

Memorandum



CITY OF DALLAS

DATE April 5, 2013

TO Honorable Members of the Transportation and Environment Committee: Linda L. Koop (Chair), Sheffie Kadane (Vice Chair), Sandy Greyson, Delia Jasso, Vonciel Jones Hill, Pauline Medrano

SUBJECT **North Texas Municipal Water District Untreated Water Contract**

On November 30, 2012, Dallas received a formal request from the North Texas Municipal Water District (NTMWD) to purchase up to 60 million gallons per day (MGD) of raw water for an initial term of three years. The request has been made due to the on-going drought as well as the loss of 26% of its supply as a result of the zebra mussel infestation in Lake Texoma. The initial term of this contract would allow NTMWD to complete a \$300M pipeline to bring Lake Texoma's water supply directly to its water treatment plant.

City staff has completed an evaluation of the impact NTMWD's request would have on Dallas' water supplies. Based on the planning conditions of the 1950's drought, the sale of up to 60 MGD will not impact the timing of any of the City's potential drought triggers if the drought of record reoccurs.

Although final details of the contract are being completed, the general terms are for the sale of up to 60 MGD of water for a three year term including a renewal option. NTMWD would pay an annual fee to reserve 60 MGD of water plus a cost per 1,000 gallons of water used. The contract includes an incentive for a District wide implementation of water conversation rules for permanent maximum twice weekly watering restrictions for customers and member cities which make up 95% of their demand.

A briefing is scheduled for the April 22, 2013 Transportation and Environment Committee and it is anticipated that the contract will be brought to the City Council for consideration at its April 24, 2013 Agenda Meeting.

Please let me know if you need additional information.

A handwritten signature in black ink, appearing to read 'Forest E. Turner'.

Forest E. Turner
Assistant City Manager

Cc: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Thomas P. Perkins, Jr., City Attorney
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
Judge Daniel F. Solis, Administrative Judge
A.C. Gonzalez, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Ryan S. Evans, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Edward Scott, Director, Controller's Office
Frank Libro, Public Information Office
Stephanie Cooper, Assistant to the City Manager – Council Office