



MEMORANDUM

To: Mayor and City Council

From: Kent Collins, P.E., Director of Public Works

Date: March 26, 2019

Reference: Contract with the Cypress Waters Property Association for Untreated Irrigation Water

2030: Sustainable City Government, Goal 3
Excellent and Well-maintained City Infrastructure and Facilities

General Information:

- The City has a contractual obligation to operate North Lake within a specified water elevation of a 1 foot “operating pool depth”.
- The City has a contractual obligation to provide irrigation water for the property surrounding North Lake, being developed as Cypress Waters.
- The City is pursuing changes to the water rights in North Lake from industrial to irrigation use.
- The City has approved a contract with the City of Dallas to purchase untreated water for irrigation purposes and has received permission from the City of Dallas to sell that untreated water.
- The City has approved contracts and has started work to provide on-call pumping services as well as establish a pumping intake platform to deliver untreated water from the Elm Fork of the Trinity River into North Lake.
- The proposed agreement with Cypress Waters identifies the terms under which irrigation water will be taken from North Lake, in accordance with previous agreements.

Introduction:

This agenda item is presented to consider approval of an agreement between Cypress Waters Property Association and City of Coppel to sell untreated water from North Lake for irrigation purposes only; and authorizing the City Manager to sign said agreement.

History:

North Lake was built in 1957 by Dallas Power and Light (later known as Luminant) as a cooling pond for a steam electric generating plant. In 2010, the power plant was decommissioned and by 2012, ownership was transferred to the City of Coppell. Cypress Waters soon began to develop around the lake. In the agreement with Cypress Waters, the City was responsible for lowering the pool elevation by 25 feet, constructing a new spillway, and lowering the elevations of the main and saddle dam. Construction of these modifications by the City was complete in 2014. Currently, North Lake has a normal pool elevation of 485'. The City has a commitment to maintain North Lake within a specified water elevation of a 1 foot "operating pool depth." The City also has a commitment to provide up to 1250 acre-feet of water annually to Cypress Waters for irrigation purposes. Cypress Waters is currently working to construct facilities to pump irrigation water from North Lake. An analysis of water supply alternatives identified untreated water pumped from the Elm Fork of the Trinity River as the preferred alternative (compared to treated water or drilling water wells). The implementation of the raw water pumping system (from the Elm Fork into North Lake) is in progress and the City is in the process of making formal changes to the water rights for North Lake. The water rights allow for 1000 acre-feet of water per year from North Lake. The purchased water from DWU will supply the additional 250 acre-feet for irrigation and the water to maintain the lake level, as needed.

Analysis:

The proposed agreement is modeled after the agreement between the City of Coppell and the City of Dallas for the purchase of untreated water. As written, Cypress Waters is limited to 1250 acre-feet of irrigation water per year and will pay the current regular untreated water rate as adopted by the City of Dallas, plus a reasonable administrative charge of \$5,000 per year, amended each five years based on the 5-year change in CPI. The agreement details the pumping location, that Cypress Waters will need to meter the irrigation water and report to the City of Coppell for billing purposes, etc. Cypress Waters will pay the same rate that DWU charges the City of Coppell for untreated water, plus the administrative fee.

Legal Review:

The agreement was prepared by the City Attorney.

Fiscal Impact:

The fiscal impact of this agenda item will depend on annual weather conditions and the quantity of water used for irrigation.

Recommendation:

The Public Works Department recommends approval of this contract.