April 1 2006. All other Participants shall pay this fee starting on the date their GRP contract is signed with the City but no later than September 1, 2007.
- b. **Participation Fee** – Master Districts and Private Utility Systems shall pay to the City a Participation Fee to help defray the historical costs of the conversion planning and implementation already borne by the City. The Participation Fee shall be charged at a rate of \$35.00 per ESFC.

- c. **Out of City Service Charge** – All Participants not within the city limits will pay a an out of city service charge established by ordinance which will be deposited in the Surface Water Fund unless contractually amended otherwise.

IV) Water Source

The GRP Administrator shall make the determination of how best to serve a participant based on the most economically feasible source that matches that participant's need.


V) GRP Infrastructure Ownership

The ownership of the infrastructure directly involved and/or related to the implementation of the Ground Water Reduction Plan shall be built, maintained, and owned by the City as the GRP Administrator. All Participants shall share both the costs of the infrastructure and its upkeep and the benefits generated by the infrastructure. The costs of all infrastructure implemented for the surface water conversion process shall be disbursed through the Surface Water Fund.

APPROVED on May 01, 2007.

/s/
David G. Wallace, Mayor

ATTEST:



Glenda Gundermann, City Secretary

Reviewed for Legal Compliance:

